

January, 2025

# TAX Bulletin

Volume - 175

02.01.2025



## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

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## Objectives of Taxation Committees:

1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders and also Crash Courses on GST for Colleges and Universities.

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# The Institute of Cost Accountants of India

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## Certificate Courses Offered by the Tax Research Department

1. Certificate Course on GST (CCGST)
2. Advanced Certificate Course on GST (ACCGST)
3. Advanced Certificate Course on GST Audit and Assessment Procedure (ACGAA)
4. Certificate Course on TDS (CCTDS)
5. Certificate Course on Filing of Returns (CCFOF)
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7. Certificate Course on International Trade (CCIT)

Admission Link - <https://eicmai.in/advsc/DelegatesApplicationForm-new.aspx>

### Modalities

Description	Course Name						
	CCGST	ACCGST	ACGAA	CCTDS	CCFOF	ACIAA	CCIT
Hours	72	40	30	30	30	30	50
Mode of Class	Offline/ Online	Online					
Course Fee* (₹)	10,000	14,000	12,000	10,000	10,000	12,000	10,000
Exam Fee* (₹)	1,000 per attempt						
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<https://icmai.in/TaxationPortal/OnlineCourses/index.php>

## Courses for Colleges & Universities by the Tax Research Department

### Modalities

### Eligibility

- ▲ B.Com/ BBA pursuing or completed
- ▲ M.Com/ MBA pursuing or completed

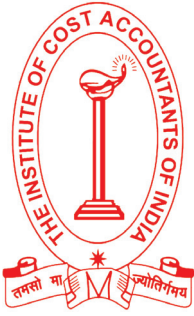
Description	Courses for Colleges and Universities	
	GST Course	Income Tax
Batch Size	Minimum 50 Students per Batch per course	
Course Fee* (₹)	1,000	1,500
Exam Fee* (₹)	200	500
Duration (Hrs)	32	32

For enquiry about courses, mail at: [trd@icmai.in](mailto:trd@icmai.in)

\*18% GST is applicable on both Course fee and Exam fee

Behind every successful business decision, there is always a **CMA**





# Chairman's Message



**CMA Rajendra Singh Bhati**  
**Chairman Direct Taxation Committee**

**T**oday, I would like to start by wishing all the readers a very happy, healthy and prosperous new year. I solicit their constructive guidance this year through as I have received for the last year.

The next most important contribution by the department has been the conduct of the Workshop on Inventory Valuation on 19.12.2024 at the Office of Principal Chief Commissioner of Income Tax, Bhubaneswar, Odisha. The speakers in this session addressed the Income Tax Officers at different levels and also solicited their feedback on how the Cost Accountants can more effectively be a part of Tax Compliance in the country. Topics discussed in this session has been (i) Inventory Valuation under Section 142(2A) of Income Tax Act, 1961 by Cost Accountants (ii) Inventory Valuation and its' Accounting Vs. reliance on the Computation of Income (ICDS and Ind As) (iii) Identifying Red Flags Early Warning Signals (EWS) in inventory Valuation (iv) Inventory Valuation -Common Window Dressing Practices (v) Tools and Techniques for Detection: Including - Screening of inventory valuation methods and calculations & - Review of Income Tax Return filed by the Assessee, (vi) Income Tax Regulatory Frame work [Section 139 – 142] (vii) Applicability of section 142(2A) - Circumstances under which the valuation of Inventory made by the Assessee not be accepted by the I.T. Authority (viii) Data Collection, computation and valuation in SAP environment and (ix) Practical aspects associated with the Inventory Valuation in Cost Records. The eminent Faculties who have undertaken the sessions are CMA Niranjana Mishra, Practising Cost Accountant, CMA Ravi Sahn, Practising Cost Accountant and CMA Shailendra Berdia, Arbitrator. The sessions has been very valuable and appreciated by the participants hugely.

On the part of the department, classes for the Taxation Courses has continued in this fortnight with participation of students across corporates in this ensuing batch. The publication of Tax Bulletin is done regularly.

I wish the best regards to the department and the Resource Persons for their efforts.

Wishing everyone a very happy new year again.

**CMA Rajendra Singh Bhati**

Chairman – Direct Taxation Committee

**The Institute of Cost Accountants of India**

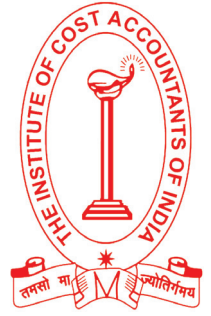
02.01.2025



# Chairman's Message

**CMA Dr. Ashish P. Thatte**

**Chairman Indirect Taxation Committee**



**N**ew Year means new hopes, new commitments and striving towards making a better version of ourselves. With this new thought I wish all of the readers a happy and prosperous new year, may this new year bring in more joy, health and peace to you.

The GST Network (GSTN) has announced significant E-Way Bill and E-Invoice system updates effective from 1st January 2025. These changes are designed to enhance compliance, security, and integration with other systems. Below is a detailed summary of the new validations and updates. This would impact the Taxpayers to ensure timely preparation and validation of documents to meet the 180-day E-Way Bill generation limit. Transporters to coordinate with businesses for timely document availability to avoid disruptions in goods movement. Goods in godowns, warehouses, or hubs with pending Part B should be checked frequently, with regular coordination between suppliers and buyers to ensure smooth operations etc. This change would surely smoothen out the process of application of GST and it would be more technology driven moving forward.

Starting from November, 2024, the GST Amnesty Scheme is also being continued. The principal benefits/ features that this scheme is bringing in would be:

- applies for the financial years 2017-18 to 2019-20. It applies to non-fraudulent cases assessed under Section 73
- It waives interest under Section 50, penalty or both.
- To qualify for the amnesty, the tax amount due must be paid by the specified deadline - March 31, 2025.
- Applications for waivers must be submitted before June 30, 2025.
- No refunds will be provided if interest or penalties have already been paid.
- A separate application must be filed for multiple notices, statements or orders.
- The waiver is not applicable if an appeal or writ petition is pending and not withdrawn.
- It is not applicable if any amount is payable due to an erroneous refund.
- Further appeal is not allowed against the concluded order.
- Proper and timely filing of forms is essential to avoid rejections and ensure waiver approval.

This scheme has been noticed and applied for by quite a number of Tax payers.

On the TRD side, the classes for the Taxation Courses continued in this fortnight. Tax Bulletins are published regularly and all other activities are being carried on seamlessly by the department. Quiz is also being conducted every Friday for the members.

*Ashish Thatte*

**CMA (Dr) Ashish P Thatte**

Chairman – Indirect Taxation Committee

**The Institute of Cost Accountants of India**

02.01.2025

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# C O N T E N T S



Articles on the Topics of Direct and Indirect Taxation are invited from readers and authors. Along with the article please share a recent passport-sized photograph, a brief profile and the contact details. The articles should be the author's own original.

Please send the articles to  
[trd@icmai.in](mailto:trd@icmai.in) / [trd.dd2@icmai.in](mailto:trd.dd2@icmai.in)

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# The retrospective amendment proposed by the 55th GST Council:

## Creating another layer of complexity



CMA Pramod Kumar Agarwal

Dy. General Manager | Finance & Accounts- Taxation  
GAIL (India) Ltd

The GST Council's recent recommendations introduce key reforms and compliance updates aimed at streamlining tax processes and reducing business costs.

The key recommendations made by the Council are:

- Following shall neither be supply of goods nor supply of services:
  - (a) Transactions in vouchers (both specific and general-purpose voucher).
  - (b) Supply of goods warehoused in a Special Economic Zone (SEZ) or Free Trade Warehousing Zone (FTWZ) to any person before clearance of such goods for exports or to Domestic Tariff Area (DTA)
- Section 17(5)(d) to be amended retrospectively w.e.f. 1 July 2017 to replace the phrase “plant or machinery” with “plant and machinery”.
- Sponsorship service provided by a body corporate to be covered under forward charge.
- Input Service Distributor (ISD) provisions to be amended to include reference of supplies covered under section 5(3) and 5(4) of the Integrated Goods and Services Tax Act, 2017 (IGST Act) i.e., inter-state RCM transactions.
- Various provisions to be amended in CGST Act and CGST Rules in respect of functionality of Invoice Management System (IMS).
- Pre-deposit to be reduced for filing an appeal before

the Appellate Authority in cases involving only penalty without involving the demand of tax.

This article provides analysis of ruling of Hon'ble Supreme Court and likely repercussion of retrospective amendment in Section 17(5)(d) of the CGST Act, 2017, replacing “plant or machinery” with “plant and machinery” from 01.07.2017, which nullifies the Supreme Court's Safari Retreats ruling and significantly impacts the construction sector and few other sectors.

## Analysis of landmark ruling of the Hon'ble Supreme Court in case Safari Retreat:

### Background:

- The assessee was carrying on the business of constructing shopping malls for letting out to various tenants and lessees.
- Various goods and services required for construction of one shopping mall in Odisha were procured by the assessee.
- The assessee approached Revenue authorities for availing input tax credit (ITC) on goods/services used for construction of shopping mall and utilize this credit against payment of outward GST on rentals received from the tenants.

- However, the assessee was advised to deposit GST without claiming ITC, in view of section 17(5)(d) of the Central Goods and Services Tax Act, 2017 (CGST Act), which restricts ITC on goods and/ or services for construction of an immovable property (other than plant and machinery) on its own account.
- Being aggrieved, the assessee challenged the action of tax authorities by way of a writ petition before the Orissa High Court.
- The Orissa High Court read down section 17(5) (d) as the very purpose of ITC, is to benefit the assessee and held that, since the assessee is required to pay GST on outward supplies, ITC should not be restricted on construction services procured by it.
- Against the said ruling of the Orissa High Court, the Department filed a writ petition before the Supreme Court. There were similar writ petitions filed before the Supreme Court, which were disposed off in the instant case.

## Observations and ruling of the Supreme Court

- “Plant or machinery” in section 17(5)(d) cannot be read as “plant and machinery” used in section 17(5) (c), and that a building can also qualify as plant under section 17(5)(d) of the CGST Act.
- When the legislature has used the expression “plant and machinery,” only a plant will not be covered by the definition. The expression includes such foundations and structural supports fixed to the earth. However, the definition excludes land, buildings, or any other civil structures.
- The expression “plant or machinery” has a different connotation; it can be either a plant or machinery. The very fact that the expression “immovable property other than “plants or machinery”” is used shows that there could be a plant that is an immovable property.
- If it is found, based on the facts, that a building has been planned and constructed to serve an assessee’s special technical requirements, it will qualify to

be treated as a “plant”. The word “plant” must be interpreted by applying the functionality test.

- If a building qualifies as a plant, ITC can be availed against the supply of services in the form of renting or leasing the building or premises, provided the other terms and conditions of the GST law are fulfilled.
- If the construction of a building by the recipient of service is for his own use, the ITC would not be available.
- The case was remanded back to the High Court to decide whether, on facts, the mall in question satisfies the functionality test so that it can be termed as a plant within the meaning of section 17(5)(d).

## Recommendation to amend ‘Plant or Machinery’ under Section 17(5)(d) of the CGST Act with ‘Plant & Machinery’

To align provisions of Section 17(5)(d) of the CGST Act, 2017 (‘CGST Act’) with the intent of the said section, the Council has recommended to amend Section 17(5)(d) of CGST Act, to replace the phrase ‘plant or machinery’ with ‘plant and machinery’, retrospectively, with effect from 01-07-2017(i.e. since inception of GST), so that the said phrase may be interpreted as per the explanation given at the end of Section 17 of the CGST Act.

As per the GST Council, this was a **drafting error & such amendment is necessary to align the provisions of Section 17(5)(d) of the CGST Act with the intent of the legislature.**

This topic has been highly debated due to its significant impact on the availability of input tax credit (‘ITC’), which was previously deemed ineligible, particularly for industries like construction and real estate.



The issue in Safari matter was whether the phrase ‘plant or machinery’ in Section 17(5)(d) can be given the same meaning as, the explanation appended at the end of Section 17(5) which defines the term ‘plant and machinery’.

After much deliberation, it was held by Hon’ble Supreme Court that ‘plant or machinery’ cannot be given the same meaning as provided for ‘plant and machinery’. Also, it was observed that, ITC can be availed on goods and services used for construction of immovable property subject to its use, which is to be decided on a case-by-case basis by applying a functionality test, considering the unique business requirements and the role that immovable property plays in the said business.

Now the Council has recommended to replace the phrase ‘plant or machinery’ with ‘plant and machinery’, retrospectively, with effect from 01-07-2017, which reinforces the departments view and upholding the understanding that ITC should not be available on exceptions carved out by the explanation appended at the end of Section 17(5) which defines the term ‘plant and machinery’.

The companies that availed ITC based on the Safari Retreats ruling will need to reassess their ITC claims, once the recommended amendment is implemented.

### **Likely Repercussion of the change from “OR” to “AND”**

- Limiting the scope of Input Tax Credit : The change from “or” to “and” narrows the eligibility for ITC by requiring that both “plant and machinery” must be present for credit eligibility. This directly impacts taxpayers who relied on the broader interpretation.
- Reversal of Judicial Precedents: The Supreme

Court’s ruling in the Safari Retreats case, which permitted ITC based on a functionality test, may no longer hold relevance under the revised statutory language.

- Increased Compliance Burden: Businesses that claimed ITC under the earlier interpretation may face audits, disputes, or demands for reversal of credit.
- Sectoral Impact: Real estate developers and infrastructure companies will bear the brunt, as the construction of buildings and malls is likely to be excluded from ITC eligibility.

## Concluding Remarks :

**T**he GST Council has made a recommendation to amend the law retrospectively. The Government of India can take a mindful decision and either not amend the law or amend the law only with prospective effect or alternatively, the GST Council can revisit the decision taken in the 55th Council Meeting in its ensuing meeting and decide not to amend the law taking into account the concerns expressed by the effected industries. This would produce a positive signal to the world at large in respect to tax certainty and specially to the investing community that India means business and investors should stop worrying about retrospective tax laws which will hit them with huge liabilities.

Further, availability of Input Tax credit is the essence of the GST law, restrictive scope, that too from past years will further create sense of tax uncertainty to the effected sectors. Further, those who have already claimed will further knock the door of courts and create layer of litigations for years.

# GST Provisions for MSMEs in 2024



CMA Mahendra Saini

Cost Accountant

## Simplified and Enhanced for Growth:

### Understanding MSMEs and Their Role in India's Economy

Micro, small, and medium enterprises (MSMEs) are one of the driving forces driving the Indian economy towards global significance. As per the Udayam portal, MSMEs take into employment over 2 crore people, firmly establishing themselves as the bedrock of the economy.

Aided partly by reformatory government initiatives and technological innovations, the MSME sector has grown exponentially, accounting for 46% of India's total exports.

To support MSMEs, the Indian government has implemented numerous reforms under the Goods and Services Tax (GST) framework, aimed at simplifying compliance, reducing costs, and boosting financial stability.

## What are MSMEs?

Under the MSMED Act, 2006, MSMEs are categorized based on investment in plant and machinery or equipment and annual turnover:

- **Micro Enterprises:**
  - ▶ Investment: Up to ₹1 crore.
  - ▶ Turnover: Up to ₹5 crore.
- **Small Enterprises:**
  - ▶ Investment: Up to ₹10 crore.
  - ▶ Turnover: Up to ₹50 crore.
- **Medium Enterprises:**
  - ▶ Investment: Up to ₹50 crore.
  - ▶ Turnover: Up to ₹250 crore.

These enterprises span industries like manufacturing, retail, and services, contributing significantly to India's economic development.

## GST Registration for MSMEs:

GST registration is mandatory for businesses exceeding certain turnover thresholds. It ensures compliance and allows businesses to claim benefits like Input Tax Credit (ITC).

**Threshold Exemptions:** For below category MSMEs are not required to take registration in GST, however voluntary registration can be taken.

- Turnover up to ₹ 40 lakh: For suppliers of goods. (in case of Telangana it is ₹ 20 lacs)
- Turnover up to ₹ 20 lakh: For service providers.
- **Special Category States:** Lower thresholds of ₹ 20 lakh (goods) and ₹ 10 lakh (services).

**Voluntary Registration:** Even if a business's turnover is below the threshold, many MSMEs opt for GST registration to:

- Claim ITC on purchases, reducing their tax burden to pass on the tax benefits and supply at competitive prices.
  - Expand market reach and work with GST-registered clients.
  - Participate in government tenders.
- Pass on the tax benefits and supply at competitive prices.

## Key GST Concepts for MSMEs

### 1. GST Composition Scheme

- Simplified tax compliance for businesses with turnover up to ₹ 1.5 crore. The tax has to be paid on quarterly basis. Such taxpayer does not have





to maintain elaborate accounts and records and instead of two monthly statements and a return (which a normal taxpayer has to file under GST), the composition taxpayers need to pay the taxes quarterly based on a declaration. They need to file only one return now on annual basis.

- **Flat Tax Rates:**

The rate of tax under composition levy scheme is as given below:

- (a) 1% of the turnover in the State or UTs, in case of eligible manufacturers.
- (b) 1% of the turnover of taxable supplies in the State or UTs, in case of traders.
- (c) 5% of the turnover in the State of UTs, in case of supplies referred to in para 6(b) of Schedule II (i.e. restaurant services and works contracts services).
- (d) 6% of the turnover of taxable supplies in the State or UTs, in case of suppliers dealing in services only or goods and services together.

- Cannot claim ITC; invoices must state “Composition Taxable Person.”
- Ideal for small, local businesses with minimal compliance needs.

## 2. Normal GST Scheme

- Suitable for businesses with turnover exceeding ₹1.5 crore or those involved in interstate transactions.
- Requires filing monthly returns (GSTR-1 and GSTR-3B).
- Eligible for ITC, reducing the effective tax burden on purchases.

**Comparison:**

- ▶ **Composition Scheme:** Simplifies compliance, offers a flat tax rate, but no ITC.
- ▶ **Normal Scheme:** Provides ITC but involves monthly filing and more compliance.

## 3. Quarterly Filing Option

- MSMEs with turnover up to ₹5 crore can file GSTR-1 and GSTR-3B quarterly, easing compliance requirements.

## What is GSTR-3B?

GSTR-3B is a simple summary return under GST that includes:

- **Taxable Sales:** Total sales for a tax period.
- **Tax Paid:** GST liability (CGST, SGST, IGST).
- **ITC Claimed:** Tax credit for GST paid on purchases. It ensures timely tax deposits and is mandatory for all GST-registered businesses.

## Major GST and Tax Reforms for MSMEs

### 1. Input Tax Credit (ITC) Relaxations

- **Extended Time Limits:** Businesses can now claim ITC for invoices and debit notes from prior financial years up to 30th November of the following year.
- **Streamlined ITC Refunds:** Faster processing ensures quicker access to working capital.

### 2. E-Invoicing Threshold

- **Threshold:** E-invoicing is mandatory for businesses with turnover exceeding ₹5 crore.
- **Challenge for MSMEs:** Many rely on third parties for e-invoice generation, increasing compliance costs.

<https://einvoicel.gst.gov.in/Others/BulkGenerationTools>

- **Proposed Solutions:**
  - ▶ Exempt MSMEs from e-invoicing or specify a higher value threshold.
  - ▶ Introduce mobile apps for generating e-invoices.

### 3. Reverse Charge Mechanism (RCM) Relief

- Under RCM, buyers pay GST directly to the government for supplies from unregistered vendors. This strains MSME cash flow.
- **Suggestion:** Allow MSMEs to use ITC for RCM liabilities or exempt them based on turnover.

**As per 55th GST council meeting -Amendment in the field ‘category of registered person’ for taxpayers who opted for composition levy through FORM CMP-02**

To amend sub-rule (1) of rule 19 of CGST Rules, 2017 to include reference to FORM GST CMP-02 in the said rule to allow the taxpayers to modify their “category of registered person” in Table 5 of FORM GST CMP-02 through FORM GST REG-14.

#### 4. Tax Payment on Cash Basis

- Currently, GST is payable upon issuing invoices, even before receiving payment.
- Proposed Change: Allow MSMEs to pay GST on a cash basis, similar to the previous Service Tax regime, and permit tax adjustments for bad debts.

#### 5. Interest Rate Rationalization

- Current Rate: 18% for delayed payments.
- Suggestion: Reduce this rate for non-fraudulent cases, considering MSME cash flow challenges.

#### 6. Simplifying Export Compliance

- MSMEs face complex documentation for export-related refunds, causing delays.
- Proposed Solutions:
  - ▶ Relax export qualification conditions.
  - ▶ Establish dedicated GST refund processing wings for MSMEs.

##### Export with Payment of Tax:

- ▶ In this option, the exporter pays GST on the goods/services being exported and can subsequently claim a refund of the tax paid.
- ▶ This option is advisable if the exporter has accumulated input tax credit (ITC) which can be utilized, as it allows for a refund of the GST paid.
- ▶ It is beneficial when the exporter’s input costs are high, as it maximizes the refund claim.

### Key Benefits of GST for MSMEs

#### A. Simplified Compliance

1. The Composition Scheme reduces filing complexities.
2. Quarterly filing options allow smaller businesses to focus on operations.

#### B. Lower Tax Rates

1. Reduced GST rates on goods predominantly manufactured by MSMEs (e.g., jute, fishing hooks) lighten their tax burden.

#### C. Export Incentives

1. Supplies to exporters attract a reduced GST rate of 0.1%, improving cash flow.
2. Export-oriented units (EOUs) are exempt from IGST, enhancing competitiveness.

#### D. Credit Support

1. The Credit Guarantee Scheme offers loans without collateral.
2. The MUDRA Scheme provides collateral-free microloans of up to ₹20 lakh, aiding MSME growth.

### Major Challenges Faced by MSMEs

- High Compliance Costs: Managing IT infrastructure and multiple return filings creates financial strain.
- Payment Delays: Large businesses often delay payments, affecting cash flow.
- Complex Taxation Rules: Determining place of supply and claiming ITC can be challenging.

### Proposed Reforms for MSMEs

- Unified Tax Filing Systems: A single GST Tax for all businesses would simplify compliance
- Deferral of Tax on Stock Transfers: Section 45 of the IT Act lays down the general rule that capital gains on transfer of a capital asset shall be deemed to be taxable in the year in which the transfer takes place, with no specific exceptions to exclude deferred consideration from taxation in the year of transfer.

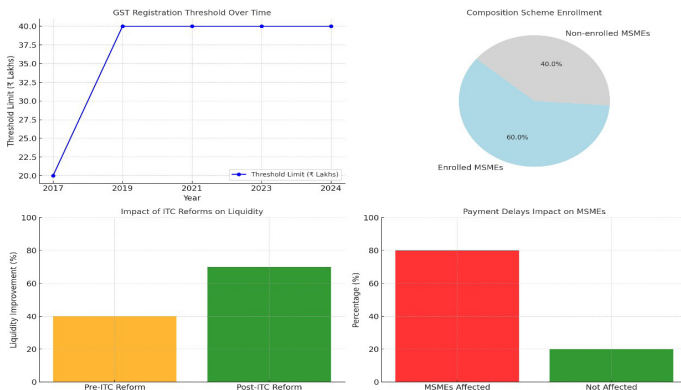
Threshold Increase for Composition Scheme: Raising the limit beyond ₹1.5 crore would benefit more MSMEs, the move to raise the threshold for GST registration is significant, as it would help the MSMEs who had been badly hit by various problems like demonetization, and business disruption in the early days of GST implementation and credit squeezes etc.



## Visual Insights

- GST Registration Threshold Over Time: (Graph showing gradual increase in registration threshold limits)
- Composition Scheme Enrollment: (Pie chart depicting the share of MSMEs enrolled under the scheme)
- Impact of ITC Reforms: (Bar chart comparing liquidity before and after ITC automation)
- MSME Payment Delays: (Flowchart explaining the payment cycle problem and solutions).

Visual Insights on GST for MSMEs



## Conclusion

The GST framework has brought significant benefits to MSMEs, such as simplified compliance, reduced tax burdens, and export incentives. However, challenges like high compliance costs, cash flow issues, and complex refund processes persist.

By implementing proposed reforms— GST having less complexity, allows MSMEs to do business comparatively with ease in India. The distinction between Goods and Services having gone away, it makes the compliance with the laws under GST easier for MSMEs.

The government can further empower MSMEs, enabling them to thrive in a competitive market and contribute robustly to India’s economic growth.

## Looking Ahead: Empowering MSMEs for Sustainable Growth

As the Union Budget 2024–25 approaches, MSMEs are eagerly awaiting key reforms to address long-standing

challenges and foster growth. The sector’s role in India’s economic development remains crucial, but for MSMEs to continue contributing meaningfully to GDP, exports, and employment, certain structural changes are necessary.

MSMEs are the backbone of economies worldwide, contributing significantly to employment generation, economic growth, and innovations. However, MSMEs often face numerous challenges that delay their growth and competitiveness, including limited access to finance, regulatory barriers, and technological constraints. To address these challenges and unlock their full potential, governments and policymakers have a crucial role to play in designing and implementing supportive policies and master plans tailored to the needs of MSMEs.

1. Skill Development and Capacity Building
2. Access to Finance and Credit Facilities
3. Inclusive, Sustainable Growth
4. Digital Transformation Initiatives
5. National Productivity Master Plans

The need for dedicated financial policies and a more inclusive credit ecosystem remains a key focus for MSME representatives.

Additionally, creating a robust export infrastructure and facilitating international market access are critical for India to enhance its competitiveness globally.

MSMEs are essential for India’s economic growth, creation of employment and supporting large industries with cost-effective solutions. Over the years, the Goods and Services Tax (GST) has played a significant role and benefitted MSMEs by unifying the tax structure, easing logistical movement and in creating a transparent business environment, can drive transparency and ease of doing business. Lowering compliance burdens, enhancing financial inclusion, and offering support for emerging technologies and intellectual property rights will not only benefit MSMEs but also contribute to a more sustainable and competitive economy.

The sector is hopeful that the upcoming budget will address these areas effectively, ensuring that MSMEs continue to thrive and play their part in India’s journey towards becoming a ‘Viksit Bharat’ by 2047. The potential for MSMEs to fuel innovation, job creation, and economic resurgence is immense, provided the government continues to prioritize their needs and challenges.

# PRESS RELEASE

## Ministry of Finance Year Ender 2024: Department of Revenue

Posted On: 24 DEC 2024 6:25PM by PIB Delhi

In the year 2024, the Central Board of Direct Taxes (CBDT) and Central Board of Indirect taxes and Customs (CBIC), under the Department of Revenue, Ministry of Finance, have continued their citizen-centric initiatives, driving significant reforms to enhance taxpayer experience.

The CBDT maintained its focus on taxpayer outreach and assistance through active helpdesks and embraced faceless processes, reinforcing its commitment to transparency and efficiency. Speedy processing of returns and refunds remained a priority, with over **2.35 lakh crore refunded** and more than **3.87 crore Income Tax Returns (ITRs)** processed within 7 days. Innovations like **TIN 2.0**, pre-filing of ITRs, and updated returns continued to streamline processes, resulting in **47.52 lakh updated returns filed**.

The CBIC continued to review and reform initiatives towards enhancing the efficiency and integrity of the Goods and Services Tax (GST) system in its seventh year. The CBIC leveraged **advanced data analytics and artificial intelligence** to further strengthened its registration processes by refining the risk rating system for applicants, ensuring rigorous verification to prevent fraud. Initiatives such as **geo-tagging of business locations**, system-based suspension of registrations for non-filers, and risk-based refund processing continued to demonstrate CBIC's commitment to curbing malpractices.

To simplify compliance, the sequential filing of **GSTR-1** and **GSTR-3B** was enforced, promoting timely returns and seamless availability of input tax credits. Special drives against fake registrations, automated intimation of mismatches, and a dedicated functionality for unregistered persons to apply for temporary registrations highlighted CBIC's proactive compliance measures.

Additionally, initiatives supporting businesses included

the **transfer of balances in electronic cash ledgers**, exemptions for small taxpayers, and facilitation of intra-state supply through e-commerce operators. The **extension of GST exemptions for satellite launch services** and further simplification of late fee structures were also noteworthy.

On the Customs front, the CBIC introduced regulatory and policy reforms, such as rationalisation of Customs duty rates and steps toward decriminalisation. Technological advancements like **ICEGATE 2.0** and the **Anonymised Escalation Mechanism** continued to modernise tax administration. Infrastructural upgrades, including **pre-gate processing facilities** and modernisation of control laboratories, enhanced operational efficiency. These efforts collectively reinforced CBIC's commitment to transparency, Ease of Doing Business, and robust compliance frameworks in the year 2024.

Besides these, the Department of Revenue also continued to contribute towards strengthening financial intelligence gathering and enabling enforcement through multiple measures. One major highlight of the FIU was India achieving a high-level of technical compliance across the Financial Action task Force (FATF) recommendations to tackle illicit finance.

Major achievements of 2024 by **Financial Intelligence Unit (FIU)** under the Department of Revenue, Ministry of Finance.

The entire press release can be read at:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2087659>

## Monthly review of accounts of Government of India upto November, 2024 (FY2024-25)

Posted On: 31 DEC 2024 4:08PM by PIB Delhi

The monthly account of the Government of India upto the month of November, 2024, has been consolidated and reports published. The highlights are given below: -





The Government of India has received ₹18,94,408 crore (59.1% of corresponding BE 2024-25 of Total Receipts upto November, 2024 comprising ₹14,43,435 crore Tax Revenue (Net to Centre), ₹4,27,020 crore of Non-Tax Revenue and ₹23,953 crore of Non-Debt Capital Receipts. ₹8,12,063 crore has been transferred to State Governments as Devolution of Share of Taxes by Government of India upto this period which is ₹2,10,697 crore higher than the previous year.

Total Expenditure incurred by Government of India is ₹27,41,002 crore (56.9% of corresponding BE 2024-25), out of which ₹22,27,502 crore is on Revenue Account and ₹5,13,500 crore is on Capital Account. Out of the Total Revenue Expenditure, ₹6,58,494 crore is on account of Interest Payments and ₹2,79,211 crore is on account of Major Subsidies.

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## INDIRECT TAX

### Recommendations of the 55th Meeting of the GST Council

**GST Council recommends reduction in GST rate on Fortified Rice Kernel (FRK), classifiable under 1904, to 5%**

**GST council also recommends to fully exempt GST on gene therapy**

**GST Council recommends exemption of GST on contributions by general insurance companies from third- party motor vehicle premiums for Motor Vehicle Accident Fund**

**GST Council recommends no GST on transaction of vouchers as they are neither supply of goods nor supply of services. The provisions related to vouchers is also being simplified.**

**GST Council clarifies that no GST is payable on 'penal charges' levied and collected by banks and NBFCs from borrowers for non-compliance with loan terms**

**GST Council recommends reduction of payment of pre-deposit for filing an appeal before the Appellate Authority in respect of an order passed which involves only penalty amount**

**Posted On: 21 DEC 2024 8:23PM by PIB Delhi**

The 55th GST Council met under the Chairpersonship of Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman in Jaisalmer, Rajasthan, today.

The meeting was also attended by Union Minister of State for Finance Shri Pankaj Chaudhary, Chief Ministers of Goa, Haryana, Jammu and Kashmir, Meghalaya and Odisha; Deputy Chief Ministers of Arunachal Pradesh, Bihar, Madhya Pradesh, and Telangana; besides Finance Ministers of States & UTs (with legislature) and senior officers of the Ministry of Finance & States/ UTs.

The GST Council inter-alia made the following recommendations relating to changes in GST tax rates, provide relief to individuals, measures for facilitation of trade and measures for streamlining compliances in GST.

#### A. Changes in GST rates of goods GOODS

1. To reduce the GST rate on Fortified Rice Kernel (FRK), classifiable under 1904, to 5%.
2. To exempt GST on gene therapy.
3. To extend IGST exemption to systems, sub-systems, equipment, parts, sub-parts, tools, test equipment, software meant assembly/manufacture of LRSAM system under Notification 19/2019- Customs.
4. To reduce the rate of Compensation Cess to 0.1% on supplies to merchant exporters at par with GST rate on such supplies.
5. To exempt from IGST imports of all equipment and consumable samples by Inspection Team of the International Atomic Energy Agency (IAEA) subject to specified conditions.

6. To extend the concessional 5% GST rate on food inputs of food preparations under HSN 19 or 21 that are supplied for food preparations intended for free distribution to economically weaker sections under a government program subject to the existing conditions.

## **SERVICES**

1. To bring supply of the sponsorship services provided by the body corporates under Forward Charge Mechanism.
2. To exempt GST on the contributions made by general insurance companies from the third-party motor vehicle premiums collected by them to the Motor Vehicle Accident Fund, constituted under section 164B of the Motor Vehicles Act, 1988. This fund is constituted for providing compensation/cashless treatment to the victims of road accidents including hit and run cases.
3. To omit the definition of declared tariff and suitably amend the definition of specified premises (from the services rate and exemption notifications) to link it with actual value of supply of any unit of accommodation provided by the hotel and to make the rate of GST applicable on restaurant services in such hotels, for a given financial year, dependent upon the 'value of supply' of units of accommodation made in the preceding financial year, i.e. 18% with ITC if the 'value of supply' exceeded Rs. 7,500 for any unit of accommodation in the preceding financial year, and 5% without ITC otherwise. Further, to give an option to pay tax on restaurant service in hotels at the rate of 18% with ITC, if the hotel so chooses, by giving a declaration to that effect on or before the beginning of the financial year or on obtaining registration. The above changes to be made effective from 01.04.2025 to avoid any transition difficulties.
4. To exclude taxpayers registered under composition levy scheme from the entry at Sr. No. 5AB introduced vide Notification No. 09/2024-CTR dated 08.10.2024 vide which renting of any commercial/ immovable property (other than residential dwelling) by unregistered person to registered person was brought under reverse charge

mechanism. Further, to regularize the period from the date when the notification No. 09/2024-CTR dated 08.10.2024, became effective i.e. from 10.10.2024 till the date of issuance of the proposed notification on "as is where is" basis.

## **Other changes relating to goods and services**

1. To increase the GST rate from 12% to 18 % on sale of all old and used vehicles, including EVs other than those specified at 18% -Sale of old and used petrol vehicles of engine capacity of 1200 cc or more & of length of 4000 mm or more; diesel vehicles of engine capacity of 1500 cc or more & of length of 4000 mm and SUVs.[Note: GST is applicable only on the Value that represents Margin of the Supplier, that is, the difference between the Purchase price and Selling price (depreciated value if depreciation is claimed) and not on the value of the vehicle. Also, it is not applicable in case of unregistered persons.]
2. To clarify that Autoclaved Aerated Concrete (ACC) blocks containing more than 50% fly ash content will fall under HS 6815 and attract 12% GST.
3. To clarify that pepper whether fresh green or dried pepper and raisins when supplied by an agriculturist is not liable to GST.
4. To amend the definition of 'pre-packaged and labelled' to cover all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are 'pre-packed' as defined under the Legal Metrology Act, or a label affixed thereto is required to bear the declarations under the provisions of the Act and rules.
5. To clarify that ready to eat popcorn which is mixed with salt and spices are classifiable under HS 2106 90 99 and attracts 5% GST if supplied as other than pre-packaged and labelled and 12% GST if supplied as pre-packaged and labelled. However, when popcorn is mixed with sugar thereby changing its character to sugar confectionary (eg caramel popcorn), it would be classifiable under HS 1704 90 90 and attract 18% GST. It has been decided to regularise the issues for the past on "as is where is" basis.(Note: There is no new imposition of any



tax in this regard and is merely a clarification as certain field units were demanding different tax rates on the same. Therefore, it is a clarification being recommended by the GST Council to settle the disputes arising out of interpretation.)

6. To clarify that the Explanation in Sl. No. 52B in notification No. 1/2017- Compensation Cess (Rate) dated 28.6.2017 regarding ground clearance is applicable with effect from 26.07.2023.
7. To clarify that RBI regulated Payment Aggregators are eligible for the exemption under entry at Sl. No. 34 of notification No. 12/2017-CT(R) dated 28.06.2017 since they fall within the ambit of 'acquiring bank' as defined in the said entry. To also clarify that this exemption does not cover payment gateway (PG) and other fintech services which do not involve settlement of funds.
8. To clarify that no GST is payable on the 'penal charges' levied and collected by banks and NBFCs from borrowers for non-compliance with loan terms.

## B. MEASURES FOR FACILITATION OF TRADE

1. Amendment in Schedule III of CGST Act, 2017
  - ▶ To insert clause (aa) in paragraph 8 of Schedule III of the CGST Act, 2017 w.e.f. 01.07.2017, to explicitly provide that supply of goods warehoused in a Special Economic Zone (SEZ) or Free Trade Warehousing Zone (FTWZ) to any person before clearance of such goods for exports or to the Domestic Tariff Area, shall be treated neither as supply of goods nor as supply of services.
  - ▶ This brings transactions relating to supply of goods warehoused in SEZ/FTWZ at par with the existing provision in GST for transactions in Customs bonded warehouse.
2. Issues pertaining to taxability of Vouchers

In a significant move to address long-standing concerns regarding the taxability of vouchers under GST, the GST Council made the following recommendations:

- i. To omit sections 12(4) and 13(4) from CGST Act, 2017 and rule 32(6) from CGST Rules, 2017 to resolve ambiguities in the treatment of vouchers.
- ii. To issue clarification on the following issues:
  - a. Transactions in vouchers shall be treated neither as a supply of goods nor as a supply of services.
  - b. Distribution of vouchers on principal-to-principal basis shall not be subject to GST. However, where vouchers are distributed on principal-to-agent basis, the commission/fee or any other amount charged by the agent for such distribution is taxable under GST.
  - c. Additional services such as advertisement, co-branding, marketing and promotion, customization and technology support, customer support etc. related to vouchers would be leviable to GST on the amount paid for these services.
  - d. Unredeemed vouchers (breakage) would not be considered as supply under GST and no GST is payable on income booked in the accounts in respect of breakage.
3. Issuance of clarifications through the circulars to remove ambiguity and legal disputes in certain issues.
  - ▶ To issue circulars to provide clarity in the following issues due to varied interpretations by the field formations:
    - i. Clarification regarding requirement of reversal of Input Tax Credit by electronic commerce operators in respect of supplies made under section 9(5) of CGST Act, 2017: The GST Council recommended that no proportional reversal of ITC under section 17 (1) or section 17 (2) of CGST Act, 2017 is required to be made by the ECO in respect of supplies for which they are required to pay tax under section 9(5) of CGST Act, 2017.
    - ii. Clarification on availability of Input Tax Credit as per section 16(2)(b) of CGST Act,

2017 in respect of goods which have been delivered by the supplier at his (supplier's) place of business: The GST Council recommended to clarify that in an Ex-Works contract, where goods are delivered by the supplier to the recipient or a transporter at the supplier's place of business, and the property in goods transfers to the recipient at that point, the goods are considered to be "received" by the recipient under section 16(2)(b) of CGST Act, 2017 and the recipient may claim Input Tax Credit (ITC) on such goods, subject to the conditions outlined in Sections 16 and 17 of the CGST Act, 2017.

iii. Clarification regarding applicability of late fee for delay in furnishing of FORM GSTR-9C and providing waiver of late fee on delayed furnishing of FORM GSTR-9C for the period from 2017-18 to 2022-23:

- a. The GST Council recommended to clarify through a circular that the late fee under Section 47(2) of the CGST Act, 2017 is leviable for the delay in filing the complete annual return under Section 44 of the CGST Act, 2017, which includes both FORM GSTR-9 (Annual Return) and FORM GSTR-9C (Reconciliation Statement), where applicable.
- b. For the annual returns pertaining to the period 2017-18 to 2022-23, the GST Council also recommended to issue notification under section 128 of CGST Act, 2017 for waiver of the amount of late fee for delayed filing of FORM GSTR-9C, which is in excess of the amount of late fee payable till the date of filing of FORM GSTR-9 for the said financial years, provided the said FORM GSTR-9C is filed on or before 31st March 2025.

### **C. MEASURES FOR STREAMLINING COMPLIANCES IN GST**

1. Insertion of new provision for Track and Trace Mechanism
  - ▶ To insert an enabling provision in CGST Act,

2017 through Section 148A so as to empower the Government to enforce the Track and Trace Mechanism for specified evasion prone commodities.

- ▶ The system shall be based on a Unique Identification Marking which shall be affixed on the said goods or the packages thereof. This will provide a legal framework for developing such a system and will help in implementation of mechanism for tracing specified commodities throughout the supply chain.
2. Clarification regarding recording of correct details of name of the State of the un-registered recipient as well as correct declaration of place of supply in respect of supply of 'Online Services'

- ▶ To clarify that in respect of supply of 'Online Services' such as supply of online money gaming, OIAR services, etc. to unregistered recipients, the supplier is required to mandatorily record the name of the State of the unregistered recipient on the tax invoice and such name of State of recipient shall be deemed to be the address on record of the recipient for the purpose of section 12(2)(b) of IGST Act, 2017 read with proviso to rule 46(f) of CGST Rules, 2017.

### **D. OTHER MEASURES PERTAINING TO LAW & PROCEDURE**

1. Amendment in section 17(5)(d) of CGST Act, 2017
  - ▶ To align the provisions of section 17(5)(d) of CGST Act, 2017 with the intent of the said section, the Council has recommended amending section 17(5)(d) of CGST Act, 2017, to replace the phrase "plant or machinery" with "plant and machinery", retrospectively, with effect from 01.07.2017, so that the said phrase may be interpreted as per the Explanation at the end of section 17 of CGST Act, 2017.
2. Amendment in section 107 and section 112 of CGST Act, 2017 to provide for payment of pre-deposit for filing an appeal in respect of an order passed which involves only penalty amount.

- ▶ To amend the proviso to section 107(6) of





CGST Act, 2017 providing for payment of pre-deposit at 10% instead of 25 % for filing appeals before Appellate Authority in cases involving only demand of penalty without involving the demand of tax.

- ▶ To insert a new proviso to section 112(8) of CGST Act, 2017 providing for payment of pre-deposit at 10% for filing appeals before Appellate Tribunal in cases involving only demand of penalty without involving the demand of tax.
3. Amendment in section 2(69) of CGST Act, 2017 to insert an Explanation regarding definitions of Local Fund and Municipal Fund: To amend clause (c) of section 2(69) of CGST Act, 2017 and to insert an Explanation under the same to provide for definitions of the terms 'Local Fund' and 'Municipal Fund' used in the said clause.
  4. Amendment in provisions pertaining to Input Services Distributor (ISD) mechanism under CGST Act, 2017 and CGST Rules, 2017
    - ▶ To amend Section 2(61) and Section 20(1) of the CGST Act, 2017 to explicitly include inter- state RCM transactions under the ISD mechanism by including reference to supplies subject to tax under section 5(3) and 5(4) of IGST Act, 2017 in the said provisions.
    - ▶ Consequentially, to amend section 20(2) of CGST Act, 2017 and rule 39(1A) of the CGST Rules, 2017.
    - ▶ These, amendments in CGST Act, 2017 are to be made effective from 01.04.2025.
  5. Provision for grant of Temporary Identification Number by Tax Officers to persons, not liable to be registered otherwise
    - ▶ To insert new rule 16A in CGST Rules, 2017 to provide for a separate provision for generation of temporary identification number for persons, who are not liable to be registered under CGST Act, 2017 but are required to make any payment as per rule 87(4) of CGST Rules, 2017.
    - ▶ To amend Rule 87 (4) of CGST Rules, 2017 incorporating a reference to the new Rule and

consequential modification of FORM GST REG-12.

6. Amendment in the field 'category of registered person' for taxpayers who opted for composition levy through FORM CMP-02
  - ▶ To amend sub-rule (1) of rule 19 of CGST Rules, 2017 to include reference to FORM GST CMP-02 in the said rule to allow the taxpayers to modify their "category of registered person" in Table 5 of FORM GST CMP-02 through FORM GST REG-14.
7. Amendment in CGST Act, 2017 and CGST Rules, 2017 in respect of functionality of Invoice Management System (IMS)
  - ▶ The GST Council recommended inter-alia-
    - i. To amend section 38 of CGST Act, 2017 and rule 60 of CGST Rules, 2017 to provide a legal framework in respect of generation of FORM GSTR-2B based on the action taken by the taxpayers on the Invoice Management System (IMS).
    - ii. To amend section 34(2) of CGST Act, 2017, to specifically provide for requirement of reversal of input tax credit as is attributable to a credit note, by the recipient, to enable the reduction of output tax liability of the supplier.
    - iii. To insert a new rule 67B in CGST Rules, 2017, to prescribe the manner in which the output tax liability of the supplier shall be adjusted against the credit note issued by him.
    - iv. To amend section 39 (1) of CGST Act, 2017 and rule 61 of CGST Rules, 2017 to provide that FORM GSTR-3B of a tax period shall be allowed to be filed only after FORM GSTR-2B of the said tax period is made available on the portal.

#### **E. OTHER MEASURES:**

The GST Council approved the recommendation of the committee of officers suggesting measures for the various issues raised by the States in respect of issues pertaining to IGST settlement and asked the committee to conclude the desired changes by March, 2025.



The GST Council took note of the procedural rules proposed for the internal functioning of the GSTAT, which would be notified after examination by the Law Committee. This would help in operationalization of the GSTAT.

The Council also decided to extend the time frame for the Group of Ministers on the restructuring of the GST Compensation till 30th June, 2025.

On the request of State of Andhra Pradesh the Council recommended that a Group of Ministers be constituted to examine the legal and structural issues, and recommend a uniform policy on imposition of levy in case of a natural disaster/calamity in the State.

The issue of whether charges collected by municipalities for granting FSI including additional FSI, chargeable to GST on reverse charge basis was brought up in the Council. The matter was deferred for further examination on the behest of the Central Government on the ground that this amount relates to Municipalities or local authority.

**Note:** The recommendations of the GST Council have been presented in this release containing major item of decisions in simple language for information of the stakeholders. The same would be given effect through the relevant circulars/ notifications/ law amendments which alone shall have the force of law.

## DIRECT TAX

### CBDT launches Electronic Campaign to address income and transaction mismatches for FY 2023-24 and FY 2021-22

**Posted On: 17 DEC 2024 1:33PM by PIB Delhi**

The Central Board of Direct Taxes (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 financial years 2023-24 and 2021-22. This campaign also targets individuals having 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 this 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 is December 31, 2024. For cases pertaining to FY 2021-22, taxpayers can file

updated ITRs by the limitation date of March 31, 2025.

Taxpayers can also provide their feedback, including disagreeing with the information reported in the AIS, through the AIS portal accessible via the e-filing website (<https://www.incometax.gov.in/iec/foportal/>).

This initiative reflects the Income Tax Department's commitment to leveraging technology to simplify compliance and ensure transparency. By utilising third-party data, the department aims to create a more efficient, taxpayer-friendly system that aligns with the vision of Viksit Bharat.

The CBDT encourages all eligible taxpayers to take advantage of this opportunity to fulfil their tax responsibilities and contribute to the nation's economic development. This effort not only supports the government's vision for a developed India but also promotes a culture of transparency, accountability, and voluntary compliance.

### CBIC Chairman Shri Sanjay Kumar Agarwal, in presence of Members of the Board, launches new initiatives to enhance taxpayer services

The four citizen-centric initiatives include revised Citizen's Charter, Revamped Citizen's



## Corner for complete tax related information, 'Ease of Doing Business' tab for making suggestions, and CBIC Archives for tax repository

Posted On: 17 DEC 2024 6:36PM by PIB Delhi

Shri Sanjay Kumar Agarwal, Chairperson, Central Board of Indirect Taxes and Customs (CBIC), in presence of all Board Members, today launched a series of initiatives that aim to improve taxpayer experience and enhance transparency.

After the launch, Shri Agarwal said, "The initiatives launched today are a testament to our unwavering commitment to simplifying tax processes and fostering a culture of transparency and trust. By empowering taxpayers and incorporating their suggestions, we are creating a system that is not only efficient but also reflective of citizens needs and aspirations."

The following four initiatives were launched today:

- 1. Revised Citizen's Charter: A Commitment to Better Service Standards:** The CBIC has introduced a revised Citizen's Charter, which provides updated timelines and service standards for key taxpayer services. Covering areas such as Drawback, Import & Export of Air Cargo, and innovative platforms like CPGRAMS (Centralized Public Grievance Redress and Monitoring System), the new Charter ensures transparency and accountability in service delivery. By including suggestions for Ease of Doing Business (EoDB), the Charter is tailored to meet the evolving needs of taxpayers, reinforcing the government's commitment to efficiency and responsiveness.
- 2. 'Ease of Doing Business' tab for giving suggestions:** A new platform has been launched to enable taxpayers to directly contribute to the ease of doing business (EoDB). This initiative, born out of insights from Chintan Shivir 2023, allows

individuals and businesses to share suggestions for improving tax procedures and policies. By inviting active participation, the CBIC fosters a collaborative environment where taxpayers play a vital role in shaping a more streamlined and business-friendly tax regime.

- 3. Revamped Citizen's Corner: Knowledge at Your Fingertips:** The Citizen's Corner online portal has been significantly enhanced to serve as a one-stop hub for tax-related information. Designed to empower taxpayers with knowledge, the Citizen's Corner simplifies self-compliance and encourages voluntary adherence to tax regulations.
- 4. CBIC Archives: A Digital Window to India's Tax History:** Highlighting its storied legacy, the CBIC has launched a digital archive showcasing the historical evolution of indirect taxes in India. This user-friendly platform now features six (06) interactive menu tiles with approximately 82 submenus, offering taxpayers access to videos, webinars, and the latest updates on various tax-related topics. CBIC Archives offer a comprehensive glimpse into the milestones that have shaped the nation's economic trajectory. By preserving and sharing this history, the initiative not only pays homage to the institution's contributions but also educates the public on the pivotal role of indirect taxes in nation-building.

These initiatives underscore the CBIC's commitment to taxpayer-centric governance and digital transformation. By leveraging technology and streamlining processes, the CBIC aims to create a more efficient and transparent tax administration system.

The initiatives are spearheaded by the Directorate General of Taxpayer Services (DGTS) as part of the Government's ongoing efforts to streamline tax administration and foster a conducive business environment.

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# NOTIFICATIONS

## INDIRECT TAX

### Customs (Tariff)

#### Notification No. 49/2024-Customs

New Delhi, the 26th December, 2024

G.S.R (E).— In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) read with section 124 of the Finance Act, 2021 (13 of 2021), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 64/2023-Customs, dated the 7th December, 2023, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 884(E), dated the 7th December, 2023, namely:-

In the said notification, in the Table, against S. No. 1, in Column (4), for the words and figures “31st day of December, 2024”, the words and figures “28th day of February, 2025” shall be substituted.

- This notification shall come into force from the 27th day of December, 2024.

[F. No. CBIC-190354/196/2024-TRU]

#### Notification No. 50/2024-Customs

New Delhi, the 30th December, 2024

G.S.R. ...(E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962

(52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.62/2022-Customs, dated the 26th December, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 904 (E), dated the 26th December, 2022,

The entire notification can be read at: <https://taxinformation.cbic.gov.in/view-pdf/1010246/ENG/Notifications>]

### Customs (Non - Tariff)

#### Notification No. 88/2024-Customs (N.T.)

New Delhi, 31st December, 2024

S.O. ... (E).– In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted, namely: -

“TABLE-1

Sl. No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	1203



Sl. No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US \$ Per Metric Tonne)
(1)	(2)	(3)	(4)
2	1511 90 10	RBD Palm Oil	1205
3	1511 90 90	Others – Palm Oil	1204
4	1511 10 00	Crude Palmolein	1212
5	1511 90 20	RBD Palmolein	1215
6	1511 90 90	Others – Palmolein	1214
7	1507 10 00	Crude Soya bean Oil	1113
8	7404 00 22	Brass Scrap (all grades)	5191

TABLE-2

Sl. No.	Chapter/ heading / sub-heading/ tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	840 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	959 per kilogram
3.	71	<p>(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi- manufactured forms of silver falling under sub-heading 7106 92;</p> <p>(ii) Medallions and silver coins having silver content not below 99.9% or semi- manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage.</p> <p><b>Explanation</b> - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.</p>	959 per kilogram
4.	71	<p>(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units;</p> <p>(ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage.</p> <p><b>Explanation</b> - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.</p>	840 per 10 grams

TABLE-3

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$ Per Metric Ton)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	6448 (i.e., no change)”

2. This notification shall come into force with effect from the 01st day of January, 2025.

[F. No. 467/01/2024-Cus.V]

## Customs (Anti-Dumping Duty)

### Notification No. 28/2024-Customs (ADD)

New Delhi, the 26th December, 2024

G.S.R. (E). -Whereas, in the matter of “Digital Offset Printing Plates” (hereinafter referred to as the subject goods) falling under sub-headings 8442 50 or tariff items 3701 30 00, 3704 00 90, 3705 00 00, 7606 11 90, 7606 91 90 or 7606 92 90 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in or exported from China PR, Japan, Korea RP, Vietnam, and Taiwan (hereinafter referred to as the subject countries), and imported into India, the designated authority in its final findings, published in the Gazette of India, Extraordinary, Part I, section 1 vide notification No. 7/20/2023-DGTR, dated the 28th September, 2024 has inter alia come to the conclusion that there is a likelihood of continuation of dumping and consequent injury to the domestic industry in case of cessation of anti-dumping duty in force, and has recommended continued imposition of anti-dumping duty on imports of the subject goods originating in or exported from the subject countries.

Now, therefore, in exercise of the powers conferred

by sub-sections (1) and (5) of section 9A of the Customs Tariff Act read with rules 18, 20 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti- dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 and in supersession of the notification of the Government of India, Ministry of Finance (Department of Revenue) No. 21/2020-Customs (ADD), dated the 29th July, 2020, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) vide number G.S.R. 472(E), dated the 29th July, 2020, except as respects things done or omitted to be done before such supersession, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under sub-heading or tariff items of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), and imported into India, an anti-dumping duty at the rate equal to the amount specified in corresponding entry in column (7), in the currency as specified in the corresponding entry in column (9) and as per the unit of measurement as specified in the corresponding entry in column (8) of the said Table, namely:—

TABLE

S. No.	Sub-heading / Tariff Item	Description of Goods	Country of origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	8442 50, 3701 30 00,	Digital Offset	China PR	Any country	Lucky Huaguang Graphics Co. Ltd.	0.55	SQM	USD





S. No.	Sub-heading / Tariff Item	Description of Goods	Country of origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	3704 00 90, 3705 00 00, 7606 11 90, 7606 91 90, 7606 92 90	Printing Plates*		including China PR				
2	-do-	Digital Offset Printing Plates	China PR	Any country including China PR	Kodak China Graphic Communications Co. Ltd.	Nil	SQM	USD
3	-do-	Digital Offset Printing Plates	China PR	Any country including China PR	Fujifilm Printing Plate (China) Co. Ltd.	Nil	SQM	USD
4	-do-	Digital Offset Printing Plates	China PR	Any country including China PR	Anhui Strong State New Materials Co., Ltd.	0.60	SQM	USD
5	-do-	Digital Offset Printing Plates	China PR	Any country including China PR	Any producer other than at Serial Number (1) to (4) above.	0.77	SQM	USD
6	-do-	Digital Offset Printing Plates	Any other country	China PR	Any producer	0.77	SQM	USD
7	-do-	Digital Offset Printing Plates	Korea RP	Any country including Korea RP	Jeil C&P Co. Ltd.	0.15	SQM	USD
8	-do-	Digital Offset Printing Plates	Korea RP	Any country including Korea RP	Any producer other than at Serial Number (7)	0.37	SQM	USD

S. No.	Sub-heading / Tariff Item	Description of Goods	Country of origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
9	-do-	Digital Offset Printing Plates	Any other country	Korea RP	Any producer	0.37	SQM	USD
10	-do-	-do-	Japan	Any country including Japan	Fujifilm Corporation	0.13	SQM	USD
11	-do-	-do-	Japan	Any country including Japan	Any producer other than at Serial Number (10)	0.27	SQM	USD
12	-do-	-do-	Any other country	Japan	Any producer	0.27	SQM	USD
13	-do-	-do-	Taiwan	Any country including Taiwan	Any producer	0.41	SQM	USD
14	-do-	-do-	Any other country	Taiwan	Any producer	0.41	SQM	USD
15	-do-	-do-	Vietnam	Any country including Vietnam	Any producer	0.60	SQM	USD
16	-do-	-do-	Any other country	Vietnam	Any producer	0.60	SQM	USD

*\*Excluding waterless CtP Plates used for printing on specialised materials such as credit card, security card etc., and not on paper.*

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded, or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

Explanation – For the purposes of this notification, the rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate

which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Act.

**[F. No. 190354/185/2024-TRU]**



# CIRCULARS

## INDIRECT TAX

### GST

#### Circular No. 243/37/2024-GST

F. No. CBIC-20001/14/2024-GST

Dated the 31st December, 2024

**Subject: Clarification on various issues pertaining to GST treatment of vouchers - reg.**

References have been received from the trade and industry as well as the field formations seeking clarity on various issues with respect to vouchers such as whether transactions in voucher are a supply of goods and/or services, whether GST is leviable on trading of vouchers by distributor/sub-distributor and whether unredeemed vouchers (breakage) are taxable. It has been represented that the field formations are taking different views on these issues leading to ambiguity and litigations.

- Accordingly, in view of the difficulties being faced by the trade and industry and to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"), hereby clarifies the issues, as below.

The details can be read at: <https://taxinformation.cbic.gov.in/view-pdf/1003257/ENG/Circulars>.

#### Circular No. 242/36/2024-GST

F. No. CBIC-20001/14/2024-GST

Dated the 31st December, 2024

**Sub: Clarification on place of supply of Online Services supplied by the suppliers of services to unregistered recipients-reg.**

References have been received from field formations

regarding non-compliance of provisions of mandatory recording of correct place of supply on the invoices by the suppliers in respect of online services provided by them, either themselves or through electronic commerce operators, to unregistered recipients due to wrong interpretation of provisions of section 12(2) (b) of Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as "IGST Act") read with rule 46 of Central Goods and Services Rules, 2017 (hereinafter referred to as "CGST Rules"). It has also been mentioned that though in such cases of taxable online supplies of services to unregistered recipients, registered suppliers are required to mention State name of the recipient on the invoice, irrespective of the value of such supply, and declare place of supply of such services as the State of the recipient as per the provisions of clause (i) of section 12(2)(b) of IGST Act but many suppliers are not recording the State name of the unregistered recipient on the invoice and are declaring place of supply of such services as the location of the supplier as per clause (ii) of section 12(2)(b) of IGST Act. This is resulting in wrong declaration of place of supply, resulting in flow of revenue in respect of the said supply to the wrong State. Request has been made to clarify the issue so as to ensure correct declaration of place of supply by the suppliers of such services to unregistered recipients.

- In order to clarify the issue and to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168(1) of the Central Goods and Services Act, 2017 (hereinafter referred to as "CGST Act") hereby issues the following clarification.

The details can be read at: <https://taxinformation.cbic.gov.in/view-pdf/1003256/ENG/Circulars>.

#### Circular No. 241/35/2024-GST

F. No. CBIC-20001/14/2024-GST

Dated the 31st December, 2024

**Subject: Clarification on availability of input tax credit as per clause (b) of sub-section (2) of section**

**16 of the Central Goods and Services Tax Act, 2017 in respect of goods which have been delivered by the supplier at his place of business under Ex-Works Contract-reg.**

Reference has been received from automobile sector seeking clarification on availability of input tax credit (hereinafter referred to as “ITC”) as per clause (b) of sub-section (2) of section 16 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”) in respect of goods which have been delivered by the supplier at his place of business under Ex-Works Contract.

The details can be read at: <https://taxinformation.cbic.gov.in/view-pdf/1003255/ENG/Circulars>.

**Circular No. 240/34/2024-GST**

**F. No. CBIC-20001/14/2024-GST**

**Dated the 31st December, 2024**

**Sub: Clarification in respect of input tax credit**

**availed by electronic commerce operators where services specified under Section 9(5) of Central Goods and Services Tax Act, 2017 are supplied through their platform -reg.**

Reference is invited to Circular No. 167/23/2021 – GST dated 17.12.2021 which clarified that electronic commerce operators (hereinafter referred to as “ECOs”) required to pay tax under section 9(5) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”) are not required to reverse input tax credit (ITC) in respect of supply of restaurant services through their platform (notified services under section 9(5)). In this regard, representations have been received seeking clarification regarding requirement of reversal of ITC, if any, in respect of supply of services, other than restaurant services, under section 9(5) of CGST Act.

2. The issue has been examined and to ensure uniformity in the implementation of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act, hereby clarifies the issue as below:

S. No	Issue	Clarification
1.	Whether electronic commerce operator, required to pay tax under section 9(5) of CGST Act, is liable to reverse proportionate input tax credit on his inputs and input services to the extent of supplies made under section 9(5) of the CGST Act.	<ol style="list-style-type: none"> <li>1. ECO, required to pay tax under section 9(5) of CGST Act, is making supplies under two counts:               <ol style="list-style-type: none"> <li>i. Supplies notified under section 9(5) of CGST Act for which he is liable to pay tax as if he is the supplier of the said services.</li> <li>ii. Supply of his own services by providing his electronic platform for which he charges platform fee /commission etc. from the platform users.</li> </ol> </li> <li>2. For providing the services mentioned at 1(ii) above, the ECO procures inputs as well as input services for which he avails Input Tax Credit.</li> <li>3. It has been clarified vide question no. 6 of Circular No. 167/23/2021 – GST dated 17.12.2021 that the ECO shall not be required to reverse input tax credit on account of restaurant services on which he pays tax under section 9(5) of the CGST Act. It has also been clarified that the input tax credit will not be allowed to be utilized for payment of tax liability under section 9(5) and whole of the tax liability under section 9(5) will be required to be paid in cash.</li> </ol>



S. No	Issue	Clarification
		<p>4. The principle, which has been outlined in question no. 6 of Circular No. 167/23/2021 – GST dated 17.12.2021, also applies to the supplies made in respect of other services specified under section 9(5) of CGST Act.</p> <p>5. In view of this, it is clarified that Electronic Commerce Operator, who is liable to pay tax under section 9(5) of the CGST Act in respect of specified services, is not required to reverse the input tax credit on his inputs and input services proportionately under section 17(1) or section 17(2) of CGST Act to the extent of supplies made under section 9(5) of the CGST Act.</p> <p>6. It is further clarified that ECO will be required to pay the full tax liability on account of supplies under section 9(5) of the CGST Act only through electronic cash ledger. The credit availed by him in relation to the inputs and input services used to facilitate such supplies cannot be used for discharge of such tax liability under section 9(5) of the CGST Act. However, such credit can be utilized by him for discharge of tax liability in respect of supply of services on his own account.</p>

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.
4. Difficulty, if any, in implementation of this Circular may be brought to the notice of the Board. Hindi version would follow.

Stations. This functionality shall enable the users to generate a self-initiated challan for voluntary payments and then make payments through the IOEGAT E e-payment platform without any further approval by officers of Customs.

3. While using the voluntary payment Facility at ICEGATE. the users may be sensitized on the below-mentioned aspects:

- a. The Voluntary Payment module will be accessible as a post-login functionality. Users must be registered on ICEGATE to access this feature:

- b. This facility is enabled with payments which are primarily meant for imports/exports cleared in the past. In other words. the facility is not a replacement for challans generated by ICES/ECCS SEZ online/ACES applications. Therefore. it should not be used for payment of customs duties for clearance of any live consignments;

- c. The various purposes. tor which the payment can be made are provided in Annexure-A. wherein. !t is advised to select the same

## Customs

### Circular No. 27/2024-Customs

F. No. 450/54/2024-Cus.IV

Dated the 23rd December, 2024

**Subject: Enabling Voluntary Payment electronically on ICEGATE e-Payment Platform- reg.**

In line with Government's commitment to digitize the remaining services and to make it paperless. ICEGATE e-Payment Platform has been enabled with electronic collection of Voluntary/Self-Initiated Payments (SIP).

2. This new functionality has been envisaged to replace the existing TR-6 payments which are currently being done manually at various Customs



carefully while making payment.

- d. The proof of payment may be submitted to the concerned field formations for taking further action.
- e. The officer may verify the payment details using <https://foservices.icegate.gov.in/#/epayment/enquiry>. Detailed advisory for verification will be made available by DG (Systems).

4.1 Currently, ICEGATE users can make voluntary payments as a debit from the Electronic Cash Ledger (only available for IEG holders and Customs Brokers).

4.2 In case, users wish to initiate challan wise payment. the ICEGATE platform also allows user to make transaction wise payment on the platform. whereby the systems design takes care of routing the payment instantaneously through Electronic Cash Ledger before accounting for duty payment. On completion of testing for voluntary payment acceptance, at present. following modes are enabled for such challan-wise payments:

- a. Nine (9) banks under internet banking through authorized bank mode[1]
- b. NEFT RTGS through RBI
- c. Payment Aggregator mode

4.3 Remaining banks shall be enabled as and when the testing is complete. In all other modes, users already have an option to deposit the amount in

the Electronic Cash Ledger through remaining authorized modes and use the same for making voluntary payment using Electronic Cash Ledger.

5. Since the above facility is aimed at replacing the current procedure of making Over- The-Counter (OTCJ payment using TR-6 Challan, the officers under your jurisdiction may be sensitized not to accept any payments through manual TR-6 challan after 31<sup>st</sup> December, 2024 unless the same is approved by the concerned Pr. Commissioner / Commissioner of Customs. The approval must clearly spell out the reasons for resorting to the manual method of payment. The field officers can view the voluntary challans through 'Payment Status - Voluntary Payment option available in 'Service section of ICEGATE portal (<http://www.icegate.gov.in>).
6. A user manual on the Voluntary: "Self Initiated Payment (SIP) facility to handhold and onboard the users has been uploaded on the ICEGATE platform (<http://www.icegate.gov.in>). "guideLines'voluntary-payment).
7. This Circular may be given wide publicity by issuing of suitable Trade Notice/Public Notice. The Officers under your jurisdiction may be sensitized to handhold the stakeholders for making payment through the new Voluntary Self-Initiated Payment (SIP) facility. Difficulties, if any, in the implementation of the above Circular may be brought to the notice of the Board.

## DIRECT TAX

### Circular No. 19 of 2024

**F. No. 370142/22/2024 -TPL**

**Dated: 16th December, 2024**

Su b.: Guidance Note 2/2024 on provisions of the Direct Tax Vivad se Vishwas Scheme, 2024 — reg.

The Direct Tax Print Se Vishwas Scheme, 2024 (hereinafter referred as 'DTV SV Scheme, 2024' or 'Scheme') has been enacted vide Chapter IV of Finance (No.2) Act, 2024 to provide for dispute resolution in

respect of pending income tax litigation. The objective of the Scheme is to, inter alia, reduce pending income tax litigation, generate timely revenue for the Government and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process.

2. The commencement date of the said Scheme has already been notified as 1.10.2024. Further, Rules and Forms for enabling the Scheme have also been notified on 20.09.2024. After enactment of the DTV SV Scheme, 2024, several queries were



received from the stake-holders seeking guidance in respect of various provisions contained therein.

3. Accordingly, under Section 97 of the DTVS Scheme, 2024 which empowers the Board to issue directions or instructions in public interest, Guidance Note 1/2024 in the form of answers to the frequently asked questions (FAQs) was issued vide circular no. 12 of 2024 dated 15.10.2024. However, several other queries have been received from the stake-holders for the clarification. Thus,

Guidance Note 2/2024 in the form of answers to the frequently asked questions (FAQs) is hereby issued to provide further clarification. This will be helpful for the tax-payers for creating better awareness and understanding with respect to the provisions of the Scheme.

4. In the present Guidance Note 2/2024, FAQ No. 8 of the Guidance Note 1/2024 has been modified and incorporated as FAQ No. 36. Thus, FAQ No. 8 of the Guidance Note 1/2024 shall be considered as omitted.

S. No.	Issue	Comments
<b>Eligibility of cases</b>		
36.	Suppose a taxpayer is eligible to apply for DTVS Scheme, 2024 as his appeal is pending as on 22.7.2024. But subsequently, before the taxpayer could file declaration under the DTVS Scheme, 2024, his appeal has been disposed off on merits or dismissed as withdrawn for the purposes of the Scheme. Can such a taxpayer still file declaration under the Scheme?	Yes, such cases are eligible for settlement under the Scheme as appeal was pending as on 22.7.2024. Disputed tax with be calculated in the same manner as if the appeal pending on 22.7.2024 is yet to be disposed off.
37.	Suppose a taxpayer has filed a declaration in Form-1. After the declaration, the appeal has been disposed off by the concerned authority. Whether such a case is eligible for settlement?	Yes, such a case is eligible for settlement.
38.	Time limit for filing of appeal has expired before 22nd July 2024 but an appeal alongwith application for condonation of delay has been filed after 22nd July, 2024. Whether the taxpayer can opt for the Scheme in such a case?	No. Appeal has to be pending as on 22nd of July, 2024 for a taxpayer to opt for the Scheme. Thus, where an appeal alongwith application for condonation is filed after 22nd July, 2024, it does not tantamount to pendency of appeal as on 22nd July, 2024. Accordingly, such cases shall not be eligible.
39.	Suppose an appeal has been filed before 22nd July, 2024 with an application for condonation of delay which is also filed before 22nd July, 2024. This appeal has been admitted by allowing condonation of delay prior to the date of filing of declaration under the Scheme. Whether such a taxpayer can opt for the Scheme?	Yes. In such cases where the appeal as well as condonation application have been filed on or before 2nd July, 2024. On admission of condonation application, such cases convert into an appeal pending on 22nd of July, 2024. Therefore, the taxpayer can opt for settlement under the Scheme in such cases.

S. No.	Issue	Comments
40.	In the case of a search action carried out before 1.4.2021, assessments of previous years other than search year, have been made under section 153A or 15C of the Income-tax Act, 1961 ('the Act'), and assessment for the year of search has been made under section 143(3) of the Act. Whether any of these assessment order can be covered under the DTVSV Scheme, 2024?	No. Such cases are specifically barred under section 96(a)(i) of the of the DTV SV Scheme, 2024.
41.	Whether appeal filed against intimation u/s 143(1) of the Act and pending as on 22nd July, 2024 is eligible for DTVSV Scheme, 2024?	Yes. Any appeal filed against intimation u/s 143(1) of the Act and pending as on 22nd July, 2024 is eligible for settlement under the Scheme.
42.	Section 248 of the IT Act relates to appeal by a person denying liability to deduct tax in certain cases. As per the provisions of this section, no appeal can be filed where tax is paid to the credit of the Central government on or after 1.4.2022. Whether appeal filed prior to 1.4.2022 under section 248 of the Act is eligible for DTVSV Scheme, 2024?	Yes.
43.	Where information has been received under an agreement referred to in section 90 or section 90A of the Act; however, such information has not been 'used' for making additions in assessment/ reassessment order. In such cases, whether the assessee can opt for DTVSV Scheme, 2024?	Yes. Section 96 of the DTV SV Scheme, 2024 clearly states that the Scheme shall not apply where tax arrears relate to assessment or reassessment made on the basis of information received under section 90 or section 90A of the Act. Accordingly, where information received u/s section 90 or section 90A has not been used for making additions in assessment/ re-assessment order, assesses can opt for the Scheme for such orders.
44.	Where review petitions are pending before High Courts or Supreme Courts, whether those cases be eligible for settlement under DTVSV Scheme, 2024?	No. Pendency of review petition does not tantamount to pendency of an appeal. Therefore, even if a review petition is pending as on 22nd July, 2024, It will not amount to pendency of an appeal.
45.	Whether DTVSV Scheme, 2024 can be availed in a case where proceedings are pending before Income Tax Settlement Commission (ITSC) or where writ has been filed against the order of ITSC?	No



S. No.	Issue	Comments
46.	Whether cases where the taxpayer or the Department has filed declaration/application under section 158A/158AA/158AB are eligible under DTV SV Scheme, 2024?	Yes. In such cases, where declaration/application has been filed u/s 158A/158AA/158AB of the Act on or before 22nd July, 2024, the taxpayer can opt for settlement under the Scheme provided that if there is any appeal relating to the relevant year, it is also settled.
<b>Set-Aside appeal</b>		
47.	Appeal has been set aside to ITAT/CIT(A)/DRP and was pending on 22.07.2024. Whether, in such cases the assessee can opt for the Scheme?	<p>Refer FAQ No. 24 of Guidance Note 1/2024. It was mentioned therein that-</p> <p>“According to the Scheme, an appeal which is pending as on 22. 7. 2024 shall be eligible for settlement. A set-aside matter to the AO is not an appeal pending as such. Therefore, set-aside staffers to the AO, whether fully set-aside or partially set-aside are not covered under the Scheme.”</p> <p>However, where an appeal has been set-aside fully to ITAT/ CIT(A)/DRP, such appeals will be eligible for settlement.</p> <p>Also, where an appeal has been partially set-aside to ITAT/ CIT(A)/DRP, all the issues which have been set- aside will form a separate appeal and shall be eligible for settlement as such and disputed tax will be computed as if pending at the level to which it is set-aside.</p> <p>Also, where an appeal has been partially set-aside to ITAT/ CIT(A)/DRP, all the issues which have been set-aside will form a separate appeal and shall be eligible for settlement as such and disputed tax will be computed as if pending at the level to which it is set-aside.</p>
<b>Prosecution</b>		
48.	Where the prosecution proceedings have not yet been filed before a court of law, whether the assessee is eligible for the Scheme?	<p>Yes. Reference may be made to section 96 of the DTVSV Scheme, 2024. As per the provisions of section 96(a)(ii) of the said Scheme, the Scheme shall not apply in respect of tax arrears relating to an assessment year in respect of which prosecution has been instituted on or before the date of filing of declaration.</p> <p>Accordingly, where the prosecution proceedings have not yet been filed before a court of law, the taxpayer can opt for the Scheme.</p>
49.	If the prosecution is for a different assessment year and the appeal for a different one, would it debar the assessee from the benefit of this scheme?	No. Section 96(a)(ii) prohibits such cases relating to an assessment year in respect of which prosecution has been instituted on or before the date of filing of declaration. Thus, prosecution in one assessment year does not debar the assessee from filing declaration for any other assessment year, if it is otherwise eligible.

S. No.	Issue	Comments
<b>Computation of Amount payable</b>		
50.	The DTYS V Scheme, 2024 provides for the different rates where declaration is filed on or before 31.12.2024 and where it is filed on or after 1.1.2025. Please clarify whether payment of disputed amount is also required to be made before 31.12.2024 for applicability of the lower rate?	Reference may be made to the provisions of the Scheme read with DTVSV Rules, 2024. As per Rule 3 of the DTVSV Rules, 2024, the amount payable is linked to the date of filing of declaration. Accordingly, where declaration is filed on or before 31.12.2024, the amount payable by the declarant shall be as mentioned in column (3) of the Table specified in section 90 of the Finance (No.2) Act, 2024. However, where a declaration is filed on or after 1.1.2025, the amount payable by the declarant shall be as mentioned in column (4) of the said Table.  The payment of disputed amount is required to be made as per section 92(2) of the DTVSV Scheme i.e. within 15 days of the date of receipt of certificate in Form No. 2.
51.	Whether any additional ground filed in relation to an appeal is to be considered while computing disputed tax?	If any additional ground has been filed on or before 22 <sup>nd</sup> July, 2024, it shall be considered for the purpose of computing disputed tax.
<b>Disputed Penalty</b>		
52.	Suppose penalty has been levied after the taxpayer has filed a declaration for the settlement of the associated quantum appeal. In such a case, whether on settlement of tax arrears of the quantum appeal, penalty in relation to such tax arrears would be waived off?	Reference may be made to the definition of tax arrears in section 89(1)(o) of the Scheme. Interest chargeable or charged and penalty leviable or levied are included in tax arrears. However, the settlement for quantum appeal is made as a percentage of disputed tax, where disputed tax means income-tax including surcharge and cess. Thus, penalty leviable or levied are not included in disputed tax for settlement of quantum appeal.  Accordingly, on settlement of quantum appeal, the Designated Authority will grant immunity from penalty leviable or levied in respect of tax arrears settled under the Scheme.
53.	Suppose in a case, the additions made in assessment have reached finality. There is no quantum appeal pending as on 22 <sup>nd</sup> July, 2024. However, penalty appeal is pending as on 22 <sup>nd</sup> July, 2024 which relates to the additions made in the said assessment order. Can a penalty appeal be settled independent of quantum appeal?	Penalties which are unrelated to quantum additions are clearly eligible for settlement where an appeal in respect of such penalty is pending as on 22 <sup>nd</sup> July, 2024. These penalties are unrelated to quantum additions and therefore can be settled independently of quantum appeals.  Further, where the additions made in an assessment have reached finality and thus there is no quantum appeal pending as on 22 <sup>nd</sup> July, 2024, there is no disputed income or disputed tax as on the specified date i.e. 22 <sup>nd</sup> July, 2024. Therefore, such penalty can be settled separately under the Scheme as per Sl. No. (c) & (d) of the Table in section 90 of the Scheme.





S. No.	Issue	Comments
54.	Whether appeal against penalties that are not related to quantum assessment like penalty u/s 271B, 271BA, 271DA of the Act etc. are also waived upon settlement of appeal relating to disputed tax?	No, appeal against such penalty order is required to be settled separately.
<b>APA/MAP cases</b>		
55.	In case of APA/MAP, can the Scheme be opted for settling disputes pertaining to non- APA/MAP adjustments?	The Scheme envisages settling dispute in full. The Scheme does not envisage settling issues in part. Therefore, whatever issues are there in a pending appeal are to be settled in full whether they pertain to APA/MAP adjustments or otherwise.
<b>Taxes paid before filing Declaration</b>		
56.	Whether credit for earlier taxes paid against disputed tax will be available against the payment to be made under DTVSV Scheme, 2024?	Yes. Credit for taxes paid against the disputed tax before filing declaration shall be available to the declarant.
57.	In such cases where Appeal is pending as on 22nd July, 2024 but disputed tax demands have been already fully paid before filing of declaration. Are such cases eligible to avail DTVSY Scheme, 2024?	Yes. Reference may be made to section 94 of the DTV SV Scheme, 2024. The situation mentioned is clearly covered in section 94(2) of the Scheme. Accordingly, such cases shall be eligible for the Scheme.
<b>TDS related queries</b>		
58.	In such cases where deductee has settled his appeal, whether TDS deductor would be relieved from its liability u/s 201(1) of the Act. Further, whether TDS deductor would be allowed to claim expense deduction u/s 40(a) of the Act?	Where a deductee has settled his tax liability, the deductor is relieved from his liability other than interest payable. However, consequential relief for expense deduction u/s 40(a) of the Act shall be available to such deductor.
<b>Miscellaneous</b>		
60.	Whether Designated Authority can amend his order to rectify any patent errors?	Yes, the Designated Authority shall be able to amend his order under section 92 to rectify any apparent errors.
61.	Where appeal is pending in respect of primary assessee which is a foreign entity not having adequate business presence in India. Whether such foreign entity can file declaration and settle its dispute through its representative assessee having presence in India?	Yes. With proper authorisation, a representative assessee can opt for settlement under the Scheme. Even in the case of deceased tax-payer. the legal representative may also opt for settlement under the Scheme.

S. No.	Issue	Comments
62.	If the taxpayer avails DTVSV Scheme. 2024 for Transfer Pricing adjustment, will provisions of section 92CE of the Act apply separately?	Yes, secondary adjustment under section 92CE will be applicable. However, it may be noted that the provision of secondary adjustment as contained in section 92CE of the Act is not applicable for primary adjustment made in respect of an assessment year commencing on or before the 1 <sup>st</sup> day of April 2016. That means, if there is any primary adjustment for assessment year 2016-17 or earlier assessment year, it is not subjected to secondary adjustment under section 92CE of the Act.

### Circular No. 20/2024

F. No. 370149/213/2024-TPL

**Dated 30th December, 2024**

**Subject: - Extension of due date for determining amount payable as per column (3) of Table specified in section 90 of Direct Tax Vivad Se Vishwas Scheme, 2024 - reg.**

The Central Board of Direct Taxes (CBDT), in exercise of its powers under sub-section (2) of section 97 of the Direct Tax Vivad Se Vishwas Scheme, 2024 ('the Scheme') extends the due date for determining amount payable as per column (3) of the Table specified in section 90 of the Scheme **from 31st December, 2024 to 31st January, 2025.**

(2) Accordingly, notwithstanding anything contained in the Direct Tax *Vivad Se Vishwas*' Scheme, Rules or Guidance Note of 2024, in such cases where declaration is filed on or before 31st January, 2025, amount payable shall be determined as per column (3) of the Table specified in section 90 of the Scheme, and where declaration is filed on or after 01st February, 2025, amount payable shall be determined as per column (4) of the said Table.

### Circular No. 21/2024

F. No. 225/205/2024/ITA-II

**Dated 31st December, 2024**

**Subject: - Extension of due date for furnishing belated/revised return of income for the Assessment Year 2024-25 in certain cases— reg.**

The Central Board of Direct Taxes ('the CBDT'), in exercise of its powers under section 119 of the Income-tax Act 1961 ('the Act'), extends the last date for furnishing belated return of income under sub-section (4) of section 139 of the Act or for furnishing revised return of income under sub-section (5) of section 139 of the Act for the Assessment Year 2024-25 in the case of resident individuals from 31st December, 2024 to 15th January, 2025.



# JUDGEMENT

## INDIRECT TAX

### Pre-deposit requirement for filing appeal cannot be waived simply due to a claim of demand being without jurisdiction: HC

Facts of the case - Supreme Construction & Developers (P.) Ltd. v. State of Maharashtra - [2024] (Bombay)

The petitioner challenged the order of department and demanded waiver of 10% pre-deposit requirement for filing statutory appeal on the ground that the demand was without jurisdiction and perverse. The petitioner also submitted that the alternate remedy of appeal would not be equally efficacious.

#### Decision of the case :

- The Honorable High Court noted that the mere styling of order as without jurisdiction would be insufficient to circumvent exhaustion of remedies. The Court further noted that the requirement of pre-deposit is statutory and where a statute prescribes a minimum pre-deposit, there would be no question of reducing the pre-deposit amount below the statutorily prescribed minimum.
- Therefore, the Court held that the petition would be dismissed and the petitioner would avail itself of the alternate remedy available under Section 107 of the CGST Act. The Court also granted liberty to file appeal within 30 days without limitation bar since writ petition was filed within original limitation period.

### Demand order to be set aside as it was non-speaking and didn't make any reference of notification taking away exemption benefit: HC

Facts of the case - Smt Angoori Devi Educational and Cultural Society (Regd.) v. Union of India - [2024] (Allahabad)

The petitioner, engaged in constructing a higher

secondary school under a government contract, had entered into a lease agreement with the Greater NOIDA Industrial Development Authority on December 5, 2023. The GST Authority issued a GST demand of ₹5,52,31,637 against the petitioner.

The petitioner contended that the construction work qualified for GST exemption and emphasized that the GST demand was baseless, as it failed to reference any notification withdrawing the exemption or demonstrate that the petitioner did not meet the conditions for exemption.

The department contended that changes in exemption requirements justified the demand but did not provide any specific references or substantiation in the demand notice.

#### Decision of the case :

The High Court noted that the GST demand was a non-speaking order and issued without proper consideration of applicable exemption notifications and rulings. It was also observed that the demand contradicted established laws and rulings. Therefore, the Court set aside the demand and remanded the case for reconsideration.

### Show cause notice during advance ruling application does not prevent decision on merits: HC

Facts of the case - General Motors India (P.) Ltd. v. State of Maharashtra - [2024] (Bombay)

The assessee filed an application for advance ruling on 20-12-2023. During the pendency of the application, the authority issued pre-show cause notice under section 73(5) of the MGST Act. The assessee filed a writ petition before the Bombay High Court to direct the authority to decide the application for advance ruling on the taxability of the sale of land and buildings carried out pursuant to the Asset Purchase Agreement (APA) on merits.

### Decision of the case :

- The High Court noted that the application seeking advance ruling was filed when the question raised in the application was not already pending or decided in any proceedings in the case of the assessee under any provisions of the CGST/SGST Act. The phrase ‘already pending’ would mean and imply that it is pending on the date of filing the application seeking an advance ruling.
- Therefore, the Court held that the subsequent issue of pre-show cause notice was not a bar for the authority to decide the application seeking advance ruling on merits.

## Bail granted due to investigation lapses in issuing fake invoices under GST: HC

Facts of the case - *Ishan Gupta v. Union of India* - [2024] (Chhattisgarh)

The applicant was arrested in connection with the offence punishable under Sections 132(1)(b) and 132(1)(c) of the Central Goods and Services Tax Act, 2017 (CGST Act). The prosecution alleged that the applicant was involved in creating fake firms and issuing fraudulent invoices. It was claimed that these fake firms were established to inflate turnovers and claim wrongful Input Tax Credits (ITC) without any actual exchange of goods or services. The applicant filed a bail application before the Chhattisgarh High Court and contended that the same tax liabilities were being sought from both the applicants and other entities, which is legally untenable under the CGST Act, Section 132(c), as no end-users or beneficiaries have been implicated, showing a clear failure of the investigative process.

### Decision of the case :

- The Chhattisgarh High Court held that the applicant was languishing in jail since 22.06.2024, and the charge sheet had been filed. The conclusion of the trial was likely to take some time. However, the GST Department failed to investigate or seize the accounts of the actual beneficiaries in the down-chain, while the applicant’s bank accounts were seized even before any summons were issued.
- Additionally, the same tax liabilities are being

sought from both the applicants and other entities, which is legally untenable under the CGST Act, Section 132(c), as no end-users or beneficiaries have been implicated, showing a clear failure of the investigative process. Thus, without commenting anything on the merits of the case, the High Court was inclined to grant regular bail to the applicant.

## Unblocking of credit ledger directed as assessee was unable to make pre-deposit to file appeal due to blocked credit ledger: HC

Facts of the case - *Bum Bum Corporation v. State of Madhya Pradesh* - [2024] (Madhya Pradesh)

The petitioner was aggrieved by the action of the GST department whereby coercive measures had been taken for recovery of alleged outstanding demand for the period of 2018-19. It filed writ petition before the Madhya Pradesh High Court and contended that the demand was already challenged before the Appellate Authority and the said demand was set aside. However, a tax demand was created against petitioner and it was willing to deposit statutory pre-deposit amount.

### Decision of the case :

- The Honorable High Court noted that the petitioner intended to impugn the said order before the Appellate Tribunal but the Tribunal was not functioning. It was also submitted that by coercive measures, the Electronic Credit Ledger (ECL) had been blocked and bank account of the petitioner had been put on hold. The Court also noted that the Board has issued guidelines for recovery of outstanding dues in cases where first appeal has been disposed of till the Appellate Tribunal comes into operations.
- Therefore, the Court directed that the ECL of the petitioner shall be unblocked to enable it to make pre-deposit of the said amount as the petitioner had ample credit in the ECL to cover the 20% pre-deposit requirement. On petitioner making pre-deposit of said amount and complying with other requirements of Circular dated 11.07.2024, no further coercive action shall be taken against petitioner.



## DIRECT TAX

### Admission made in statement recorded u/s 132(4) has evidentiary value unless plea of force is made

Facts of the case - Smt. Konda Sanjeeva Rani vs. Assistant Commissioner of Income-tax - [2024] (Telangana)

The husband of the assessee was a partner in a partnership firm. A search under section 132 was conducted at the residence of the husband of the assessee as well as the office of the partnership firm. Certain material was found in the residential premises in respect of the expenditure incurred for the construction of residential-cum-shopping complex, which was seized.

During search operations, the husband of the assessee made statements under section 132(4) that the total investment in the construction was Rs. 15 lakhs, whereas only a sum of Rs. 7 lakhs was accounted for. The Assessing Officer (AO), based on admission made under section 132(4) during search proceedings, inter alia, held that there was no proof to the contrary and, accordingly, treated the difference amount of Rs. 8 lakhs as unexplained investment. Since the assessee had its share in the construction, he, therefore, treated Rs. 4 lakhs as an undisclosed investment for the block period in the hands of the assessee.

On appeal, the CIT(A) deleted the additions made by AO. Further, the Tribunal set aside the order passed by CIT(A) and restored the addition. Aggrieved-assessee filed an appeal before the Telangana High Court.

#### Decision of the case :

- The High Court held that Section 132(4) provides that an authorised officer may, during search or seizure, examine on oath any person who is found to be in possession or control of any books of account, documents, money, bullion, jewellery or other valuable article or thing and any statement made by such person during such examination may thereafter be used in evidence in any proceeding under the Act. Explanation to section 132(4) provides that examination of any person referred to in section 132(4) may not be merely in respect

of any books of account, other documents or assets found as a result of the search but also in respect of all matters relevant for the purposes of any investigation connected with any proceeding under the Act.

- Thus, it was evident that a statement recorded under section 132(4) was evidence within the purview of evidence under section 158BD read with section 3 of the Indian Evidence Act, 1872 and section 131 and was admissible in evidence.
- An admission is an extremely important piece of evidence, but it is not conclusive as it is open for the person making an admission to show that it is incorrect. In the instant case, the husband of the assessee made statements under section 132(4) during the course of the search. The fact that total cost of construction was Rs. 15 lakhs was reiterated by the assessee. Once the statements were recorded on oath, the statements had an evidentiary value. The presumption was that the statements made under section 132(4) were true and correct unless the assessee pleaded that the statements were obtained forcibly or by coercion or undue influence. Once the statements are recorded under section 132(4), the same can be used as evidence against the assessee. In such a case, the burden lies on the assessee to establish that the admission made in the statements is either incorrect or wrong.
- Further, the assessee failed to discharge the said burden. It was not the assessee's case that their husband made statements under coercion or undue influence. The assessee made no attempt to explain such an admission. Therefore, in the facts and circumstances of the case, the Tribunal rightly set aside the order passed by the CIT(A).

### CBDT directed to extend due date for e-filing of ITR due to issues with new utility affecting Sec. 87A rebate: HC

Facts of the case - Chamber of Tax Consultants vs. Director General of Income-tax - [2024] (Bombay)



The Income-tax Dept. annually releases utilities for filing income tax returns online. The department published a change in utility with effect from 5-7-2024. Said modification unilaterally disabled assesseees from claiming rebate under section 87A. As a result, taxpayers, despite being statutorily eligible, were effectively deprived of their entitlements solely due to technical modifications introduced by the department.

The Chamber of Tax Consultants (petitioner) had filed the writ petition before the Bombay High Court seeking a direction to modify the system developed and put in place by the Tax Department for filing income-tax returns for the assessment year 2024-2025 to allow the assesseees at large to take complete benefit of the rebate available under section 87A.

#### **Decision of the case :**

- The Bombay High Court held that for considering a prima facie case, it is necessary to note that under the Income-tax Act, 1961, there is a concept of self-assessment wherein an assessee is required to compute his own income, determine his tax liability, and pay such tax, and then file a return declaring his income. However, due to the change in the utility with effect from 5-7-2024, the assesseees at large could not compute rebate under section 87A under the new regime for income taxable at special rates.
- As a result, the assesseees may have to pay additional tax to the extent that the assessee cannot claim the rebate. The petitioner is entitled to file a revised return computing rebate under section 87A, enabling such an assessee to compute a refund in the revised return. Undisputedly, the last day to file a belated return in terms of section 139(4) is 31-12-2024, which allows even those assesseees who have not filed their return within normal due dates.
- The rebate under section 87A is inherently linked to the taxpayer's total income and tax liability. The responsibility lies with the tax authorities to ensure proper implementation of the rebate as long as the taxpayer fulfils the statutory criteria. Procedural changes, such as those in utility software or instructions issued by the tax department, cannot override the substantive right to the rebate. Any action or inaction on the part of the tax authorities

that limit the ability of taxpayers to avail of this statutory benefit is arbitrary and violative of the rule of law. Taxpayers should not bear the consequences of administrative inefficiencies or unilateral executive actions that undermine the legislative intent behind section 87A.

- It is well-settled that statutory benefits must be extended in a manner that aligns with the legislature's objectives. In this regard, procedural changes that deprive taxpayers of such benefits warrant judicial intervention to rectify the anomaly and ensure justice. Tax authorities must act as facilitators to help taxpayers comply with the law rather than creating impediments through technical or procedural hurdles. Ensuring fairness, equity, and transparency in tax administration is crucial for upholding public confidence in the system.
- Based on the above discussion by way of interim relief, the Central Board of Direct Taxes was directed to forthwith issue requisite notification under section 119 extending the due date for e-filing of the income-tax returns to the assesseees who are required to file a return of income by 31-12-2024, at least to 15-1-2025. This extension was to ensure that all taxpayers eligible for the rebate under section 87A can exercise their statutory rights without facing procedural impediments.

### **Assessee can confine settlement of dispute to one issue; revenue can't compel settlement of other issues: HC**

Facts of the case - *Rose Wood Buildwell (P.) Ltd. vs. Pr. Commissioner of Income-tax-7 - [2024] (Delhi)*

Assessee-company, engaged in real estate business, had filed its return of income, which was selected for scrutiny and an assessment order was passed making certain additions. The assessee filed an appeal before the Commissioner (Appeals), who partly allowed the assessee's appeal.

Both assessee and revenue preferred their respective appeals before the Tribunal. The tribunal allowed the assessee's appeal but did not accede to the revenue's appeal. In the meantime, the assessee filed a declaration under section 3 of the Direct Tax Vivad Se Vishwas Act,



2020 (DTVSV Act) in respect of its appeal, which was confined to only one issue regarding the disallowance of loss claimed by it in respect of trading in derivatives.

However, the Commissioner issued the certificate under the DTVSV Act, with modification and included the settlement of certain disputes that were not the subject matter of the declaration made by the assessee. The matter reached before the Delhi High Court.

### Decision of the case :

- The Delhi High Court held that the assessee had filed a declaration in respect of its appeal. The disputed tax paid is confined to the tax, interest and penalty payable in respect of the loss in derivatives which was the subject matter of appeal. The fact that the revenue had preferred a consolidated appeal against the order passed, and its appeal would not detract from the fact that revenue's appeal to this Court was in respect of an order relatable to two separate appeals.
- The issues involved in the two appeals are not interlinked. The dispute, the subject matter of appeal and revenue's appeal, was confined to deleting addition under section 68. The assessee's declaration does not concern the dispute as it was confined to the order passed by the Tribunal regarding its appeal.
- Accordingly, the petition is allowed, and the certificate issued by the designated authority in Form No. 3 is directed to be confined to the declaration made by the assessee. The respondents are accordingly directed to take steps to issue a modified certificate under section 5(1) of the DTVSV Act.

## Assessee to pursue pending proceedings before appellate authority instead of filing writ petition: HC

Facts of the case - Mahindra and Mahindra Ltd. vs. Assistant Commissioner of Income-tax - [2024] (Bombay)

The assessee was issued a show cause notice under section 148A(b). The assessee filed an appeal and a review application before the Principal Chief

Commissioner under section 264, and both the proceedings were pending. The assessee contended that the impugned order and the impugned notice would stand covered by the decision of this Court in *Hexaware Technologies Limited v. Assistant Commissioner of Income Tax (2024) 464 ITR 430* as also the decision of the division Bench in *Siemens Financial Services Pvt. Ltd. v. Deputy Commissioner of Income Tax [2024] 160 taxmann.com 243 (Bombay)* in regard to the applicability of section 151 of the provisions of the Act as the sanction had not been granted by the appropriate authority as specified under the said provisions.

Considering the decision of this Court being of the jurisdictional High Courts, the assessee filed a writ petition before the Bombay High Court.

### Decision of the case :

- The High Court held that once the assessee availed of an alternate remedy as provided under the Income Tax Act, and if the assessment order as also the notices are contrary to the substantive provisions of section 151A and section 151, as interpreted by Court in *Hexaware Technologies Limited* and *Siemens Financial Services Pvt. Ltd.*, the Appellate Authority as also the Revisionary Authority being bound by the said decisions of the jurisdictional High Court, need to consider such legal position.
- Thus, the assessee was not precluded from raising all such contentions, as raised in the present proceedings, before the said authority.
- Accordingly, it was opined that the proceedings which were pending before the CIT(A) as also the Revisionary proceedings, be decided considering the contentions of the petitioner, namely as to whether the impugned assessment order as also the notice under section 148 was illegal when tested on the law as declared by this Court in the decisions mentioned above.
- An approach shouldn't be followed when the appellate authority is already involved in proceedings. Writ petitions should be entertained only to adjudicate matters that can be decided by the appellate authority, considering the Court's decisions. As rightly pointed out, entertaining writ petitions in such circumstances would require the

Court to entertain all pending matters involving the applicability of its decisions, which is impractical.

- Hence, it would be appropriate that the assessee pursues the pending proceedings as filed before the appropriate Appellate Authority. Accordingly, the present proceedings that assail the assessment order are not entertained when an appeal is already filed by the assessee, which is pending. Hence, the petition was disposed of.

## **Legal heirs can raise contention that notice was issued in name of deceased person: SC**

**Facts of the case - Ghanyashyam Anil Dhanani vs. Income-tax Officer Ward 17(1)(1) - [2024](SC)[28-11-2024]**

A notice under section 148A(b) was issued in the name of the original assessee who had died prior thereto. In response to the said notice, a reply was given by the son of the original assessee stating that his father, the assessee, had passed away.

Thereafter, another communication was issued seeking details of the original assessee's legal representatives. The Chartered Accountant of the legal representative responded to the same. On becoming aware of the legal representatives of the deceased original assessee, an order was passed under section 148A(d).

Subsequently, another order was passed under section 148A(d) in the name of the legal representatives of the deceased-original assessee. Aggrieved by the said order, the legal representatives of the deceased-original assessee filed a Writ Petition contending that the original assessee had died and accordingly, the proceedings for reassessment were vitiated as they were commenced against a dead person.

The High Court disposed of the Writ Petition by holding that the legal representatives could take all contentions available to them except the fact that the initial notice was issued in the name of a dead person.

Accordingly, the matter reached before the Supreme Court. The legal heir contended that the main impediment in the case was that the High Court curtailed the right of legal heirs to take a contention that the impugned Notices were initially issued in the name of

a dead person. Solely because the appellant, as a legal representative, subsequently responded to the notices would not imply that the proceeding initiated was valid. It was sought to be contented that the proceedings in fact were vitiated on account of the initial Notices being issued in the name of a dead person and the subsequent participation of the legal representatives in the proceedings before the Assessing Officer would not have cured the initial defect.

### **Decision of the case :**

- The Apex Court held that it was found that the said request made to the Court was reasonable and in accordance with law and therefore, 'paragraph 4' of the impugned order contending that all rights and contentions other than the notice issued to a dead person, is kept open, was set aside and the appellant was permitted therein to take the contention with regard to the initial Notice being issued in the name of a dead person-original assessee being defective and also take all other contentions available to the appellant before the Assessing Officer. Consequently, the impugned order was set aside to that extent.
- Thus, the appeal was allowed and disposed of in the aforesaid terms.



# TAX CALENDAR

## INDIRECT TAX

Due Date	Returns
<b>Jan 7th, 2025</b>	Filing of returns for Tax Deducted and Collected at Source under GST for December 2024. [GST Filing (GSTR-7 & GSTR-8)]
<b>Jan 11th, 2025</b>	GSTR-1 Filing (Monthly Filers): Submission of GSTR-1 return for monthly filers for December 2024.
<b>Jan 13th, 2025</b>	GSTR-1 Filing (QRMP Scheme): Submission of GSTR-1 for Quarterly filers under QRMP Scheme (October to December 2024).

## DIRECT TAX

Due Date	Returns
<b>Jan 7th, 2025</b>	Deposit TDS/TCS deducted or collected, except under Sections 194-IA, 194-IB, 194M, and 194S for the month of December, 2024
	Quarterly deposit of TDS for October to December 2024 for taxpayers permitted under Sections 192, 194A, 194D, and 194H.
<b>Jan 14th, 2025</b>	Issue of TDS Certificates for Tax deducted in November 2024 under 194-IA, 194-IB, 194M, and 194S
<b>Jan 15th, 2025</b>	Form 24G Submission: For government offices where TDS/TCS for December 2024 has been deposited without challan.
	<ul style="list-style-type: none"> <li>• Quarterly TCS Statement (Form 27EQ).</li> <li>• Quarterly Foreign Remittance Statement (Form 15CC)</li> <li>• Submission of Form 15G/15H declarations.</li> <li>• Form 49BA submission for specified funds.</li> </ul>
	Filing of Belated/Revised ITR for AY 2024–25: Last date for belated/revised returns for AY 2024–25 (extended from 31 December 2024).

# E-PUBLICATIONS

## Of

### TAX RESEARCH DEPARTMENT

**Guide Book for GST Professionals**

**Handbook for Certification for difference between GSTR-2A & GSTR - 3B**

**Impact of GST on Real Estate**

**Insight into Customs-Procedure & Practice**

**Input Tax Credit and In depth Discussion**

**Taxation on Co-operative Sector**

**Guidance notes on Preparation and Filing of Form GSTR 9 and 9C**

**Guidance Note on Anti Profiteering**

**Handbook on GST on Service Sector**

**Handbook on Works Contract under GST**

**Handbook on Impact of GST on MSME Sector**

**Assessment under the Income Tax Law**

**Impact on GST on Education Sector**

**International Taxation and Transfer Pricing**

**Handbook on E-Way Bill**

**Handbook on Filing of Returns**

**Handbook on Special Economic Zone and Export Oriented Units**

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# TAXATION COMMITTEES - PLAN OF ACTION

## Proposed Action Plan:

1. Successfully conduct all Taxation Courses.
2. Publication and Circulation of Tax bulletin (both in electronic and printed formats) for the awareness and knowledge updation of stakeholders, members, traders, Chambers of Commerce, Universities.
3. Publication of Handbooks on Taxation related topics helping stakeholders in their job deliberations.
4. Carry out webinars for the Capacity building of Members - Trainers in the locality to facilitate the traders/registered dealers.
5. Conducting Seminars and workshops on industry specific issues, in association with the Trade associations/ Traders/ Chamber of commerce in different location on practical issues/aspects associated with GST.
6. Tendering representation to the Government on practical difficulties faced by the stakeholders in Taxation related matters.
7. Updating Government about the steps taken by the Institute in removing the practical difficulties in implementing various Tax Laws including GST.
8. Facilitating general public other than members through GST Help-Desk opened at Head quarter of the Institute and other places of country.
9. Introducing advance level courses for the professionals on GST and Income Tax.
10. Extending Crash Courses on Taxation to Corporates, Universities, Trade Associations etc.

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