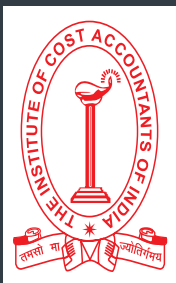


March, 2024

# TAX Bulletin

Volume - 155  
02.03.2024



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

Statutory Body under an Act of Parliament

[www.icmai.in](http://www.icmai.in)

**Headquarters:** CMA Bhawan, 12, Sudder Street, Kolkata - 700016

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**Delhi Office:** CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110003

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## VISION STATEMENT

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

## MISSION STATEMENT

“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

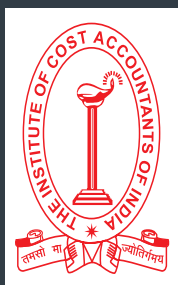
## Objectives of Taxation Committees:

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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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)
6. Advanced Course on Income Tax Assessment and Appeals (ACIAA)
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						
Discounts	20% Discount for CMA Members, CMA Qualified and CMA Final Pursuing Students						

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

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On passing the examination with 50% marks  
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### Modalities

### Eligibility

- ▲ B.Com/ BBA pursuing or completed
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	GST Course	Income Tax
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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**



**CMA (Dr.) V. Murali**  
Chairman  
Direct Taxation Committee, ICAI

## FROM THE DESK OF CHAIRMAN

Esteemed Professional Colleague,

### POINT TO PONDER

Life's best moments usually happen unexplained. Life is not a calm stream which gently allows us to take a leisurely swim. It changes and can be a stormy ocean with hidden depths, it can be an effervescent and ebullient thrill. It's our take that matters. We need to focus on the important things in life our family, our profession and stay on course despite the hiccups.

### CBDT NOTIFICATION

The Central Board of Direct Taxes vide notification no: 01/2024 dated 26.02.2024 has stated: In exercise of the powers conferred under sub-rule (1) and sub-rule (2) of Rule 131 of the Income-tax Rules, 1962 ('the Rules'), the Director General of Income Tax (Systems), with the approval of the Board, hereby specifies that the following Forms, returns, statements, reports, orders, by whatever name called, shall be furnished electronically and shall be verified in the manner prescribed under sub-rule (1) of Rule 131. The forms are:

- FORM 3CED: Application for an Advance Pricing Agreement
- FORM 3CEE Application for withdrawal of APA request
- FORM 3CEFA Application for Opting for Safe Harbour
- FORM 3CT Income attributable to assets located in India under section 9 of the Income-tax Act, 1961
- FORM 1088A Application for notification under sub-clause (iv) of clause (c) of Explanation 1 to the clause (23FE) of section 10 of the Income-tax Act, 1961
- FORM 1088C Certificate of accountant in respect of compliance to the provisions of clause (23FE) of section 10 of the Income-tax Act, 1961 by the notified Pension Fund
- FORM 10FA Application for Certificate of residence for the purposes of an agreement under Section 90 and 90A of the Income-tax Act, 1961
- FORM 34F Form of application for an assessee, resident in India, seeking to invoke mutual agreement procedure provided for in agreements with other countries or specified territories

The notification will come into effect from 01.04.2024. The new ITR 7 for the Asst. Year 2024 -25 has also been notified.

## ACTIVITIES AND PLAN OF ACTION

The Tax Research department of the Institute is continuing all its regular activities, like conduct of courses, update of Taxation Portal, quiz, courses for colleges and universities all are being carried on as per schedule meticulously. The dedication and commitment to put in the best by the department is much appreciated.

## WRAP UP POINT

In this era of war and turmoil all over the world, the virulence of terrorism has become a thorn in sides of many governments. Dr. Martin Luther King's words come to mind ***"Darkness cannot drive out darkness, only light can do that; Hate cannot drive out Hate, Only love can do that!"***

**Wishing each and every one of you a peaceful Life filled with joy, fulfilment, prosperity and bliss at home.**

With Warm Professional Regards, Forever, yours in service,

A handwritten signature in black ink, appearing to read 'V Murali' with a stylized flourish at the end.

**CMA (Dr.) V Murali**

Chairman

Direct Taxation Committee, ICAI

02.03.2024





**CMA Rajendra Singh Bhati**  
Chairman  
Indirect Taxation Committee, ICAI

## FROM THE DESK OF CHAIRMAN

The important updates in GST for this fortnight would be:

**G**oods and Services Tax (GST) revenue collected for February, 2024 is ₹1,68,337 crore, marking a robust 12.5% increase compared to that in the same month in 2023. This growth was driven by a 13.9% rise in GST from domestic transactions and 8.5% increase in GST from import of goods. GST revenue net of refunds for February, 2024 is ₹1.51 lakh crore which is a growth of 13.6% over that for the same period last year.

**Strong Consistent Performance in FY 2023-24:** As of February 2024, the total gross GST collection for the current fiscal year stands at ₹18.40 lakh crore, which is 11.7% higher than the collection for the same period in FY 2022-23. The average monthly gross collection for FY 2023-24 is ₹1.67 lakh crore, exceeding the ₹1.5 lakh crore collected in the previous year's corresponding period. GST revenue net of refunds as of February, 2024 for the current fiscal year is ₹16.36 lakh crore which is a growth of 13 % over that for the same period last year. Overall, the GST revenue figures demonstrate continued growth momentum and positive performance.

**Breakdown of February 2024 Collections:**

- Central Goods and Services Tax (CGST): ₹31,785 crore
- State Goods and Services Tax (SGST): ₹39,615 crore
- Integrated Goods and Services Tax (IGST): ₹84,098 crore, including ₹38,593 crore collected on imported goods
- Cess: ₹12,839 crore, including ₹984 crore collected on imported goods

**Inter-Governmental Settlement:** The Central Government settled ₹41,856 crore to CGST and ₹35,953 crore to SGST from the IGST collected. This translates to a total revenue of ₹73,641 crore for CGST and ₹75,569 crore for SGST after regular settlement

Again the Government has launched: Enhanced E-Invoicing Initiatives & Enhanced <https://einvoice.gst.gov.in> portal

GSTN has revamped e-invoice master information portal <https://einvoice.gst.gov.in>. This enhancement is part of ongoing effort to further improve taxpayer services. New Features of the revamped E-Invoice Master Information Portal are as follows:

- **PAN-Based Search:** Users can check the e-invoice enablement status of entities using their Permanent Account Number (PAN) in addition to search with GSTIN.

- Automatic E-invoice exemption List: The portal now automatically publishes updated list with all GSTINs that have filed for e-invoice exemptions at the start of the month and is available for users to download.
- Global Search Bar: A comprehensive search tab has been introduced that allows for quick access to the information across the portal
- Local Search Capabilities: Enhanced search functionality within advisory, FAQ, manual, and other sections for efficient information access.
- Revamped Advisory and FAQ Section: Now organized year-wise and month-wise for easier reference, offering comprehensive guidance.
- Daily IRN Count Statistics: The portal now includes statistics on the daily Invoice Reference Number (IRN) generation count.
- Dedicated Section on Mobile App: Information and support for the e-invoice QR Code Verifier app are readily available.
- Improved Accessibility Compliance and UI/UX: Adhering to the GIGW guidelines, the portal now offers improved features such as contrast adjustment, text resizing buttons, and screen reader support for enhanced accessibility.
- Updated Website Policy: The website policy has been thoroughly updated including the website archival policy, content management & moderation policy, and web information manager details.

On the departmental front all the regular activities of the department, like conduct of courses, update of Taxation Portal, quiz, courses for colleges and universities all are being carried on with utmost sincerity. I wish the department the best for their efforts.

Thank You.



**CMA Rajendra Singh Bhati**  
Chairman  
Indirect Tax Committee, ICAI  
02.03.2024



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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 /trd.ad1@icmai.in***

# Attracting Business Through Conducive Tax Structure @ IFSC , GIFT City, Gujarat



**Shri Pramod Kumar Agarwal**  
**Dy.General Manager | Finance & Accounts-Taxation**  
**GAIL India**

## Background of International Financial Service Centre

Gujarat International Finance Tech-city (GIFT) is India's first International Financial Services Centre (IFSC) under Special Economic Zone Act, 2005 ("SEZ Act 2005"). It is being developed as a global financial & technology services hub. GIFT IFSC is a Multi Services Special Economic Zone. It was operationalized in the year 2015.

GIFT city is India's first operational greenfield smart city and designed to offer simplified business regime, tax holidays & advantages, single window approvals from all authorities and conducive business eco-system to attract domestic as well as foreign investors. IFSC aspires to cater India's large financial service potential by offering global firms world class infra and facilities. It provides relaxed company law provisions, international arbitration center with overall facilitation of doing business.

Quite a few developed countries have successfully established high-tech financial hubs, which over time have catered as international financial services centers. These centers provide suitable regulatory regimes and create a advantageous business environment to promote talent and increase capital flow. Emerging financial services centers like Singapore and Hong Kong have achieved similar levels of concentration of economic activity over

short periods of time.

IFSC GIFT City is a project of national importance and should be pioneer in growth journey of India to developed nation through 2047.

Area of Business allowed to set up presence in IFSC

- 1. Banking**
- 2. Capital Market**
- 3. Alternate Investment Fund**
- 4. Insurance**
- 5. Aircraft & Ship Leasing/Financing**
- 6. Global In-House Centre**
- 7. Bullion Exchange**
- 8. Fin-tech etc..**

*Further, these areas are not exhaustive the list is increasing with every workable financial service avenues.*



“Journey of a thousand mile begin with a single step”, GIFT City is increasing its growth count with every passing day. Current tallies are as under :-

Number of IFSC units licensed : 360+

Average daily turnover on international exchanges: US\$ 20 Bn+

Number of employment generated in GIFT City: 16000+

IFSC Banking Business Assets size: US\$ 33 Bn

Re(insurance) Premium booked in IFSC : US \$ 297 Mn

IFSC Insurance Business Sum Insured: US\$ 30 bn

Source: <http://giftsez.com/>

### Emerging with favorable tax regime with every finance act after 2016

The Union Budget 2016 of India provided competitive tax regime for the IFSC at GIFT SEZ and numerous additions in tax laws have taken place since then.

Some of the important sections of Income Tax Act, 1961 which specifically provides acquittal to units in IFSC :

#### Part-I Direct benefits to IFSC units

#### Section 80LA : Deduction in respect of certain income of Offshore Banking Units and International Financial Service Centre

Section 80 LA of the Income Tax Act, 1961 was amended vide the Finance Act, 2019, substituting Sub-Section (1) with new sub-section (1) & (1A) w.e.f. April 01, 2020 which provides for-

(1) Where the gross total income of an assessee, being a scheduled bank, or, any bank incorporated by or under the laws of a country outside India; and having an **Offshore Banking Unit in a Special Economic Zone**, includes any income referred to in sub-section (2), there shall be allowed, in accordance with and subject to the provisions of this section, **a deduction from such income, of an amount equal to—**

(a)	one hundred per cent of such income for five consecutive assessment years beginning with the assessment year relevant to the previous year in which the permission, under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 (10 of 1949) or permission or registration under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or any other relevant law was obtained, and thereafter;
(b)	fifty per cent of such income for five consecutive assessment years.

The Finance Bill (Lok Sabha) has inserted a new proviso after clause (b) to Section 80LA(1) to increase the amount of deduction available to the eligible assessee under Section 80LA(1) for the subsequent 5 years from 50% to 100%.

It should be noted that there is no change in the period for which deduction is available or the quantum of deduction, and the total deduction can be claimed for a maximum period of 10 years. For example, where an eligible assessee has claimed a deduction for 7 assessment years until the assessment year 2022-23, it can claim a 100% deduction only for 3 remaining assessment years starting from Assessment Year 2023-24.

(1A) Where the gross total income of an assessee, being a Unit of an International Financial Services Centre, includes any income referred to in sub-section (2), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to one hundred per cent of such income for any ten consecutive assessment years, at the option of the assessee, out of fifteen years, beginning with the assessment year relevant to the previous year in which the permission, under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 (10 of 1949) or permission or registration under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or any other relevant law was obtained. (Emphasis Supplied)

Sub-section (2) of Section 80LA provides for-

(2) The income referred to in sub-section (1) and sub-section (1A) shall be the income—

(a)	from an Offshore Banking Unit in a Special Economic Zone; or
-----	--



(b)	from the business referred to in sub-section (1) of section 6 of the Banking Regulation Act, 1949 (10 of 1949) with an undertaking located in a Special Economic Zone or any other undertaking which develops, develops and operates or develops, operates and maintains a Special Economic Zone; or
(c)	from any Unit of the International Financial Services Centre from its business for which it has been approved for setting up in such a Centre in a Special Economic Zone;

Perusal of the aforesaid sub-sections (1) & (1A), it can be gathered that Section 80LA provides for the deductions from profits with respect to units set up in the ISFC and also for off shore banking units set up in SEZ. Any such unit shall enjoy tax incentive for ten consecutive assessment years out of fifteen assessment with respect to hundred percent of their profits and Sub-Section (2) provides that income shall include 'the income of a unit of the IFSC set up in the SEZ'.

This clearly results into huge tax savings for foreign companies who are presently taxed at a base rate of 40% (plus applicable surcharge and cess) outside the GIFT City as well as Indian companies, wherein the tax rate ranges from 22% to 30% (plus applicable surcharge and cess).

As per Section 80LA (3)(ii) to claim the deduction, assessee need to submit copy of permission or registration obtained under the International Financial Services Centre Authority Act, 2019.

Further, there is also no requirement for withholding tax on specified payments, by any payer to a person being a Unit of IFSC, who has opted for ten-year tax holiday period under section 80LA.

### Incidental escape from Minimum Alternate Tax

Section 115JB(7) has also been amended which provides for Minimum Alternate Tax at the rate of nine percent to a unit located in IFSC and derives its income solely in the convertible foreign exchange instead of fifteen percent applicable on units established in the Special Economic Zones.

Sub-Section (5A) of Section 115JB also provides that—

[(5A) The provisions of this section shall not apply to,—

(i)	any income accruing or arising to a company from life insurance business referred to in section 115B;
-----	---

(ii)	a person who has exercised the option referred to under section 115BAA or section 115BAB.]
------	--

Section 115BAA of the Act provides for taxing the income of certain domestic companies at the rate of **twenty two percent** but also provides for modification of the section for allowing deduction u/s 80LA.

“115BAA (4) In case of a person, having a Unit in the **International Financial Services Centre**, as referred to in sub-section (1A) of section 80LA, which has exercised option under sub-section (5), the conditions contained in sub-section (2) shall be modified to **the extent that the deduction under section 80LA shall be available to such Unit subject to fulfilment of the conditions contained in the said section**”

Interpreting the aforesaid sections of law and reading them collectively it can be gathered that if a 'domestic company' is set up in the 'International Financial Services Centre' set up in a 'notified SEZ' opting for option under section 115BAA to pay tax at the rate of twenty two percent will not attract liability under Section 115JB (MAT) as Minimum alternative tax is not applicable to the company's option for Section 115BAA.

Deduction under section 80LA is also available to them as section 115BAA explicitly provides for the same. Therefore, the company can enjoy tax holiday for a period of ten consecutive assessment years without attracting any tax liability under normal provisions of the Act and as well as Minimum Alternate Tax.

In nutshell, IFSC units may not have tax outgo even on account of MAT on book profit and they can continue to enjoy benefits available u/s 80LA read with section 115BAA.

### Part-II Benefits available to Persons dealing with IFSC Units.

#### Pertinent provisions under Chapter III (INCOMES WHICH DO NOT FORM PART OF TOTAL INCOME)

**Section 10(4E)** of the Income-tax Act, 1961 (IT Act) provides for tax exemption on income accruing or arising to or received by a non-resident as a result of transfer of non-deliverable forward contracts entered into with an Offshore Banking Unit (OBU) of an IFSC. This exemption is not extended to income accrued or arisen to or received by a non-resident as a result of transfer of 'offshore derivative instruments' or 'over the-counter derivatives' entered into with an OBU of an IFSC.



**Section 10(4F)** of the IT Act provides tax exemption on royalty and interest income of a non-resident on lease of an aircraft if it is paid by a unit in IFSC. Such tax exemption is also extended to royalty and interest income of a non-resident on the lease of a 'ship' if it is paid by a unit of IFSC. Further, a 'ship' is defined to mean a ship or an ocean vessel, an engine of a ship or an ocean vessel, or any part thereof.

Thus, there is no requirement for withholding tax on payment in the nature of lease rent or supplemental lease rent, made by a lessee to a Unit in IFSC for lease of a ship or aircraft. This is a big relief to the cases where ship lease payments are classified as royalty and payment is made on gross up basis.

**Section 10(4G)** to provide exemption on income of a non-resident from portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such non-resident, in an account maintained with an OBU in an IFSC, to the extent that such income accrues or arises outside India and is not deemed to accrue or arise in India.

**Section 10(23FF)** of the Income Tax Act exempts any capital gains income arising in the hands of non-resident investors on transfer of "foreign currency denominated equity shares of a company" undertaken on a recognized stock exchange located in IFSC and where the consideration for such transaction is paid or payable in foreign currency. Since the directly listed equity shares of Indian public companies on GIFT IFSC will also be denominated in foreign currency, like the shares of foreign companies, thus the exclusion from the definition of 'transfer' u/s 47(viia)(d) and the exemption u/s 10(23FF) will also be applicable on any capital gain income arising in the hands of the NRI investors, on account of transfer of such directly listed shares of Indian public companies on GIFT IFSC.

### Summing Up

IFSC is set up by the government to enhance the ease of doing business and promote international services among Indian companies. Numerous tax benefits available to units in IFSC will act as an investment booster. It is expected to give a lift to the IFSC and make it globally more competitive.

1B

# Special GST Compliance for Tobacco Product Manufacturers: Special Procedures, Special Monthly Statement Filing in respective Forms



**CMA Srikant Manne**  
**Cost Accountant**

## Introduction

Before delving into the article, I express my gratitude to God and my Gurus. As per my understanding, this article explores the process of filing a special monthly return under GST vis-à-vis the specific procedures to be followed by the registered persons engaged in the manufacturing of certain tobacco products.

Among 182 countries India signed The World Health Organization Framework Convention on Tobacco Control(WHO- FCTC), a pivotal supply-side policy, aimed at eradicating the Illicit Trade of Tobacco Products(ITP) to mitigate tobacco-related health and economic repercussions. The illicit trade in tobacco products provides employment opportunities, generates income, and revenues to the government but presents significant global challenges, encompassing health, economic and security dimensions. Thus, to address this illicit trade effectively entails raising taxes for a minimum of 75 per cent tax on the retail price of all tobacco products. As per the reports, India is the world's second-largest consumer, producer and exporter of tobacco, thereby, the tobacco industry in India provides employment opportunities,

generates income as well as contributes significantly to government revenue streams. As reported in the ET on Jul 25, 2023, the Hon'ble Finance Minister Smt. Nirmala Sitharaman told in Rajya Sabha that ".....the share of taxes in the gross tax revenue (inclusive of GST, Compensation Cess, Basic Excise Duty, National Calamity Contingent Duty) for the Financial Year 2022-23 was around 2.39% collected from tobacco and allied products and pan masala.....". However, to decrease tobacco consumption, reduce the harm of tobacco, increase the quitting of tobacco, increase the revenue, etc. as per WHO the tobacco taxation or tax rates increased from time to time around at 52.7 per cent for cigarettes, 22 per cent for bidis, 63.8 per cent for chewing tobacco, etc.

## A. GST, Notifications, GST Council Meetings and a few of its recommendations

Concerning the Goods and Services Tax(GST), the Constitution does not grant authority for levying GST based on capacity or production. Consequently, GST is not imposed on production activities. Since, the GST is a destination-based consumption tax on the supply of goods and services, thereby, since its inception the GST council





has been consistently offering various recommendations on crucial GST-related matters. Accordingly, the 42nd GST Council meeting held on 05.10.2020 constituted a Group of Ministers(GoM) on 24.05.2021 to examine the capacity-based taxation and special composition scheme with emphasis on –

1. Enhancing the ease of doing business;
2. Impact of levy to increase revenue, to plug GST leakages or evasions;
3. Possibility of levy of GST based on the capacity of manufacturing in certain evasion-prone sectors like all tobacco products, pan masala, gutka, brick kiln, sand mining, etc.
4. Any change required in current legal provisions to levy forward, the reverse charge on the class of supplies to augment revenue;
5. Improve compliance, block leakages, etc.;

Subsequently, the GoM submitted its report and the said report was accepted in the 49th GST Council meeting held on 18.02.2023. Thereafter, in the 50th GST Council meeting held on 10.07.2023 one of the recommendations was to notify the below changes –

1. Issuance of notification under section 148 of the CGST Act prescribing special procedure for registration of each machine used in manufacturing of tobacco, pan masala and similar items;
2. Refund to allow only against LUT i.e., No automated IGST refund on export of said products under section 16(4) of the IGST Act;
3. Levy of penalty for failure by the said manufacturers;
4. Declaration and Certification of production capacity, etc.;

Accordingly, in line with the recommendations of the 50th GST Council(supra) following has been specified or notified –

1. Special procedure for registered persons engaged in manufacturing of said tobacco products, etc. vide Notification No. 04/2024- Central Tax

Dated.05.01.2024 with effect from 01.04.2024 as amended from time to time, subsequently extended w.e.f.15.05.2024;

2. Filing of Special monthly returns indicating details like machines added, machines disposed of, inputs procured, utilized in quantity, brand-wise details of clearance in quantity, machine-wise, shift-wise production, shift wise records of Diesel Generator(DG) set meter and electricity meters reading, waste generation, stock, etc. by the said manufacturers to be done on common portal;
3. Levy penalty for failure to register machines – Besides other penalties introduced section 122A to the CGST Act in the Union Budget 2024-25 – seizure, confiscation and additional penalty of Rs.1 Lakh for every unregistered machine used in manufacturing process by such manufacturers;
4. Declaration and Certification of production capacity;

## Objectives

Some of the objectives of Special Registration and Monthly Statement for certain products may be as follows –

1. Further, check and verification in supply chain to block leakages.
2. To eradicate ITP(pls ask the author to expand on what is ITP) and reduce the consumption of said products in line with the WHO-FCTC;
3. To impose or collect 70% tax in advance (includes compensation cess on an ad valorem basis, specific rate, reverse charge levy on certain supply categories, etc.) based on manufacturing capacity;
4. Implementing an administrative and systematic enforcement mechanism to curb evasion and boost revenue;
5. To adopt a practice of Internationally accepted Technology driven track and trace method;
6. To Enhance compliance;

## Related Provisions

The said registration and filing procedure were governed and notified by Provisions/notifications listed below –



1. The 42nd GST Council meeting held on 05.10.2020, 49th GST Council meeting held on 18.02.2023 and the 50th GST Council meeting held on 10.07.2023;
2. Special procedure for certain processes under Section 148 of the CGST Act, 2017;
3. Previous Notification issued vide No.30/2023–Central Tax Dated 31.07.2023, subsequently, rescinded vide Notification No.03/2024–Central Tax Dated 05.01.2024 and replaced with Notification No.04/2024–Central Tax Dt.05.01.2024 as amended from time to time;
4. Notification No.04/2024- Central Tax Dated 05.01.2024(as amended from time to time) special procedure specified and made effective from 01.04.2024 initially;
5. Notification No.08/2024–Central Tax Dated 10.04.2024(as amended) extended the timeline from 01.04.2024 to 15.05.2024 for implementation of Notification No.04/2024(supra);

## Types of Forms

Every registered person engaged in the manufacturing of goods listed in Notification No 04/2024 (supra), as amended, is required to furnish monthly statement and details of every machine electronically on the common portal via the relevant forms listed below –

1. FORM GST SRM-I – Furnishing the details of each machine including the packing and filling machines to obtain the Unique Registration Number for each machine from the common portal;
2. FORM GST SRM-II – Special Monthly Statement of inputs used and the final goods produced in the month by the manufacturer of specified goods in Notification No.04/2024(supra);
3. FORM GST SRM-III –Certificate of Chartered Engineer for all machines declared in the FORM GST SRM-I(supra) by the taxpayer to be uploaded. If details of any machine are amended, then should upload a fresh certificate of such machine;

## Goods schedule in Notification No.04/2024-CT Dt.05.01.2024 as amended from time to time:

Every registered person engaged in the manufacturing

of specified goods should register machines used in the manufacturing of goods specified in schedule to the Notification No.04/2024(supra) as under –

S.No.	Chapter/Heading/ Sub-heading/ Tariff item as specified in the Customs Tariff Act, 1975	Description of Goods
1.	2106 90 20	Pan-masala
2.	2401	Unmanufactured tobacco (without lime tube)–bearing a brand name
3.	2401	Unmanufactured tobacco (with lime tube)–bearing a brand name
4.	2401 30 00	Tobacco refuse, bearing a brand name
5.	2403 11 10	‘Hookah’ or ‘gudaku’ tobacco bearing a brand name
6.	2403 11 10	tobacco used for smoking ‘hookah’ or known as ‘hookah’ tobacco or ‘gudaku’ not bearing a brand name
7.	2403 11 90	Other water pipe smoking tobacco not bearing a brand name.
8.	2403 19 10	Smoking mixtures for pipes and cigarettes
9.	2403 19 90	Other smoking tobacco bearing a brand name
10.	2403 19 90	Other smoking tobacco not bearing a brand name
11.	2403 91 00	“Homogenised” or “reconstituted” tobacco, bearing a brand name
12.	2403 99 10	Chewing tobacco (without lime tube)
13.	2403 99 10	Chewing tobacco (with lime tube)
14.	2403 99 10	Filter khaini
15.	2403 99 20	Preparations containing chewing tobacco
16.	2403 99 30	Jarda scented tobacco
17.	2403 99 40	Snuff
18.	2403 99 50	Preparations containing snuff



S.No.	Chapter/Heading/ Sub-heading/ Tariff item as specified in the Customs Tariff Act, 1975	Description of Goods
19.	2403 99 60	Tobacco extracts and essence bearing a brand name
20.	2403 99 60	Tobacco extracts and essence not bearing a brand name
21.	2403 99 70	Cut tobacco
22.	2403 99 90	Pan masala containing tobacco 'Gutkha'
23.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name
24.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name

### List of documents required for filing and registering

As per Notification No.04/2024(supra) following are the basic required documents to be uploaded –

1. Certificate of Chartered Engineer;
2. Information given to any other Government Departments or Agencies or Organizations;

3. Any other document to be mentioned by the taxpayer;

### Consequences of not registering or not filing special monthly return

Besides other payable penalties, inserted in the Union Budget 2024-25, an additional penalty of Rs.1 Lakh would be levied for every unregistered machine used in the manufacturing process by the manufacturer of goods scheduled in Notification No.04/2024(supra). Further, in addition to the said penalty seizure and confiscation of every unregistered machine would be done under section 122A of the CGST Act, 2017.

### Procedure for registration of machines and filing

Under the Value Added Tax(VAT) system, states like Telangana, Rajasthan, etc. have employed unique identification markings such as Holographic Excise Adhesive Labels, stamps, and QR codes on their respective alcohol products to combat illicit trade. Similarly, in alignment with globally recognized practices to combat illicit trade in the tobacco sector and to increase revenue growth, adopted the technology-driven track and trace method for registration of machines and filing of special monthly statement in the relevant forms for the goods specified in the Notification No.04/2024 (supra), procedures outlined below to file by logging to the portal by incorporating requisite details –

S.No	Particulars Forms – Machine Details		Essential Information
1.	Form GST SRM-I & GST SRM-III	Machines Existing, Newly added, Amended and Disposed off	Name of Manufacturer, Machine No., Date of Purchase, Make, Model No.(if available), Address of the Place of Installation, Working Status, No. of Tracks, Weight of Packages Packed on the Machine(in grams), Packing Capacity of each Track, Total Packing Capacity of the Machine, Electricity Consumption of Machine per Hour(Kilo Watt Hour-KWH), Remarks
2		Information of machines submitted to any other Government Agencies	Date of Intimation, Name of the Government Agency/ Departments/ Organizations, Declaration Details
3		Product details	Brand Name, Packing Type(Pouch, Zipper, etc.), Quantity in grams in each package, HSN, Description of the Product
4		Registration No. of the Machine	Unique Registration No. of the Machine auto generated by System(GSTIN with three digits) after filing the form on common portal
5		Disposed off Machines	Date of Disposal, Reason for Disposal, etc.



S.No	Particulars Forms – Machine Details		Essential Information
6	Form GST SRM –II (during the Tax Period)	Details of inputs (used for manufacturing the goods specified in Notification No.04/2024(supra))	Description, HSN, Unit(UQC), Opening Balance(quantity available in beginning of month–reporting first time), Quantity Procured(during the month), Value of the Quantity Procured(Rs.), Quantity Consumed, Closing Balance, Waste generated
7		Details of Production	Brand Name, Machine Registration No.(assigned by System), Packing Type, Quantity in grams in each package, HSN(8 digit level), Description of the Product, Number of Packages Packed, MRP per Package Packed(Rs.), Total Value(MRP-Rs.) of Packages Packed by Machine
8		Power Consumption(KWH)	Main Electricity/Diesel Generator(DG)set/Solar Power (Battery)/ Others Meter No., Initial Meter Reading on first day of the Month, Final Meter Reading on last day of the Month, Consumption
9		Details of Solar Power Integrated with Grid	Consumption(KWH), Generation(Solar Meter Reading) /Export and Import of electricity, Initial and Final Power Meter Reading of the Month

### Due date for furnishing of Forms or Statement

The due date for submitting the relevant forms will be effective starting from the date of implementation of the notification. Therefore, for filing by Registered Persons engaged in the manufacturing of specified goods in terms of Notification No.04(supra) as amended has been

extended from 01.04.2024 to 15.05.2024 vide Notification No.08/2024(supra). Thus, initially the effective date for Notification No.04/2024(supra) was 01.04.2024, subsequently, extended to 15.05.2024 as amended from time to time, accordingly, due dates has been illustrated in the table below –

S.No.	Form	Table	Particulars	Description	Due Date
1	FORM GST SRM-I	Existing Registered Persons		Registration and disposal of packing machines of pan masala/ tobacco products	30days of Effective Date of Notification
		New Companies/Newly granted Registered Persons		Registration/disposal of packing machines of pan masala/tobacco products-Registration granted after effect of said Notification	Within 15days from grant of registration of said Notification
		Part(B)of Table 6	Additional/Newly Added Machine	Any additional packing machine details installed at the registered place of business	Within twenty four hours of installation
		Table 6A	Any Change in Machine	Any change or Amendment to the details of machines, capacity	Within 24 Hours of such change
		Table 7	Submitted to any government Org. or Agencies	Details of the intimation of the machines furnished to any Government Departments or Agencies or Organisation	Within 15 days of intimation to Govt. agencies
			Pre-Notification Submission to any Agency	Details of intimation of machines furnished to other departments before the effective date of Notification No.4/2024 supra	30days of Effective Date of Notification withlatest certificate
2	FORM GST SRM-II	Table 8	Disposal of Machines	Disposal of Existing Filling/Packing Machines from Registered Business Premise	Within 24 Hours of such disposal
		Special Monthly Statement		Statement of inputs used and the final goods produced by specified goods manufacturer	Filing on or before 10th of next month




S.No.	Form	Table	Particulars	Description	Due Date
3	FORM GST SRM-III	Certificate of Chartered Engineer		Details of the machines for which certificate issued for Table 6 of FORM GST SRM-I	Upload along with FORM GST SRM-I

## Conclusion

The tobacco industry is being subject to Central Excise duty, National Calamity Contingent Duty (NCCD), Good and Service Tax(GST) and Compensation Cess due to its classification as a sin good. Thereby, in addition to the regular, GST compliances the said manufacturers should also ensure compliance with the registration of machines and filing of monthly statements w.e.f. 15.05.2024 Notification No.04/2024(supra) and Notification No.08/2024(supra) as amended from time to time. As per the recommendations of the GST Council to mitigate the revenue leakage in the tobacco manufacturing sector, a special procedure has been outlined for the registered persons engaged in the manufacturing of goods specified in Notification No.04/2024(supra).

According to Notification No.04/2024(supra), registration

of machines and furnishing the details of inputs used, final goods produced, relevant reporting in special monthly statements to be done from the effective date of implementation of the above-mentioned notification in appropriate forms including FORM GST SRM-I, FORM GST SRM-II, FORM GST SRM-III within the due date along with the relevant documents such as Certificate of Chartered Engineer, declarations given to other Government Departments, etc.

In case of non-compliance or failure to register machines used in the manufacture of goods would be liable to a penalty of Rs.1,00,000 for each unregistered machine along with other penalties paid or payable under any other provisions of the CGST Act and also could be liable to the seizure and confiscation of every unregistered machine under Section 122A of the CGST Act, 2017. 



# Press Releases

## Implementation of e-Verification Scheme-2021

**Income Tax Department has identified certain mismatches between third party information on interest and dividend income, and the Income Tax Return (ITR) filed by taxpayers**

**Taxpayers can provide response on-screen functionality on Compliance portal of the e-filing website <https://eportal.incometax.gov.in> to reconcile mismatch**

**Taxpayers are being informed of mismatch through SMS and emails as per details available with Income Tax Department**

**Posted On: 26 FEB 2024 7:36PM by PIB Delhi**

The Income Tax Department has identified certain mismatches between the information received from third parties on interest and dividend income, and the Income Tax Return (ITR) filed by taxpayers. In many cases, taxpayers have not even filed their ITR.

In order to reconcile the mismatch, an on-screen functionality has been made available in the Compliance portal of the e-filing website <https://eportal.incometax.gov.in> for taxpayers to provide their response. At present, the information mismatches relating to Financial Years 2021-22 and 2022-23 have been displayed on the Compliance portal. The taxpayers are also being made aware of the mismatch through SMS and emails as per details available with the Department.

Those taxpayers who have already registered on the e-filing website, can navigate to Compliance portal directly after logging into their account. Details of mismatches identified will be available under the 'e-Verification' tab.

Taxpayers who are not registered on the e-filing website have to register themselves on the e-filing website to view the mismatch. For registration, the "Register" button on the e-filing website can be clicked and the relevant details can be provided therein. After successful registration, the e-filing account can be logged into and the Compliance portal can be navigated to view the mismatches.

The on-screen functionality is self-contained and will allow the taxpayers to reconcile the mismatch on the portal itself by furnishing their response. No document is required to be furnished. This is a pro-active step taken by the Department to reach out to the taxpayers and provide them an opportunity to respond to the communication in a structured manner. It is clarified that the said communication is not a notice.

In case the taxpayer has disclosed the interest income in the ITR under the line item 'Others' in the Schedule OS, s/he need not respond to the mismatch pertaining to the interest income. The said mismatch shall be resolved on its own and will be reflected in the portal as 'Completed'.

The taxpayers who are unable to explain the mismatch may consider the option of furnishing an Updated Income Tax Return if eligible, to make good any under reporting of income.

## Union Government releases another additional installment of tax devolution of Rs. 1,42,122 crore to strengthen hands of State Governments for financing various social welfare measures and infrastructure development schemes

**With this release, States have received three installments of tax devolution in February 2024**

**Posted On: 29 FEB 2024 9:35PM by PIB Delhi**

The Union Government has authorised the release of two installments of tax devolution amounting to Rs. 1.42 lakh crore today to strengthen the hands of State Governments for financing various social welfare measures and infrastructure development schemes.

This release is in addition to the tax devolution of an instalment of Rs. 71,061 crore already made on 12 February 2024. With this release, States have received total of three installments of tax devolution in February 2024.

State-wise breakup of amounts released is given below in the table:



Sl. No	Name of State	Total (₹Crore)
1.	Andhra Pradesh	5752
2.	Arunachal Pradesh	2497
3.	Assam	4446
4.	Bihar	14295
5.	Chhattisgarh	4842
6.	Goa	549
7.	Gujarat	4943
8.	Haryana	1553
9.	Himachal Pradesh	1180
10.	Jharkhand	4700
11.	Karnataka	5183
12.	Kerala	2736
13.	Madhya Pradesh	11157
14.	Maharashtra	8978
15.	Manipur	1018
16.	Meghalaya	1090
17.	Mizoram	711
18.	Nagaland	809
19.	Odisha	6435
20.	Punjab	2568
21.	Rajasthan	8564
22.	Sikkim	551
23.	Tamil Nadu	5797
24.	Telangana	2987

Sl. No	Name of State	Total (₹Crore)
25	Tripura	1006
26	Uttar Pradesh	25495
27	Uttarakhand	1589
28	West Bengal	10692
	Grand Total	142122

### Implementation of Electronic Cash Ledger (ECL) for payment of Import duties for goods imported through Courier Mode from tomorrow, i.e. 1st March 2024

**With ECL, Express Industry can now make payment through multiple banks as per convenience by internet banking and NEFT/RTGS from the existing one bank**

**Posted On: 29 FEB 2024 8:23PM by PIB Delhi**

The Electronic Cash Ledger (ECL) shall be the mode of payment of Import duties for goods imported through International Courier terminals from 01st March 2024.

With the introduction of ECL, Express Industry can make payment through multiple banks as per convenience by internet banking and NEFT/RTGS from the existing one bank.

Earlier, the Electronic Cash Ledger was implemented for payment of Import Duties for cargo processed through EDI at Seaports, Airports, ICDs and LCSs from 01st April 2023.

For implementing the new payment system by use of ECL, handholding of the trade was done by means of registration mela and webinars conducted by DG Systems, CBIC, from October to December, 2023 to familiarise different stakeholders before the launch of ECL for Express Cargo Industry.

A pilot phase was started on 15.01.2024 and the same was expanded in phases to Delhi, Bengaluru, Mumbai and all other International Courier Terminal locations. Since 12.02.2024, the pilot has been running successfully in all the locations without any glitches in the system.



The new ECL mode of payment is now available for all EXIM and it would facilitate ease of doing business to the trade.

**Union Finance Minister Smt. Nirmala Sitharaman launches Electronic Data Interchange (EDI) at remote Land Customs Stations in North Eastern States**

**Remote LCS being EDI enabled will help in providing real-time data of movement of goods: Union Finance Minister**

**EDI enablement of customs stations is making tax system and customs procedures 'faceless' and 'automated': Revenue Secretary**

**North Eastern Region (NER) holds a high geostrategic significance and carries an immense trade potential as the Land Custom Stations (LCS) enable flow of trade and transit with neighbouring countries: CBIC Chairman**

**CBIC firmly committed to leveraged technology for benefit of trade and commerce: CBIC Member (Customs)**

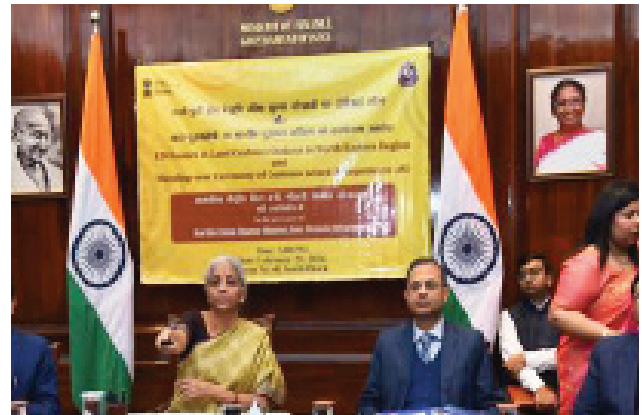
**Movement of goods and customs clearances to now become more efficient, thus enhancing regional trade and fostering economic growth**

**Posted On: 29 FEB 2024 6:14PM by PIB Delhi**

Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman inaugurated the Electronic Data Interchange (EDI) at Land Customs Stations (LCS) of the North East Region (NER), via virtual mode in New Delhi



today. With these remote LCS getting EDI-enabled, the movement of goods and customs clearances will now become more efficient, thus enhancing regional trade and fostering economic growth.



The EDI launch was also attended by Shri Sanjay Malhotra, Revenue Secretary, Ministry of Finance; Shri Sanjay Kumar Agarwal, Chairman, Central Board of Indirect Taxes and Customs (CBIC); Shri Alok Shukla, Member (Admin & Vig), CBIC; Shri Vivek Ranjan, Member (Tax Policy & Legal), CBIC; Shri Surjit Bhujabal, Member (Customs), CBIC; Smt. Aruna Narayan Gupta, Member (IT & Tax Payer Services & Technology), CBIC; and senior officials of CBIC and Department of Revenue, Ministry of Finance.

Led by Prime Minister Shri Narendra Modi's vision for creating modern digital infrastructure and ensuring that the benefits of the digital revolution reach everyone, the Union Finance Minister, in her speech at Guwahati on 21st July, 2023, had commended the Central Board of Indirect Taxes and Customs (CBIC) for converting the non-EDI LCS, mostly located in remote border areas of North and North-East India, into EDI-integrated LCS. She had exhorted the department to incorporate the rest of the functional LCS in NER into the EDI System.

During her address at the launch of EDI at Land Customs Stations in the North East region, Smt. Sitharaman called upon the CBIC and Customs to address the challenges faced by exports and stated that remote LCS getting EDI enabled is important as it will help in providing real-time data on the movement of goods.

The Union Finance Minister also called upon the Customs Department to be alert and vigilant while manning the post in sensitive border areas, especially in areas that are densely populated and vulnerable.



In his address on the occasion, Shri Malhotra said, “The vision of our Prime Minister Shri Narendra Modi to make India a developed country by 2047 involves creation of modern digital infrastructure and use of technology so as to ensure that benefits of digital revolution reach all the citizens. The Electronic Data Interchange (EDI) enablement of the customs stations is one such step in this direction in making tax system and the customs procedures ‘faceless’ and ‘automated’.”



“It is heartening to know that through this event, CBIC has brought the much needed focus on the development of North East India by enabling EDI at the land customs stations in these remotest parts of NER,” Shri Malhotra added.

In his welcome address on the occasion, Shri Agarwal said that the North Eastern Region (NER) holds a high geostrategic significance and carries an immense trade potential as the Land Custom Stations (LCS) enable flow of trade and transit with neighbouring countries.

Shri Agarwal further said that there are 44 LCSs in NER covering 7 States — Assam, Meghalaya, Tripura, Mizoram,



Manipur, Arunachal Pradesh and Sikkim. The creation of physical infrastructure and automation of custom processes at the LCSs have always remained a priority of the Indian Customs.



While giving Vote of Thanks, Shri Surjit Bhujabal, Member (Customs), said, “The launch of the EDI system today signifies a monumental step towards enhancing efficiency and promoting Ease of Doing Business in the remote locations of NER. This achievement underscores our firm commitment to leveraging technology for the benefit of trade and commerce.”

With a focus on harnessing technology for development of NER, the CBIC has completed the task of EDI enablement at the following LCS - Ghasuapara, Bholaganj, Shellabazar, Borsora, Khowaighat, Baghmara, Golakganj, Karimganj and Dawki along Indo-Bangladesh border and Zokhawthar along Indo-Myanmar border. These LCSs presented distinct challenges, situated in far-flung areas without Optical Fibre or Mobile Networks. CBIC overcame these obstacles by installing VSAT at several locations. The journey symbolizes not only the technical enhancement of Customs operations but also the commitment of CBIC towards nation’s progress in Kartavya Kaal.



# NOTIFICATIONS & CIRCULARS

## Indirect Tax

### GST (Central Tax)

GOVERNMENT OF INDIA MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE) CENTRAL BOARD OF  
INDIRECT TAXES AND CUSTOMS  
NOTIFICATION No. 06/2024 – CENTRAL TAX,

New Delhi dated the 22nd February,

2024 S.O...(E)— In exercise of the powers conferred by section 158A of the Central Goods and Services Tax Act, 2017 (12 of 2017) and section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies “Public Tech Platform for Frictionless Credit” as the system with which information may be shared by the common portal based on consent under sub-section (2) of Section 158A of the Central Goods and Services Tax Act, 2017 (12 of 2017). Explanation.— For the purpose of this notification, “Public Tech Platform for Frictionless Credit” means an enterprise-grade open architecture information technology platform, conceptualised by the Reserve Bank of India as part of its “Statement on Developmental and Regulatory Policies” dated the 10th August, 2023 and developed by its wholly owned subsidiary, Reserve Bank Innovation Hub, for the operations of a large ecosystem of credit, to ensure access of information from various data sources digitally and where the financial service providers

and multiple data service providers converge on the platform using standard and protocol driven architecture, open and shared Application Programming Interface (API) framework.

[F. No. CBIC-20001/1/2024-GST]

### Customs (Non - Tariff)

GOVERNMENT OF INDIA MINISTRY OF  
FINANCE (DEPARTMENT OF REVENUE) Notification No.  
10/2024-Customs

New Delhi, the 19th February, 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) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), 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. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 785(E), dated the 30th June, 2017, namely:—In the said notification, in the Table,

-(1) after S. No. 3 and the entries relating thereto, the following S. No. and entries shall be inserted, namely

(1)	(2)	(3)	(4)	(5)	(6)
3AA	0207 25 00; 0207 27 00	Meat and edible offal, of turkeys, frozen	5%	-	”;

2) after S. No. 32A and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“32AA.	0810 40 00	Cranberries, fresh; Blueberries, fresh	10%	-	-
32AB	0811 90	Cranberries, frozen; Blueberries, frozen	-10%	-	-
32AC	0813 40 90	Cranberries, dried; Blueberries, dried	-10%	-	”;



(3) after S. No. 90 and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely:

(1)	(2)	(3)	(4)	(5)	(6)
“90A.	2008 93 00	Cranberries, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	5%	-	”;
90B	2008 99	Blueberries, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	10%		

4) against S. No. 100, in column (2), for the entry, the entry “2202 99” shall be substituted;

(5) after S. No. 304A and the entries relating thereto, the following S. No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
304B	5201 00 25	Other: of staple length exceeding 32.0 mm	Nil	-	”;

2. This notification shall come into force on the 20 th of February, 2024.

[F. No. CBIC-190354/166/2023-TO(TRU-I)]

**GOVERNMENT OF INDIA**  
**MINISTRY OF**  
**FINANCE (DEPARTMENT OF REVENUE)**  
**Notification No. 11/2024-Customs**

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. 11/2021 –Customs, dated the 1st February, 2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 69(E), dated the 1st February, 2021, namely:-

In the said notification, in the Table, for serial number 14 and the entries relating thereto, the following S.No. and entries shall be substituted, namely:

(1)	(2)	(3)	(4)
“14.	5201(other than 5201 00 25)	All goods (Other than goods of staple length exceeding 32.0 mm	5%”.

2. This notification shall come into force on the 21st day of february, 2024.

[F.No.354/15/2022-TRU]

**GOVERNMENT OF INDIA**  
**MINISTRY OF**  
**FINANCE (Department of Revenue)**  
**Notification No. 12/2024-Customs**

**New Delhi, the 21st February, 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 amends the following notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the

Table below, to the extent specified in the corresponding entries in column (3) of the said Table, namely:-

Table

S. No.	Notification No. and Date	Amendments
(1)	(2)	(3)
1	55/2022-Customs, dated the 31st October, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 796(E), dated the 31st October, 2022	In the said notification,- (i) in the Table, S. No. 2A and the entries relating thereto shall be omitted; (ii) in the Annexure, condition number 5 shall be omitted.





S. No.	Notification No.and Date	Amendments			
(1)	(2)	(3)			
1	64/2023-Customs, dated the 07thDecember,2023,published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), videnumber G.S.R. 884(E)., dated the 07thDecember, 202	In the said notification, (i)in the opening paragraph, for the words and figures “leviable thereon under the said section of the Finance Act, 2021 (13 of 2021), namely:-”, the words and figures “leviable thereon under the said section of the Finance Act, 2021 (13 of 2021), subject to the condition as specifiedin column (4) of the said Table, namely:-”shall be substituted;(ii)for the Table and paragraph2, the following Table shall be substituted, namely:-			
		(1)	(2)	(3)	(4)
		“14.	Tariff Item	Description of goods	Condition
			0713 10 10	Yellow Peas	In respect of the said goods, the Bill of Lading is issuedon or before 30thday of April, 2024.”

2. This notification shall come into force on the 22nd day of February, 2024.

[F. No. CBIC-190354/161/2023-TRU]

## Central Excise (Tariff)

GOVERNMENT OF INDIA MINISTRY OF  
FINANCE (Department of Revenue) Notification No.  
08/2024-Central Excise

New Delhi, the 29th February, 2024

G.S.R. ....(E). - In exercise of the powers conferred by section 5A of the Central Excise Act, 1944 (1 of 1944) read with section 147 of the Finance Act, 2002 (20 of 2002), 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. 18/2022-Central Excise, dated the 19th July, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 584(E), dated the 19th July, 2022, namely:-

In the said notification, in the Table,-

(i) against S. No. 1, for the entry in column (4), the entry "Rs. 4600 per tonne" shall be substituted; 2. This notification shall come into force on the 1st day of March, 2024.

[F. No. 354/15/2022-TRU]

GOVERNMENT OF INDIA MINISTRY OF FINANCE  
(Department of Revenue) Notification No. 09/2024-  
Central Excise

New Delhi, the 29th February, 2024

G.S.R. ....(E). - In exercise of the powers conferred by section 5A of the Central Excise Act, 1944 (1 of 1944) read with section 147 of Finance Act, 2002 (20 of 2002), 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. 04/2022-Central Excise, dated the 30th June, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 492 (E), dated the 30th June, 2022, namely:-

In the said notification, in the Table,

(i) against S. No. 2, for the entry in column (4), the entry "Rs. Nil per litre" shall be substituted;

2. This notification shall come into force on the 1st day of March, 2024.

[F. No. 354/15/2022-TRU]



# NOTIFICATIONS & CIRCULARS

## Direct Tax

Government of India Ministry of Finance Central Board of Direct Tax Directorate of Income Tax (Systems) Notification No.01/2024 Dated:26.02.2024

Specifying Forms, returns, statements, reports, orders, by whatever name called, prescribed in Appendix-I to be furnished electronically under sub-rule(1) and sub-rule(2) of Rule 131 of the Income-tax Rules, 1962

In exercise of the powers conferred under sub-rule (1) and sub-rule (2) of Rule 131 of the Income-tax Rules, 1962 ('the Rules'), the Director General of Income Tax (Systems), with the approval of the Board, hereby specifies that the following Forms, returns, statements, reports, orders, by whatever name called, shall be furnished electronically and shall be verified in the manner prescribed under sub-rule(1) of Rule 131:

S.no	Form	Description
1	3CED	Application for an Advance Pricing Agreement
2	3CEE	Application for withdrawal of APA request
3	3CEFA	Application for Opting for Safe Harbour
4	3CT	Income attributable to assets located in India under section 9 of the Income-tax Act, 1961
5	10BBA	Application for notification under sub-clause (iv) of clause (c) of Explanation I to the clause (23FE) of section 10 of the Income-tax Act, 1961
6	10BBC	Certificate of accountant in respect of compliance to the provisions of clause (23FE) of section 10 of the Income-tax Act, 1961 by the notified Pension Fund
7	10FA	Application for Certificate of residence for the purposes of an agreement under section 90 and 90A of the Income-tax Act, 1961
8	34F	Form of application for an assessee, resident in India, seeking to invoke mutual agreement procedure provided for in agreements with other countries or specified territories

2. This notification shall come in to effect from 1<sup>st</sup> April 2024

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# JUDGEMENT INDIRECT TAX

## HC justified cancellation of GST registration as assessee uploaded forged documents at time of obtaining it

### *Facts of the case -*

*Suresh Kumar Chaudhary v. Assistant Commissioner - [2024] (Calcutta)*

The assessee was a proprietorship firm and engaged in the business of transportation. It applied for registration under GST and uploaded electricity payment receipt and rental agreement as proof of address and electricity proof of business premises. After due verification and field visit, the department found that the documents submitted by the assessee were forged and fabricated. Therefore, the department rejected the application for registration and issued a show cause notice for cancellation of registration.

The assessee did not respond to the notice and therefore, the registration was cancelled. Thereafter, the assessee filed application for revocation of cancellation of registration but the department rejected the application for revocation of cancellation of registration. It filed appeal before the Appellate Authority and the Appellate Authority passed order confirming the rejection of application for revocation of cancellation of registration. It filed writ petition against the rejection order and contended that the documents were genuine.

### *Decision of the case :*

- ✦ The Honorable High Court noted that the registration was cancelled on the ground that the assessee had uploaded electricity payment receipt and rental agreement, which were found to be forged documents. The Court further noted that the Appellate Authority was well-justified in dismissing the appeal of assessee. Therefore, the Court held that there was no ground to interfere with the impugned order and the writ petition was liable to be dismissed.

## SCN to be quashed as no clarity was given by Dept. on allegations of availing fraudulent ITC: HC

### *Facts of the case -*

*Kundan Impex v. Principal Commissioner of Department of Trade and Taxes - [2024] (Delhi)*

The petitioner was a registered assessee and it was engaged in the business of trading of goods. The department issued a show cause notice (SCN) for suspension of registration. The petitioner filed writ petition against the SCN and contended that the SCN did not contain requisite details and was not sustainable.

The Honorable High Court noted that the SCN was issued to petitioner whereby registration of petitioner was suspended but it did not contain any reason or detail but merely refers to letter of Assistant Commissioner. The Court also noted that the letter issued by department also did not give any clarity as to allegation of availing of fraudulent input tax credit by the petitioner.

### *Decision of the case :*

- ✦ Therefore, the Court held that the SCN was to be set aside. However, it would be open to the department to take further action in accordance with law inter alia, cancellation of registration with retrospective effect but the same would be in accordance with law and pursuant to a proper Show Cause Notice and an opportunity of hearing being given to the petitioner.

## Seized documents or copies should be provided to assessee to file effective responses to show-cause cum demand notices: HC

### *Facts of the case -*

*Harp Resorts (P.) Ltd. v. Union of India - [2024] (Bombay)*

The department conducted search and seizure operation at the premises of petitioner. Thereafter, the department issued show cause cum demand notices under Section 74. The petitioner filed writ petition and contended that the raids were conducted during which all their documents had been attached and seized. It requested the department to release of the documents or at least furnish of copies of such documents in order to enable them to file effective responses to the impugned notices.





### Decision of the case :

- ❖ The Honorable High Court noted that the documents were required to be supplied to the petitioner in terms of Section 67(5) of CGST Act, 2017. The department was duty-bound to comply with the requirement of Section 67(5) and supply to assessee either documents or copies of documents which were attached and seized in order to enable them to file effective responses to impugned notices. Therefore, the Court directed the GST department to dispose of the petitioner's representations and supply documents as per Section 67(5).

### HC directs AO to recall order blocking ITC as supplier's change of address was approved by GSTN

#### Facts of the case -

*Amarnath Trading Co. v. State of U.P. - [2024] (Allahabad)*

The petitioner was a registered dealer and the department blocked ITC of petitioner on ground that ITC was not genuine since supplier was found to be non-existent at his disclosed place of business. It filed writ petition against the order and contended that the supplier had submitted application for amendment of core field in registration particulars including change of place of business from Hapur to Ghaziabad.

#### Decision of the case :

- ❖ The Honorable High Court noted that the GSTN had recorded change of address of the supplier from Hapur to Ghaziabad. The Court also noted that the change was applied by the supplier on 06.10.2023 i.e. four days prior to the impugned communication.
- ❖ However, the department passed the order on 10.10.2023. Therefore, the Court held that the order was wholly ex-parte and the petitioner was directed to file an application before the department to recall the order and the department was directed

to verify the correct facts from the GSTN and pass appropriate and reasoned order within a period of one week from the date of filing that application.

### No GST exemption on services provided in relation to grant or renewal of affiliation of colleges by University: HC

#### Facts of the case -

*Sree Ramu College of Arts and Science v. Authority for Clarification and Advance Ruling - [2024] (Madras)*

The assessee was an educational institution affiliated to Bharathiar University and was providing education services to its students. The university used to provide a 'principal supply of affiliation' to its constituent colleges along with a composite supply of sale of applications for registration of courses, inspection, etc.

The Assessing Officer (AO) held that the supply made by the university to the constituent colleges was not exempted in terms of Entry 66 of the Notification No. 12/2017-Central Tax (Rate). Aggrieved by the order, the petitioner filed a writ petition before the Madras High Court.

#### Decision of the case :

- ❖ The High Court noted that Entry 66 to the Notification No. 12/2017-Central Tax (Rate) was confined only to services relating to admission to or conduct of examination by educational institutions and not to services relating to the affiliation of constituent colleges. Therefore, even on a demur service relating to admission to, or conduct of examination by Educational Institution as defined in Clause 2(y) to Notification No. 12/2017-CT (Rate) dated 28-06-2017 cannot apply to service provided in relation to grant or renewal of affiliation of the assessee to Bharathiar University.
- ❖ Thus, the Court held that instant writ petition was liable to be dismissed as there was no scope for interpreting exemption to cover services provided for affiliation purposes.

# JUDGEMENT DIRECT TAX

## Delay in payment of tax can't be equated with wilful attempt to evade tax; HC quashes prosecution

### Facts of the case -

#### *Unique Trading Co. v. ITO - [2024] (Bombay)*

The case in question was a criminal complaint filed by the Income Tax Department against Unique Trading Company and its partners for an offence punishable under Section 276C(2) of the Income Tax Act, 1961. The section deals with the wilful attempt to evade the payment of tax, penalty or interest under the Act. The Income Tax Department alleged that the company had wilfully attempted to evade the tax payment and sought to prosecute the company and its partners for the same.

The company, however, argued that the delay in tax payment was not a wilful attempt to evade the tax payment. It was also argued that it had paid the tax due immediately after the service of the show cause notice. After hearing both sides, the Bombay High Court agreed with the company and quashed the criminal complaint filed by the Income Tax Department.

### Decision of the case :

- ❖ The High Court observed that the delay in tax payment was not a wilful attempt to evade the tax payment. It also observed that the company had paid the tax due immediately after the service of the show cause notice and that the tax due was paid in full.
- ❖ The court also noted that the company had paid the interest on the due amount and that the tax due was paid under 5 days of the service of the show cause notice. The court also observed that the company had declared the income and assessed the self-assessment tax. It was neither a case of underreporting income nor showing diminished tax liability.
- ❖ Accordingly, prosecution for alleged offence punishable under section 276C(2) was to be quashed.

### AO to consider modified ITR filed manually

## if e-filing portal wasn't enabled to accept it: Madras HC

### Facts of the case -

#### *Pallava Textiles Private Limited vs. ACIT - [2024] (Madras)*

The assessee was a private limited company engaged in the business of manufacturing and trading of yarn and fabric. During the financial year 2020-21, the assessee filed an application before the National Company Law Tribunal (NCLT) seeking approval for a scheme of amalgamation. Under the said scheme of amalgamation, the other company was merged with the assessee and dissolved without being wound up. The NCLT sanctioned the scheme on 18.04.2022.

Relying upon section 170A, the assessee filed a manual modified return giving effect to the amalgamation as the portal was not enabled to file such an electronic return. Meanwhile, the Assessing Officer (AO) passed an assessment order ignoring the modified return of income. Aggrieved by the order, the assessee filed a writ petition to the Madras High Court.

### Decision of the case :

- ❖ The High Court held that Section 170A was inserted by the Finance Act 2022 with effect from 01.04.2022, and the provision indicates that any assessment after the business reorganization was sanctioned should be based on the modified return. The provision mandated that a successor of a business reorganization is required to furnish the modified return within six months from the end of the month in which the order of the court or tribunal sanctioning such business reorganization is issued.
- ❖ Further, it appeared that the assessee submitted a physical copy of such a modified return on 24.08.2022. Since the last date for filing the return was expiring earlier, the assessee previously submitted the return of the company on a standalone basis on 14.03.2022.
- ❖ From the list of dates and events, it was clear that the first notice to the assessee under Section



143(2) was issued subsequent to the effective date of the merger. All other notices culminating in the impugned assessment order were issued later. In view of the scheme of amalgamation having become effective and thereby operational from 01.04.2020, the assessee's consolidated return of income, after its amalgamation, should have been the basis for assessment based on the scrutiny.'

- ❖ It was noticed that the AO considered the standalone returns of the assessee, the standalone returns and the consolidated returns of the merged entity for different purposes. Such an approach cannot be countenanced. Even without going into the other contentions, the assessment order calls for interference on this ground.

- ❖ Accordingly, the assessment order was quashed.

### **No legal bar in selecting foreign AE as tested party for determining ALP: HC**

#### ***Facts of the case -***

#### ***PCIT v. ITC Infotech India Ltd. - [2024] (Calcutta)***

The instant appeal was filed by the Assessing Officer (AO) under Section 260A of the Income Tax Act, 1961 against the order passed by the Tribunal. AO has raised the following questions of law for consideration:

"Whether the Tribunal was justified in law in not considering the fact that foreign AEs cannot be taken as 'tested party' as per Indian Transfer Pricing Regulation in as much as the tested party should be an Indian entity and the level of margin has to be considered for establishing arm's length comparability?"

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

- ❖ Calcutta High Court held that the issues that arose for consideration had been decided by the Tribunal in favour of the assessee in the assessee's case in past years. The order passed in favour of the assessee for the assessment years 2005-06, and the High Court has also affirmed 2006-07.
- ❖ The Tribunal observed that the Indian Transfer Pricing guidelines issued by the Institute of Chartered Accountants of India vide guidance note on report under Section 92E by Institute of Chartered

Accountants of India and transfer pricing guidelines issued by OECD do not prohibit associated enterprises to be tested party.

- ❖ The Tribunal accepted the stand taken by the assessee that the associated enterprises could be selected as a tested party. Accordingly, the finding rendered by the Tribunal was just, proper and legally valid. Thus, the appeal filed by AO was to be dismissed.

### **No income accrued to NR on excess TDS deposited by assessee; HC directs refund of same with interest**

#### ***Facts of the case -***

#### ***Tupperware India Pvt. Ltd vs. Commissioner of Income Tax (International Taxation) - [2024] (Delhi)***

The assessee-company was engaged in the manufacturing and trading moulded plastic items, which included import on a lease basis from overseas group companies. During the year under consideration, the assessee imported moulds from Dart USA under the Rental Agreement.

As per the agreement, the mould lease rent was agreed to be paid by the assessee based on actual production days. Due to the change in the method for charging rent on mould leases, the assessee deducted higher tax (TDS) on the revised estimate. However, the negotiations between the two companies didn't materialize, which resulted in an excess tax deposit.

The assessee had made an application before the Assessing Officer (AO) for a refund of the higher tax deducted in accordance with the procedure enlisted under the CBDT circular dated 23-10-2007. However, no action was taken. AO contended that the assessee wasn't entitled to the refund of excess TDS deposited by it, and only the payee would get the refund.

Aggrieved-assessee filed a writ petition before the Delhi High Court.

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

- ❖ The High Court held that the cardinal duty of imposition or collection of taxes, which flows from Article 265, can only be exercised by the authority of law and not otherwise. The deliberations for increasing the rent did not materialize in the instant

case. It was clearly established that no income had accrued to Dart USA qua the excess TDS paid by the assessee and, consequently, no right of retention of the said amount vests in the Commissioner.

- ❖ Further, the court emphasized the procedure under the CBDT circular. The primary objective behind the circular was to lay down a procedure for refunding tax deducted under Section 195 of the Act in certain situations.
- ❖ It was crystallized that by no prudent stretch of the imagination, the AO was entitled to withhold the excess TDS deposited by the assessee in lieu of the anticipated liability for the concerned AY, as the same would amount to tax collection without any authority of law. Accordingly, the writ petition was allowed to direct the issue of refunding excess TDS.

### **Tax deducted on grants under Sec. 194C/194J wouldn't disentitle assessee to claim sec. 11 exemption: HC**

#### ***Facts of the case -***

#### ***Aroh Foundation vs. Commissioner of Income Tax (Exemption) - [2024] (Delhi)***

The assessee was a non-governmental organisation registered as a charitable institution under Sections 12A read with 12AA and 80G. The assessee was working to uplift the poor and underprivileged children and women, improve their health, preserve the environment, and address other social causes. The assessee receives various grants from the government and the private sector to fulfil its charitable objectives.

During the assessment proceedings, the Assessing Officer (AO) observed that the donor deducted tax under sections 194C and 194J while allocating requisite grants to the assessee. Contending that receipts were towards

professional or technical services or contractual income and the assessee was hit by the proviso to section 2(15) of the Act, AO denied the exemption under section 11.

Aggrieved by the order, the assessee filed a revision petition under section 264, but all in vain. Subsequently, the assessee filed a writ petition to the Delhi High Court.

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

- ❖ The High Court held that the Proviso to Section 2(15) states that the advancement of any other object of general public utility involving trade, commerce, or service related to business for a fee is not considered charitable unless it's directly linked to advancing public utility, and the revenue from such activities doesn't surpass 20% of the trust's total receipts in the previous year.
- ❖ In the instant case, the sole reason to construe the receipt by donors under the tax regime was on the assumption it was received towards professional/technical services or contractual income as tax was deducted under Sections 194C and 194J. Further, there was no element of activity in the nature of trade, commerce or business, or any activity or rendering any service in relation to any trade, commerce or business.
- ❖ If the deductor, under misconception, deducted tax under Sections 194C and 194J, it would not disentitle the assessee to claim benefit under Sections 11 and 12 unless the case of the assessee was specifically hit by the Proviso of Section 2(15).
- ❖ Therefore, the proviso to Section 2(15) would not be attracted merely based on the tax deduction by the donor under a particular head, and accordingly, the writ petition was allowed.



# Tax Calendar (Indirect Tax)

Due Date	Returns
March 7 <sup>th</sup> , 2024	ECB-2 under FEMA-ECB
March 10 <sup>th</sup> , 2024	GSTR-7 (GST-TDS)
	GSTR-8 (GST-TCS)
March 11 <sup>th</sup> , 2024	GSTR-1-Other than QRMP scheme
March 13 <sup>th</sup> , 2024	GSTR-5-Non-Resident Taxable Person
	GSTR-6-Input Service Distributor

# Direct Tax

Due Date	Returns
March 2 <sup>nd</sup> , 2024	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, IB & M in the month of January, 2024
March 7 <sup>th</sup> , 2024	Due date for deposit of Tax deducted/collected for the month of February, 2024. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
March 15 <sup>th</sup> , 2024	Fourth instalment of advance tax for the assessment year 2024-25
	Due date for payment of whole amount of advance tax in respect of assessment year 2024-25 for assessee covered under presumptive scheme of section 44AD / 44ADA
	Due date for furnishing of Form 24G by an office of the Government where TDS/ TCS for the month of February, 2024 has been paid without the production of a Challan
March 17 <sup>th</sup> , 2024	Due date for issue of TDS Certificate for tax deducted under section 194-IA, IB & M in the month of January, 2024



## E-PUBLICATIONS OF TAX RESEARCH DEPARTMENT

Guide Book for GST Professionals	Handbook on GST on Service Sector
Handbook for Certification for difference between GSTR-2A & GSTR - 3B	Handbook on Works Contract under GST
Impact of GST on Real Estate	Handbook on Impact of GST on MSME Sector
Insight into Customs-Procedure & Practice	Assessment under the Income Tax Law
Input Tax Credit and In depth Discussion	Impact on GST on Education Sector
Taxation on Co-operative Sector	International Taxation and Transfer Pricing
Guidance notes on Preparation and Filing of Form GSTR 9 and 9c	Handbook on E-Way Bill
Guidance Note on Anti Profiteering	Filing of Return
	Handbook on Special Economic Zone and Export Oriented Units

For E-Publications, Please Visit Taxation Portal-

<https://icmai.in/TaxationPortal/>

## Notes



## Notes

## Notes

# 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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