

NEWSLETTER

TAX

OCT 2024

- Income Tax
- Goods and Services Tax



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Income Tax

1. Order authorizing Income Tax authorities to admit an application or claim for refund and carry forward of loss and set off thereof under section 119(2)(b) of the Income Tax Act.

CBDT

Circular No. 11/2024 dated 01.10.2024

Vide this circular, CBDT has laid down guidelines for condoning of delay in filing of income tax returns in cases involving claiming of refund, carry forward and set off of losses.

Details as under:

- Authorities for deciding applications for condonation of delay in filing income tax returns.

Amount claimed in the return (Refund, Carry forward of Losses)	Income Tax Authority
>= Rs. 1 crore	Principal Commissioner of Income Tax/ Commissioner of Income Tax
Rs. 1 crore <= Rs. 3 crores	Chief Commissioner of Income Tax
> Rs. 3 Crores	Principal Chief Commissioner of Income Tax

- Commissioner of Income-tax, Central Processing Centre, Bengaluru shall be vested with the powers for acceptance/rejection of petitions under section 119(2)(b) of the Income Tax Act seeking condonation of delay in verifying the return of income by sending ITR-V to centralized processing Cell, Bengaluru within the prescribed time limit.
- No condonation application for claim of refund/loss shall be entertained beyond five years from the end of the assessment year for which such application/claim is made.
- Time limit for filing of such application within five years from the end of assessment year will be applicable for applications filed on or after 01.10.2024.
- A condonation application should be disposed of, as far as possible, within six months from the end of the month in which the application is received by the competent authority.
- In a case where refund claim has arisen consequent to a Court order, the period for which any such proceedings were pending before any Court of Law shall be ignored while calculating the said period of five years, provided such condonation application is filed within six months from the end of the month in which the Court order was issued or the end of financial year whichever is later.
- The powers of acceptance/rejection of the application within the monetary limits delegated to the authorities in case of such claims will be subject to following conditions:
 - At the time of considering the case under Section 119(2)(b) it shall be ensured that assessee was prevented by reasonable cause from filing the return of income within the due date and that the case is of genuine hardship on merits
 - The authorities dealing with the case shall be empowered to direct the jurisdictional Assessing Officer to make necessary inquiries in accordance with the provisions of the Act to ensure that the application is dealt on merits in accordance with law

- CBDT reserves the power to examine any grievance arising out of an order passed or not passed by the tax authorities under section 119(2)b of The Income Tax Act.
- This circular will supersede all previous circulars, guidelines issued by the CBDT dealing with condonation of delay in filing returns for cases involving claiming of refund, carry forward and set off of losses.

[Circular No.11](#)

2. Income-tax (Seventh Amendment) Rules, 2024.

CBDT
Notification No. 111/2024 dated 15.10.2024

Vide this notification, CBDT has modified the Income Tax Form 10A and 10AB.

Form 10A: This form is required to be filed by a charitable or religious trust/institution for applying and obtaining **provisional registration** to avail exemptions under section 12A, section 12AA and section 80G of the Act.

Form 10AB: This form is required to be filed for:

- Obtaining **permanent registrations** by charitable or religious trust/institution which have obtained provisional registration
- Renewal of registration by existing registered trust/institutions
- Seeking initial registration or approval to avail exemptions under section 12A, Section 12AA and Section 80G of the Income Tax Act.

[Notification No. 111](#)

3. Income-tax (Eighth Amendment) Rules, 2024.

CBDT
Notification No. 112/2024 dated 15.10.2024

Vide this notification, CBDT has modified provisions related to deduction of tax at source by employers under section 192 of the Income Tax Act.

Details of the amendments are as under:

- **Introduction of Form 12BAA:** A new reporting form, Form 12BAA, has been introduced for furnishing of income derived by employees from sources other than salaries and any losses incurred under house property.

Employees can also report TCS and TDS collected/deducted by other parties (other than employer) in Form 12BAA to the employer.

This move aims to streamline TDS computation under section 192, allowing for more accurate tax calculations.

- **Enhancements to Existing Forms:** Amendments have also been made to Forms 10E, 16, and 24Q. These amendments include addition of new columns specifically for reporting TDS and TCS under section 192(2B), thereby improving the overall documentation process.

[Notification No. 112](#)

4. Income-tax (Ninth Amendment) Rules, 2024

CBDT

Notification No.114/2024 dated 16.10.2024

Vide this notification, CBDT has amended Rule 37-I of the Income Tax Rules to facilitate the grant of credit of Tax Collection at source (TCS) to any person other than the collectee.

This change is specifically beneficial for parents of minors, as it enables them to claim TDS credit when the minor's income is clubbed with their own income for tax assessments.

Consequential amendments are also made in Rule 31AA which specifies Form 27EQ *i.e. quarterly statement to be filed by persons collecting TCS under section 206C of the Act.*

[Notification No. 114](#)

5. TCS exemption to Reserve Bank of India (RBI) under section 206C(1F) of the Income Tax Act.

CBDT

Notification No.115/2024 dated 16.10.2024

Section 206C(1F) states that every person, being a seller, who receives any amount as consideration for sale of a motor vehicle of the value exceeding ten lakh rupees, shall, at the time of receipt of such amount, collect from the buyer, a sum equal to **one per cent** of the sale consideration as income tax.

Vide this notification, CBDT has exempted tax collection at source (TCS) under section 206C(1F) from consideration received from RBI against the sale of motor vehicle.

[Notification No. 115](#)

6. Tolerable variations in transfer pricing transactions (AY 2024-25)

CBDT

Notification No.116/2024 dated 18.10.2024

Vide this notification, CBDT has specified "variation" that is tolerable to Income Tax authorities between **the arm's length price determined under section 92C of the Income Tax Act** and **the price at which the international transaction or specified domestic transaction has been undertaken.**

Nature of Transactions	Tolerable Variation
Wholesale Trading	1% of the price at which the international transaction or specified domestic transaction has been undertaken.
Other Cases	3% of the price at which the international transaction or specified domestic transaction has been undertaken.

Definition of "Wholesale Trading" also forms part of the notification.

This notification is for Assessment Year 2024-25.

[Notification No. 116](#)

7. Extension of the due date for filing Income Tax Return for Assessment Year 2024-25

CBDT

Circular No.13/2024 dated 26.10.2024

Vide this circular, CBDT has extended the due date for filing the income tax return for the following class of tax payers as referred to in clause (a) of explanation 2 to section 139(1) of the Income Tax Act:

- i. A Company
- ii. A person (other than a company) whose accounts are required to be audited under the Income Tax Act or under any other law for the time being in force
- iii. A partner of a firm whose accounts are required to be audited under the Income Tax Act or under any other law for the time being in force [or the spouse of such partner if the provisions of section 5A of the Income Tax Act apply to such spouse]

Original due date	Extended due date
31 st October, 2024	15th November, 2024

[Circular No. 13](#)

Goods and Service Tax

1. Central Goods and Services Tax (Second Amendment) Rules, 2024.

CBIC

Notification No. 20 & 21 /2024 dated 08.10.2024

Vide these notifications, CBIC has introduced the CGST (Second Amendment) Rules, 2024 based on recommendation of the GST Council pursuant to its 54th meeting held on 9th September 2024.

Details of the amendments are as under:

- **Rule 47A-Time Limit for issue of self-invoice under Reverse Charge Mechanism (RCM):** Time limit for issuance of invoice by registered person to itself in case of RCM supply from unregistered persons shall be **30 days** from the date of receipt of goods or services or both.
- **Rule 46- Consolidated tax invoice:** Registered person may issue a consolidated invoice at the end of a month for supplies to unregistered persons under RCM covered under section 9(4) of the CGST Act.
- **Rule 66-Form and manner of submission of return by a person required to deduct tax at source under GST:** Every registered person required to deduct tax at source shall furnish the return in Form GSTR-7 on or before the 10th day of the month succeeding the calendar month w.e.f. November 01, 2024. This is in line with the (Finance No. 2) Act, 2024 amendment in section 39(3) of the CGST Act mandating electronic furnishing of return for each month by the registered person required to deduct tax at source, irrespective of whether any deductions have been made in the said month or not.
- **Rule 164-Procedure and conditions for closure of proceedings under section 128A of the CGST Act in respect of demands issued under Section 73 of the CGST Act:** This rule specifies as under:
 - A person eligible for waiver of interest, penalty, or both under Section 128A(1)(a) must file an application electronically in **FORM GST SPL-01**.
 - For waiver under Section 128A(1)(b) or (c), application must be in **FORM GST SPL-02**.
 - The application must include details of payments made using **FORM GST DRC-03** toward the tax demanded under Section 73 of the CGST Act.
 - Payments towards tax demanded should be credited to the Electronic Liability Register using the order's debit entry.
 - For demands involving erroneous refunds or multiple periods, full tax amount must be paid before filing the application.
 - Following dates have been notified for payment of tax payable as per the notice, or statement, or the order referred to in clause (a) or clause (b) or clause (c) of section 128A of the CGST Act, 2017 by different class of registered person

S. No.	Class of Registered Person	Date by which payment for Tax is to be made
1	Registered person to whom a notice or statement or order, referred to in clause (a) or clause (b) or clause (c) of S. 128A has been issued.	March 31, 2025

2	Registered person to whom a notice has been issued under section 74(1), in respect of the period referred to in S. 128A (1), and an order is passed or required to be passed by the proper officer in pursuance of the direction of the Appellate Authority, or Appellate Tribunal, or a court, in accordance with the provisions of S. 75(2), for determination of tax payable by such person, deeming as if the notice were issued under section 73(1).	Date ending on completion of six months from the date of issuance of the order by the proper officer redetermining tax under section 73.
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- Applications should be filed within **three (3) months** from November 01, 2024 under Section 128A.
- Applicant must provide proof of appeal or writ petition withdrawal. If awaiting withdrawal order, they should upload the application and later update with the final order.
- If the officer finds the application ineligible, they will issue a notice in **FORM GST SPL-03** within **three (3) months** and provide a chance for the applicant to respond.
- Applicant must respond to the notice in **FORM GST SPL-04** within **one (1) month**.
- If the officer is satisfied, they will issue an order in **FORM GST SPL-05**, concluding the proceedings under Section 128A.
- If not satisfied, the officer will issue a rejection order in **FORM GST SPL-07**.
- Orders must be issued within three months of receiving the application or reply, or four months if no reply is submitted.
- If no order is issued within the stipulated time, the application is automatically deemed approved.
- If the waiver is rejected and no appeal is filed, any original withdrawn Appeal can be restored.
- If an Appeal against rejection is accepted, the Appellate Authority will issue **FORM GST SPL-06**, restoring the waiver and concluding the proceedings.
- Waivers become void if additional tax payments required under Section 128A are not made within the specified timeframe.

[Notification No. 20 and 21](#)

2. Special procedure for rectification of demand orders issued for contravention of section 16(4) of the CGST Act

CBIC

Notification No. 22/2024 dated 08.10.2024

Vide this notification, CBIC has laid down special procedure for rectification of orders for registered Persons against whom any order has been issued confirming demand for wrong availment of input tax credit (ITC), on account of contravention of Section 16 (4) of the CGST Act, if these 2 conditions are satisfied:

- i. Such ITC is now available as per the Section 16(6)v of the CGST Act
- ii. Appeal against the said order has not been filed.

➤ **Procedure to be followed by Registered Person:**

- File an application for rectification of an order electronically on the common portal, within a period of six months from October 08, 2024.
- Along with the application, Registered Person should upload information in the proforma provided in Annexure A (attached with the notification).

➤ **Procedure to be followed by GST officer:**

- GST Officer shall take a decision on the application made by the Registered Person and issue the rectified order, within a period of **three months from the date of the said application**.
- GST Officer who has issued a rectified order shall upload a summary of the said order electronically in -
 - **FORM GST DRC-08 (Rectification of Order)** - in cases where rectification of an order is issued under Section 73 or Section 74 of the CGST Act.
 - **FORM GST APL-04 (Summary of the demand after issue of order by the Appellate Authority, Tribunal or Court)** - in cases where rectification of an order issued under section 107 or section 108 of the CGST Act.

[Notification No. 22](#)

3. Waiver of late fee for delayed filing of Form GSTR-7

CBIC

Notification No. 23/2024 dated 09.10.2024

Vide this notification, CBIC has provided for waiver of late fee payable for delayed filing of Form GSTR-7.

GSTR-7 is a return filed by registered persons who are required to deduct tax at source under Section 51 of the CGST Act.

The late fee waivers apply to late filings starting from the month of June 2021 onwards.

Details of the notification are as under:

- Complete waiver of late fees for any registered person who files a Nil GSTR-7 return after the due date.
- The late fee is restricted to **₹25 per day**.
- Total amount of late fee payable under Section 47 of the CGST Act for failure to furnish GSTR-7 for any month from June 2021 onwards is capped at ₹1,000. This means that the registered person cannot be charged **more than ₹1,000** in late fees for any given month, regardless of how long the delay continues.
- This notification has superseded the earlier notification no. 22/2021, dated 1st June, 2021 which deals with the late fees in filing Form GSTR-7.

[Notification No. 23](#)

4. Mandatory registration for supplier of metal scrap

CBIC

Notification No. 24/2024 dated 09.10.2024

Vide this notification, CBIC has mandated GST Registration for metal scrap suppliers by amending **notification no. 05/2017 dated 19th June 2017**.

Persons who are only engaged in making supplies of taxable goods or services or both, the total tax on which is liable to be paid on **reverse charge basis** by the recipient of such goods or services or both under Section 9(3) are exempt from obtaining registration under the CGST Act vide notification no. 5/2017.

Notification No. 5/2017-CT has been amended to provide that the above exemption shall not be available to any person engaged in the supply of metal scrap, falling under Chapters 72 to 81 in the first schedule to the Customs Tariff Act, 1975.

This notification shall come into force w.e.f. October 10, 2024

[Notification No. 24](#)

5. Tax Deduction at Source (TDS) on supply of metal scrap

CBIC

Notification No. 25/2024 dated 09.10.2024

Vide this notification, CBIC has amended **Notification No. 50/2018 dated 13th Sep 2018** to provide that any registered person receiving supplies of metal scrap from other registered person shall deduct tax at source, as required under Section 51 of the CGST Act.

Details of the notification are as under:

- From October 10, 2024, the Registered Person purchasing Metal Scrap to deduct 2% TDS from the payment made to the Registered Supplier.
- TDS is required to be deducted where the value of goods supplied exceeds Rs. 2.5 lakhs.
- TDS is required to be deducted on the value of goods excluding CGST/SGST/UTGST/IGST.
- Every person deducting TDS is required to file a return in FORM GSTR-7 on or before 10th of the next month.
- A certificate for deduction of TDS is to be issued in FORM GSTR 7A.
- Deductee can claim TDS deducted, on the basis of information furnished by the deductor in his return i.e. FORM GSTR-1.
- No deduction shall be made if the location of the supplier and the place of supply is in a State or Union territory which is different from the State or as the case may be, Union territory of registration of the recipient.

[Notification No. 25](#)

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.
Instead, it is only a listing of some of the circulars/notifications that we considered important



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