CoralMetrix

Issue 05

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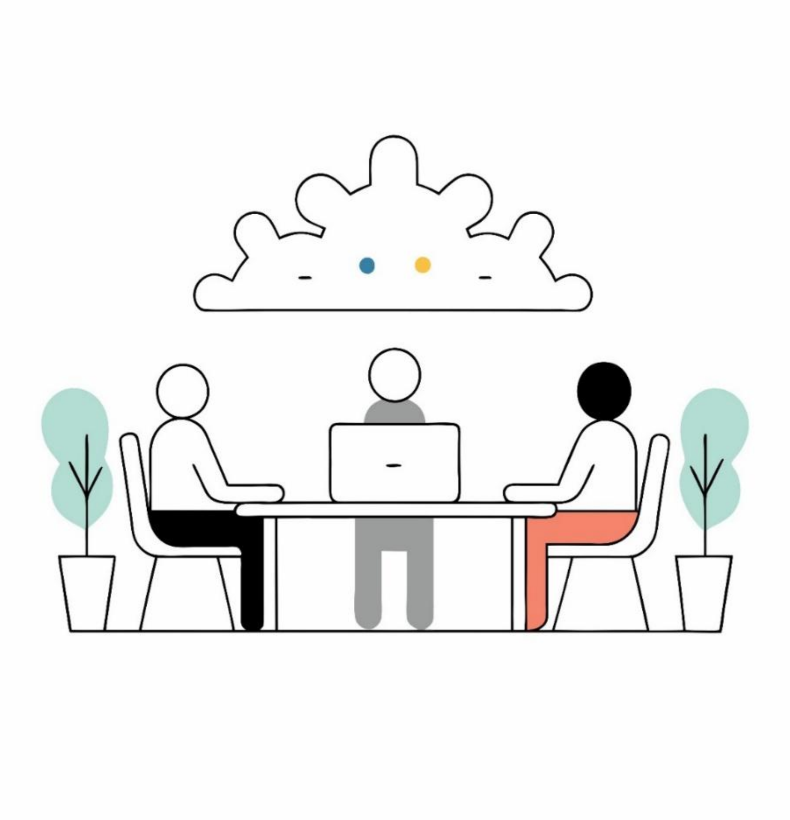
Crack the Code

NEWSLETTER



In this newsletter you can expect:

Crack the Code

Highlights of GST Appellate Tribunal Rules

On April 24, 2025, the Ministry of Finance notified the Goods and Services Tax Appellate Tribunal (Procedure) Rules, 2025, under Section 111 of the CGST Act, 2017.

These rules establish a comprehensive procedural framework for the functioning of the GST Appellate Tribunal (GSTAT), aimed at streamlining dispute resolution under the GST regime. The rules are organized into 15 chapters, encompassing 124 rules that cover various aspects, including:

Key Features of the GSTAT Procedure Rules, 2025:

1. **The GSSTAT Rules are divided into five chapters**

- Preliminary
- Powers and Functions
- Institution of appeals - Procedure
- Cause list
- Hearing of Appeal

2. **E- Filing Facility:**

Rule 18, states all appeals and applications must be filed electronically through the GSTAT Portal using prescribed forms, such as GSTAT FORM-01. The portal facilitates electronic submission of documents, issuance of notices, and communication between parties.

3. **Time Period to Appeal:**

Appeal to the GSTAT against the order may be filed within three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal or the date, as may be no filed by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later.

4. **Computation of Time Period and Procedural Timelines:**

Where a period is prescribed for doing any act, in computing the time, the day from which the said period is to be reckoned shall be excluded, and if the last day expires on a day when the office of the Appellate Tribunal is closed, that day and any succeeding day or days on which the Appellate Tribunal remains closed shall also be excluded.

5. **Separate Appeal**

In case an impugned order is in respect of more than one person, each aggrieved person will be required to file a separate appeal, and common appeals or joint appeals shall not be entertained.

6. **Pre Deposit**

Appeal shall be filed after making deposit of the following amounts:

- Amount admitted has been paid in full, if any and
- 10% of the amount in dispute in addition to amount paid in previous appeal (subject to a Maximum of twenty crore rupees) has been paid.

7. **Hybrid Hearings and Timelines**

The Tribunal allows for hybrid hearings—either in person or via video conferencing—as approved by the President.

8. In Case of Emergency

- A daily cause list is published online and on notice boards, prioritizing order pronouncements and admissions.
- Urgent appeals filed by noon can be listed on the next working day; late filings by 3 p.m. may also be listed with permission. Respondents must reply within one month, and applicants can file a rejoinder within the same period.

9. Order Time:

The Tribunal aims to issue orders within 30 days from the date of the final hearing, excluding holidays.

10. Working Hours

Tribunal sittings are scheduled from 10:30 AM to 1:30 PM and 2:30 PM to 4:30 PM on working days. Administrative offices operate from 9:30 AM to 6:00 PM on working days.

11. Registrar's Role and Powers

The Registrar is responsible for case management, including scrutiny of appeals, registration, and maintenance of records. The Registrar may reject appeals if required documents are not submitted or necessary amendments are not made within the stipulated time.

12. Transparency and Public Access

Proceedings before the Tribunal are open to the public, promoting transparency in the adjudication process.

13. Implementation and Impact

The notification of these rules marks a significant step towards operationalizing the GST Appellate Tribunal, providing a structured mechanism for resolving GST disputes efficiently and transparently. The digital-first approach and strict timelines are expected to reduce litigation backlogs and enhance taxpayer confidence.

14. Forms and Documentation

The rules prescribe specific forms for various applications and proceedings, such as:

Form No.	Particulars
Form GST APL-05	Appeal to the Appellate Tribunal
Form GST APL-06	Memorandum of Cross-objections
Form GST APL-07	Application by the Department
Form GST APL-02	Acknowledgement of Appeal submission
Form GST APL-04	Summary of Order passed
Form GST APL-05W	Withdrawal of Appeal
Form GST APL-07W	Withdrawal of Application
GSTAT FORM -01	Interlocutory Applica on
GSTAT FORM -02	Order Sheet
GSTAT FORM -04	Memorandum of Appearance

Dress Code:

Every authorized representative other than a relative or regular employee of a party shall appear before the Appellate Tribunal in his professional dress, if any, and If there is no such dress prescribed for the professional.

- For male, he should be in a close-collared black coat, or in an open collared black coat, with white shirt and black tie; or
- For female, she should be in a black coat over a white sari or any other white dress.

Provided that during the summer season from the 15th April to 31st Aug., the authorized representatives may, when appearing before a Bench of the Appellate Tribunal, dispense with the wearing of a black coat.

CA Sujatha
GST

The Future of Accounting: Embracing Innovation and Automation

Part 1: Industry 4.0 and Accounting – Benefits and Challenges for SME

Overview

This series of articles aims to explore the future of accounting in the context of Industry and Service 4.0, with specific reference to SMEs. In this first article, we define Industry and Service 4.0, examine the benefits, challenges and initial mitigation steps with reference to the transformation of the accounting functions

Subsequent articles will focus on guidance related to detailed mitigation steps and strategies for successful navigation.

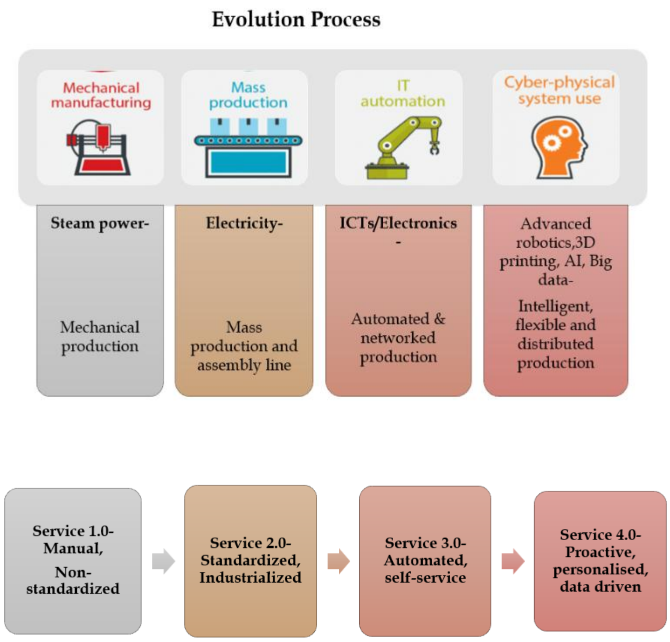
What is Industry 4.0? - Concept and Evolution

Industry 4.0, also known as the fourth industrial revolution, refers to the integration of digital technologies like AI, robotics, and the Internet of Things (IoT) into manufacturing and industrial processes to enhance productivity, efficiency, and flexibility. Industry 4.0 concepts and technologies are increasingly being applied to the service industry as well, often referred to as Service 4.0.

This involves leveraging digital technologies to improve efficiency, customer experience, and overall business operations within service-oriented sectors.

The evolution of Industry from 1.0 to 4.0 represents the shift from manual labor to digital, interconnected systems.

This has brought about a significant change in the processes, the mode of operations and systems used to operate these industries. The chart below depicts the evolution process of Industry and Service 1.0 to 4.0.



(Source: Trend Micro)

Industry 4.0 is at an inflection point in Indian manufacturing, with more than two-thirds of Indian manufacturers embracing the digital transformation by 2025, thereby contributing to the goal of raising India's manufacturing share of GDP to 25% (source: NASSCOM)

Accounting and Industry 4.0:

Points of Intersection:

The intersection of Industry 4.0 and accounting is about leveraging the advanced technologies to transform the accounting process from transaction processing to reporting and analytics. This includes automating the repetitive tasks, gaining valuable business insights through Artificial Intelligence, data analytics etc.

The table below illustrates how Industry 4.0 technologies apply to accounting functions.

Table 1: Points of Intersection between Industry 4.0 and Digitisation in Accounting

Industry 4.0 Technology	*Accounting Implications*
Artificial Intelligence (AI)	Automated data entry, financial statement analysis, fraud detection, predictive analytics
Internet of Things (IoT)	Real-time data capture, supply chain visibility, asset tracking, inventory management
Blockchain	Transparent and secure transactions, smart contracts, cryptocurrency accounting, regulatory compliance
Cloud Computing	Scalable data storage, remote access, collaboration, cost reduction
Robotics and Automation	Process automation, repetitive tasks, error reduction, improved efficiency
Big Data	Data analytics, insights, decision-making, risk management
3D Printing	Inventory management, prototyping, cost reduction
Augmented Reality (AR) and Virtual Reality (VR)	Training, simulations, visualisation, remote audits

(Source: Industry 4.0, Asia Journal of Economics and Business)

Key Benefits

To remain competitive in the rapidly evolving Industry 4.0 landscape, organizations must assess their current accounting processes and invest in transformative technologies.
Why is this necessary? The following benefits highlight the value of adopting the right technology.

Increased productivity and efficiency:

A basic level of automation is already existing in most of the organisations.
However, growth-oriented SMEs should invest in comprehensive accounting suites that manage various financial functions-such as Accounts Payable, Accounts receivable, General ledger, fixed asset management etc. in an integrated manner. Software/suites with the following features help in increased productivity and efficiency;
above features which are cost-effective to SMEs.

- Integration of other aspects of the business-like Marketing and sales, customer support, Inventory management, Human resource management etc into a unified platform.
- Workflow management tool-Automating repetitive tasks like sending mails, assigning tasks, updating fields based on predefined criteria etc.
- User friendly modules and provision to build custom applications for specific needs without extensive coding knowledge

There are accounting suites in the market with the above features which are cost-effective to SMEs.

Better decision making

As we all know 'data' is the one of the most important assets is today's world. Hence, effective data management is critical for informed business decisions. Accounting suites with robust reporting and analytics modules offer customized reports, interactive dashboards, and key performance indicator (KPI) tracking etc.

By leveraging these tools, organizations can make data-driven decisions that enhance performance.

Enhanced transparency and data security:

It is a known fact that accounting systems stores confidential and sensitive financial information and data. It is of utmost importance to prevent unauthorised access and manipulation. Robust data security practices should be an integral part of the organisation.

Many accounting suites offer features like strong authentication, activity monitoring, data encryption, and backup/recovery tools. Organizations using software lacking these features should consider upgrading to ensure transparency and security.

Key Challenges and Migration Steps:

Financial Resource:

Limitation of financial resources to invest in the next generation technology is a major challenge. Organisations can conduct research on the cost -effective software available in the market with these features and the one that suits their accounting and finance needs. Investing in technology is a long-term strategy, with returns realized over time

CA Archana Krishnamoorthy
Accounting and Automation

Specialised Skill

Hiring and retaining people with the specialised skill to operate these tools and design customized reports is another challenge. Leading technology providers offer robust training and support services. This should be kept in mind at the time of selecting the right technology.

In addition, encouraging employees to upskill themselves and freeing them of the repetitive tasks allows them to focus on mastering new tools, enhancing their capabilities.

Integration and Migration

Integrating new technologies with existing systems or migrating data can be complex, particularly with legacy systems or varying technology standards. To mitigate this, SMEs should standardize processes across branches, improve data quality, and adopt a phased implementation approach. Breaking integrations into smaller modules and creating a detailed project plan can further ease the transition.

Acceptability and Adaptability:

There is nothing permanent except change. The future of business/profession is changing rapidly; hence we need to start making the required changes to be on par with the industry. Once the management is convinced, the next step is to bring about the change in mindset of the employees. Brainstorming sessions, proper communication and training would help them embrace the change and adapt to it.

Conclusion

A comprehensive business case—documenting the current state, challenges, future requirements, costs, and benefits—is the first step toward successful transformation. Future articles in this series will explore the mitigation strategies & benefits in greater detail, providing guidance and insights for SMEs to navigate the industry/service 4.0 landscape effectively.

Understanding Taxable Salary Components Under the Income Tax Act

Salaried individuals form a major portion of the taxpayer base in India. Understanding what components of your salary are taxable can help you better manage your finances and avoid surprises at the time of filing income tax returns.

As per the Income Tax Act, 1961, income under the head "Salaries" is taxed when there is a clear employer-employee relationship. This article outlines the various components of salary and their tax implications.

Basic Salary

The basic salary forms the foundation of the total salary structure and is fully taxable. It also determines other components like allowances and retirement benefits.

Allowances

Allowances are fixed periodic amounts paid to employees to meet specific requirements, and their taxability varies:

Type of Allowance	Taxability
Dearness Allowance (DA)	Fully taxable.
House Rent Allowance (HRA)	Partially exempt if the employee pays rent and meets specified conditions.
Leave Travel Allowance (LTA)	Exempt for **two journeys** in a block of **four calendar years**, subject to conditions.
Children Education Allowance	Exempt up to **₹100 per month per child** (maximum of two children).

Perquisites (Perks)

Perquisites are non-cash benefits provided by the employer, which are usually taxable. Common examples include:

- Rent-free accommodation
- Company-provided car for personal use
- Interest-free or concessional loans
- Free or subsidized education for children

While most perquisites are taxable, certain perquisites such as health insurance premiums paid by the employer may be fully exempt under specific conditions.

Retirement Benefits

Retirement benefits can be fully exempt, partially exempt, or fully taxable, depending on the nature of the benefit and the employment sector.

Benefit	Taxability
Gratuity	Exempt up to **₹20 lakh** for non-government employees, subject to conditions.
Pension	Monthly (uncommuted) pension is **fully taxable**; Lump-sum (commuted) pension is **partially exempt**.
Leave Encashment	Exempt up to **₹3 lakh** for non-government employees on retirement.
Provident Fund	Withdrawal is **exempt** if the employee has completed **5 years of continuous service** or meets other specified rules.

Bonus, Commission and Salary Arrears

- Bonuses and commissions are fully taxable in the year of receipt.
- Salary arrears are also taxable in the year of receipt, but relief can be claimed under Section 89(1) to ease the tax burden due to income bunching.

Points to Remember

- Salary is taxed on a "due or receipt" basis, whichever occurs earlier.
- Opting for the new tax regime (Section 115BAC) limits or removes many exemptions and deductions, including HRA and LTA.
- Always ensure you verify eligibility before claiming any exemption or deduction to avoid scrutiny or disallowance during assessment.

Conclusion

Understanding the taxability of various salary components empowers employees to structure their pay efficiently and remain compliant with tax laws.

With careful planning and professional advice, one can reduce their taxable income and make the most of the exemptions available.

CA Chaitanya Kumar
Income Tax

PAN 2.0: A Digital Leap in Taxpayer Services

Digital India
Power To Empower

With a financial investment of ₹1,435 crore, the Indian government launched PAN 2.0, a significant project to modernize and digitize PAN (Permanent Account Number) and TAN (Tax deduction and collection Account Number) services via a single, user-friendly website.

PAN 2.0 consolidates services that were previously dispersed across several portals into a single Income Tax Department gateway with the goal of streamlining taxpayer registration and enhancing accessibility.

Key features:

Unified Portal:

A single portal will provide access to all PAN/TAN services, such as e-PAN issuance, Aadhaar linking, correction, and allotment.

Paperless & Free:

The e-PAN procedure is completely digital, sustainable, and free of cost. Physical cards are ₹50 (domestic) with additional expenses for international delivery.

Enhanced Security:

PAN Data Vault and QR code updates enhance data security. The QR code will be dynamic and display real-time information.

Helpdesk Support:

A dedicated call center will manage taxpayer queries.

Compliance with Global Standards:

PAN 2.0 maintains ISO 27001 and ISO 9001 certifications to ensure safe, efficient, and quality-driven service delivery.

Eligibility to Apply for the PAN

- Individuals with taxable income.
- Businesses with a turnover over ₹5 lakh.
- Charitable trusts (under Section 139(4A).
- Individuals undertaking financial transactions over ₹2.5 lakh.
- Non-individual residents and associates.

Penalty Provisions

Section 272B imposes a ₹10,000 penalty for not acquiring a PAN or holding several of them

PAN 2.0 has a smarter approach for detecting and preventing duplicate PANs

TAN Allotment:

TAN is essential for individuals responsible for TDS/TCS and cannot be replaced with PAN except in certain cases under Section 194-IA. Existing PAN holders do not need to reapply. Existing PAN cards remain valid under PAN 2.0 unless modifications or alterations are requested.

The Government of India has launched PAN 2.0, a significant attempt to modernize and digitize PAN and TAN services through a unified, user-friendly platform. This effort enhances taxpayer registration by integrating numerous existing systems into a single Income Tax Department interface, providing convenience, security, and efficiency.

Siva Parvathi

CoralMetrix

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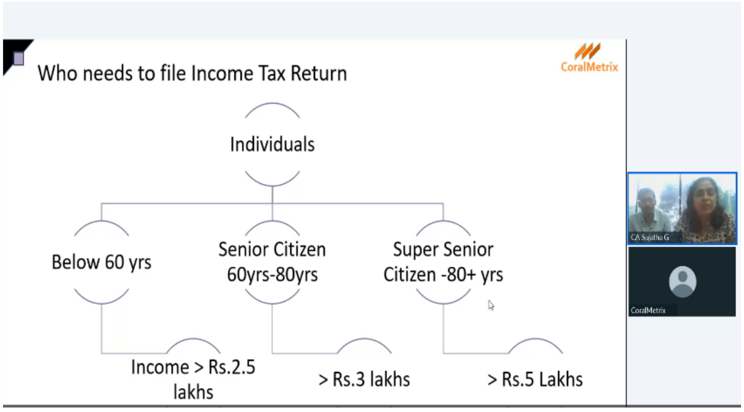
Key Announcements

Get tax Ready Webinar – Key Takeaways!

We successfully hosted our exclusive webinar on Getting ready for Income Tax 24 -25 featuring expert insights from **CA Sujatha G and CA Chaitanya Kumar**. The session offered practical insights on the latest provisions, compliance tips, and guidance to help both individuals and businesses prepare for the tax season ahead

For those who missed it, **you can watch the full session in our Youtube Channel.**



Team Spotlight: GST Awareness for Women Entrepreneurs

On April 15, our team member **Rashmi** led an insightful session on *"Awareness of GST for Women Entrepreneurs"*, organized by **AWAKE Foundation**.

The session aimed to empower women business owners with practical GST knowledge and compliance essentials. We're proud to be part of initiatives that foster financial

Academic Engagement: GST Training at RC College

Our Director, **CA Sujatha**, conducted a practical training session on **GST** for students at **RC College, Bangalore**. The session aimed to bridge academic learning with real-world tax applications, inspiring future professionals through hands-on insights and expert knowledge.

InnovateHer with Microsoft – Women in Tech & AI

On **April 10**, our Director **CA Sujatha** participated in **InnovateHer**, a dynamic event celebrating **Women in Tech & AI**, hosted by **TechNexus Community** at **Microsoft, Bengaluru**. The gathering brought together inspiring voices across industries to discuss innovation, inclusion, and the future of women in technology

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Upcoming Webinar Alert: Income Tax Update for FY 2024–25

Get ready for the upcoming **Income Tax season FY 2024- 2025**, and understand how the new provisions will impact businesses and individual taxpayers alike. This session will help you stay compliant, make informed financial decisions, and plan better for the year ahead.

Date: 17 05 2025 | Day: Saturday | Time: 11.00 AM – 12.00 PM

Registration Link: https://meet.zoho.in/eqfz-jfs-ftv

Financial year 2025 - 2026 Compliance Calendar

Disclaimer: Dates are subject to change as per notification from government authorities

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APR	MAY	JUNE	JULY	AUG	SEPT
07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT
07TH GOVT. DEDUCT	10TH GSTR 7	10TH GSTR 7	09TH ECB 2 RETURN	10TH GSTR 7	09TH ECB 2 RETURN
09TH ECB 2 RETURN	11TH GSTR 1	10TH ECB 2 RETURN	10TH GSTR 7	11TH ECB 2 RETURN	10TH GSTR 7
10TH GSTR 7	12TH ECB 2 RETURN	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1
13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1(QRMP/IFF)	13TH GSTR 1(QRMP/IFF)	13TH GSTR 1(QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)
18TH CMP - 08	20TH GSTR 3B	15TH Q4 TDS CERTIFICATE	15TH FLA RETURN	15TH Q1 TDS CERTIFICATE	15TH Q2 ADVANCE TAX 45%
20TH GSTR 3B	29TH PAS 6	15TH Q1 ADVANCE TAX 15%	18TH CMP 08	20TH GSTR 3B	20TH GSTR 3B
22ND QRMP	30TH LLP ANNUAL RETURN	20TH GSTR 3B	20TH GSTR 3B (QRMP)		30TH TAX AUDIT
25TH PMT 06	31ST TDS Q4 FILING (24-25)	30TH DPT 3	22ND QRMP		30TH DIRECTOR KYC
30TH GSTR 4	31ST FORM 61A		31ST TDS Q1 FILING (25 - 26)		
30TH MSME 1			31ST INDIVIDUAL ITR FILING		
30TH GOVT. NON DEDUCT					

OCT	NOV	DEC	JAN	FEB	MAR
07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT
10TH ECB - 2 RETURN	10TH GSTR 7	09TH ECB 2 RETURN	09TH ECB 2 RETURN	10TH GSTR 7	10TH GSTR 7
10TH GSTR 7	11TH ECB 2 RETURN	10TH GSTR 7	10TH GSTR 7	11TH ECB 2 RETURN	11TH ECB 2 RETURN
11TH GSTR 1	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1
13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1(QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)
18TH CMP - 08	15TH Q2 TDS CERTIFICATE	15TH Q3 ADVANCE TAX 75%	18TH CMP 08	15TH Q3 TDS CERTIFICATE	15TH Q4 ADVANCE TAX 100%
20TH GSTR 3B	20TH GSTR 3B	20TH GSTR 3B	20TH GSTR 3B	20TH GSTR 3B	20TH GSTR 3B
22ND QRMP	28TH MGT-7/MGT - 7A	31ST BELATED/REVISED ITR	22ND GSTR 3B (QRMP)	25TH PMT 06	25TH PMT 06
29TH AOC 4	29TH PAS - 6	31ST GSTR - 9/9A/9C	25TH PMT 06		31ST FORM CSR - 2
30TH LLP FORM 8	30TH FINAL ITC	31ST TDS Q3 FILINGC (25 - 26)	31ST Q3 TDS FILING (25 - 26)		31ST ITR U (FY 2022 - 23)
31ST MSME 1		31ST APR RETURN			
31ST COMPANY ITR					
31ST TDS Q2 FILING (25 - 26)					

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