



Edition 26
From Jun 1,2023 to Jun 30, 2023



The Scoop

July is a month of ITR season. The government in Budget 2023 introduced key changes to encourage taxpayers to adopt the new regime. They are:

Income Tax slabs under new tax regime	Income Tax rates under new tax regime
0 to 3 Lakh	0
Rs 3 Lakh to Rs 6 Lakh	5%
Rs 6 Lakh to Rs 9 Lakh	10%
Rs 9 Lakh to Rs 12 Lakh	15%
Rs 12 Lakh to Rs 15 Lakh	20%
Above Rs 15 Lakh	30%

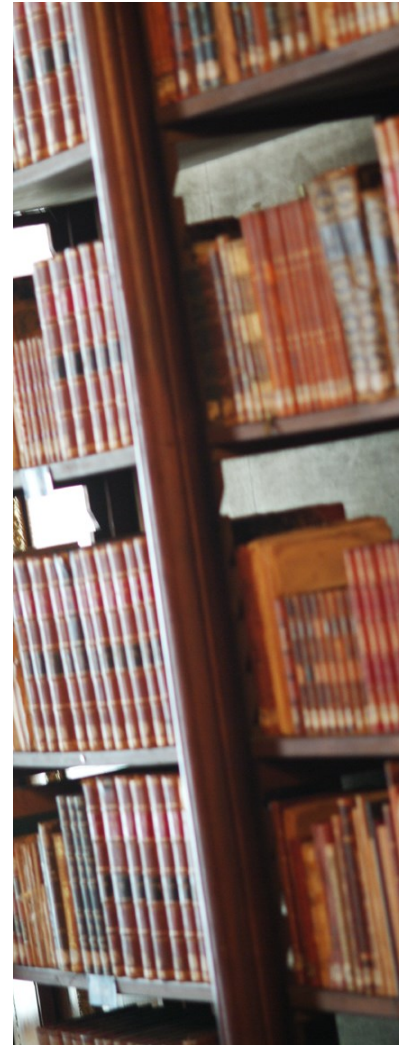
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REMINDER

- ◆ **INCOME TAX RETURN DEADLINE IS 31ST JULY**
- ◆ **FILE YOUR ITR BEFORE DUE DATE TO AVOID LATE FEES OF RS.5000**

INCOME TAX UPDATES



1. Order under section 119 of the Income-tax Act, 1961 for extension of time limits for submission of certain TDS/TCS Statements — Reg.

CBDT provides relaxation in respect of the following compliances, namely —

(i) The statement of deduction of tax for the first quarter of the financial year 2023-24, required to be furnished in Form No. 26Q or Form No. 27Q, on or before 31st July, 2023 under Rule 31A of the Income-tax Rules, 1962 ("the Rules"), may be furnished on or before 30th September, 2023.

(ii) The statement of collection of tax for the first quarter of the financial year 2023-24, required to be furnished in Form No. 27EQ, on or before 15th July, 2023 under Rule 31AA of the Rules, may be furnished on or before 30th September, 2023.

Read More: <https://incometaxindia.gov.in/communications/circular/circular-9-2023.pdf>



INCOME TAX UPDATES

2. Income-tax (Tenth Amendment) Rules, 2023.

- ◆ (a) in rule 2BB, for sub-rule (3), the following sub-rule shall be substituted, namely:- “(3) Notwithstanding anything contained in sub-rule (1) and (2), an employee, being an assessee, - (i) who has exercised option under sub-section (5) of section 115BAC; or (ii) whose income is chargeable to tax under sub-section (1A) of section 115BAC,
- ◆ (a) for the first proviso, the following proviso shall be substituted, namely: - “Provided that the allowance under clause (ii) of sub-section (1) of section 32 in respect of depreciation of any block of assets shall not exceed forty per cent. of the written down value of such block of assets in case of -

(i) a domestic company which has exercised option under sub-section (4) of section 115BA, or under sub-section (5) of section 115BAA, or under sub-section (7) of section 115BAB; or

(ii) an individual or a Hindu undivided family which has exercised option under sub-section (5) of section 115BAC; or

(iia) an individual or a Hindu undivided family, or an association of persons (other than a co-operative society) or a body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause

(iii) of clause (31) of section 2 whose income is chargeable to tax under sub-section (1A) of section 115BAC; or

(iv) a co-operative society resident in India which has exercised option under subsection (5) of section 115BAD; or

(v) a co-operative society resident in India which has exercised option under subsection (5) of section 115BAE

Read More: <https://incometaxindia.gov.in/communications/notification/notification-43-2023.pdf>



GST UPDATES



1.E-Invoice Verifier App by GSTN

- ◆ The E-Invoice Verifier App developed by GSTN, has been introduced which offers a convenient solution for verifying e-Invoices and other related details. GSTN understands the importance of efficient and accurate e-invoice verification, and this app aims to simplify the process for your convenience.
- ◆ E-Invoice Verifier App - Key Features and Benefits:
 - i. QR Code Verification: The app allows users to scan the QR code on an e-Invoice and authenticate the embedded value within the code. This helps in identifying the accuracy and authenticity of the e-Invoice.
 - ii. User-Friendly Interface: The app provides a user-friendly interface with intuitive navigation, making it easy for users to navigate through the app's features and functionalities.
 - iii. Comprehensive Coverage: The app supports verification of e-Invoices reported across all six IRPs, ensuring comprehensive coverage and convenience.

GST UPDATES

iv. Non-Login Based: The app operates on a non-login basis, meaning users are not required to create an account or provide sensitive personal information to access its functionalities. This simplifies the user experience and makes it more convenient for users.

◆ How to use the e-Invoice Verifier App:

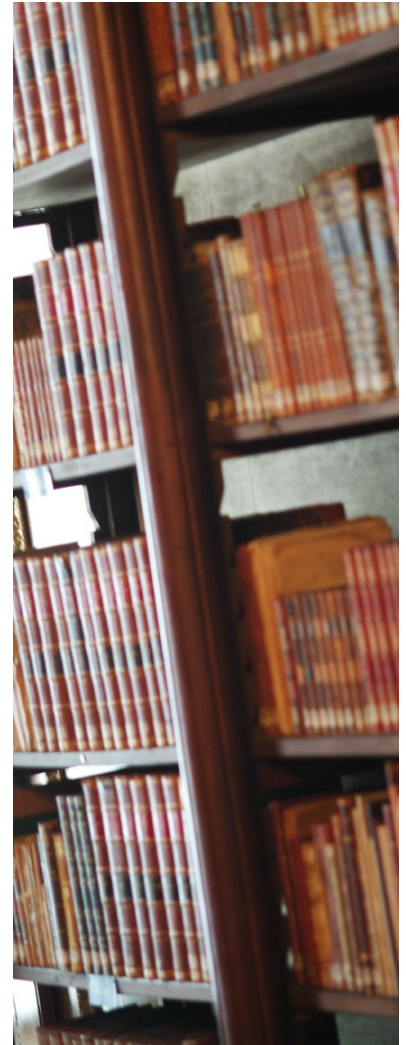
- i. Download the App: Visit the Google Play Store and search for "E-Invoice QR Code Verifier." Download and install the app on your mobile device free of charge. The iOS version will be available shortly.
 - ii. QR Code Scanning: Utilise the app to scan the QR codes on your e-Invoices. The app will authenticate the information embedded in the code and one can compare it with information printed on the invoice.
- ◆ GSTN emphasizes that the e-Invoice Verifier App does not require any user login or authentication process. Anyone can freely scan QR codes and view the available information.
 - ◆ For more detailed information please see the FAQs in the app. This comprehensive FAQ document will provide you with additional guidance on using the app and resolving any queries you may have.
 - ◆ GSTN is dedicated to enhancing your experience with the E-Invoice Verifier App and providing a process of seamless e-Invoice verification. GSTN is also working towards launching Version 2 with the Search IRN functionality, which will further streamline your e-Invoice verification.

Read More: <https://www.gst.gov.in/newsandupdates/read/588>

2. Online Compliance Pertaining to Liability / Difference Appearing in R1 – R3B (DRC-01B)

- ◆ GSTN has developed a functionality to enable the taxpayer to explain the difference in GSTR-1 & 3B return online as directed by the GST Council. This feature is now live on the GST portal.
- ◆ The functionality compares the liability declared in GSTR-1/IFF with the liability paid in GSTR-3B/3BQ for each return period. If the declared liability exceeds the paid liability by a predefined limit or the percentage difference exceeds the configurable threshold, taxpayer will receive an intimation in the form of DRC-01B.

Read More: <https://www.gst.gov.in/newsandupdates/read/592>



Reserve Ratios

CRR: 4.50%

SLR: 18.00%

Exchange Rate (As on May31, 2023)

INR / 1 USD : 82.0428

INR / 1 GBP : 103.5074

INR / 1 EUR : 89.1258

INR / 100 JPY : 56.77

RBI UPDATES



1. RBI Launches '100 Days 100 Pays' Campaign to Settle Unclaimed Deposits

- ◆ The Reserve Bank of India (RBI) has recently initiated the '100 Days 100 Pays' campaign, aimed at tracing and settling the top 100 unclaimed deposits of every bank in every district within a span of 100 days. This campaign is part of the RBI's ongoing efforts to reduce the quantum of unclaimed deposits in the banking system and ensure their rightful return to owners or claimants. With the launch of this campaign, the RBI hopes to bring attention to the issue of unclaimed deposits and facilitate their resolution.
- ◆ The accumulation of unclaimed deposits primarily occurs due to several reasons. One common reason is the non-closure of savings or current accounts that depositors no longer intend to operate. Additionally, depositors may fail to submit redemption claims for matured fixed deposits, leading to the transfer of funds to the DEA Fund. There are also instances where deposits belong to deceased individuals, and their nominees or legal heirs do not come forward to make a claim on the respective bank(s).



RBI UPDATES

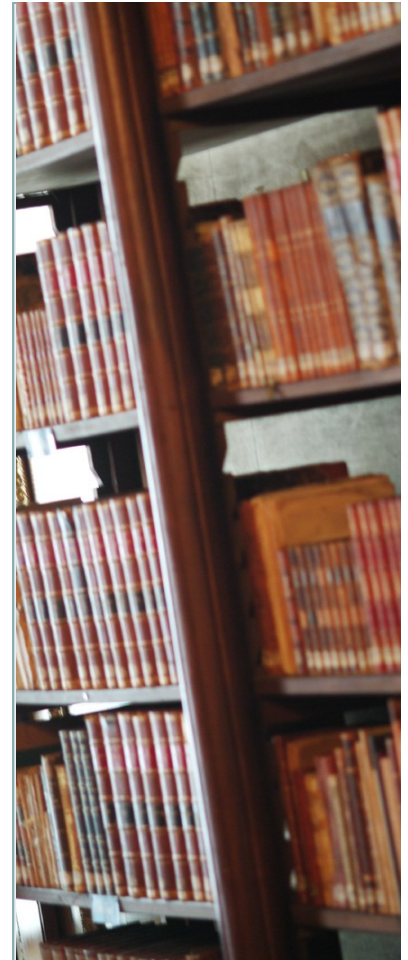
- ◆ In addition to the '100 Days 100 Pays' campaign, the RBI has announced the establishment of a centralized web portal designed for the public to search for unclaimed deposits across multiple banks.

2.RBI Imposes Rs 2.20 Crore Penalty on Indian Overseas Bank for Rule Violations

- * The Reserve Bank of India (RBI) has imposed a monetary penalty of Rs 2.20 crore on Indian Overseas Bank (IOB) for violating various rules and regulations. The penalty was imposed due to the bank's failure to make a minimum mandatory transfer of a sum equivalent to 25 per cent of its disclosed profit and a significant divergence between the non-performing assets (NPAs) reported by the bank and those assessed during inspection.
- * The RBI also found a significant divergence between the NPAs reported by IOB and the NPAs assessed during inspection.
- * Another violation identified by the RBI was that IOB offered interest rates on deposits of non-individual constituents at rates applicable to senior/super senior citizens in certain instances.
- * The RBI also found that IOB failed to implement control measures for ATMs relating to end-to-end encryption of communication between the ATM terminal/PC and the ATM Switch within the prescribed timelines.

3.RBI Imposes Penalties on Axis Bank, J&K Bank, and Bank of Maharashtra

- ◆ The Reserve Bank of India (RBI) has imposed a monetary penalty of Rs 2.5 crore on Jammu & Kashmir Bank for non-compliance with certain directions issued by the RBI. The penalty relates to the bank's failure to adhere to RBI's guidelines on the central repository of large common exposures across banks, loans, and advances, as well as statutory and other restrictions. Additionally, the bank did not ensure the timely implementation and strengthening of SWIFT-related operational controls. The RBI's statutory inspection conducted on March 31, 2021, revealed non-compliance with these directions.



May, 2023.

- ◆ Now, the Registrar, Centre for PACE [established under Section 396(1) of the Companies Act, 2013] shall be the Authority exercising functional jurisdiction of processing and disposing applications made in eForm STK -2 and all matters related thereto as mentioned under Section 248 having territorial jurisdiction all over India.



RBI UPDATES

Axis Bank Fined for Violating RBI Guidelines on Credit Card Accounts

- ◆ Axis Bank has been levied a monetary penalty of Rs 30 lakh by the RBI for non-compliance with certain provisions of the RBI's directions on Prudential Norms on Income Recognition, Asset Classification, and Provisioning pertaining to Advances – Credit Card Accounts.

Bank of Maharashtra Penalized for Breaching RBI's Directives on Loans and ATMs

- ◆ The RBI has imposed a monetary penalty of Rs 1.45 crore on Bank of Maharashtra for non-compliance with specific directions issued by the RBI. The penalty pertains to the bank's failure to adhere to RBI's guidelines on Loans and Advances – Statutory and Other Restrictions, as well as the Advisory on Man in the Middle (MiTM) Attacks in ATMs.

4.RBI Imposes Penalties on Standard Chartered Bank

The Reserve Bank of India (RBI) has imposed penalties on Standard Chartered Bank, four credit bureaus, and seven cooperative banks for various violations. Standard Chartered Bank was fined ₹30 lakh for non-compliance with KYC directions. The credit bureaus, including Experian, TransUnion CIBIL, Equifax, and CRIF High Mark, faced penalties totaling ₹1 crore for inadequate maintenance of accurate credit information. Additionally, the RBI penalized seven cooperative banks, including UP Co-operative Bank, for violating certain provisions.

1. RBI Penalizes Standard Chartered Bank

1.1 Monetary Penalty of ₹30 Lakh Imposed The Reserve Bank of India (RBI) has imposed a penalty of ₹30 lakh on Standard Chartered Bank-India for non-compliance with Know Your Customer (KYC) directions.

1.2 Deficiencies in Regulatory Compliance The penalty is based on deficiencies in regulatory compliance and does not question the validity of any transactions or agreements between the bank and its customers.



OTHER NEWS UPDATES

- ◆ **UPI Transactions Reach Record High of Rs 14.3 Trillion:** UPI transactions experienced remarkable growth, with a value of Rs 14.3 trillion and a volume of 9.41 billion. The transaction volume witnessed a staggering 58% increase compared to the same period in the previous financial year
- ◆ **Bank of Baroda Introduces UPI Cash Withdrawal Facility at ATMs:** Bank of Baroda launched the Interoperable Cardless Cash Withdrawal (ICCW) facility for its customers. This innovative service allows customers to withdraw money from ATMs using the United Payment Interface (UPI), eliminating the need for a physical card.
- ◆ **Fino Payments Bank Partners with Hubble to Introduce India's First Spending Account:** Fino Payments Bank has announced its collaboration with Sequoia Capital-backed fintech Hubble to launch India's first spending account. This innovative offering allows customers to conveniently park their funds, make purchases across various categories such as food ordering, shopping, travel, and entertainment, and save up to 10 percent on all transactions made through the account.
- ◆ **Sberbank introduces Indian rupee accounts for individuals in Russia:** Sberbank, Russia's top lender, has announced that individuals can now open accounts in Indian rupees, as the bank looks to decrease its reliance on the US dollar and euro. Sberbank has more than 100 million retail clients and already offers deposits in China's yuan and UAE dirhams.
- ◆ **Tata Technologies, SBFC Finance, and Gandhar Oil Refinery IPOs Approved by SEBI:** Tata Technologies will be offering an OFS IPO, wherein existing shareholders will sell up to 9.57 crore equity shares, representing approximately 23.60 percent of the company's paid-up share capital. Mumbai-based non-banking financial company SBFC Finance aims to raise Rs 1,200 crore through an IPO. The offering will consist of fresh issuance of shares worth Rs 750 crore and an OFS of Rs 450 crore. Gandhar Oil Refinery's initial share sale will comprise a fresh issue of equity shares worth Rs 357 crore and an OFS of 1.2 crore shares by promoters and existing shareholders. The OFS is expected to raise Rs 500 crore



INTERNATIONAL NEWS UPDATES

- ◆ **Germany's Economic Downturn: Fourth Largest Global Economy Slips into Recession:** Germany is currently facing a recession due to a decline in the Euro and an unexpected contraction in the economy. This contraction, marking the second consecutive quarter of decline, meets one definition of a recession.
- ◆ **Crypto Market Shaken as Binance Faces US Legal Action:** Cryptocurrencies experienced a widespread decline following the accusations made by the US Securities and Exchange Commission against Binance Holdings Ltd., accusing them of mishandling funds and providing false information to regulators.
- ◆ **India and Serbia Aim for 1 Billion Euros Bilateral Trade Target by the End of the Decade:** India and Serbia have set an ambitious target of achieving a bilateral trade volume of one billion euros by the end of the decade. President Droupadi Murmu of India and her Serbian counterpart, Aleksandar Vucic, have expressed their commitment to strengthen bilateral relations and explore new areas of cooperation.
- ◆ **New Zealand Slips into Recession as GDP Falls 0.1% in March Quarter:** New Zealand's economy has slipped into a recession, as the first-quarter Gross Domestic Product (GDP) fell by 0.1 percent. This decline follows a revised 0.7 percent drop in GDP in the fourth quarter of 2022, meeting the technical definition of a recession.
- ◆ **Bangladesh Floats Currency for the First Time to Access IMF Funds:** In a historic move, Bangladesh's central bank has decided to allow its currency, the Taka, to float freely for the first time. The decision comes in response to demands from the International Monetary Fund (IMF) and aims to unlock additional funds from a \$4.7 billion loan program.
- ◆ **Pakistan's Economic Crisis Deepens with Dollar Crunch Halting Food Imports:** Pakistan is currently facing a severe economic crisis characterized by a shortage of dollars, leading to a complete halt in the import of essential food and beverages. Due to the unavailability of dollars, commercial dealers across the country have been compelled to suspend imports.



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EXPERT SPEAK

Income Tax Deductions List - Deductions on Section 80C, 80CCC, 80CCD & 80D

Sections Eligible investments for tax deductions

80C Payments made towards life insurance premiums, Equity Linked Saving Schemes, payments made towards the principal sum of a home loan, SSY, NSC, SCSS, and so on.

80CCC Payment made towards pension plans, and mutual funds.

80CCD (1) Payments paid to government-sponsored plans such as the National Pension System, the Atal Pension Yojana, and others.

80CCD (1B) Investments of up to Rs.50,000 in NPS.

80CCD (2) Employer's contribution towards NPS (up to 10%, comprising basic salary and dearness allowance, if any)

Section-80C

Investment op-	Average Interest	Lock-in period	Risk factor
ELSS funds	12% – 15%	3 years	High
NPS Scheme	8% – 10%	Till 60 years of	High
ULIP	8% – 10%	5 years	Medium
Tax saving FD	Up to 8.40%	5 years	Low
PPF	7.90%	15 years	Low
Senior citizen savings scheme	8.60%	5years (can be extended for other 3 years)	Low
National Savings Certificate	7.90%	5 years	Low
Sukanya Samriddhi Yojana	8.50%	Till girl child reaches 21 years of age (partial withdrawal allowed when she reached 18 years)	Low



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