



**Edition 27**  
**From Jul 1, 2023 to Jul 31, 2023**



## The Scoop

The number of income tax returns (ITRs) filed for FY2023 has surpassed 6.77 crore. This is 16.1% greater than the total ITRs filed for the fiscal year 2022-23 (5.83 crore) as of July 31, 2022.

Despite demand for the extension of ITR filing, the deadline remained same. Now, for people who have not filed on time can file by paying penalty. Two scenarios:

**If net taxable income is above ₹5 per annum**, then you can file your ITRs for assessment year 2023-24 or fiscal 2022-23 till Decemeber 31, 2023, by paying a penalty of ₹5,000.

**If income is below ₹5 lakh per annum**, then the penalty cost is ₹1,000 for filing ITRs till the end of the year.

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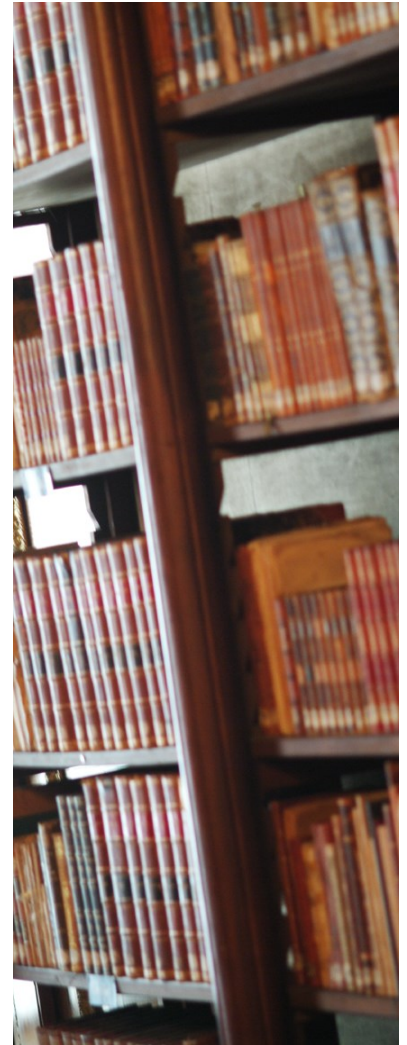
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## INCOME TAX UPDATES



### **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 31<sup>st</sup> July, 2023 under Rule 31A of the Income-tax Rules, 1962 ("the Rules"), may be furnished on or before 30<sup>th</sup> 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 15<sup>th</sup> July, 2023 under Rule 31AA of the Rules, may be furnished on or before 30<sup>th</sup> 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>



## INCOME TAX UPDATES

### 3. Direct Tax Collections for F.Y. 2023-24 up to 09.07.2023

Tax collections are at Rs. 5.17 lakh crore which is 14.65% higher than the gross collections for the corresponding period of last year.

Direct Tax collection, net of refunds, stands at Rs. 4.75 lakh crore which is 15.87% higher than the net collections for the corresponding period of last year.

This collection is 26.05% of the total Budget Estimates of Direct Taxes for F.Y. 2023-24

Read More: <https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1142/Press-Release-DTC-for-FY-2023-24-up-to-09.07.2023-dated-10-07-2023.pdf>

### 4. ITRs filed in 2023 as per Press Information Bureau:

New record of over 6.77 crore Income Tax Returns (ITRs) filed till 31st July, 2023; record growth of 16.1% Year-on-Year

64.33 lakh ITRs filed on 31st July, 2023

53.67 lakh ITRs from first time filers indicates widening of tax base

5.63 crore ITRs already e-verified, with more than 3.44 crore (61%) ITRs for AY 2023-24 processed by 31st July, 2023





## GST UPDATES



### **1. Advisory: e-Invoice Exemption Declaration Functionality Now Available**

the e-Invoice Exemption Declaration functionality is now live on the e-Invoice portal. This functionality is specifically designed for taxpayers who are by default enabled for e-invoicing but are exempted from implementing it under the CGST

Salient features of this functionality are:

- a. The e-Invoice Exemption Declaration functionality is voluntary and can be accessed at the e-Invoice portal
- b. This functionality is applicable to taxpayers who are exempted from e-Invoicing as per the provisions of the CGST Rules.
- c. It is important to note that any declaration made using this functionality will not change the e-Invoice enablement status of the taxpayer.
- d. The responsibility to take decision vis-à-vis exemption with reference to various Notifications issued by the Government and report on the portal is of the person.

The facility to report exemption declaration is purely for business facilitation purposes.

Read More: <https://www.gst.gov.in/newsandupdates/read/596>

## GST UPDATES

### ◆ How to use the e-Invoice Verifier App:

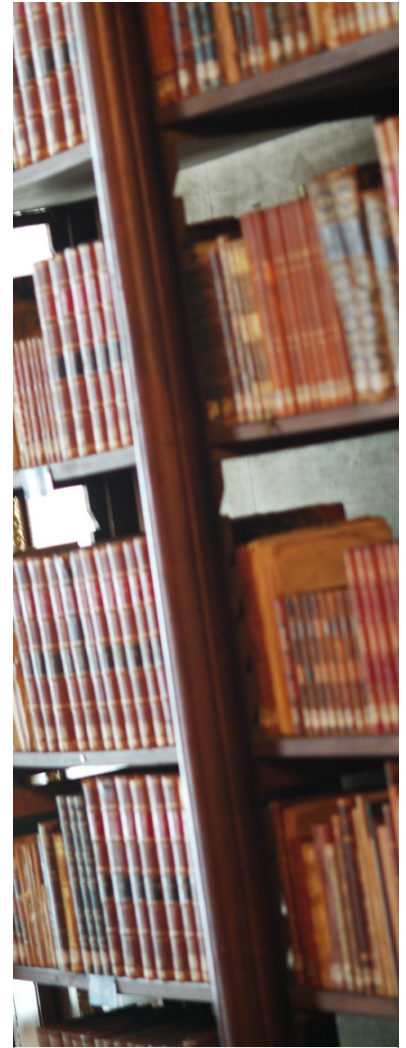
- i. Download the App: Visit the Google Play Store and search for "E-Invoice QR Code Verifier." Download and install the app on your mobile device free of charge. The iOS version will be available shortly.
  - ii. QR Code Scanning: Utilise the app to scan the QR codes on your e-Invoices. The app will 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 Jul'31, 2023)

INR / 1 USD : 82.2484

INR / 1 GBP : 105.5074

INR / 1 EUR : 90.5758

INR / 100 JPY : 58.06

## RBI UPDATES



### 1. RBI Grants Non-Banking Institution License to Mahalaxmi Cooperative Bank, Cancels Banking Permit

- ◆ The RBI officially canceled the banking license granted to Mahalaxmi Cooperative Bank Ltd, which had been in effect since March 23, 1994. This decision does not hinder the bank's ability to engage in the business of banking and accept deposits from non-members.
- ◆ Following the cancellation of its banking permit, Mahalaxmi Cooperative Bank Ltd will now function as a non-banking institution. This transition allows the bank to continue providing banking services while adhering to the regulations and guidelines applicable to non-banking entities.
- ◆ The RBI has determined that the bank's continuation poses a threat to the interests of its depositors, as its current financial position may hinder its ability to fully repay its depositors.





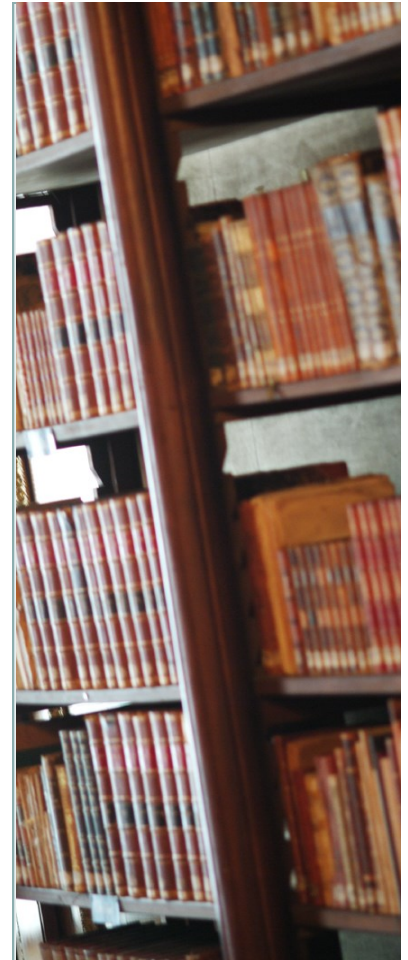
## RBI UPDATES

### 2.RBI Launches Centralised Information Management System (CIMS) for Enhanced Data Management

- ◆ The Reserve Bank of India (RBI) has introduced the Centralised Information Management System (CIMS) to revolutionize its data handling, analysis, and governance. The system leverages advanced technology to manage big data, enabling powerful data mining, text mining, visual analytics, and statistical analysis.
- ◆ CIMS serves as RBI's advanced data warehouse, facilitating comprehensive data flow management.
- ◆ Initially, it focuses on reporting by scheduled commercial banks and will gradually expand to urban cooperative banks and non-banking financial companies.
- ◆ Regulated entities gain access to their historical data and assessments on quality parameters within the CIMS.
- ◆ This empowers entities to monitor and evaluate their own performance effectively.

### 3.RBI Releases Draft Circular on Credit Card Network Portability

- ◆ The Reserve Bank of India (RBI) has unveiled a draft regulation that grants debit, credit, and prepaid cardholders the authority to select their desired card network, marking a potentially revolutionary development on a global scale. This regulation challenges the prevailing practice where card network options are predetermined through agreements between issuers and networks.
- ◆ card issuers will be prohibited from entering into any arrangement or agreement with card networks that restricts them from accessing the services of other card networks.
- ◆ The RBI stated that the current arrangements between card networks and card issuers, be it banks or non-banking institutions, do not promote customer choice and availability.
- ◆ This proposed regulation aims to enhance flexibility and competition in the credit card market, empowering users with the freedom to choose the card network that best suits their preferences and requirements.



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

### 4.RBI Cancels Registration of Four NBFCs, 11 Surrender Certificates

- ◆ The Reserve Bank of India (RBI) recently announced the cancellation of registration for four non-banking finance companies (NBFCs) and the surrender of licenses by 11 other entities.
- ◆ The RBI cancelled the certification of registration for the following NBFCs:
  - 1) Nanma Chits and Financiers Ltd
  - 2) Chidrupi Financial Services Ltd
  - 3) Goldline Financial Services Ltd
  - 4) Kailash Auto Finance Ltd

Exit from NBFC Business: Four entities voluntarily surrendered their licenses due to their decision to exit the NBFC business.

Non-compliance with CIC Criteria: Four entities surrendered their licenses as they did not meet the criteria set for unregistered Core Investment Companies (CIC) that do not require registration.

Changes in Legal Entity Status: The remaining three entities surrendered their licenses because they ceased to exist as legal entities due to reasons such as amalgamation, merger, dissolution, voluntary strike-off, etc.

### 5.RBI cancels licence of Uttar Pradesh-based United India Co-operative Bank

Due to inadequate capital and poor earning prospects, the Reserve Bank of India (RBI) has decided to cancel the registration certificate of United India Cooperative Bank Ltd, based in Bijnor, Uttar Pradesh.

Due to the revocation of its license, “United India Co-operative Bank Limited, Bijnor, Uttar Pradesh,” is now promptly restricted from conducting banking operations.



## OTHER NEWS UPDATES

- ◆ **IDFC First Bank to Merge with IDFC Ltd in 155:100 Share Exchange Ratio:** IDFC First Bank and IDFC Ltd have announced their merger plans, with a share exchange ratio of 155 equity shares of IDFC First Bank for every 100 equity shares of IDFC. The merger aims to simplify the corporate structure, increase the book value per share, and streamline regulatory compliances.
- ◆ **State Bank of India Launches 34 Transaction Banking Hubs Nationwide:** State Bank of India (SBI) has inaugurated 34 Transaction Banking Hubs across 21 district centres in the country. These hubs aim to provide efficient and quick Transaction Banking solutions to customers.
- ◆ **Piramal Finance opens first all-women branch in Kochi:** Piramal Finance, a leading housing finance company, has taken a significant step towards empowering women by opening its first all-women branch called “Maitreyi” in Tripunithura, a suburban area in Kochi.
- ◆ **Utkarsh Small Finance Bank IPO:** Utkarsh Small Finance Bank is planning to raise ₹500 crore through an IPO. The price band for the IPO is ₹23 to ₹25 per share. The minimum bid lot is 600 shares. The proceeds from the IPO will be used to improve the bank’s tier I capital base and meet future capital needs.
- ◆ **Max Life Insurance Partners With DCB Bank :** Max Life Insurance Company Ltd. announced a strategic partnership with DCB Bank Ltd., a new-generation private sector bank in India. The collaboration aims to provide a diverse range of life insurance products to DCB Bank’s customers, including term, savings, and retirement plans, enabling them to secure their financial future and expand their investment portfolio.
- ◆ **Mahindra & Mahindra confirms buying 3.53% stake in RBL Bank for ₹417 crores:** Mahindra & Mahindra, a prominent Indian conglomerate, confirmed its investment in RBL Bank by acquiring a 3.53% stake for ₹417 crores. The acquisition was announced through a regulatory filing, and Mahindra & Mahindra expressed its potential to make further investments in RBL Bank, subject to pricing, regulatory approvals, and required procedures.



## INTERNATIONAL NEWS UPDATES

- ◆ **Russia's economy dealt a crushing blow:** Russia's current-account balance has collapsed, marking another blow to the floundering economy. Surplus tanked 93% to \$5.4 billion last quarter from a year before, according to the Bank of Russia that comes as Western sanctions continue to squeeze Russia's oil and gas exports.
- ◆ **US economy is booming, thanks to shoppers:** GDP or gross domestic product – considered the measure of economic growth – showed the U.S. economy grew at a rate of 2.4%, much higher than expected. What's fueling it is — you guessed it — spending. Brand after brand this week boosted their earnings forecasts for the year, calling consumers "resilient" in the face of higher prices.
- ◆ **European Central Bank set to hike rates as it edges closer to a pivot point:** The ECB has hiked rates by 400 basis points since July last year, which is the fastest tightening cycle on record for the central bank as inflation soared to record highs prompted by supply chain disruptions and an energy crisis sparked by the war in Ukraine.
- ◆ **UK borrowing costs drop sharply after lower-than-expected inflation print:** U.K. government borrowing costs fell sharply as a cooler-than-expected inflation print rippled through markets. The yield on two-year U.K. government bonds was down by 27 basis points to 4.808%
- ◆ **China's cautious consumer confidence is dampening economic recovery:** The world's second largest economy reported second quarter GDP numbers that largely missed expectations. China is still hoping on consumers confidence to spend more and to invest more. Their cautious spending is the cause of sluggish recovery of the economy.
- ◆ **Australia's central bank leaves its key rate unchanged: Australia's central bank held its official cash rate steady at 4.10% :** The central bank's decision to hold rates steady was to "assess" the effects of the multiple rate hikes so far .The Australia Bureau of Statistics' monthly inflation indicator showed some cooling in the rise of prices at 5.6% .
- ◆ **India Extends UPI Payments to France, Empowering Indian Tourists:** India and France signed a groundbreaking agreement that allows Indian tourists to use India's Unified Payments Interface (UPI) for transactions in rupees. The move is set to revolutionize the payment experience for Indian tourists in France, eliminating the need to carry foreign currency and offering convenience and flexibility.



CA NAVISH NAGPAL  
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IFRS)



## EXPERT SPEAK

### Section 139(5)- Revised Income Tax Return

If there are any mistakes concerning your income tax filing, the Income Tax Department allows you a second chance to rectify such mistakes and file a correct return by filing a revised return. You can make revisions in your income tax returns as per the provisions of Section 139 (5) of the Income Tax Act, 1961. Let's understand what a revised income tax return is and how you can file it –

A Revised Return under Section 139(5) of the Income Tax Act is filed when an individual needs to make changes or corrections to a previously filed Income Tax Return (ITR). Here are the situations in which you would file a Revised Return:

1. **Correction of Errors:** If there is an error or omission in your original ITR, such as reporting incorrect income, deductions, or any other information, you can file a Revised Return to correct those errors. This allows you to provide accurate and updated information to the tax authorities.
2. **Missed Reporting:** If you inadvertently omitted certain income sources or failed to include certain deductions or exemptions in your original ITR, you can file a Revised Return to include those missed details. This helps ensure that your tax assessment is based on the complete and accurate information.
3. **Changes in Tax Calculation:** If there are changes in the tax laws, rules, or tax rates that affect your tax liability after you have filed your original ITR, you can file a Revised Return to incorporate those changes in your tax calculation. This allows you to adjust your tax liability accordingly.





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