



Edition 29
From Sep 1, 2023 to Sep 30, 2023



The Scoop

India did a good job in getting everyone to agree on a plan called the New Delhi Declaration at the G20 Summit. This plan is about different countries working together on things like climate change, helping poor countries, and using technology like AI. The United States and Europe changed their views on Russia a bit during the summit.

India has successfully positioned itself as a champion for developing and underdeveloped nations

INSIDE THIS ISSUE

Income Tax Updates...
2 to 4

GST Updates.....
5,6

RBI Updates
.....7 to 9

G20 Summit Summary.....10

Other News Updates ...
....11

International News
.....12

Expert
Speak.....13

INCOME TAX UPDATES



1. Extension of timeline for filing form 10B 10 BB & Form ITR-7

i. Extension for Form 10B and Form 10BB: The CBDT has extended the due date for furnishing Audit reports in Form 10B/Form 10BB for the Previous Year 2022-23. Originally set for 30th September 2023, the new deadline is now 31st October 2023.

ii. Extension for Form ITR-7: The due date for filing the Return of Income in Form ITR-7 for the Assessment Year 2023-24 has also been extended. Initially set at 31st October 2023, it has now been pushed to 30th November 2023.

When should ITR 7 be filed?

ITR-7 form is to be used when the tax assessee is a Trust, filing as a Company, Firm, Local authority, Association of Person (AOP) or Artificial Judiciary Person and is claiming exemption under Section 139 (4A), Section 139 (4B), Section 139 (4C) or Section 139 (4D).

Read More: https://incometaxindia.gov.in/communications/circular/circular_no_16_2023.pdf



INCOME TAX UPDATES

2.CBDT issued Procedure for Income Tax Deduction Certificate Applications via TRACES

The procedure, format and standards for the purpose of electronic filing of Form 13 with Annexure — II and generation of certificate under sub-section (1) of section 197 r.w. proviso to sub-rule(4) of Rule 28AA of Income Tax Rules, 1962 through TRACES (new website: www.tdscpc.gov.in) as per following procedure which will be applicable from 01.10.2023.

- i. login into the TRACES website (www.tdscpc.gov.in), for grant of certificate for deduction of Income-tax at any lower rate or no deduction of Income-tax under sub-section (1) of Section 197
- ii. The tax-payer/Deducted who is not registered at TRACES website shall have to first register with his Permanent Account Number (“PAN”) at TRACES (www.tdscpc.gov.in) for login and filling application in Form 13 along-with Annexure II.
- iii. The tax-payer/Deducted shall login at TRACES website (www.tdscpc.gov.in) and submit the Form No. 13 along-with Annexure II with supporting documents using any of the following
 - ◆ Digital Signature,
 - ◆ Electronic Verification Code,
 - ◆ Aadhar based Authentication,
 - ◆ Mobile OTP.

Read More: <https://incometaxindia.gov.in/communications/notification/notification-02-2023-27-09-2023.pdf>



INCOME TAX UPDATES

3. Direct Tax Collections for F.Y. 2023-24 up to 16.09.2023

- ◆ Tax collections are at Rs. 8.65lakh crore which is 23.51% higher than the gross collections for the corresponding period of last year.
- ◆ The Net Direct Tax collections of Rs. 8,65,117 crore (as on 16.09.2023) include Corporation Tax (CIT) at Rs. 4,16,217 crore (net of refund) and Personal Income Tax (PIT) including Securities Transaction Tax (STT) at Rs. 4,47,291 crore (net of refund).
- ◆ Provisional figures of Advance Tax collections for Financial Year 2023-24 (as on 16.09.2023) stand at Rs. 3,55,481 crore, against Advance Tax collections of Rs. 2,94,433 crore for the corresponding period of the immediately preceding Financial Year i.e. 2022-23, showing a growth of 20.73%.
- ◆ Refunds amounting to Rs. 1,21,944 crore have also been issued in the FY 2023- 24 till 16.09.2023.

Read More: <https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1152/PressRelease-Gross-Direct-Tax-collections-for-the-Financial-Year-2023-24.pdf>



GST UPDATES



1. Time limit for Reporting Invoices on the IRP Portal

1. It has been decided by the Government to impose a time limit on reporting old invoices on the e-invoice IRP portals for taxpayers with AATO greater than 100 crores.

2. To ensure timely compliance, taxpayers in this category will not be allowed to report invoices older than 30 days on the date of reporting.

3. Please note that this restriction will apply to all document types (Invoices/Credit note/Debit note) for which IRN is to be generated.

4. For example, if an invoice has a date of November 1, 2023, it cannot be reported after November 30, 2023. The validation built into the invoice registration portals will disallow the user from reporting the invoice after the 30 days window.

Hence, it is essential for taxpayers to ensure that they report the invoice within the 30 days window provided by the new time limit.

Read More: <https://www.gst.gov.in/newsandupdates/read/602>

GST UPDATES

2. Amendments as per the 50th GST Council meeting

i. **18% GST on imports of digital services for personal use from Oct 1'23**

- ◆ Offshore digital service providers will have to pay 18% integrated goods and services (GST) tax in India from October 1, whether or not the buyers are businesses or end consumers.
- ◆ The idea is to shift the obligation to pay the tax to the service providers – rather than the users — for greater ease of tax collection.
- ◆ At present, overseas entities who are providing digital services—or OIDAR (Online Information Database Access and Retrieval) services—to unregistered persons in India, are not attracting tax for such sales, as these are for non-business purposes.

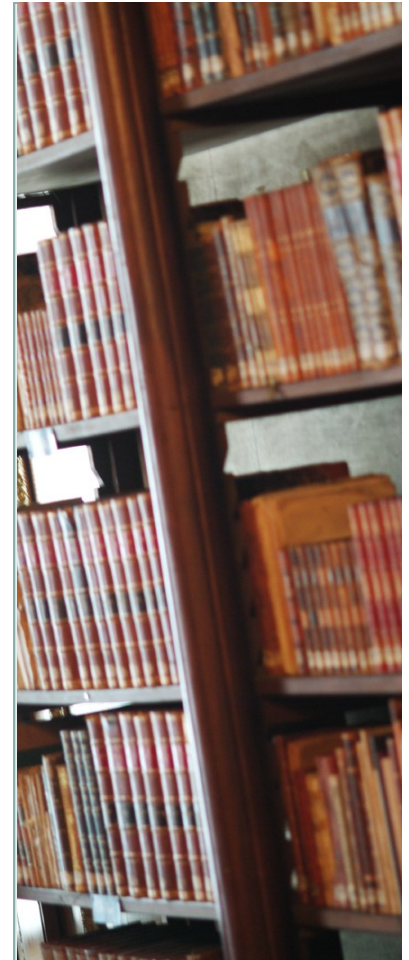
ii. **New eCommerce Tax Rules for Composition Taxpayers w.e.f Oct 1'23**

Additional requirements for eCommerce operators regarding supplies of goods through them by composition taxpayers include:

- ◆ barring inter-State supply of goods by the taxpayer,
- ◆ collection of tax at source by the eCommerce operator,
- ◆ and mandatory furnishing of supply details through FORM GSTR-8 on the common portal.

iii. **ITC Blocked on CSR Activities**

An amendment introduced in Section 17(5)(fa) of the CGST Act pertains to Corporate Social Responsibility (CSR) activities. As per the change, Input Tax Credit (ITC) will no longer be available on goods or services received by a taxable person, which are used or intended to be used for activities related to fulfilling obligations under CSR activities.



Reserve Ratios

CRR: 4.50%

SLR: 18.00%

Exchange Rate (As on Sep'30, 2023)

INR / 1 USD : 83.058

INR / 1 GBP : 101.671

INR / 1 EUR : 87.937

INR / 100 JPY : 55.81

RBI UPDATES



1. RBI allows pre-sanctioned credit lines through UPI

- ◆ This will allow users to transact with pre-sanctioned credit lines issued by banks
- ◆ This means that individuals can now make transactions using credit lines that have been pre-approved by scheduled commercial banks.

The requirements are:

- ◆ Customer Consent: Transactions using pre-sanctioned credit lines will require the prior consent of the individual customer.
- ◆ Bank Policies: Banks will have the flexibility to stipulate terms and conditions for the use of these credit lines. These terms may include credit limits, credit periods, interest rates, and more, as per their board-approved policies.
- ◆ Cost Reduction: This expansion is expected to reduce the cost associated with such offerings and facilitate the development of unique financial products tailored to the Indian market

Read More: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12532&Mode=0>



RBI UPDATES

2.RBI issues guidelines for responsible lending

RBI has issued guidelines for banks, non-banking financial companies (NBFCs) and other regulated entities to address the issues faced by the borrowers and towards promoting responsible lending conduct among such entities.

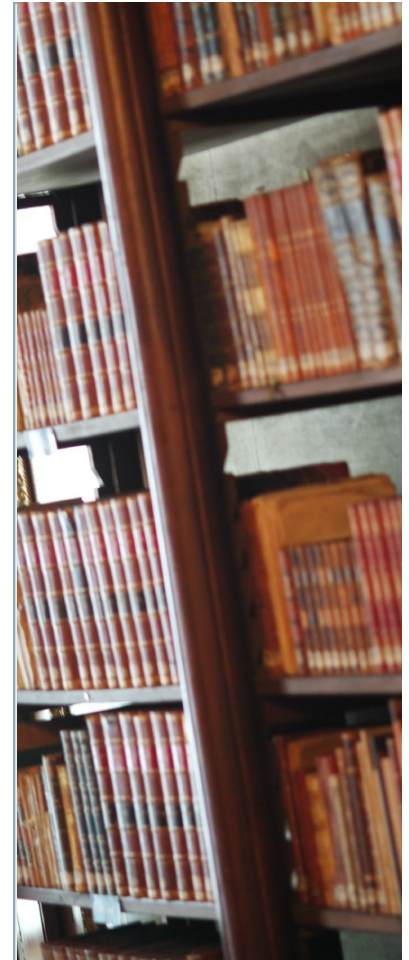
Release of Movable / Immovable Property Documents

- ◆ The REs shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.
- ◆ The borrower shall be given the option of collecting the original movable / immovable property documents either from the banking outlet / branch where the loan account was serviced or any other office of the RE where the documents are available, as per her / his preference.
- ◆ The timeline and place of return of original movable / immovable property documents will be mentioned in the loan sanction letters issued on or after the effective date.
- ◆ In order to address the contingent event of demise of the sole borrower or joint borrowers, the REs shall have a well laid out procedure for return of original movable / immovable property documents to the legal heirs. Such procedure shall be displayed on the website of the REs along with other similar policies and procedures for customer information.

Applicability

These Directions shall be applicable to all cases where release of original movable / immovable property documents falls due on or after December 1, 2023.

Read More: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12535&Mode=0>





RBI UPDATES

3.RBI Imposes Monetary Penalties on three Cooperative Banks

- ◆ Baramati Sahakari Bank – Rs 2 Lakh Penalty; Violation: Failure to Credit Interest to Inoperative Savings Accounts
- ◆ Becharaji Nagarik Sahakari Bank – Rs 2 Lakh Penalty; Violation: Breach of Prudential Inter-Bank Counter-Party Exposure Limits
- ◆ Waghodia Urban Co-operative Bank – Rs 5 Lakh Penalty; Violation: Breach of Prudential Inter-Bank Counter-Party Exposure Limits, Non-Payment of Interest on Recurring Deposits and Term Deposits

4.RBI Imposes Monetary Penalty On State Bank Of India, Indian Bank, Punjab & Sind Bank

- ◆ A monetary penalty of ₹1.30 Crore on the State Bank of India (SBI) for its failure to comply with certain directives issued by the RBI. Specifically, the bank was found to be in violation of the guidelines pertaining to 'Loans and Advances
- ◆ Punjab & Sind Bank faced a penalty of ₹1.00 Crore for violation in relation to the 'Depositor Education and Awareness Fund Scheme
- ◆ The Indian bank violated RBI directives related to Know Your Customer (KYC) requirements and interest rate regulations and faced a substantial penalty of ₹1.62 Crore

5.RBI Cancels Licence Of The Kapol Co-operative Bank Over Inadequate Capital

- ◆ RBI cancelled the license of The Kapol Co-operative Bank Limited, a Mumbai-based cooperative bank due to concerns regarding the bank's inadequate capital and earning prospects
- ◆ This cancellation means that the cooperative bank is prohibited from conducting banking activities, which encompass functions such as accepting deposits and repaying deposits. This decision was made effective immediately, leaving the bank unable to perform its core functions.

G20 SUMMIT INDIA– SUMMARY

India's leadership in the G20 has achieved important goals. It united member countries to tackle major global problems, like the conflict in Ukraine, and gave more importance to emerging markets as peacemakers. The Theme of G20 Global presidency was 'One Earth One Family One Future'.

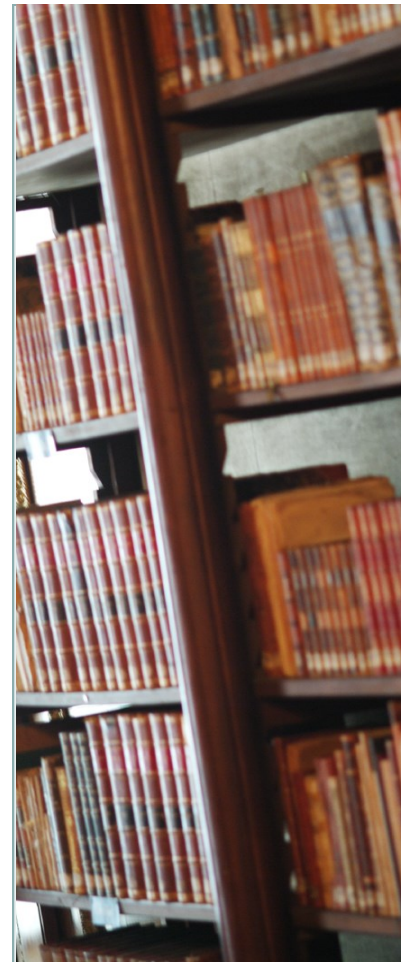
The declaration reflects India's motto of "Sabka Saath, Sabka Vikas, Sabka Vishwas" –“Together with all, Development for all, Trust of all”, which resonates with the spirit of multilateralism and inclusiveness.

Key Outcomes:

1. India along with Brazil, Indonesia and South Africa, played a key role in avoiding a fracturing of the G20 over the Ukraine conflict
2. The entry of the African Union would provide greater voice to the Global South
3. A multinational rail and shipping project linking India with the Middle East and Europe has been announced.
The corridor would include India, Saudi Arabia, the United Arab Emirates, Jordan, Israel and the European Union.
4. The G20 leaders agreed to pursue tripling renewable energy capacity globally by 2030 and accepted the need to phase-down unabated coal power.
5. A green development pact on Climate Financing and Food Security & Nutrition
6. Global Bio Fuel alliance driven by India, the United States, and Brazil, is a concerted effort to address pressing energy and economic challenges through sustainable biofuels.

2024 Presidency- India has formally handed over the G20 presidency to Brazil.

The next G20 summit is in Rio de Janeiro, Brazil, in 2024.





OTHER NEWS UPDATES

- ◆ **Remission Of Duties And Taxes On Exported Products (RoDTEP) Scheme extended till 30th June 2024:** It is a strategic move by the government to support the exporting community in navigating the uncertain international trade landscape. RoDTEP scheme serves as a mechanism for the reimbursement of duties, taxes, and levies. These are costs that export entities incur during the manufacturing and distribution process of exported products.
- ◆ **TCS Tops Kantar BrandZ Top Most Valuable Indian Brands:** Tata Consultancy Services (TCS) has retained its prestigious position at the top of the list with an impressive brand value of \$43 billion followed by HDFC Bank, a stalwart in the Indian banking sector, retains its second-place ranking. Its unwavering brand strength and customer trust contribute to its brand value.
- ◆ **Government Receives ₹1,487 Crore in Dividend from NTPC:** This state-owned power company represents 41% of the Profit After Tax (PAT) for the financial year. Also, the combined power generation capacity of the NTPC Group has now reached an impressive 73,824 megawatts (73.8 gigawatts). This achievement follows the successful trial operation of an initial 800-megawatt unit at the Telangana Super Thermal Power Project
- ◆ **SBI Revolutionizes NRI Banking:** launched a cutting-edge digital platform for Non-Resident Indians (NRIs) to seamlessly open NRE (Non-Residential External) and NRO (Non-Resident Ordinary) savings and current accounts. This innovative service is specifically tailored to “new to bank” (NTB) customers, aiming to simplify and expedite the account opening procedure.
- ◆ **E-rupee worth ₹16.39 crore in circulation as of March 2023:** This digital currency, which mirrors the country’s physical legal tender, comes in different denominations and serves both wholesale and retail purposes. Wholesale CBDC Central Bank Digital Currency : ₹10.69 crore.



INTERNATIONAL NEWS UPDATES

- ◆ **Sri Lanka's IMF Bailout Faces Delay:** Sri Lanka is facing delays in receiving the second tranche of its \$2.9 billion IMF bailout package due to unresolved issues with its external debt restructuring.
- ◆ **China and Syria Announce Strategic Partnership:** China and Syria have formally announced the establishment of a strategic partnership. The partnership reflects China's growing engagement with countries in the Middle East and Syria's eagerness to leverage Chinese support for its political and economic aspirations.
- ◆ **Bank of Japan leaves rates unchanged on concerns of 'extremely high uncertainties':** The Bank of Japan said it would maintain short-term interest rates at -0.1%, and cap the 10-year Japanese government bond yield around zero
- ◆ **Global debt stock hit a record \$307 trillion:** The stock of global debt rose \$10 trillion in the first half of 2023, bringing it to a new record high of \$307 trillion, according to a report by the Institute of International Finance.
- ◆ **Germany officially fell into a technical recession :** GDP growth was revised from zero to -0.3%. German economy is shrinking due to slow private consumption and industry stuttering.
- ◆ **Turkey's central bank hikes interest rate to 30%:** a 500 basis point jump from 25%, as govt. continues to battle double-digit inflation which is due to several years of skyrocketing inflation and a dramatically weakened currency
- ◆ **Record-Breaking US Visa Applications:** the US Mission in India exceeded its target by processing a staggering one million non-immigrant visa applications in 2023. This milestone signifies the growing interest of Indians in visiting the United States.
- ◆ **Singapore Overtakes Hong Kong as World's Freest Economy:** Singapore has surpassed Hong Kong to claim the title of the world's freest economy, marking the end of Hong Kong's 53-year reign at the top .Factors Contributing to the change are Ease of International Trade ,Freedom to Enter and Compete in Markets and Business Regulations .



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EXPERT SPEAK

Company Tax Return

1. What is a Company Tax Return?

A company tax return is an income tax return which is a statement of income and expenditure of the business

2. What is meant as Income of a company?

The types of income which a company earns:

- ◆ Profits earned from the business
- ◆ Capital Gains
- ◆ Income from renting property
- ◆ Income from other sources like dividend, interest etc.

3. Applicable ITR Forms

ITR-6: Companies apart from companies which are claiming for exemption under section 11 should refurbish their income tax return in ITR-6 Form. Companies that can claim exemptions under Section-11 are the ones who hold their income from property for religious or charitable purposes.

ITR-7: The following are the sections, as per which ITR-7 should be filed by an individuals and companies:

- * Income of religious and charitable trusts that comes under Section 139 (4A)
- * Income of Political Parties under Section 139 (4B)
- * Earning of Scientific research institutions as per Section 139 (4C)
- * Income of education institutions such as university, college, or other institutions that comes under Section 139 (4D)

4. Other forms requirements

- * If the taxpayer is liable for Audit u/s 44AB and the accounts have been audited by an accountant, the details of such audit report along with the date of furnishing is to be sent to the income tax department.
- * Taxpayers are advised to match the taxes deducted/collected/paid by or on behalf of them with their Tax Credit Statement Form 26AS.



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