



**Edition 39**  
**From Jul 1,2024 to Jul 31,2024**



## **The Scoop**

The global economy, while performing better than expected, is still in the grip of policy uncertainties. Elevated asset prices, political uncertainties and shipping disruptions continue to pose significant downside risks for growth and upside risks to inflation. 3. In this context, India's economic growth continues to be the shining exception and will remain so in the years ahead. India's inflation continues to be low, stable and moving towards the 4 per cent target.

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## GST UPDATES



### 1. Enhancements to Address-Related Fields in GST Registration Functionalities

#### a. Address is in India:

- The fields PIN Code, State, District, and City/Town/Village are interlinked and must be selected from the autosuggestions.
- Additionally, special characters are not allowed at the beginning of the entry.
- Example: When entering an address, you can input "123 Main St. #4, Apt (5A)" but not "#123 Main St." as special characters like the hash(#) are not permitted at the beginning.

#### b. Address is outside India:

- Zip Code, State, District: Taxpayer would be able to enter all values other than special characters ` }`.
- For other fields: Taxpayer can enter alphanumeric values and limited special characters such as Hyphen (-), Forward Slash (/), Ampersand (&), Comma (,), Apostrophes ('), Hash(#), Period(.), Small Brackets (), Inverted Commas (""), Colon (:), Semi Colon (;), Under-score (\_) and Space. Other Special Characters are not allowed.

Read More: <https://services.gst.gov.in/services/advisoryandreleasedes/read>

# GST UPDATES

## 2. Increase in size of documents upload in Principal Place of Business and Additional Place of Business for New Registration and Amendment

Taxpayer can now upload following documents up to maximum size of 500 kb in the Principal Place of Business tab and Additional Places of Business tab as mentioned below:-

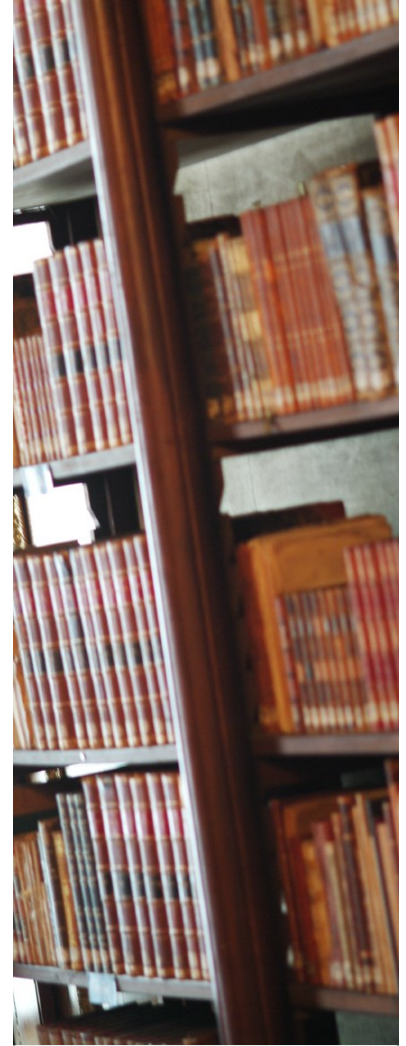
Document type	Document Name	Earlier Document Size	Document size increased now	Type of Document
Proof of Principal Place of Business and Additional Place of Business	1. Municipal Khata Copy 2. Electricity Bill 3. Consent Letter 4. Property Tax Receipt	100 KB	500 KB	JPEG/PDF

Read More: <https://services.gst.gov.in/services/advisoryandreleased/read>

## 3. Refund of additional IGST paid on account of upward revision in prices of goods subsequent to exports

Exporters facing price increases after exporting goods can now claim a refund for any additional IGST paid. While a separate refund application category is being developed, exporters can use **Form GST RFD-01** under “Any other” with specified remarks and documents with remarks “Refund of additional IGST paid on account of increase in price subsequent to export of goods” and uploading of Statement 9A & 9B along with the relevant documents

Read More: <https://services.gst.gov.in/services/advisoryandreleased/read>





## GST UPDATES

### 4. Advisory for FORM GSTR-1A

The government has introduced FORM GSTR-1A as an optional facility for taxpayers to amend or add details of supplies for the current tax period that were either missed or wrongly reported in FORM GSTR-1 before filing the GSTR-3B return.

1. FORM GSTR-1A is an optional facility. This can be filed only once for a particular tax period.

2. The corresponding effect of the changes made through FORM GSTR-1A on the liability of the taxpayer shall be reflected in FORM GSTR-3B for the same tax period.

3. At the recipient end, the ITC for the supplies declared or amended by the suppliers through FORM GSTR-1A will be available to the recipient in FORM GSTR-2B generated for the next tax period.

4. For the taxpayers filing FORM GSTR-1 on monthly basis:

a. FORM GSTR-1A will be available on the portal every month from the due date of filing of FORM GSTR-1 or the actual date of filing of FORM GSTR-1, whichever is later, and will be available till the actual filing of corresponding FORM GSTR-3B of the same tax period. It is pertinent to re-iterate that the taxpayer can't file FORM GSTR-1 for a month until he files FORM GSTR-3B for the previous month.

b. From the liability perspective, the net impact of particulars declared or amended through FORM GSTR-1A, along with the particulars declared in FORM GSTR-1, shall be auto-populated in FORM GSTR-3B for the same tax period as that of FORM GSTR-1.

Read More: <https://services.gst.gov.in/services/advisoryandreleased/read>

# INCOME TAX UPDATES



## 1.CBDT notifies 6 forms to be submitted electronically wef 27th June 2024

Central Board of Direct Taxes (CBDT) has issued Notification No. 01/024-25-Income Tax dated 24th June 2024, specifying certain forms under the Income Tax Rules 1962 that must be submitted electronically. This directive, under sub-rules (1) and (2) of Rule 131 of the Income-tax Rules, applies to the following forms:

Form 3CN: Application for notification of affordable housing project as specified business under section 35AD of the Income-tax Act

Form 3CS: Application for notification of a semiconductor wafer fabrication manufacturing unit as specified business under section 35AD of the Income-tax Act.

Form 3CEC: Application for a Pre-filing meeting.

## Section 54 of Income Tax Act

Section 54 gives relief to a taxpayer who sells his residential house and from the sale proceeds he acquires another residential house.



## INCOME TAX UPDATES

Sl. no	Form	Description
1	3CN	Application for notification of affordable housing project as specified business under section 35AD of the Income-tax Act
2	3CS	Application for notification of a semiconductor wafer fabrication manufacturing unit as specified business under section 35AD of the Income tax-Act
3	3CEC	Application for a Pre-filing meeting
4	3CEFB	Application for Opting for Safe Harbour in respect of Specified Domestic Transactions
5	59	Application for approval of issue of public companies under section 80C(2)(xix) of the Income-tax Act
6	59A	Application for approval of Mutual funds investing in the eligible issue of public companies under section 80C(2)(xx) of the Income-tax Act

## MCA UPDATES



### **MSME Form-1 amended: Companies to Report MSEs Overdue Payment**

The amendment, enacted under Section 405 of the Companies Act 2013, introduces a pivotal change impacting specified companies. According to the revised order, companies must now report details regarding payments pending to MSEs. Specifically, companies are required to furnish information if payments to MSEs remain outstanding for more than 45 days from the date of acceptance or deemed acceptance of goods or services.

This means irrespective of whether amounts are outstanding as of 31st March or 30 September or not, if payments were made after 45 days during the half-year reporting period, MSME-1 shall be filed

Read More: <https://www.mca.gov.in/bin/dms/getdocument?mids=5d6WlpyCZCPzZooCHi%252B7oA%253D%253D&type=open>



### **Section 54 of Income Tax Act**

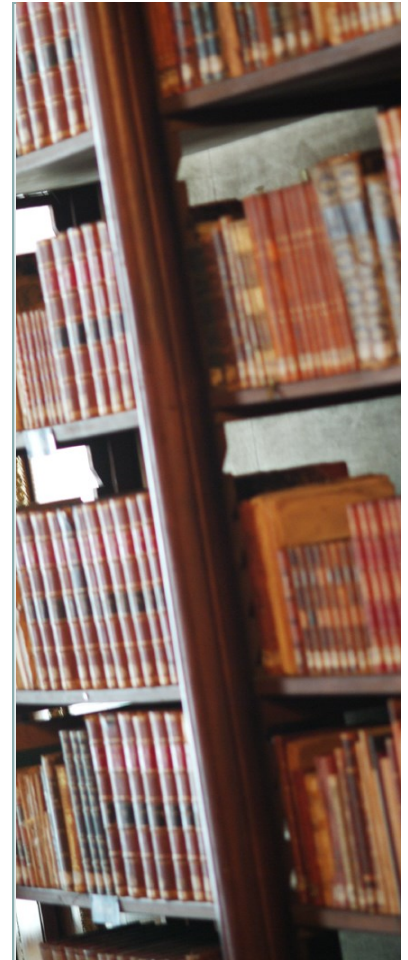
Section 54 gives relief to a taxpayer who sells his residential house and from the sale proceeds he acquires another residential house.

## MCA UPDATES

### 2. Updation in Rule 12A for Directors' KYC with Effect from August 1, 2024

- ◆ from 1st August 2024. Key updates to Rule 12A include: Every individual holding a Director Identification Number (DIN) as of March 31 of a financial year must submit e-form DIR-3 KYC to the Central Government by September 30 of the following financial year.
- ◆ Individuals who have already submitted e-form DIR-3 KYC for a previous financial year can comply for subsequent years by submitting the web-form DIR-3 KYC-WEB.
- ◆ Personal mobile numbers and email addresses can be updated in e-form DIR-3 KYC by September 30 of the financial year.
- ◆ Additional updates to personal mobile numbers or email addresses during the same financial year will require submitting e-form DIR-3 KYC with a fee of five hundred rupees.

Read More: <https://www.mca.gov.in/bin/dms/getdocument?mds=mC5cB95CPxV7kH2cdGeoAA%253D%253D&type=open>





## Reserve Ratios

CRR: 4.50%

SLR: 18.00%

## Exchange Rate (As on Jul 31, 2024)

INR / 1 USD : 83.7251

INR / 1 GBP : 107.4601

INR / 1 EUR : 90.6107

INR / 100 JPY : 55.87

## RBI UPDATES



### RBI Revises Guidelines for Banks' Capital Market Exposure in T+1 Settlement

In response to the introduction of the T+1 settlement regime for stocks, the Reserve Bank of India (RBI) has updated the guidelines for custodian banks regarding the issuance of Irrevocable Payment Commitments (IPCs). Under these revised guidelines, custodian banks issuing IPCs will be subject to a maximum intraday risk, considered as capital market exposure (CME), capped at 30 percent of the settlement amount.

#### Eligibility and Conditions for IPC Issuance

Only custodian banks with agreements granting them an inalienable right over securities for settlement payouts are permitted to issue IPCs, unless transactions are pre-funded. Rupee funds must be available in the customer's account, or in the case of foreign exchange deals, the bank's nostro account must be credited before IPC issuance.

#### Large Exposure Framework Compliance

Banks' underlying exposures to counterparties stemming from intraday capital market exposure will be subject to limits outlined in the Large Exposure Framework.



## RBI UPDATES

### 2.RBI Slaps ₹1.32 Crore Monetary Penalty on PNB

The penalty was imposed due to PNB sanctioning working capital demand loans to two state government-owned corporations against amounts receivable from the government by way of subsidies, refunds, or reimbursements. Additionally, the bank failed to preserve records pertaining to the identification of customers and their addresses obtained during business relationships in certain accounts.

### 3.RBI Has Cancelled Licence of 7 Co-Operative Banks

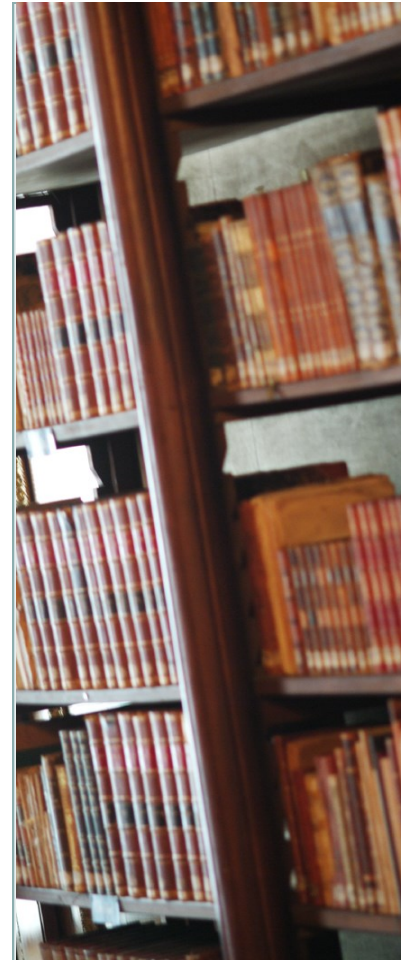
The Reserve Bank of India (RBI) has once again cancelled the licence of a co-operative bank due to its deteriorating financial health. Since January, licences of Sumerpur Mercantile Urban Cooperative Bank Limited, Jai Prakash Narayan Nagari Sahakari Bank Ltd, Shree Mahalaxmi Mercantile Co-operative Bank Ltd, and Hiriyyur Urban Co-operative Bank Ltd have also been revoked.

The co-operative banks didn't have enough capital and weren't making enough money. They couldn't guarantee paying back all depositors and allowing them to continue would harm public interest. Therefore, the RBI decided to revoke its licence to protect people's money.

### 4.RBI Introduces PCA Framework To Improve Financial Health Of UCBs

a Prompt Corrective Action (PCA) framework for relatively weak urban co-operative banks (UCBs), with deposits above ₹100 crore (upper tier category), to nurse them back to health. As per the framework, a financially unsound and ill-managed UCB can be brought under PCA if it breaches the risk thresholds of identified indicators pertaining to capital and profitability (net profit).

Objective of the PCA Framework is to enable supervisory intervention at an appropriate time and require the UCBs to initiate and implement remedial measures in a timely manner, to restore their financial health.





## OTHER NEWS UPDATES

- ◆ **Amazon Pay, Adyen, and BillDesk Obtain RBI Cross-Border Payment License:** Three prominent payment companies—Amazon Pay, Adyen, and Mumbai-based BillDesk—have secured the Reserve Bank of India’s (RBI) cross-border payment aggregator license. This follows Bengaluru-based Cashfree’s earlier acquisition of the same license. Cashfree received its license on July 22, Adyen and Amazon Pay on July 25, and BillDesk on July 29.
- ◆ **NFDC and Netflix India Collaborate to Train Voice-Over Artists:** The government and Netflix India have partnered to create opportunities for voice-over artists, especially women, to enhance their skills and find better opportunities in the media and entertainment sector. The National Film Development Corporation (NFDC) and Netflix India signed a Memorandum of Understanding (MoU) to launch “The Voicebox,” a program to train voice-over artists in multiple languages including English, Hindi, Marathi, Bengali, Malayalam, Tamil, Telugu, and Gujarati.
- ◆ **UltraTech Acquires 32.7% Stake in India Cements for ₹3,945 Crore:** UltraTech Cement, a flagship of the Aditya Birla Group, will acquire a 32.72% equity stake in India Cements for ₹3,945 crore. The acquisition will be finalized through a Share Purchase Agreement with the promoters of India Cements, led by N. Srinivasan, pending regulatory approvals. UltraTech plans to make an open offer to India Cements shareholders at ₹390 per share after securing these approvals.
- ◆ **IndusInd Bank Partners With Inspire Institute Of Sport:** IndusInd Bank has announced the launch of ‘Wrestle for Glory’ program, a CSR initiative of the Bank, continuing the longstanding collaboration with the Inspire Institute of Sport (IIS). This is a high performance Olympic training facility, headquartered in Vijayanagar, Bellary.
- ◆ **FICCI Projects 7% GDP Growth for India in 2024-25:** The survey forecasts an annual median GDP growth of 7% for 2024-25. Notably, the Reserve Bank of India (RBI) has also raised its GDP growth projection to 7.2% for this fiscal year. For Q1 and Q2 of 2024-25, median GDP growth is estimated at 6.8% and 7.2%, respectively.



## INTERNATIONAL NEWS UPDATES

- **Elon Musk Launches Starlink in Indonesia:** Elon Musk introduced SpaceX's Starlink satellite internet service in Indonesia, aiming to enhance connectivity in remote regions of the archipelago nation. The inauguration took place in Bali, where Musk, alongside Indonesian officials, emphasized the transformative potential of improved internet access.
- **Deutsche Bank shares slide 13% after sudden spike in the cost of insuring against its default:** Deutsche Bank shares fell by more than 13% following a spike in credit default swaps last week, as concerns about the stability of European banks persisted. The German lender's shares retreated for a third consecutive day and have now lost more than a fifth of their value so far this month. Credit default swaps — a form of insurance for a company's bondholders against its default — leapt to 173 basis points from 142 basis points
- **Bank of England hikes interest rates by 25 basis points after inflation surprises:** The Bank of England hiked interest rates by 25 basis point as it grapples with persistent high inflation against the backdrop of concerns over the banking system. The Monetary Policy Committee voted 7-2 in favor of raising the Bank rate to 4.25%, in a widely anticipated move after official data showed that U.K. inflation unexpectedly jumped to an annual 10.4%
- **Jack Dorsey Loses \$526 Million Net Worth Hours After Hindenburg Report :** Block Inc. co-founder Jack Dorsey's net worth was hammered after Hindenburg Research's latest report, claiming Block had inflated user metrics, and that the stock has downside of 65% to 75% "on a purely fundamental basis." The company denied the allegations and said it plans to explore legal action against the short-seller. His fortune plunged by \$526 million his worst single-day decline.
- **UBS Deals with Credit Suisse for acquisition at \$3.25 Billion:** The Union Bank of Switzerland buys the bankrupt Credit Suisse for \$3.25 Billion. This was decided to lessen the economic burdens rising across the globe. Credit Suisse has faced major scandals and financial losses in recent times. The chairperson of Switzerland's Financial Market Supervisory Authority claims this deal to be the best possible solution considering the present banking scenarios



Sanjay Singh



## EXPERT SPEAK

The budget 2024 introduces a new TDS section impacting partnership firms

**Introduction:** Currently, there's no TDS on payments such as salary, remuneration, interest, bonus, or commission to partners. However, TDS was applicable on payments made to employees by firms.

**New Rule:** From April 1, 2025, payments exceeding ₹20,000 annually to partners will attract a 10% TDS. This new rule under Section 194T aims to bring these transactions into the TDS fold from FY 2025-26.

**Applicability of TDS u/s 194T Effective from 1st April, 2025,** Section 194T mandates TDS deduction on various payments made by firms (Partnership firms or LLP) to its partners. These payments include salary, remuneration, commission, bonus, and interest on any account.

**Important Note:** TDS is not applicable on the drawings or capital repayment to partners. But TDS applicable on interest on capital or loan from partner.

Section	TDS Rate	Threshold Limit
194T: Payments to partners by firm (Partnership firm or an LLP)	10%	Rs. 20000 per financial year

Firms are required to deduct TDS at a rate of 10% on payments made to partners if the aggregate amount exceeds Rs. 20,000 in a financial year. Please note that TDS will be applicable on whole amount if aggregate exceeds the threshold limit.

**When to Deduct TDS u/s 194T?**

The TDS is to be deducted at the earliest of the following dates:  
Credit to the account (including capital account) of partner in the books of the firm or  
Payment to the partner



## EXPERT PANEL



CA Naveesh Nagpal

Ph: 9582289938

LinkedIn: <https://www.linkedin.com/in/naveesh-nagpal-a02b6539/>



CA Sanjay Singh

Ph: 9711205178

LinkedIn: <https://www.linkedin.com/in/sanjay-singh-12aa3122/>

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