



**Edition 40**  
**From Aug1,2024 to Aug 31,2024**



## **The Scoop**

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% target. Core inflation (non-food, non-fuel) currently is 3.1%.

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## GST UPDATES



### **1. Advisory for furnishing bank account details before filing GSTR-1/IFF**

- As per Rule 10A of the Central Goods and Services Tax (CGST) Rules, 2017, taxpayers must furnish valid bank account details within 30 days of registration or before filing GSTR-1/Invoice Furnishing Facility (IFF), whichever is earlier.
- This requirement was initially notified in June 2019, but starting from September 1, 2024, the rule will be strictly enforced.
- all the taxpayers who have not yet furnished the details of a Bank Account are hereby requested to add their bank account information in their registration details by visiting Services > Registration > Amendment of Registration Non - Core Fields tabs on GST Portal. After adding bank account details, taxpayers can proceed to file their GSTR-1. Upon furnishing the details of the bank account, the taxpayer will be able to furnish his GSTR-1/IFF.

**Read More:** <https://services.gst.gov.in/services/advisoryandreleases/read/513>

# GST UPDATES

## 2. Introduction of RCM Liability/ITC Statement

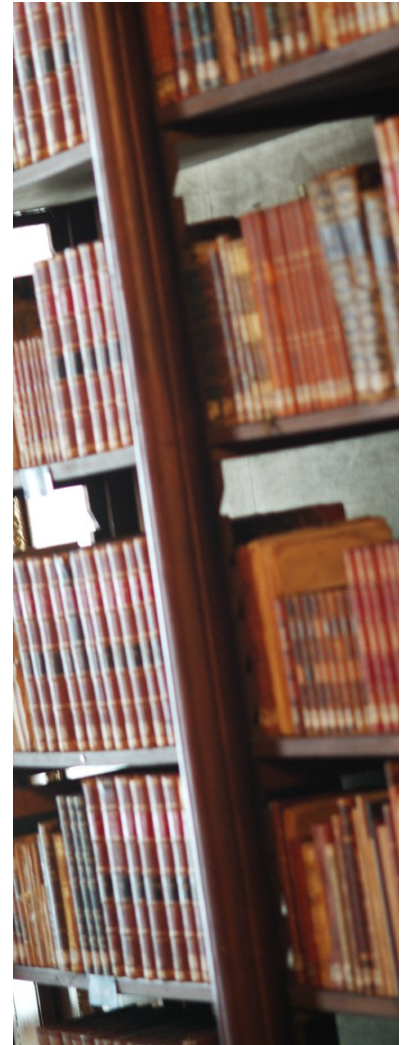
Reporting Opening Balance in RCM ITC Statement.

RCM ITC opening balance can be reported by following below navigation:

*Login >> Report RCM ITC Opening Balance or Services >> Ledger >> RCM Liability/ITC Statement >> Report RCM ITC Opening Balance*

- In case the taxpayers have already paid excess RCM liabilities by declaring the same in Table 3.1(d) of GSTR-3B however he hasn't availed corresponding ITC through Table 4(A)2 or 4(A)3 of GSTR-3B, due to any reason, in such cases taxpayer need to fill Positive value of such excess paid liability as RCM ITC as opening balance in RCM statement.
- In case the taxpayers have already availed excess RCM ITC through Table in Table 4(A)2 or 4(A)3 of GSTR-3B however he hasn't paid corresponding liability by declaring the same in table 3.1(d) of GSTR-3B, in such cases taxpayer will be needed to fill a negative value of such excess claimed ITC as RCM as opening balance in RCM Statement.
- In case taxpayer need to reclaim the RCM ITC, which was reversed in earlier tax periods through Table 4(B)2 of GSTR-3B, if eligible, he can reclaim such RCM ITC in Table 4A(5) of GSTR-3B. Please note that such RCM ITC shall not be reclaimed through Table 4(A)2 and 4(A)3 of GSTR-3B. Such RCM ITC reversal need not to be reported as RCM ITC opening balance.

Read More: <https://services.gst.gov.in/services/advisoryandreleased/read/514>



## INCOME TAX UPDATES



### **1. Non-applicability of higher rate of TDS/TCS as per provisions of section 206AA/ 206CC of the Income-tax Act, 1961, in the event of death of deductee/collectee before linkage of PAN and Aadhaar**

Several grievances have been received from the taxpayers where they have cited instances of demise of the deductee/collectee during the said period (i.e. on or before 31.05.2024) before the option to link PAN and Aadhaar could have been exercised. In such cases, tax demands are standing against the deductor/collector as a result of failure to link PAN and Aadhaar of the deceased person.

In order to redress such grievances of the taxpayers, the Board, hereby specifies that in respect of cases where higher rate of TDS/TCS was attracted under section 206AA/206CC of the Act pertaining to the transactions entered into upto 31.03.2024 and in case of demise of the deductee/collectee on or before 31.05.2024 i.e. before the linkage of PAN and Aadhaar could have been done, there shall be no liability on the deductor/collector to deduct/collect the tax under section 206AA/206CC, as the case maybe.

Read more : <https://incometaxindia.gov.in/communications/circular/circular-8-2024.pdf>

### **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

### 2.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.

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



### **1. Companies (Adjudication of Penalties) Amendment Rules, 2024**

These amendments, effective from September 16, 2024, introduce significant changes. Notably, Rule 3A mandates that all adjudication proceedings, including notices, filing of documents, hearings, and payment of penalties, be conducted electronically via a new e-adjudication platform developed by the Central Government. If an email address is unavailable for serving notices, they will be sent by post to the last known address and preserved electronically

**Read more :** <https://www.mca.gov.in/bin/dms/getdocument?mds=ksyWu6kmYbS46oyUYmt6cw%253D%253D&type=open>



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

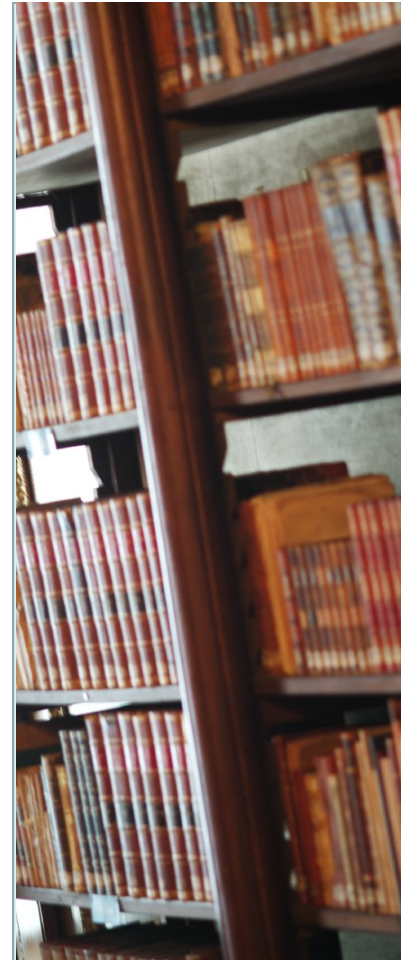
Section 54 gives relief to a taxpayer who sells his residential house and from the sale proceeds he acquires another residential house.

# MCA UPDATES

## 2.Companies (Registration of Foreign Companies) Amendment Rules, 2024

- Rule 3 now requires foreign companies to file Form FC-1 with the Registrar within thirty days of establishing a business in India, accompanied by a fee and documents as per section 380 of the Companies Act. This filing must include an attested copy of approval from the Reserve Bank of India under the Foreign Exchange Management Act and other relevant regulators, or a declaration stating no such approval is needed.
- Additionally, Rule 8 specifies that all documents required to be submitted by foreign companies must be delivered to the Registrar with jurisdiction over New Delhi. Notably, registration documents must be submitted to the Registrar, Central Registration Centre, as stipulated in Rule 3 Sub-rule (3). These amendments aim to streamline the registration process and ensure compliance with regulatory requirements for foreign companies.

**Read More:** <https://www.mca.gov.in/bin/dms/getdocument?mids=nKOST6cNFJSgJGLOIBu6Yg%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



### 1.E-Mandate Framework for FASTag and NCMC

- The latest amendment includes the auto-replenishment of balances for FASTag and the National Common Mobility Card (NCMC). These transactions, which are recurring in nature but do not have a fixed periodicity, will now fall under the e-mandate framework.

It has been decided to include auto-replenishment of FASTag and NCMC, as and when the balance falls below a threshold set by the customer, under the e-mandate framework. Payments for auto-replenishment, since they are recurring in nature but without any fixed periodicity, will be exempt from the requirement of pre-debit notification.

- All other instructions provided under the e-mandate framework shall continue to remain applicable.
- This circular is issued under Section 18 read with Section 10 (2) of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), and shall come into effect immediately.

Read More: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12722&Mode=0>





# 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.

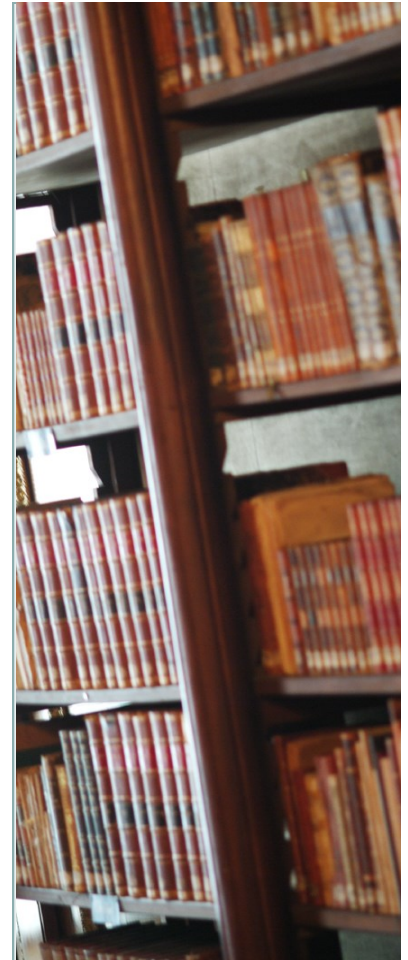
## 3.RBI Has Cancelled Licence of 7 Co-Operative Banks

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 Imposes Penalties on UCO Bank and Cent Bank Home Finance Ltd

The Reserve Bank of India (RBI) has levied penalties on two financial entities for regulatory non-compliance. UCO Bank has been fined Rs 2.68 crore for violating provisions related to current account openings, deposit interest rates, and fraud classification. Meanwhile, Cent Bank Home Finance Ltd faces a Rs 2.1 lakh penalty for failing to adhere to Know Your Customer (KYC) regulations.





## OTHER NEWS UPDATES

- ◆ **LIC Pays ₹3,662 Crore Dividend to Indian Government:** Life Insurance Corporation of India (LIC) presented a dividend cheque of ₹3,662.17 crore to Union Finance and Corporate Affairs Minister Nirmala Sitharaman. This follows the shareholder approval of a final dividend of ₹6 per share for 2023-24, up from ₹3 per share in the previous fiscal year.
- ◆ **RBL Bank Launches RuPay Credit Cards With UPI And NCMC Functionalities:** RBL Bank has announced integration of Unified Payments Interface (UPI) and National Common Mobility Card (NCMC) services on RuPay Credit Cards it sells. The offering combines multiple payment capabilities into a single card.
- ◆ **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



CA Sanjay Singh



## EXPERT SPEAK

### Tax Audit under Section 44AB of Income Tax Act

#### 1. What is Tax Audit?

- ◆ Tax Audit under Section 44AB of the Income Tax Act is the examination and review of the books of accounts of a taxpayer having income from a business or profession.
- ◆ The tax auditor would ensure that books of accounts have been maintained correctly, report observations, and required information in the tax audit report.
- ◆ The applicability of tax audit depends upon the turnover/sales/gross receipts of the business or profession along with few more conditions.

#### 2. What is the Audit Limit?

- ◆ A businessman is required to have his accounts audited if the total sales, turnover, or gross receipts from the business during the previous year (i.e. the financial year for which ITR has to be filed) exceeds Rs 1 crore.
- ◆ However, this limit of Rs 1 crore shall be increased to Rs 10 crore if cash receipts and cash payments during the year do not exceed 5% of the total receipts or payments

#### 3. Timelines for Filing Tax Audit Reports

- ◆ The due date for filing tax audit reports is September 30 '24. And the last date for ITR filing along with audit report is October 31, 2024

#### 4. Documents or forms that auditor has to prepare/fill

Form 3CD: This is a common form for all those required to get their accounts audited to comply with any of the laws such as Income Tax Act, Companies Act etc.





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## GIVE YOUR VALUABLE FEEDBACK

<https://forms.gle/m4yU4QmhzkkFjHeL6>

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