



Edition 41
From Sep1,2024 to Sep 30,2024



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 Biometric-Based Aadhaar Authentication and Document Verification for GST Registration

- ◆ Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application.
- ◆ The above-said functionality has been developed by GSTN. It has been rolled out in Bihar, Delhi, Karnataka, and Punjab on **6th September 2024**.
- ◆ for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail,
 - (a) A Link for OTP-based Aadhaar Authentication OR
 - (b) A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail)

Read More: <https://services.gst.gov.in/services/advisoryandreleases/read/519>

GST UPDATES

2. Re-opening of Reporting ITC Reversal Opening Balance

The Taxpayers are being provided with one final opportunity to report their cumulative ITC reversal (ITC that has been reversed earlier and has not yet been reclaimed) as opening balance for "Electronic Credit Reversal and Re-claimed Statement", if any, before hard locking the reversal and reclaim ledger. Please note the important dates to report opening balance are mentioned below.

(i) The functionality to reporting the opening balance will be available from 15th September 2024 to 31st October 2024.

(ii) The amendments in declared opening balance will be available till 30th November, 2024.

(iii) Taxpayers having monthly filing frequency are required to report their opening balance considering the ITC reversal done till the return period of July 2023 only. As after this period balance is already available in ledger.

(iv) Quarterly taxpayers shall report their opening balance up to Q1 of the financial year 2023-24, considering the ITC reversal made till the April-June 2023 return period only. As after this period balance is already available in ledger.

Read More: <https://services.gst.gov.in/services/advisoryandreleased/read/520>

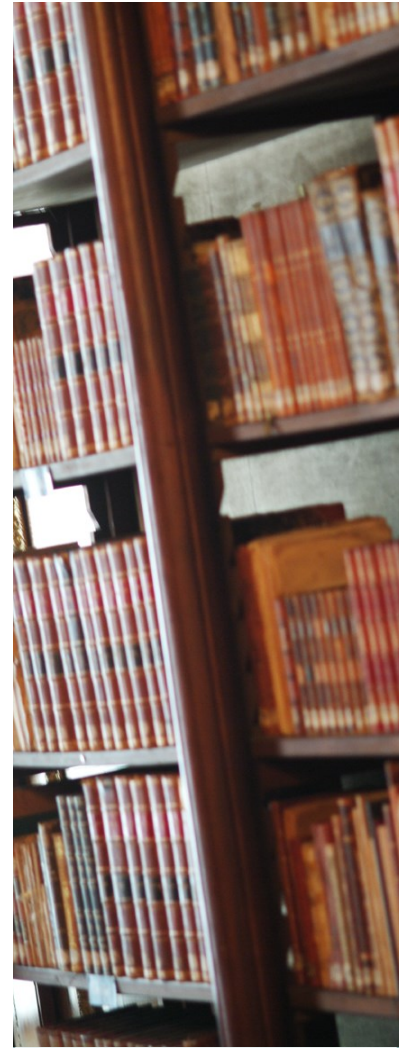
3. Archival of GST Returns data on GST portal

As per CGST, the taxpayers shall not be allowed to file their GST returns after the expiry of a period of three years from the due date of furnishing the said return.

2. Further, as per GST portal data policy, data for view of taxpayer to be retained for seven years only. Therefore, the same data policy is being implemented on the GST portal. Thus, return data will not be available to view beyond 7 years for taxpayers.

3. Accordingly, on 01st August 2024 return filed for July 2017 has been archived and on 01st September 2024, data for August 2017 has been archived. Further, this data archival is going to be a monthly activity hence on **01st October, 2024** data of September 2017 shall be taken down from the GST portal and so on so forth.

Read More: <https://services.gst.gov.in/services/advisoryandreleased/read/523>



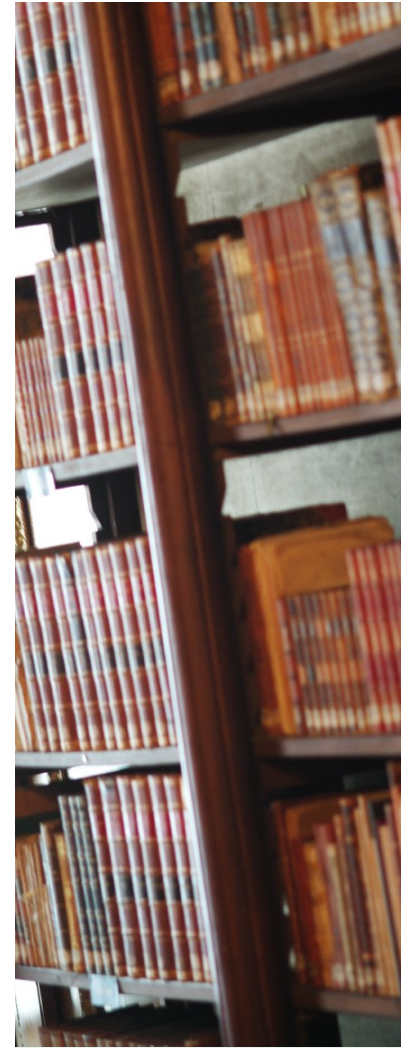
INCOME TAX UPDATES



1. Income Tax Audit Report Filing Deadline Extended for AY 2024-25

- ◆ Initially set for 30th September 2024, the due date for furnishing audit reports has now been extended to 7th October 2024.
- ◆ This extension applies specifically to assessees mentioned under clause (a) of Explanation 2 to sub-section (1) of section 139 of the Income-tax Act, who faced difficulties in electronically filing the required reports.

Read More: <https://incometaxindia.gov.in/communications/circular/circular-10-2024.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. Key TDS Rate Changes from October 1, 2024

- ◆ Section 194DA (Life insurance payments): The TDS rate on life insurance payouts has dropped from 5% to 2%.
- ◆ Section 194G (Lottery ticket commission): TDS on commissions from lottery ticket sales is reduced from 5% to 2%.
- ◆ Section 194-IB (Rent payments): Rent payments made by individuals or HUF now face a 2% TDS rate, down from the previous 5%.
- ◆ Section 194M (Certain payments by individuals or HUF): A 2% TDS, reduced from 5%, now applies to payments made by individuals or HUF.
- ◆ Section 194-O (E-commerce operators): Payments by e-commerce operators to participants now incur a TDS rate of 0.1%, down from 1%.
- ◆ Section 194F (Mutual fund repurchase): TDS on repurchases by mutual funds or Unit Trust of India has been omitted.

◆ 3. Enactment of Direct Tax Vivad Se Vishwas Scheme 2024 wef 1st Oct, 2024

CBDT), has officially notified the enactment of the Direct Tax Vivad Se Vishwas Scheme, 2024.

- ◆ The scheme will come into effect from October 1, 2024. The scheme is designed to provide a resolution mechanism for pending direct tax disputes, enabling taxpayers to settle disputes with reduced penalties and interest. It aims to expedite the resolution of tax-related issues, reducing the burden on courts and tax authorities.

MCA UPDATES



1. IEPFA (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024

In cases where a copy of legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction is submitted, the same shall be accompanied with—

- (a) a notarised indemnity bond from the legal heir or claimant to whom the securities are transmitted; and
- (b) a no objection certificate from all legal heirs other than claimants, stating that they have relinquished their rights to the claim for transmission of securities, duly attested by a notary public or by a gazetted officer.
- (c) The value of the securities as on the date of application shall be quantified by the applicant on the basis of the closing price of such securities at any one of the recognised stock exchange a day prior to the date of such submission in the application

Read More: <https://www.mca.gov.in/bin/dms/getdocument?mds=U0MUCISSaXRSw6YtZ1D98w%253D%253D&type=open>



Section 54 of Income Tax Act

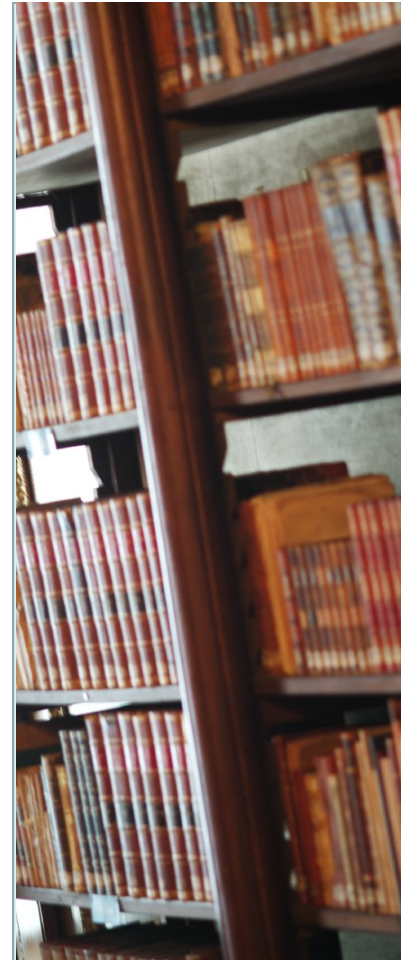
Section 54 gives relief to a taxpayer who sells his residential house and from the sale proceeds he acquires another residential house.

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 Sep 30, 2024)

INR / 1 USD : 83.9492

INR / 1 GBP : 110.5963

INR / 1 EUR : 92.6077

INR / 100 JPY : 57.24

RBI UPDATES



1. RBI imposes penalties on Godrej Housing, HUDCO, and Aadhar Housing Finance

- ◆ The penalties are as follows: Godrej Housing Finance Limited and Aadhar Housing Finance Limited were each fined Rs 5 lakh, while Housing and Urban Development Corporation Limited (HUDCO) faced a penalty of Rs 3.5 lakh.
- ◆ These fines, imposed under Section 52A of the National Housing Bank Act, 1987, followed inspections by the National Housing Bank (NHB) based on the companies' financial positions as of March 31, 2022.

Godrej Housing Finance Limited: Failed to obtain two independent valuation reports before sanctioning loans of Rs 75 lakh and above.

Aadhar Housing Finance Limited: Charged interest on loans before the actual disbursement of the loan, violating RBI's 'Fair Practices Code.'

Housing and Urban Development Corporation Limited (HUDCO): Failed to conduct customer risk categorization for FY 2021-22, lacked periodic review of account risk categories



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.

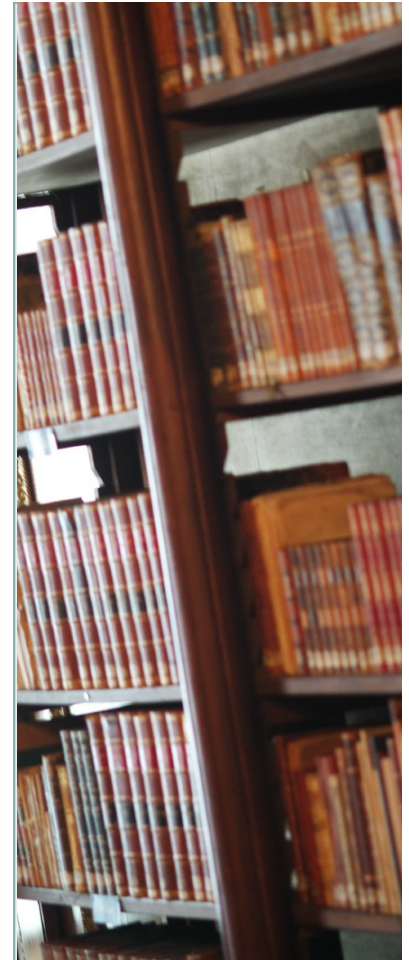
3.RBI Has Cancelled Licence of 7 Co-Operative Banks

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

- ◆ **POP Launches India's First Multi-Brand Co-Branded Card with RuPay & Yes Bank:** POP, a fintech startup founded by ex-Flipkart employees, has launched India's first multi-brand co-branded credit card in collaboration with RuPay and Yes Bank. The card features partnerships with brands like Zomato, Blinkit, Cult, Rapido, Cleartrip, and Pharmeasy, offering rewards in POPcoins .
- ◆ **UPI Users can now Send 5 Lakh For Some Transactions:** The National Payments Corporation of India (NPCI) has increased the transaction limits for tax payments using UPI (Unified Payment Interface), by allowing people to send 5 lakh in a single transaction. Conditions: Acquiring entities must ensure that the classification of their merchants within MCC-9311 strictly adheres to the tax payments only. Merchants shall ensure UPI as a payment mode is enabled for the increased limit for the tax payments category.
- ◆ **Swiggy files papers for Rs 3,750-crore IPO:** Food-tech unicorn Swiggy has filed its updated draft red herring prospectus (DRHP) with the SEBI for an initial public offering (IPO) to raise Rs 3,750 crore through a fresh issue. The issue will also have an offer-for-sale (OFS) component of up to 185.3 million shares.



INTERNATIONAL NEWS UPDATES

- **Walmart launches new grocery brand:** Walmart is debuting a new grocery brand, as the discounter tries to retain the shoppers it has attracted during a period of high inflation. It will roll out a private label called Bettergoods, a line of more trend-and chef-driven foods. Most items will be priced at less than \$5.
- **COMCAST Peacock streaming subscription:** Subscription prices for Peacock, Comcast's answer to the streaming wars, will increase by \$2 this summer. The price adjustment is a way for Comcast's NBCUniversal to capitalize on the Summer Olympics in Paris, which will air on NBC's TV networks and streaming platform.
- **Cyberattack on UnitedHealth firm forces doctors to dig into personal savings to stay afloat :** Health providers have been struggling with fallout from the Change Healthcare cyberattack. Much of the company's technology helps facilitate billing, payments, benefits evaluations, and information exchanges behind the scenes. One doctor said she amassed a \$15 million claims backlog following the attack. Others are spending thousands of their personal savings to stay afloat.
- **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

Changes in Tax Deducted at Source (TDS) to be effective from October 1, 2024

Section 194D: Payment on Insurance Commission (in case of person other than company) Any entity that makes the payment to the resident person, as remuneration/ rewards, by the way of commission or for soliciting or obtaining insurance business shall deduct TDS @2% now

Section 194DA: Payment in respect of Life Insurance Policy: Any person responsible for paying to a resident any sum under a life insurance policy, including the sum allocated by way of bonus on such policy, other than the amount not includible in the total income under section 10(10D), shall now deduct income-tax thereon at a rate of 2% on the amount of income

Section 194F: TDS on payments on account of re-purchase of units by Mutual funds or UTI has been removed

Section 194G: Commission on sale of Lottery Tickets : Any person responsible for paying any income by way of commission, remuneration or prize (by whatever name called) on stocking, distributing, purchasing or selling lottery tickets, shall be responsible to deduct tax at source @ 2% now

Section 194IB: TDS on Rent on property

Any person, being an individual or a Hindu undivided family (not covered under section 194I), responsible for paying to a resident any income by way of rent exceeding ₹ 50,000 for a month or part of a month during the previous year, shall deduct income-tax thereon at the rate of 5%.

Amended Provision: The TDS Rate has been reduced to 2% with effect from 01/10/2024.



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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