



Edition 42
From Oct 1,2024 to Oct 31,2024



The Scoop

India remained the fastest-growing major economy and grew at a rapid clip of 8.2 percent in FY23/24. Growth was boosted by public infrastructure investment and an upswing in household investments in real estate. On the supply side, it was supported by a buoyant manufacturing sector, which grew by 9.9 percent, and resilient services activity, which compensated for underperformance in agriculture.

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GST UPDATES



1. Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Ladakh

This is to inform taxpayers about recent developments concerning the application process for GST registration. It is advised to keep the following key points in mind during the registration process.

1. 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.
2. The above-said functionality has been developed by GSTN. It has been rolled out in Ladakh on 30th October 2024.

Read More: <https://www.gst.gov.in/newsandupdates/read/541>

GST UPDATES

2. Gross and Net GST revenue collections for the month of Oct, 2024

Total Gross GST Revenue 1,87,346cr with 8.9% growth

Total Refund 19,306 cr with 18.2%

Total Net GST Revenue 1,68,041 cr with 7.9%

Read More: https://tutorial.gst.gov.in/downloads/news/revenue_report_oct24.pdf

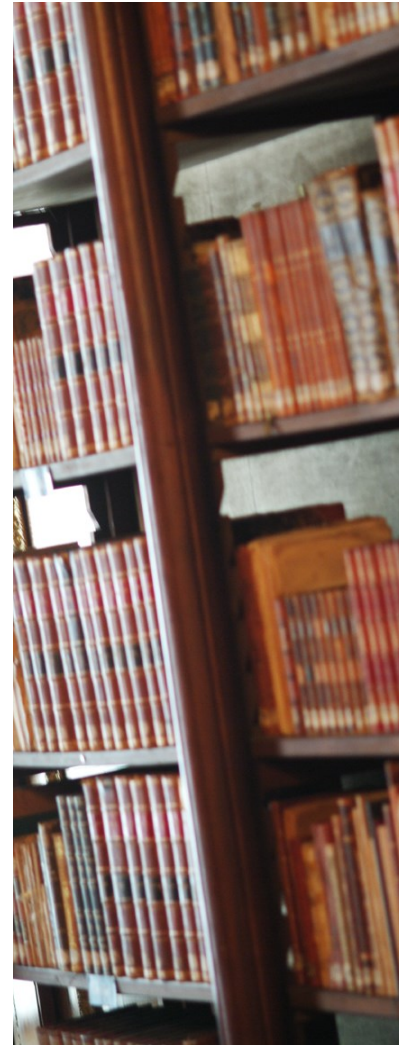
3. Archival of GST Returns data on GST portal

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.

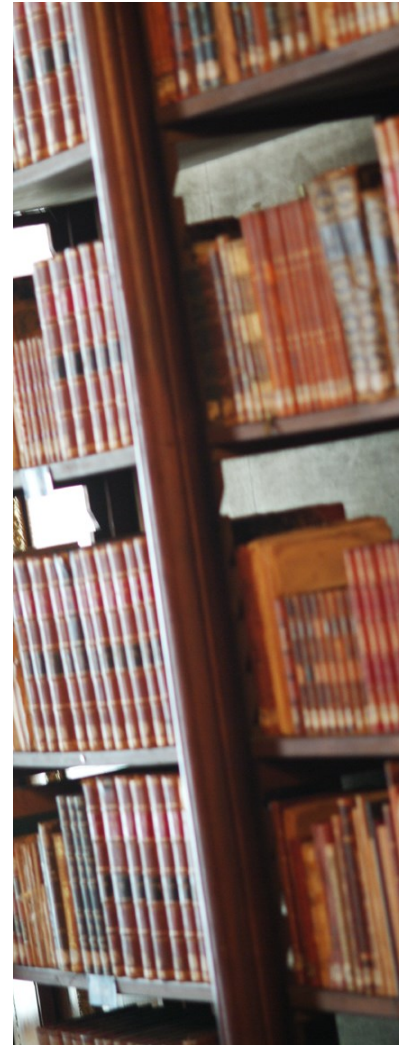
2. Further, as per GST portal data policy, data for view of taxpayer to be retained for seven years only. Therefore, the same data policy is being implemented on the GST portal. Thus, return data will not be available to view beyond 7 years for taxpayers.

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/advisoryandreleases/read/523>



INCOME TAX UPDATES



1. Extension of due date for furnishing return of income for the Assessment Year 2024-25

- ◆ The Central Board of Direct Taxes (CBDT) has announced an extension for the due date of filing the Return of Income for the Assessment Year 2024-25.
- ◆ Originally set for October 31, 2024, the new deadline is November 15, 2024,

Read More: <https://incometaxindia.gov.in/communications/circular/circular-13-2024.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 amendment to Form No. 10A and Form No. 10AB

- ◆ The amendments primarily affect Form No. 10A and Form No. 10AB. Key changes in Form No. 10A include the removal of the reference to “2C” and a new declaration format requiring the applicant to confirm the accuracy of the provided details and to communicate any alterations in their trust or institution.
- ◆ Adjustments were made to the serial numbers and notes for clarity and compliance, including new requirements for supporting documents based on the institution’s formation.
- ◆ The revisions aim to streamline the registration process under sections 12A and 80G of the Income-tax Act, enhancing the clarity of obligations for applicants.
- ◆ In Form No. 10AB, similar omissions and a declaration format have been introduced.
- ◆ These rules to have come into force from the 1 st day of October, 2024

Read More: <https://incometaxindia.gov.in/communications/notification/notification-111-2024.pdf>

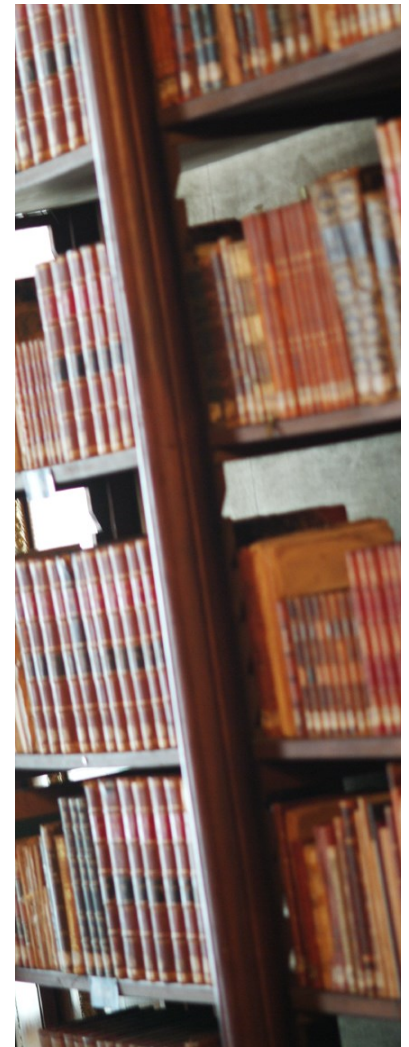
MCA UPDATES



1. Form CSR-2 for FY 2023-24 to be Filed by 31st Dec 2024

- ◆ This amendment, made under the provisions of the Companies Act, 2013, affects the filing process of the Corporate Social Responsibility (CSR) report for financial year 2023-2024.
- ◆ According to the new rule, companies must file Form CSR-2 separately by December 31, 2024, after submitting Form AOC-4 or Form AOC-4-NBFC (Ind AS), depending on the company's requirements, or Form AOC-4 XBRL.
- ◆ This amendment aims to streamline the CSR filing process while providing companies additional time to comply with their reporting obligations.

Read more : <https://www.mca.gov.in/bin/dms/getdocument?mids=MlcS5PoRWR3PW38BKKsVhQ%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.

Reserve Ratios

CRR: 4.50%

SLR: 18.00%

Exchange Rate (As on Oct 31, 2024)

INR / 1 USD : 84.08

INR / 1 GBP : 108.95

INR / 1 EUR : 91.25

INR / 100 JPY : 55.09

RBI UPDATES



1. RBI Bars Navi Finserv, 3 NBFCs for Lending Violations

- ◆ The Reserve Bank of India (RBI) has barred four non-banking financial companies (NBFCs), including Sachin Bansal's Navi Finserv, from sanctioning and disbursing loans starting October 21, 2024. The ban affects Navi Finserv, Asirvad Microfinance, Arohan Financial Services, and DMI Finance, which were found guilty of charging exorbitant interest rates and failing to comply with regulatory pricing policies. The move is part of the RBI's ongoing crackdown on excessive interest rates and non-compliance with guidelines.
- ◆ RBI periodically updates regulations to enhance transparency, including guidelines on pricing, loan classification, and risk management. Recent actions like barring certain NBFCs highlight the importance of adherence to these norms.

Read More: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58921



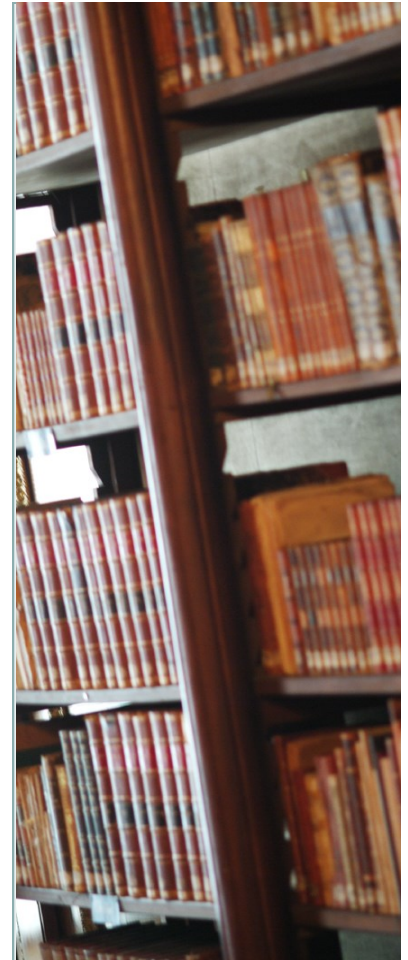
RBI UPDATES

2. RBI Updates Alert List of Unauthorized Forex Trading Platforms

The Reserve Bank of India (RBI) has expanded its 'Alert List' of unauthorized forex trading platforms by adding 13 new entities, bringing the total to 88. This list includes names of entities not authorized to deal in forex under the Foreign Exchange Management Act, 1999 (FEMA) or to operate electronic trading platforms (ETPs) for forex transactions. Some notable additions to the list include TDFX, Inefex, and Ranger Capital. The RBI emphasized that this Alert List also includes entities promoting unauthorized platforms through advertisements or claiming to offer training/advisory services.

3. RBI Monetary Policy Meeting 2024: Repo Rate Unchanged

- ◆ **Repo Rate Decision:** The Reserve Bank of India (RBI) kept the repo rate unchanged at 6.5%. This marks the 10th consecutive time the rate has been held steady.
- ◆ **Monetary Policy Stance:** The Monetary Policy Committee (MPC) shifted its stance from "withdrawal of accommodation" to a "neutral" position. This change allows for flexibility in adjusting interest rates based on inflation trends.
- ◆ **MPC Voting:** The decision to maintain the repo rate was reached with a majority vote of 5 out of 6 members in favor.
- ◆ **Inflation Projections:** The RBI forecasted inflation for the third quarter of FY25 at 4.8% and a decline to 4.2% in the fourth quarter. Retail inflation for FY25 was projected at 4.5%, assuming normal monsoon conditions. The inflation rate for Q1FY26 is expected to be 4.3%, slightly above the 4% target.





OTHER NEWS UPDATES

- ◆ **HDFC Bank Divests 100% Stake in HDFC Edu for ₹192 Crore:** The divestment will occur in two phases: the sale of 91% of HDFC Edu's shares is expected by October 31, 2024, while the remaining 9% must be sold by June 30, 2025. This move comes in response to a directive from the Reserve Bank of India (RBI), mandating that HDFC Bank fully divest from HDFC Edu within two years of the merger.
- ◆ **BoB to Sell Oman Operations to Bank Dhofar:** State-owned Bank of Baroda (BoB) has announced its decision to sell its Oman operations to Bank Dhofar as part of a broader strategy to rationalize its foreign business footprint. This acquisition will take place on a going concern basis, pending approval from regulatory authorities. The total business of BoB's Oman operations is valued at 113.35 million Omani Rials, with a net worth of 25.54 million Omani Rials.
- ◆ **IFC Partners with Axis Bank for India's First Blue Loan of \$500 Million:** The partnership marks a significant step toward fostering sustainable development in India. With rapid urbanization, India has immense potential for water efficiency, wastewater treatment, and green infrastructure, projected to grow into a \$3 billion market by 2029. The blue loan aims to attract private sector investment to boost India's climate resilience, particularly in sectors like green buildings, which could see a \$1.4 trillion investment opportunity by 2030.
- ◆ **SBI Raises ₹5,000 Crore via AT-1 Bonds at 7.98% :** State Bank of India (SBI) successfully raised ₹5,000 crore through the issuance of Additional Tier-I (AT-I) bonds, marking its first issuance for the current financial year. The bonds, which carry a coupon rate of 7.98%, are aimed at strengthening the bank's capital base and comply with Basel-III norms.



INTERNATIONAL NEWS UPDATES

- **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
- **India-Maldives Ties Strengthened: RuPay Card Launch and Airport Upgrade:** RuPay Card Launch: The introduction of the RuPay card aims to facilitate cashless transactions for Indian tourists, enhancing convenience and reducing costs in the Maldives' tourism sector. This initiative is expected to strengthen economic cooperation between the two nations. Airport Expansion: The new runway at Hanimadhoo International Airport is part of a broader airport redevelopment project funded by an Indian Line of Credit of USD 132 million. This project includes modern infrastructure upgrades, such as a new Air Traffic Control (ATC) tower, a hangar, cargo facilities, and a passenger terminal building.



CA Sanjay Singh



EXPERT SPEAK

What is Reverse Charge Mechanism?

Typically, the supplier of goods or services pays the tax on supply. Under the reverse charge mechanism, the recipient of goods or services becomes liable to pay the tax, i.e., the chargeability gets reversed.

The objective of shifting the burden of GST payments to the recipient is to widen the scope of levy of tax on various unorganized sectors, to exempt specific classes of suppliers, and to tax the import of services (since the supplier is based outside India).

Time of supply in case of goods

In case of reverse charge, the time of supply for goods shall be the earliest of the following dates:

- ◆ the date of receipt of goods
- ◆ the date of payment*
- ◆ the date immediately after 30 days from the date of issue of an invoice by the supplier

If it is not possible to determine the time of supply, the time of supply shall be the date of entry in the books of account of the recipient.

Effective November 1, 2024, new amendments to the CGST Act will change the time of supply rules for Reverse Charge Mechanism (RCM) transactions. As outlined in the Finance (No. 2) Act, 2024, registered persons receiving services from unregistered suppliers must issue self-invoices to claim Input Tax Credit (ITC) under RCM; failure to do so will result in the loss of ITC. Additionally, a new Rule 47A has been introduced, specifying that self-invoices must be generated within 30 days of receiving the goods or services. The time of supply for RCM will be determined based on either the payment date, the date of invoice issuance, or the date of receipt, with penalties for delays in invoicing or tax payment.



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