



Edition 43
From Nov1,2024 to Nov 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 Reporting TDS Deducted by scrap Dealers in October 2024

As per Notification No. 25/2024-Central Tax, effective from 10.10.2024, any registered person receiving supplies of metal scrap classified under Chapters 72 to 81 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), from another registered person, is required to deduct TDS under Section 51 of the CGST Act, 2017.

2. In this regard various tickets have been received on the issue that taxpayers are unable to report TDS deducted in the month October 2024 as they are not able to file return for the month of October 2024. This issue has occurred because while the taxpayers applied for GST registration in October 2024 pursuant to the above notification, their GST registrations were approved only in November 2024. Hence, in the return dropdown the month October 2024 is not visible to such taxpayers. This is as per the existing GSTN system design where returns for tax period prior to registration month is not enabled for taxpayers.

Read More: <https://services.gst.gov.in/services/advisoryandreleases/read/551>

GST UPDATES

2.ADVISORY FOR WAIVER SCHEME UNDER SECTION 128A

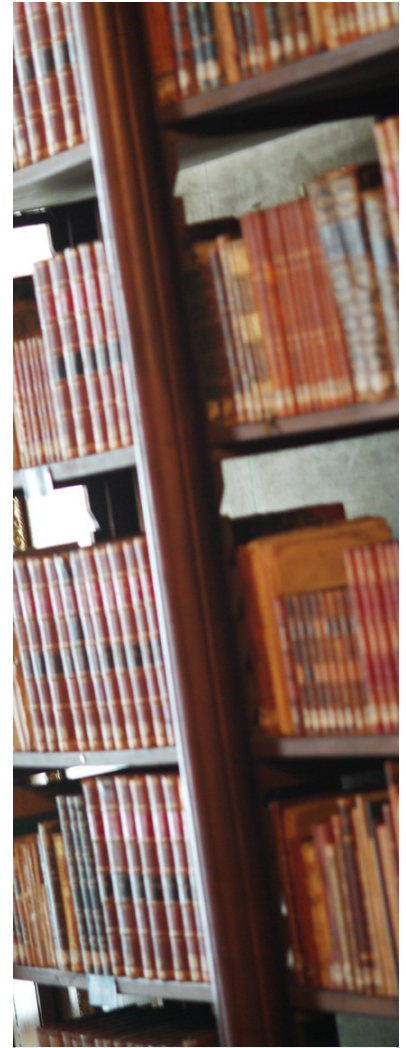
For reducing the tax disputes and to provide a big relief to the taxpayers, GST Council in its 53rd meeting held on 22nd June, 2024 had recommended for waiver of interest and penalties in the demand notices or orders issued under Section 73 of the CGST Act, 2017 (i.e. the cases not involving fraud, suppression or wilful misstatement, etc.) for the Financial years 2017-18, 2018-19 and 2019-20. To avail this waiver, the condition is that the full tax demanded is paid on or before 31.03.2025.

In view of the above, Rule 164 of CGST rules, 2017 was notified through Notification No. 20/2024 dated. 8th October 2024, effective from 1st November 2024. This rule provides procedural guidelines for the said waiver scheme. As per the waiver scheme, if a notice or order is issued under Section 73 for the financial years 2017-18, 2018-19 and 2019-20, the taxpayers are required to file an application in FORM GST SPL-01 or FORM GST SPL-02, respectively on the common portal within three months from notified date, which is 31.03.2025.

In this regard it is to inform that Form GST SPL-01 and Form GST SPL-02 are under development and same will be made available on the common portal tentatively from the first week of January 2025. In the meantime, taxpayers are advised to pay the tax amount demanded in the notice, statement, or order issued under Section 73 on or before March 31st, 2025, to ensure that they receive the waiver benefits by paying their taxes before the deadline.

Taxpayer can pay the demanded tax amount through the “payment towards demand” facility in case of demand orders and through Form GST DRC-03 in case of notices. However, if payment has already been done through Form GST DRC-03 for any demand order then taxpayer need to link the said Form GST DRC 03 with such demand order through Form GST DRC-03A, which is now available on the common portal.

Read More: <https://services.gst.gov.in/services/advisoryandreleases/read/546>



INCOME TAX UPDATES



1. Specifying Forms prescribed in Appendix-II of the Income Tax Rules 1962, to be furnished electronically under sub-rule (1) and sub-rule (2) of Rule 131 of the Incometax

In exercise of the powers conferred under sub-rule (1) and sub-rule (2) of Rule 131 of the Income-tax Rules, 1962 ((the Rules'), the Director General of Income Tax (Systems), with the approval of the Board, hereby specifies that the following Forms that shall be furnished electronically and shall be verified in the manner prescribed under sub-rule (1) of Rule 131:

Form	Description
Form 42	Appeal against refusal to recognise or withdrawal of recognition from a provident fund
Form 43	Appeal against refusal to approve or withdrawal of approval from a superannuation fund
Form 44	Appeal against refusal to approve or withdrawal of approval from a gratuity fund

Read More: <https://incometaxindia.gov.in/communications/notification/notification-6-2024-19-11-24.pdf>



INCOME TAX UPDATES

2. Extension of due date for furnishing return of income in the case of an assessee who is required to furnish a report referred to in section 92E for the A Y 2024-25

Applicable for Assessment Year 2024-25, the original due date of 30th November 2024 has been extended to **15th December 2024**. This extension is granted under Section 119 of the Income Tax Act and applies specifically to taxpayers required to file reports under Section 92E.

The notification, dated 30th November 2024, ensures compliance flexibility for assesseees who need to adhere to transfer pricing regulations. The circular also directs its widespread dissemination through official channels, including the Income Tax website, professional bodies like ICAI, and various Chambers of Commerce, to ensure that stakeholders are adequately informed.

Read more : <https://incometaxindia.gov.in/communications/circular/circular-18-2024.pdf>

MINISTRY OF LABOUR UPDATES



1.UAN Activation through Aadhar-based OTP to help Employers and Employees receive benefits under Central Government Schemes

The Employees' Provident Fund Organisation (EPFO) has directed employers to ensure activation of Universal Account Numbers (UAN) and Aadhaar-bank account seeding for employees who joined during the current financial year. This initiative aligns with the Employment Linked Incentive (ELI) Scheme announced in the Union Budget 2024-25, which aims to provide financial benefits through Direct Benefit Transfer (DBT). The scheme offers incentives such as salary transfers for first-time employees, job creation in manufacturing, and support to employers creating new jobs. To avail of these benefits, employees must activate their UAN and link their Aadhaar with their bank accounts

Read more at: <https://pib.gov.in/newsite/pmreleases.aspx?mincode=21>

Reserve Ratios

CRR: 4.50%

SLR: 18.00%

Exchange Rate (As on Nov30, 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.

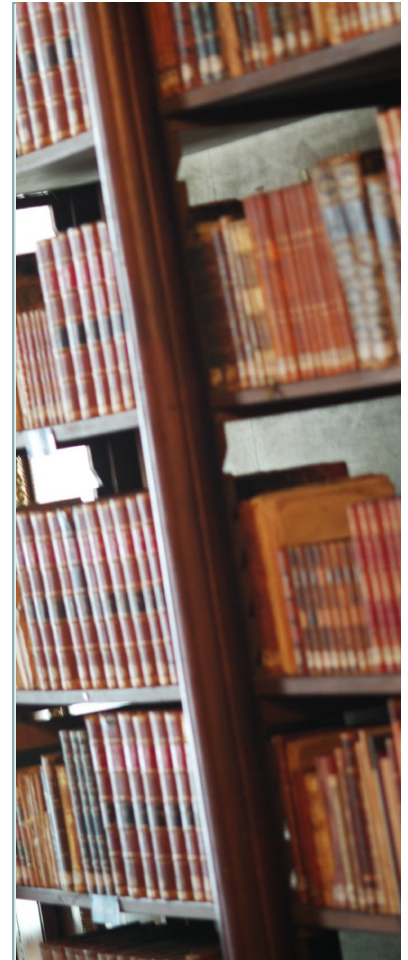
3.RBI Has Cancelled Licence of 7 Co-Operative Banks

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

- ◆ **Good Glam Group acquires Sirona Hygiene for Rs 450 crore:** Good Glam Group has acquired Sirona Hygiene for Rs 450 crores (approximately \$60 million) in an all cash deal. It has become one of the largest cash exits in the Fem Tech sector for a direct-to-consumer (D2C) startup in India.
- ◆ **RBI Doubles UPI 123Pay Limit to ₹10,000 for Feature Phones:** UPI 123Pay is a platform enabling feature phone users to perform UPI transactions without an internet connection through IVR, missed calls, and sound-based payments. The RBI has increased the UPI 123Pay transaction limit from ₹5,000 to ₹10,000, enhancing digital payment accessibility for India's 400 million feature phone users.
- ◆ **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

RCM on Residential Property/Commercial Property under GST

1. Announcement by Government

The renting of commercial property by any unregistered person to any registered person is liable to GST under RCM through Notification No. 09/2024 – Integrated Tax (Rate) dated 8th October 2024.

2. Background:

Original Provision from introduction of GST: Renting of Commercial Property – Taxable as it was not covered under exemption list. Renting of Residential property – Originally exempt as “Renting a residential dwelling for use as residence is exempted through entry No. 13 of Notification No. 09/2017-Integrated Tax (Rate)” No Concept of RCM for any property at that time.

3. Clarification:

- The notification mandates that if an unregistered person rents out a commercial property (excluding residential dwellings) to a registered recipient, the GST liability will be shifted to the registered recipient under RCM.
- The registered tenant will now be responsible for paying 18% GST on the rental income received from the unregistered landlord.
- Objective: This change is intended to plug gaps in tax collection where landlords are unregistered, ensuring that the GST liability does not go unreported.

4. Impact:

- GSTR-1: There is no Direct Impact. GSTR-1 is used to report outward supplies (sales) made by a registered person. Since RCM applies to inward supplies (purchases) from unregistered persons, there is no need to report RCM transactions in GSTR-1.
- GSTR-3B: The liability for GST on rent paid under RCM must be reported in Table 3.1(d) (Inward supplies liable to reverse charge).



EXPERT PANEL



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