

# LUNAWAT BULLETIN

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**LUNAWAT & CO**

# MARKET WATCH

Sensex : 31/08/2023: **64831.41**  
31/07/2023: **66508.15**

Nifty : 31/08/2023: **19253.80**  
31/07/2023: **19740.90**

## AROUND THE GLOBE

### OVER 500 MILLION OPEN ACCOUNTS UNDER JAN DHAN SCHEME

More than 500 million Indians have opened accounts under the government's flagship financial inclusion scheme - the Pradhan Mantri Jan Dhan Yojana (PMJDY) - since its inception nine years ago, accounting for Rs 2.03 lakh crore in deposits till August 18, 2023.

"PMJDY has proved to be a catalyst for one of the biggest financial inclusion programmes for the country, with 66.8% of accounts opened in rural and semi-urban, and 33.2% accounts opened in urban communities under the scheme," said a finance ministry official.

As per the finance ministry data, 55.5% of PMJDY account holders are women, marking a pivotal move towards bridging the financial equality gap. Under PMJDY, 339.8 million Rupay cards have been issued, which come with a pre-loaded accident insurance cover of Rs 2 lakh.

### CREDITORS SEE BETTER RATE OF RECOVERY FROM LARGE FIRMS VIA IBC

The rate of recovery for creditors from the resolution of large stressed firms has exceeded realisation from the smaller ones under the Insolvency and Bankruptcy Code (IBC), according to the latest data compiled by the bankruptcy regulator.

Creditors recovered 32.6% of their admitted claims from large stressed firms alone until June since the IBC came into being in 2016, showed the Insolvency and Bankruptcy Board of India (IBBI) data.

### BANKSATHI EMERGES AS INDIA'S THIRD-LARGEST CREDIT CARD ISSUER, REINFORCES COMMITMENT TO FINANCIAL INNOVATION

BankSathi, a fintech startup, has become the third-largest credit card issuer in India with 3.6 lakh Annual Run Rate of card issuance. The company has issued 3 lakh credit cards as of June 2023, a fourfold increase from the previous fiscal year. The credit card industry in India is expected to grow at a 25% compound annual growth rate and reach 20 crore credit cards by 2026. BankSathi has achieved this milestone by leveraging algorithms and data analytics to provide personalized recommendations and by offering fast credit card approvals within 30 minutes.

The company plans to close this financial year with 6 lakh credit card ARR to become the largest credit card issuer in India.

# COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
<b>07.09.2023</b> (Thursday)	<b>TDS/TCS</b>	<ul style="list-style-type: none"> <li>Due date for deposit of Tax deducted/collected for the month of August, 2023.</li> </ul>
<b>10.09.2023</b> (Sunday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Due date to file GSTR -7 by TDS Deductor for the period of August, 2023.</li> <li>Due date to file GSTR -8 by TCS Collector for the period of August, 2023.</li> </ul>
<b>11.09.2023</b> (Monday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Due date to file GSTR -1 for taxpayers whose turnover exceeding 5 crore for the month of August, 2023.</li> </ul>
<b>13.09.2023</b> (Wednesday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Due date to file GSTR -6 by Input Service Distributor for the month of August, 2023.</li> <li>Due date to file GSTR-5 by Non-Resident Taxpayers and ODIAR services provider for the month of August, 2023.</li> <li>Due date to file GSTR-1 IFF for taxpayers whose opted for Quarterly filing as per QRMP Scheme.</li> </ul>
<b>14.09.2023</b> (Thursday)	<b>TDS/TCS/ Income Tax</b>	<ul style="list-style-type: none"> <li>Due date for issue of TDS Certificate for tax deducted under <u>section 194-IA,194-IB,194S and 194M</u> in the month of July, 2023.</li> </ul>
<b>15.09.2023</b> (Friday)	<b>TDS/TCS</b>	<ul style="list-style-type: none"> <li>Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of August, 2023 has been paid without the production of a challan.</li> <li>Second instalment of advance tax for the assessment year 2024-25.</li> <li>Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of August, 2023.</li> </ul>

# COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
<b>15.09.2023</b> (Friday)	<b>PF/ESI</b>	<ul style="list-style-type: none"> <li>Due date for deposit of ESI &amp; PF collected during the month of August, 2023.</li> </ul>
<b>20.09.2023</b> (Wednesday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Due date to file GSTR-5A by Input Service Distributor for the month of August, 2023.</li> <li>Due date to file GSTR -3B for taxpayers whose turnover exceeding 5 crore or opted to file monthly return for the month of August, 2023.</li> </ul>
<b>24.09.2023</b> (Sunday)	<b>GST</b>	<ul style="list-style-type: none"> <li>Due date to file GSTR -3B for taxpayers whose opted for Quarterly filing as per QRMP Scheme.</li> </ul>
<b>30.09.2023</b> (Saturday)	<b>TDS/TCS/ Income Tax</b>	<ul style="list-style-type: none"> <li>Due date for issue of TDS Certificate for tax deducted under <u>section 194-IA, 194-IB, 194S and 194M</u> in the month of August, 2023.</li> <li>Due date for filing of audit report under <u>section 44AB</u>/Audit Report in 10B/10BB for the assessment year 2023-24 in the case of a corporate-assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2023).</li> <li>Application in Form 9A/Form 10 as applicable to charitable entities.(if the assessee is required to submit return of income on November 30, 2023).</li> <li>Quarterly statement of TDS and TCS deposited for the quarter ending June 30, 2023</li> </ul> <p><b>Note:</b>The due date of furnishing TDS and TCS statement has been extended from June 30, 2023 to September 30, 2023 vide Circular no. 9/2023, dated 28-06-2023.</p>
<b>30.09.2023</b> (Saturday)	<b>ROC</b>	<ul style="list-style-type: none"> <li>Last date for Holding AGM for the FY 2022-23.</li> <li>Last date to do KYC of Persons Holding DIN by filing of Form DIR-3 KYC OR DIR-3 KYC WEB for the FY 2022-23.</li> </ul>

# INCOME TAX

## INCOME TAX AMENDMENT 2023: NEW RULES FOR PRELIMINARY EXPENSES

The amendment introduces Form No. 3AF for furnishing statements regarding preliminary expenses incurred by taxpayers. This form must be submitted one month prior to the due date for filing the income tax return. It should be furnished electronically either under digital signature or through an electronic verification code. The amendment also replaces Form No. 3AE in the Income-tax Rules, 1962, with new forms to be used for audit reports under section 35D(4)/35E(6) of the Income-tax Act, 1961. These changes are aimed at ensuring proper record-keeping and transparency in the deduction of preliminary expenses.

## CBDT NOTIFIES TEN YEAR ZERO COUPON BOND OF REC LTD. UNDER SECTION 2(48) OF INCOME TAX ACT, 1961

The Ministry of Finance has issued Notification No. 56/2023 under the Income Tax Act, 1961, specifying the details of a zero coupon bond issued by REC Ltd. The notification designates the Ten Year Zero Coupon Bond of REC Ltd. with specific terms and conditions as a zero coupon bond under clause (48) of section 2 of the Income Tax Act, 1961.

## CBDT NEW RULE 134 & FORM 71: TDS CREDIT APPLICATION – SECTION 155(20)

The Central Board of Direct Taxes (CBDT) has issued a new rule, Rule 134, along with Form No. 71, related to the application under sub-section (20) of section 155 for the credit of tax deduction at source (TDS). Finance Act of 2023 introduced a new sub-section (20) to Section 155, which will come into effect from October 1, 2023. This newly added sub-section applies in cases where income has been reported in an income tax return for a particular assessment year, but the tax was deducted at source (TDS) in a subsequent financial year. To facilitate this amendment, the CBDT, through Notification No. 73/2023 dated August 30, 2023, has introduced a new Rule 134 into the Income-tax Rules, 1962. This rule mandates the submission of Form 71 to claim TDS credit in such scenarios.



# INCOME TAX

## **CBDT INSERTS NEW INCOME TAX RULE 13 & 13A & NEW FORM NO. 6C AND 6CA**

CBDT vide Notification No. 70/2023-Income tax Dated: 28th August, 2023 inserted new Income Tax Rule 13. Procedure to requisition services under sub-section (2) and to make a reference under sub-section (9D) of section 132, Rule 13A. Valuation under sub-section (9D) of section 132, FORM No. 6C under rule 13 related to Application under section 132(2)/132(9D) of the Income tax Act, 1961 and FORM No. 6CA under rule 13A related to Report under section 132(9D) of the Income Tax Act, 1961.

## **NEW RULE FOR TDS ON FOREIGN CURRENCY INCOME: EXCHANGE RATES**

The rule emphasizes that the rate of exchange used for TDS calculation will be the telegraphic transfer buying rate of the foreign currency. This rate is determined as of the date when the tax is required to be deducted at source. This update ensures that the TDS calculation is based on the most current exchange rate, enhancing accuracy and fairness in taxation.

## **CBDT AMENDS INCOME TAX RULES FOR VALUATION OF ACCOMMODATION PERQUISITE**

The Finance Act of 2023 incorporated amendments for the calculation of perquisites concerning the value of rent-free or concessional accommodation provided by employers to employees. As a result, the CBDT has modified Rule 3 of the Income Tax Rules, 1962, to accommodate these changes. The amended rule provides detailed guidelines for determining the value of residential accommodation perquisites based on various scenarios and parameters.

The significant changes introduced by the amendment include a shift in categorization and limits of cities and populations based on the 2011 census. The earlier perquisite rates of 15%, 10%, and 7.5% have been revised to 10%, 7.5%, and 5% of the salary, respectively. The revised rates are applicable according to the population criteria, categorizing cities as per the census data.

# INCOME TAX

## NEW INCOME TAX RULES ON TAXATION OF LIFE INSURANCE POLICY RECEIPTS

The Ministry of Finance has issued Notification No. 61/2023, dated 16th August 2023, pertaining to a new amendment in the Income Tax Rules of 1962. This Sixteenth Amendment focuses on the computation of income chargeable to tax related to the sums received under life insurance policies. These guidelines outline the method for calculating income from life insurance policies when the total annual premium exceeds Rs. 5 lakh.

As per the CBDT notification, Section 10(10D) of the Income Tax Act currently provides an exemption from income tax for the amount received from a life insurance policy, including bonus allocations, subject to specific conditions. Starting from the assessment year 2024-25, amounts received from life insurance policies issued after 1 April 2023 (excluding ULIPs) will not be exempt under Section 10(10D) of the Income Tax Act if the total premium paid in any previous year during the policy term exceeds Rs. 5,00,000.

## TAX DEDUCTION RELAXATION FOR SHIP LEASE IN IFSC

CBDT specifies that no tax deduction shall be made under section 194-I of the Income-tax Act on lease rent or supplemental lease rent payments made by a lessee to a unit in the IFSC acting as a lessor. To avail this relaxation, the lessor must furnish a statement-cum-declaration (Form No.1) to the lessee, giving details of the ten consecutive assessment years for which they opt for claiming deduction under section 80LA of the Income-tax Act. The lessee, upon receiving the declaration, must not deduct tax on payments made to the lessor. Additionally, the lessee needs to furnish particulars of all such payments in the statement of deduction of tax under section 200 of the Income-tax Act. The relaxation is available only for the specified previous years as declared by the lessor in Form No. 1.

# GOODS & SERVICE TAX

## SPECIAL PROCEDURE FOR ELECTRONIC COMMERCE OPERATOR

The ECO who is required to collect tax at source shall follow the following special procedure in respect of supply of goods made through it by composition taxpayers and persons exempted from obtaining registration, namely:

- The ECO shall not allow any inter-State supply of goods through it by the said persons.
- The ECO shall collect tax at source in case of composition taxpayers and not in case of persons exempted from registration
- The ECO shall furnish the details of supplies of goods made through it by the said persons in FORM GSTR-8 electronically on the common portal.
- Additionally, for persons exempted from registration, the ECO shall allow the supply of goods through it by the said person only if enrolment number has been allotted on the common portal to the said person.

## EXTENSION OF DUE DATE FOR FILING GSTR1, GSTR3B AND GSTR7

For Registered Parties in Manipur- The time limit for furnishing GSTR1, GSTR3B and GSTR7 for the said persons for the tax period April, May, June and July 2023 shall be extended till the 25th August 2023 and the time limit for furnishing GSTR1 for the quarter ending June, 2023 has been extended till 25th August 2023.

## INFORMATION TO BE FURNISHED IN CASE OF INTRA-STATE MOVEMENT OF GOLD, PRECIOUS STONES, ETC

It is mandatory to furnish information regarding intra-State movement of gold, precious stones where the consignment value of such goods exceeds rupees two lakhs in Part A of FORM GST EWB-01 subject to exceptions.

If goods are either not transported or are not transported as per the details furnished in the e-waybill, the e-way bill may be cancelled, electronically on the common portal, within twenty-four hours of generation of the e-way bill.



# GOODS & SERVICE TAX

## AMENDMENT IN SECTION 37

A registered person shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility, if:

- An intimation has been issued for difference in ITC in GSTR3B and auto generated statement containing ITC details in GSTR2B unless he has either paid the amount equal to the excess input tax credit as specified or has furnished a reply explaining the reasons in respect of the amount of excess input tax credit that still remains to be paid, or
- if he has not furnished the details of the bank account as per the provisions of rule 10A.

## INTEREST ON DELAYED REFUND

Where interest is payable to applicant, the period of delay shall exclude:

- any period of time beyond fifteen days of receipt of notice, that the applicant takes to furnish a reply or submit additional documents or reply; and
- any period of time taken either by the applicant for furnishing or validating the correct details of the bank account to which the refund is to be credited, where the amount of refund sanctioned could not be credited to the bank account furnished by the applicant.

## INTIMATION OF AMOUNTS RECOVERABLE UNDER SECTION 79

Where any amount of tax or interest has become recoverable and the same has remained unpaid, the proper officer shall intimate, electronically on the common portal, the details of the said amount in FORM GST DRC-01D, directing the person in default to pay the said amount, along with applicable interest, or, as the case may be the amount of interest, within seven days of the date of the said intimation.

# GOODS & SERVICE TAX

## REVOCATION OF CANCELLATION OF REGISTRATION

The time limit for submission of application for revocation of cancellation of registration is 90 days from date of the service of the order of cancellation and such period may be extended, for a further period not exceeding 180 days.

## SUBMISSION OF RETURNS BY PERSONS PROVIDING ONLINE INFORMATION

Every registered person providing online information from a place outside India to a non-taxable online recipient, registered person shall file return in FORM GSTR-5A on or before the twentieth day of the month succeeding the calendar month or part thereof.

## RULE 42 (REVERSAL OF ITC IN CASE OF TAXABLE PERSON PROVIDING BOTH TAXABLE AND EXEMPT SUPPLY)

The value of activities or transactions which is required to be included in the value of exempt supplies for the purpose of Rule 42 shall be the value of supply of goods from Duty Free Shops at arrival terminal in international airports to the incoming passengers.”.

## ADVISORY: MERA BILL MERA ADHIKAAR SCHEME

As per the direction from the Government, the GSTN has developed and launched a mobile application (available on iOS and Android platforms) and also a web portal for the “Mera Bill Mera Adhikaar” scheme.

This scheme will be implemented from 1st September, 2023 initially in the States of Gujarat, Assam, Haryana and UTs of Puducherry and Daman & Diu and Dadra & Nagar Haveli, as per the policy decision of the Government.



# COMPANY LAW

## **MCA AMENDS INCORPORATION RULES TO SUBSTITUTE FORM RD-1**

The Ministry of Corporate Affairs (MCA) on August 02, 2023, issued the Companies (Incorporation) Second Amendment Rules 2023 further to amend the Companies (Incorporation) Rules, 2014. The Rules has revised Form No. RD-1 to be used by companies for filing application to Central Government (Regional Director) for approval of Compromises, Arrangements, Amalgamations and conversions.

## **MCA CONDONES ADDITIONAL FEE FOR FILING FORM 3, 4 & 11 UNDER LLP ACT FOR THESE FORMS WHEN THEY WERE TO BE FILED EARLIER AND WHEN FILED FROM 1.9.2023 TO 30.11.2023**

Limited Liability Partnerships have periodic regulatory filings to maintain their status and ensure compliance. However, numerous LLPs communicated challenges faced in aligning with the filing requirements for Form 3, 4 and 11. Therefore MCA condones additional fee for these forms when they were to be filed earlier and when filed from 1.9.2023 to 30.11.2023.

## **MCA ISSUES LETTER TO ICAI, ICSI & ICMA FOR MERGER OF MULTIPLE USER IDS IN V2 PORTAL WITH NEW USER ID IN V3 AND DEACTIVATION OF OLD USER ID IN V2 PORTAL**

MCA recently noticed that many members of the ICSI, ICAI & ICMAI have created multiple user IDs while transacting on the existing MCA21 V2 portal. Further, many members were unable to create a user ID in the new MCA21 V3 portal due to an existing ID about which they do not have any knowledge, or they do not remember that such an ID has been or was created in the existing V2 portal.

Now, MCA has decided that all such members may approach the respective institutes with their credentials and the institute shall make recommendations for merging multiple existing user IDs with the new V3 ID. An option for deactivation old IDs will also be provided.

# LUNAWAT UPDATE

## Articles & Presentations:

**During August 2023 , CA Pramod Jain gave following presentations:**

1. Presentation on Practical Aspects of Tax Audit made at :

- ICAI Bhawan, Jammu organised by ICAI - Jammu & Kashmir Branch (NIRC)
- Ramada Hotel, Jaipur hosted by ICAI - Jaipur Branch (CIRC)
- Sub-regional conference hosted by ICAI - Siliguri Branch (EIRC)
- Ghaziabad Tax Bar Association
- Crystal Banquets, Nirman Vihar organised by ICAI - Vikas Marg CPE Study Circle (NIRC)
- ICAI - Ranchi Branch (CIRC)

2. Presentation on Networking - Connect Share and Grow made at Hotel Sahara, Mumbai hosted by ICAI - WIRC organised by ICAI-CMP.

3. Presentation on Intricacies of CG S. 44AB vis-à-vis S. 44AD/44ADA organised by ICAI - Nagpur Branch (WIRC).

4. Presentation on Interplay between S. 44AD and 44AB made at:

- Lucknow, UP organised by ICAI - Lucknow Branch (CIRC).
- Maheshwari Bhawan, Bhayandar, Mumbai organised by ICAI - Vasai Branch (WIRC)

**During August 2023 , CA Rajesh Saluja gave following presentations:**

- Training for Finance for Non Finance Programme at HMEL, Bhatinda.
- Training for Fintax Programme at Tractor Dealers at Goa



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