

LUNAWAT BULLETIN

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LUNAWAT & CO

MARKET WATCH

Sensex : 31/01/2024: **71684.76**
31/12/2023: **72240.26**

Nifty : 31/01/2024: **21708.10**
31/12/2023: **21731.40**

AROUND THE GLOBE

IMF RAISES INDIA'S FY24 GROWTH FORECAST TO 6.7% FROM 6.3%, SAYS GLOBAL 'SOFT LANDING' IN SIGHT

The International Monetary Fund (IMF) has revised India's growth forecast upwards amid better-than-expected resilience in its domestic demand, it said in its latest World Economic Outlook update for January.

IMF now expects India's GDP to grow by 6.7% in FY24 as against 6.3% forecast made in the October 2023 update of its report. For FY25 and FY26, India's GDP growth is seen steady at 6.5%, said IMF on Tuesday.

GST COLLECTION RISES 10.4% TO OVER ₹1.72 LAKH CRORE IN JANUARY

The gross goods and services tax (GST) collection rose 10.4% to over ₹1.72 lakh crore in January 2024. These numbers are till 5 pm on January 31, 2024, and the final numbers will be higher and are likely to be released in the next few days.

At ₹1,72,129 crore, the GST collections are the second highest ever and have crossed the ₹1.7 lakh crore mark for the third time during the current financial year. GST collections in January 2023 were ₹155,922 crore.

INDIA WITNESSES THE BIGGEST OUTFLOW OF FOREIGN MONEY IN JANUARY 2024

The foreign portfolio investors (FPIs) pulled out more than \$3 billion from the Indian equity market in January 2024 after lower-than-expected earnings from large private lenders and rising treasury yields prompted them to reduce their risk exposure. In fact, overseas investors sold more Indian shares in January than in any other emerging market. While India witnessed outflows worth \$3.2 billion, they sold Brazilian shares worth \$1.1 billion and offloaded \$870 million worth of shares from Thailand.

U.S. ANNOUNCES OVERHAUL OF ITS ANNUAL LOTTERY FOR H-1B VISAS TO REDUCE POTENTIAL FOR FRAUD

The US has announced a major overhaul of its annual lottery for the H-1B speciality occupation visas, popular among Indian IT professionals, to curtail the potential for fraud and improve and streamline the registration system. Separately, the US on January 29 has formally launched a pilot programme to renew the much sought-after H-1B visas domestically, a move that is likely to benefit thousands of Indian tech professionals.

SBI TO DOWN-SELL HALF OF RS 11,000 CRORE LOAN TO ADANI'S GANGA EXPRESSWAY PROJECT

State Bank of India (SBI) is reportedly in advanced discussions to downsell half of its approximately ₹11,000-crore loan exposure to the Adani Group's Ganga Expressway project. SBI is engaging with institutions like the National Bank for Financing Infrastructure and Development (NaBFID), Punjab National Bank (PNB), and power finance companies for the downselling. The move follows the standard practice in infrastructure financing, allowing banks to diversify risk by selling portions of large loan.

PAYTM PAYMENTS BANK TOLD TO HALT SERVICES BY FEBRUARY-END

The Reserve Bank of India (RBI) on Wednesday ordered Paytm Payments Bank to stop all forms of banking services — including accepting deposits and processing of payments — within a month. The central bank has put a freeze on all basic transaction services through Paytm's various platforms using Unified Payments Interface (UPI), IMPS, Aadhaar-enabled payments and others, effective February 29.

SWIGGY'S FY23 REVENUE GROWS 45% TO RS 8,265 CRORE; NET LOSS EXPANDS 15%

Food and grocery-delivery firm Swiggy reported a 45% jump in operating revenue for fiscal year ended March 2023 to Rs 8,265 crore, even as its net loss expanded 15% to Rs 4,179 crore.

The Prosus-backed company, which is currently prepping for an initial public offering (IPO), spent heavily during the year under review on scaling up its quick-commerce vertical Instamart. Swiggy's total expenses in FY23 came in at a staggering Rs 12,884 crore, up 34% on year, according to regulatory filings sourced from Tofler.



INTERIM BUDGET 24-25 HIGHLIGHTS

Presenting her sixth straight Budget, Finance Minister Nirmala Sitharaman has said the Indian economy witnessed profound transmission in the last 10 years. With Sabka Saath, Sabka Vikaas, the Narendra Modi-led government overcame pre-2014 challenges.

- No changes in Direct or Indirect tax rates including the import duties were proposed by the Finance Minister, Nirmala Sitharaman in the Interim Budget 2024-2025.
- The F.M. mentioned that the Fiscal Deficit target for the FY2024 has been revised down to 5.8% whereas the Budget deficit target for the FY25 has been pegged at 5.1% of GDP. Also, the FY25 gross market borrowing pegged at ₹14.13 lakh crore, net borrowing at ₹11.75 lakh crore.
- The tax receipts for the FY 2024-2025 are estimated at Rs. 26.02 Crores and also mentioned that the processing time for returns has reduced to 10 days in the current year as compared to 93 days in 2014 making tax refunds faster.
- The Union Government will also be providing Rs. 75,000 Crores as long-term interest free loans to states in order to boost the Tourism in the country and corpus of Rs. 1 lakh Crore will be established with 50-year interest free loan for sunrise domains.
- The Union Government had set the Capital expenditure of Rs. 11.11 lakh Crores for the FY 2024-2025, up by 11.1%, highest in the history, giving upward inclination to infrastructure.
- Government in its Budget said that it will expand key rail infrastructure projects including Metro Rail and Nammo Bharat to more cities. Around 40,000 rail bogies will be converted to Vande Bharat coaches, affecting the railway industry and three major railway corridors will also be implemented namely:
 1. Energy, mineral and cement
 2. Port corridors
 3. High traffic density corridors
- Direct benefit transfer of ₹34 lakh crore from the government using PM Jan Dhan Account led to savings of ₹2.7 lakh crore for the government. This saving has been realised through avoidance of leakages.
- 1Cr household will be enabled to obtain up to 300 units free electricity through rooftop solarization every month, saving up to Rs. 15000-18000 annually for households.
- Government plans to set up more medical colleges by using existing hospitals infrastructure and a committee for this will be set up to examine & make necessary recommendation.
- With the pursuit of Sabka-Saath, Sabka-Vikas, the government has assisted 25 crore people to get freedom from multidimensional poverty.
- Government will promote private and public investment in post-harvest activities, including building of modern storage facilities.
- Under PM Awas Yojna-Grameen, 2Crore more houses to be built in the next 5 years.

INTERIM BUDGET 24-25 HIGHLIGHTS

AMENDMENTS FOR GST IN BUDGET 2024

1. **Amended definition of ISD**- "Input Service Distributor" means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20".
2. **Distribution of credit**- ISD defined above shall distribute the input tax credit in respect of such invoices. including the credit of central or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed The credit of central tax shall be distributed as central tax or integrated tax and integrated tax as integrated tax or central tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed."



COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
07.02.2024 (Wednesday)	TDS/TCS	<ul style="list-style-type: none"> Due Date for deposit of Tax deducted [except under Section 194-IA, Section 194-IB, Section 194M, or Section 194S (by specified person)] or collected for the month of January, 2024.
10.02.2024 (Saturday)	GST	<ul style="list-style-type: none"> File GSTR -7 by TDS Deductor for the period of January, 2024. File GSTR -8 by TCS Collector for the period of January, 2024.
11.02.2024 (Sunday)	GST	<ul style="list-style-type: none"> File GSTR -1 for taxpayers whose turnover exceeding 5 crore for the month of January, 2024.
13.02.2024 (Tuesday)	GST	<ul style="list-style-type: none"> File GSTR-5 and GSTR-6 for the month of January, 2024.
14.02.2024 (Wednesday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> Issue TDS Certificate for tax deducted under <u>section 194-IA, 194-IB, 194S and 194M</u> in the month of December, 2023.
15.02.2024 (Thursday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> Furnish Form 24G by an office of the Government where TDS/TCS for the month of January, 2024 has been paid without the production of a challan. Furnish Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending December 31, 2023.
15.02.2024 (Thursday)	PF/ESI	<ul style="list-style-type: none"> Deposit of ESI & PF collected during the month of January, 2024.
20.02.2024 (Tuesday)	GST	<ul style="list-style-type: none"> File GSTR-5A by Input Service Distributor for the month of January, 2024. File GSTR-3B for taxpayers whose turnover exceeding 5 crore or opted to file monthly return for the month of January, 2024.
24.02.2024 (Saturday)	GST	<ul style="list-style-type: none"> File GSTR -3B for taxpayers whose opted for Quarterly filing as per QRMP Scheme.

INCOME TAX

CBDT NOTIFIES INCOME TAX RETURN (ITR) FORM ITR-6 FOR AY 2024-25

The Central Board of Direct Taxes (CBDT) issued Notification No. 16/2024, dated January 24, 2024 pertaining to the Income Tax Return (ITR) Form ITR-6 for the Assessment Year (AY) 2024-25.

The ITR-6 form is applicable to companies other than those claiming exemption under section 11. This means that companies that do not have income from property held for charitable or religious purposes can use this form for filing their income tax returns.

The new ITR-6 form will be effective from April 1, 2024. This means that companies will need to use this form for filing their income tax returns for the financial year 2023-24, which will be assessed in the AY 2024-25.

INCOME TAX NOTIFICATION ON NON-RESIDENT INVESTMENT IN FINANCIAL PRODUCTS

The notification empowers non-residents to engage in investment activities through IFSC Units. The income generated from such investments must be received in the non-resident's account with the Offshore Banking Unit of the respective IFSC. The significance lies in the alignment with section 80LA, emphasizing the tax implications associated with such income.

The notification under clause (4G) of section 10 of the Income Tax Act, 1961, is a progressive step toward facilitating non-resident investments. By streamlining the process through recognized IFSC Units and aligning with section 80LA, the government aims to attract foreign investment while ensuring clarity on tax implications. This move is expected to stimulate offshore banking activities and enhance the role of IFSCs in financial markets. Non-resident investors should carefully assess the opportunities and compliance requirements presented by this notification for informed decision-making.

GOODS & SERVICE TAX

THE REGISTERED PERSONS ENGAGED IN MANUFACTURING OF NOTIFIED* CATEGORY OF GOODS LIKE PAN MASALA, TOBACCO NEED TO SUBMIT THE FOLLOWING PRESCRIBED FORMS :-

SRM 1	Details of Packing Machines	Within 30 days of coming into effect of this notification (within 15 days of grant of registration for those who are granted registration after the issuance of this notification)
	Any additional filling and packing machine being installed at the registered place of business	Within 24 hours of such installation
	Any change is to be made in the declared capacity of the machines	Within 24 hours of such installation
SRM II	Special statement for each month	On or before tenth day of the month succeeding such month
SRM III	Certificate of Chartered Engineer in respect of machines declared by taxpayers	No time limit

Upon furnishing of such details in FORM GST SRM-I, a unique registration number shall be generated for each machine, the details of which have been furnished by the registered person, on the common portal.

Earlier notification regarding furnishing of comprehensive details of packing machines has been rescinded.

*The entire list of notified goods is available in Notification No. 04/2024.

EXTENSION OF DUE DATE OF GSTR3B, GSTR9 AND GSTR9C

The due date for filing GSTR3B for November 2023 and GSTR9 & GSTR9C for financial year 2022-23 for registered persons whose principal place of business is in the districts of Tirunelveli, Tenkasi, Kanyakumari, Thoothukudi and Virudhunagar in the state of Tamil Nadu has been extended to 10 th January 2024.

COMPANY LAW

MCA NOTIFIES NORMS WITH RESPECT TO LISTING OF EQUITY SHARES IN IFSC BY PUBLIC COMPANIES

Earlier, the Government set October 30, 2023, as the enforcement date for section 5 of the Companies (Amendment) Act, 2020. This section pertains to public offers and private placement. It introduced new sub-sections allowing specified public companies to issue securities for listing on approved stock exchanges in permissible foreign jurisdictions or as prescribed.

Later, the MCA has notified the Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024. These regulations apply to unlisted public companies and listed public companies issuing securities for listing on approved stock exchanges in permissible jurisdictions, such as the IFSC (International Financial Services Centre).

The Permitted exchanges include the India International Exchange and NSE International Exchange. Additionally, the Ministry of Corporate Affairs (MCA) outlines certain ineligible entities under these rules, such as Nidhi Companies and companies limited by guarantee.



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