

LUNAWAT BULLETIN

WHAT'S INSIDE?

Around the Globe	2
Compliance Due Dates	3
Income Tax	6
Goods & Services Tax	8
Company Law	13
Lunawat Update	16

MARKET WATCH

Sensex : 31/07/2024: **81814.33**
30/06/2024: **79032.73**

Nifty : 31/07/2024: **24978.95**
30/06/2024: **24010.60**

AROUND THE GLOBE

NEW RECORD OF OVER 7.28 CR INCOME-TAX RETURNS FILED: TAX DEPT

A record 7.28 crore income tax returns were submitted by July 31 for the assessment year 2024-25, exceeding last year's total. Most filings, 5.27 crore, were under the new tax regime, peaking on the deadline with 69.92 lakh submissions. Additionally, 58.57 lakh returns were from first-time filers, pointing to a broader tax base.

NHAI AIMS TO MONETISE UP TO \$2.4 BILLION OF ASSETS IN 2024/25

The National Highways Authority of India intended to monetise \$2.4 billion worth of road projects this fiscal year to reduce its \$38 billion debt. The move aimed at cutting debt by fiscal 2025. The authority planned on continuing its asset monetisation efforts and constructed new roads to achieve this goal.

GOVT COLLECTS RS 8,263 CR TOWARDS GST ON HEALTH INSURANCE PREMIUM IN FY'24

The government accumulated Rs 8,263 crore in GST from health insurance premiums for the fiscal year 2023-24. There have been appeals to exempt or reduce GST on life and health insurance premiums. Some insurance schemes for underprivileged and differently-abled groups are GST-exempt. The GST Council prescribes rates and exemptions.

GST COLLECTION SURGES OVER 10 PER CENT TO RS 1.82 LAKH CRORE IN JULY

The gross GST collection rose by 10.3 percent, reaching Rs 1,82,075 crore in July, per a report by ET Bureau on Thursday. The government's release of monthly GST collection data has been discontinued. Net of refunds, the collection for July stood at Rs 1,65,793 crore, marking a 14.4 percent increase on a yearly basis.

COMPLIANCE DUE DATES

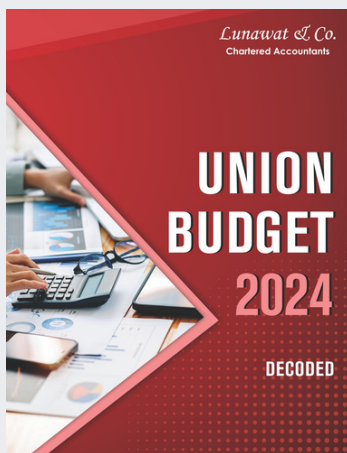
Due Date	Relates to	Particulars
01.08.2024 (Thursday)	GST	<ul style="list-style-type: none"> Opening of window for opt-in/opt-out of QRMP Scheme for 3rd Quarter (Oct-Dec 2024) (This option will remain open upto 31/10/2024)
05.08.2024 (Monday)	FEMA	<ul style="list-style-type: none"> AD Category - I Banks shall upload the data in respect of number of applications received and the total amount remitted under LRS on XBRL System.
07.08.2024 (Wednesday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> Deposit tax deducted (TDS) / tax collected (TCS) for the month of July 2024. Submission of Declaration in Form-27C for no TCS as obtained from manufacturer to the CIT/CCIT.
07.08.2024 (Wednesday)	FEMA	<ul style="list-style-type: none"> Report actual ECB transactions through Form ECB-2 return.
10.08.2024 (Saturday)	GST	<ul style="list-style-type: none"> GSTR -7 by TDS Deductor for the period of July, 2024. GSTR -8 by TCS Collector for the period of July, 2024.
11.08.2024 (Sunday)	GST	<ul style="list-style-type: none"> GSTR -1 (Statement for furnishing details of outward supplies) for month of July 2024 by taxpayers whose aggregate turnover exceeds Rs. 5 crores in the previous FY or those who have not opted for QRMP
13.08.2024 (Tuesday)	GST	<ul style="list-style-type: none"> GSTR-5 by Non-Resident Taxpayers (13th of the next month or within 7 days after the expiry of the registration, whichever is earlier) GSTR-6 by Input Service Distributor for month of July 2024. GSTR-IFF: To furnish B2B Supplies (Optional) for the month of July 2024 by taxpayers who opted for QRMP Scheme.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
14.08.2024 (Wednesday)	Income Tax	<ul style="list-style-type: none"> Issue TDS Certificate for tax deducted u/s 194-IA, 194-IB, 194S and 194M in the month of June 2024.
15.08.2024 (Thursday)	Income Tax	<ul style="list-style-type: none"> Furnish Form 24G by an office of the Government where TDS/TCS for the month of July, 2024 has been paid without the production of a challan. Furnish 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 July 2024. Furnish Quarterly TDS Certificate (Other than Salary) for tax deducted in quarter ending June 30, 2024.
15.08.2024 (Thursday)	PF/ESI	<ul style="list-style-type: none"> Deposit of ESI & PF collected during the month of July 2024.
20.08.2024 (Tuesday)	GST	<ul style="list-style-type: none"> GSTR-3B for the month of July 2024 by taxpayers whose aggregate turnover exceeding 5 Crore in the previous FY or those who have not opted for QRMP. GSTR-5A by OIDAR services provided for month of July 2024. GSTR-1A: To add or amend particulars, other than GSTIN, furnished in GSTR-1 of the current tax period. <p>(Available after filing of GSTR-1 & upto due date/actual filing of GSTR-3B, whichever is earlier)</p>
25.08.2024 (Sunday)	GST	<ul style="list-style-type: none"> PMT-06: for Monthly Tax Payment for the month of July 2024 under QRMP Scheme.
25.08.2024 (Sunday)	P.F.	<ul style="list-style-type: none"> Filing of Provident Fund Return for the month of July 2024.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
30.08.2024 (Friday)	Income Tax	<ul style="list-style-type: none"> Furnish Challan cum statement for TDS u/s 194-IA, 194-IB, 194 -S, 194-M in the month of July 2024.
31.08.2024 (Saturday)	Income Tax	<ul style="list-style-type: none"> If the assessee (broadly charitable trust) is required to submit return of income on October 31, 2024, furnish: - <ul style="list-style-type: none"> Form 9A: for exercising the option available under Explanation to section 11(1) to apply income of previous year in next year / future Form 10: Statement to accumulate income for future application under section 10(21) or section 11(1).



https://lunawat.com/Uploaded_Files/Attachments/F_21320.pdf

INCOME TAX

THE CENTRAL BOARD OF DIRECT TAXES (CBDT) HAS REMOVED THE BENEFITS RELATED TO INDEXATION

Assessee won't be able to adjust the purchase price of an asset for inflation. He'll pay tax on the entire gain from the original purchase price to the selling price, without accounting for how inflation has affected the value of money over time.

TAX RATE CHANGES: KEY UPDATES AND IMPACTS

1. LTCG

Section	Nature (LTCG)	Current	Proposed
112A	For STT paid listed equity shares, units of equity-oriented fund and business trust	10%	12.5% without Indexation
112	For other assets	20% with Indexation	
115AB	From units purchased in foreign currency by Offshore Funds	10%	12.5%
115AC	Bonds or Global Depository Receipts purchased in foreign currency by non-residents		
115ACA	Global Depository Receipts (GDRs) purchased in foreign currency by resident employees of Indian companies in specified industries		
115E	On long-term capital gains where the assessee is a Non-Resident Indian (NRI)		
115AD	The income of Foreign Institutional Investors (FII) from securities or capital gains arising from their transfer.		

*Exemption of Gains of 1 lakh is increased to 1.25 lakh for LTCG under section 112A.

INCOME TAX

2. STCG

Section	Nature (LTCG)	Current	Proposed
112A	Short Term Capital Gains arising from transfer of capital asset being an equity share in a company or an unit of an equity oriented fund or a unit of business trust	15%	20%



GOODS & SERVICES TAX

AMENDMENT IN THE RATE OF TCS:

Seeks to amend rate of tax collection at source (TCS) to be collected by every electronic commerce operator for intra-State taxable supplies from 0.5% to 0.25%.

REQUIREMENT TO FILE ANNUAL RETURN

It has been notified that the person registered under this act is not required to file the annual return for this year if the gross turnover for the previous year does not exceed Rs. 2 Crores.

APPLICABILITY OF AADHAR AUTHENTICATION TO ALL STATES

Rule 8(4A), requires the Aadhaar authentication, however the scope of this rule was restricted to state of Gujrat and State of Puducherry as per notification no. 27/2022 but now the same is applicable to all states.

APPLICABILITY OF GST RATES ON GOODS:

- It is clarified that solar cookers that work on dual energy of solar energy and grid electricity shall attract a GST rate of 12%.
- All types of sprinklers, including fire water sprinklers attract GST at the rate of 12%
- The 'parts' of Poultry-keeping machinery will also be taxed at the rate of 12%.
- The definition of 'pre-packaged and labelled' has been amended to exclude the supply of agricultural farm produce in package(s) of commodities containing quantity of more than 25 kilogram or 25 lt. from the scope of 'pre-packaged and labelled' accordingly the rate of 5% will not be applicable on the same.

GOODS & SERVICES TAX

VERIFICATION PROCEDURE FOR REGISTRATION IN CASE PERSON WHO HAS NOT OPTED FOR AUTHENTICATION OF AADHAAR NUMBER:

- Amendments made for the relevant rules in relation to the GSTR 1, to insert the GSTR 1A, and give recognition to GSTR 1A also form GSTR 1A Notified. Effective date is yet to be notified for this amendment.
- Scope of the provision related the corporate guarantee, is restricted to the service supplied by Indian person and the same will be determined on annual basis. This rule is amended retrospectively with effect from the 26th October, 2023 with the insertion of Rule 28(2).
- ISD Mechanism:
 - Rules for ISD mechanism have been substituted,
 - Enabling the facility for refund for ISD and relevant period for making application.
- Amendment in GSTR 1:
 - B2C Invoice wise reporting will be required for Invoice value More than 1,00,000 (previously it was 2,50,000 per invoice)-effective date:01/08/2024
 - Scope of reporting of additional details / amendments in GSTR 1A is defined Due date for the Furnishing annual return for Composition dealer is extended till 30 June following the end of such financial year.
- Rule 88B is amended to provide the relaxation from Interest for Amount deposited in cash ledger before due date of GSTR 3B, but GSTR 3B filed after the due date.
- Amendment in Rule 89 to Facilitate Refund on Export debit notes.

GOODS & SERVICES TAX

APPLICABILITY OF GST ON SERVICES

- Specific services provided by Indian Railways to the public are exempted from GST, such as:
 - Sale of platform tickets
 - Retiring rooms
 - Cloakroom services
 - Battery-operated car services.
- Also, services provided by Special Purpose Vehicles (SPVs) to Indian Railways and maintenance services by Indian Railways to SPVs are now exempt from GST.
- Statutory collections made by Real Estate Regularity Authority (RERA) are not taxable under GST.
- Incentives paid by MeitY to acquiring banks for promoting RuPay Debit Cards and BHIM-UPI transactions were previously clarified as non-taxable. Now, it is clarified that "Further sharing of these incentive amount by the acquiring banks with other stakeholders (issuer banks, Payer PSPs, UPI apps, and TPAPs) are non-taxable.
- Reinsurance of insurance schemes fully paid by the government is exempt from GST Retrocession, a reinsurance transaction where part of the reinsured risk is further ceded to another insurer or cross-border reinsurer, is included under the term 'reinsurance'. It is Clarified that the term 'Reinsurance' includes 'Retrocession.'
- GST Council exempt the supply of accommodation services where the amount of the service does not exceed 20,000 per month and the service is provided for a period of 90 days or more.

GOODS & SERVICES TAX

REFUND OF TAX PAID ON INWARD SUPPLIES FOR CANTEEN STORES DEPARTMENT (CSD): -

The Canteen Stores Department (CSD) can claim a refund of fifty percent of the applicable central tax, integrated tax, and Union territory tax paid on all inward supplies of goods received for subsequent supply to its Unit Run Canteens or authorized customers.

REFUND OF ADDITIONAL IGST PAID ON ACCOUNT OF UPWARD REVISION IN PRICE OF GOODS SUBSEQUENT TO EXPORTS:

It is clarified that Exporters can claim refunds for additional IGST paid due to upward price revision of the goods but the Same will be refundable only when the amount claimed is more than 1000 Rs. And in case of decrease in the prices, the exporters are required to refund the amount of IGST received in proportion to price reduction along with the interest as applicable.

CLARIFICATIONS ON RECOVERY OF OUTSTANDING DUES AND PRE-DEPOSIT ADJUSTMENTS UNDER CGST ACT:

Due to the non-constitution of the GST Appellate Tribunal, taxpayers are unable to file appeals against the decisions of the first appellate authority. To address the questions regarding the recovery of outstanding dues and the adjustment of amounts paid through FORM GST DRC-03, the GST authorities have provided a mechanism for taxpayers to stay recovery proceedings by paying the required pre-deposit amount and filing an undertaking with the proper officer in the prescribed manner.

GOODS & SERVICES TAX

ISSUES RELATING TO TAXABILITY AND VALUATION OF SERVICES OF PROVIDING CORPORATE GUARANTEE BETWEEN RELATED PERSONS:

- This Circular clarifies that value of corporate guarantee is issued or renewed before 26 October 2023 shall be determined as per Rule 28 and if the same is issued after that date, then the value shall be determined as per Rule 28(2).
- Supply of the service of providing a corporate guarantee is not linked with the actual disbursement of the loan, then Valuation of corporate guarantee to be based on the amount guaranteed, not on the actual loan disbursed. Further, clarified that the ITC eligibility for the recipient is independent of the actual loan disbursed.
- No GST shall be charged on the takeover of loans unless a fresh corporate guarantee is issued or renewed.
- Where corporate guarantee is being provided by multiple related entities, the value of such services of providing corporate guarantee shall be the sum of the actual consideration paid/payable to co-guarantors or 1% of the amount of such guarantee offered whichever is higher.
- Domestic Corporates issues intra-group guarantees: GST paid under forward charge mechanism.
- Foreign guarantees for Indian entities: GST payable under reverse charge mechanism by the Indian entity.
- Rule 28(2) does not apply to exports where the recipient of services is located outside India.

COMPANY LAW

MCA AMENDS INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (ACCOUNTING, AUDIT, TRANSFER AND REFUND) RULES 2016

The Ministry of Corporate Affairs (MCA) has notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024. As per the amended norms, Companies must remit any amount required to be credited to the Investor Education and Protection Fund (IEPF) online to the Authority within 30 days from the date it becomes due.

Earlier, Companies were required to remit the amount into a specified account of the IEPF Authority maintained in the Punjab National Bank. Further, forms IEPF-1, IEPF-2 and IEPF-1A have also been substituted.

MCA AMENDS COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014 TO PROVIDE FOR AMENDMENT IN MOBILE NO. AND EMAIL ID OF DIRECTOR THROUGH FORM DIR 3KYC ON PAYMENT OF FEE OF RS. 500

The MCA has notified an amendment to Rule 12A of the Companies (Appointment and Qualifications of Directors) Rules, 2014, relating to Directors' KYC. A new proviso has been added, which states that if an individual intends to update his personal mobile number or email address again at any time during the financial year in addition to the updation allowed under the third proviso, he shall update the same by submitting an e-form DIR-3KYC on the payment of fees of Rs 500.

MCA AMENDS NIDHI RULES 2014

The Ministry of Corporate Affairs, vide notification dated 16th July, 2024, amended the Nidhi Rules, 2014. The Nidhi (Amendment) Rules, 2024 restricts Companies to use the word "Nidhi Limited" in its name unless it is declared as such under sub-section (1) of section 406 of the Act.

COMPANY LAW

MCA AMENDS COMPANIES (INCORPORATION) RULES 2014 FOR NIDHI COMPANIES

MCA eases Naming Rules for Nidhi Companies. This amendment is related to relaxation in restriction on Name of Nidhi Companies.

MCA MERGES FORM IEPF 3 WITH IEPF 4 AND IEPF 7 WITH IEPF 1 AND CHANGE THE PAYMENT PROCESS IN V. 3 OF MCA PORTAL

The Ministry of Corporate Affairs issued General Circular No. 07/2024 on 17th July 2024, announcing the merger of Forms IEPF-3 with IEPF-4 and IEPF-7 with IEPF-1 in MCA Version 3 to simplify the compliance process. The merged forms will now be processed through a Straight Through Process (STP).

MCA RELAXES ADDITION FEE FOR VARIOUS IEPF FORMS TILL 16TH AUGUST 2024 DUE TO MIGRATION FROM V. 2 TO V. 3 MCA PORTAL

In view of the transition of forms from MCA 21 V2 to MCA 21 V3, the MCA has waived additional fees on the filing of various IEPF e-forms (IEPF -1, IEPF-1A, IEPF-2, IEPF-4) and e-verification of claims filed in e-form IEPF-5 till August 16, 2024.

MCA AMENDS COMPANIES (SBO) RULES 2018 TO SUBSTITUTE FORM BEN 2

In view of the transition of forms from MCA 21 V2 to MCA 21 V3, the MCA has waived additional fees on the filing of various IEPF e-forms (IEPF -1, IEPF-1A, IEPF-2, IEPF-4) and e-verification of claims filed in e-form IEPF-5 till August 16, 2024.

MCA AMENDS NIDHI RULES 2014

MCA notifies e-Form BEN-2 for MCA V3 Portal; allows users to report changes in particulars of existing SBO u/s 90. MCA has notified an amendment to the Companies (Significant Beneficial Owners) Rules, 2018. As per the amended norms, Form BEN-2 has been substituted with the new format for the MCA V3 Portal.

COMPANY LAW

MCA AMENDS FORM MGT 6 REGARDING DECLARATION TO BE FILED UNDER SECTION 89

MCA amends Form MGT-6, Return to Registrar in respect of declaration under section 89 received by the Company.

MCA AMENDS MSME FORM 1 AND SPECIFIED COMPANIES (FURNISHING OF INFORMATION ABOUT PAYMENT TO MICRO AND SMALL ENTERPRISE SUPPLIERS) ORDER 2019

MCA has amended the Specified Companies (Furnishing of information about payment to MSME suppliers) Order, 2019 adding a proviso in paragraph 3 to provide that only specified companies with payments pending for more than 45 days to micro or small enterprises, from the date of acceptance or deemed acceptance of goods/services under Section 9 of the MSME Act, 2006, submit MSME Form-1.

MCA DEPLOYS FORM PAS 7 ON MCA PORTAL FOR INFORMING SHARE WARRANTS ISSUED PRIOR TO COMMENCEMENT OF COMPANIES ACT 2013 TILL 5TH AUGUST 2024 WITHOUT ADDITIONAL FEE.

Web-Form PAS-7 has now been deployed on MCA 21 Portal on V3. Stakeholders can file details as per Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 via this web form without payment of additional fees up to 05.08. 2024.

MCA ALLOWS EXTENDED 15 DAYS TIME WITHOUT ADDITIONAL FEE FOR FORM BEN 2 AND MGT 6 TO BE FILED DURING THE PERIOD FROM 4TH JULY 2024 TO 14TH JULY 2024.

MCA has decided to allow stakeholders an additional time of 15 days without levying additional fees to file Forms BEN-2 and MGT-6 if the due dates for these forms fall during the period between 04.07. 2024 and 14.07.2024.

LUNAWAT UPDATE

Articles & Presentations

During July 2024 , CA Pramod Jain gave following presentations:

- PPT on Practical Aspects of Tax Audit made at ICAI - South Delhi CPE Study Circle (NIRC)

During July 2024 , CA Rajesh Saluja gave following presentations:

- Training for Financial Planning for Rainbow Hospital
- Training for Finance for Non Finance at Elevation Capital.
- Training for Financial Acumen for
 - Tata Steel Limited
 - Maruti Suzuki India Limited
- Training for Retirement Planning at Spark Minda & Fintax Programme for Escorts Kubota Ltd. at Faridabad



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