

LUNAWAT BULLETIN

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MARKET WATCH

Sensex : 30/09/2024: **84299.78**
31/08/2024: **82365.77**

Nifty : 30/09/2024: **25810.85**
31/08/2024: **25235.90**

AROUND THE GLOBE

RBI'S NEW BANK-SUBSIDIARY NORMS TO FORCE REALIGNMENTS OF BUSINESS

The RBI does not want banks to use step-down entities to circumvent norms that do not apply to them. Effectively, some subsidiaries may remodel themselves as direct selling agents of the bank, a senior bank official said. The RBI has sought feedback from banks by November 20 on the draft guidelines.

INFLATION TO ALIGN TO THE 4 PERCENT TARGET BY FY'25-26: MICHAEL PATRA

Inflation is projected to align with the 4 percent target in the coming fiscal, according to Reserve Bank deputy governor Michael Patra. He mentioned climate change and digitisation as future challenges to monetary policy. Patra noted that inflation, which peaked at 7.8 percent in April 2022, is expected to average 4.5 percent in 2024-25.

UPI TRANSACTIONS VOLUME RISES 52 PC TO 78.97 BILLION IN JAN-JUN: REPORT

India's UPI transaction volume surged 52% year-on-year to 78.97 billion in H1 2024, with the transaction value rising by 40%. PhonePe led as the top UPI app. Average ticket size dropped by 8%, despite substantial growth in use for micro-transactions in sectors such as e-commerce and government services.

SBI PLANS TO ENHANCE THRESHOLD LIMIT UNDER INSTANT LOAN SCHEME FOR MSME SECTOR

SBI plans to increase the threshold of the instant loan scheme for MSMEs from Rs 5 crore. SBI aims to simplify MSME credit by leveraging digital tools and reducing the need for collateral. Additionally, SBI intends to open 600 new branches this financial year, enhancing its extensive network.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
07.10.2024 (Monday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> • Deposit tax deducted (TDS) / tax collected (TCS) for the month of September 2024. • Submission of declaration in Form-27C for no TCS as obtained from manufacturer to the CIT/ CCIT • Furnishing of Audit Report for the AY 2024-2025 u/s : <ul style="list-style-type: none"> ◦ 44AB :- in case of corporate or non-corporate assessee (who is required to submit its ITR upto 31.10.2024) ◦ Form 10B/10BB :- in case of fund or trust or institution or any university or other educational institution or any other hospital or other medical institution.
07.10.2024 (Monday)	FEMA	<ul style="list-style-type: none"> • Report actual ECB transactions through Form ECB-2 return.
07.10.2024 (Monday)	Equalisation Levy	<ul style="list-style-type: none"> • Deposit of equalization levy deducted on specified services during the month of September 2024
10.10.2024 (Thursday)	GST	<ul style="list-style-type: none"> • GSTR -7 by TDS Deductor for the period of September, 2024. • GSTR -8 by TCS Collector(E-Commerce Operator) for the period of September, 2024.
11.10.2024 (Friday)	GST	<ul style="list-style-type: none"> • GSTR -1 (Statement for furnishing details of outward supplies) for month of September 2024 by taxpayers whose aggregate turnover exceeds Rs. 5 crores in the previous FY or those who have not opted for QRMP.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
13.10.2024 (Sunday)	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 September 2024. GSTR-1 by taxpayers who opted for QRMP scheme for the period of July 2024 to September 2024.
14.10.2024 (Monday)	MCA	<ul style="list-style-type: none"> Form ADT-1 - Appointment of Auditor
15.10.2024 (Tuesday)	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 September 2024. Quarterly statement of TCS deposited for the quarter ending September 30, 2024 Furnish Form 24G by an office of the Government where TDS/TCS for the month of September, 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 September 2024. Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2024.
15.10.2024 (Tuesday)	PF/ESI	<ul style="list-style-type: none"> Filing of ECR & challan deposit of ESI & PF collected during September 2024.
18.10.2024 (Friday)	GST	<ul style="list-style-type: none"> CMP-08 for quarter July 2024 - September 2024 by Composite Taxpayers

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
20.10.2024 (Sunday)	GST	<ul style="list-style-type: none"> GSTR-3B for the month of September 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 September 2024. GSTR-1A: To add or amend particulars, other than GSTIN, furnished in GSTR-1 of the current tax period. (Available after filing of GSTR-1 & upto due date/actual filing of GSTR-3B, whichever is earlier).
22.10.2024 (Tuesday)	GST	<ul style="list-style-type: none"> File GSTR -3B for taxpayers who has opted for Quarterly filing as per QRMP Scheme for the period July 2024 - September 2024 for specified states*.
24.10.2024 (Thursday)	GST	<ul style="list-style-type: none"> File GSTR -3B for taxpayers who has opted for Quarterly filing as per QRMP Scheme for the period July 2024 - September 2024 for specified states**.
25.10.2024 (Friday)	GST	<ul style="list-style-type: none"> ITC-04 (Details of goods/capital goods sent to job worker and received back) for the half year April 2024 - September 2024 (for taxpayers > 5 Cr. turnover)
29.10.2024 (Tuesday)	MCA	<ul style="list-style-type: none"> Form AOC-4 :- Filing of Annual Accounts of Companies (30 Days from Conclusion of AGM, Due Date "on or before 29.10.2024" if AGM Held on 30.09.2024).
30.10.2024 (Wednesday)	MCA	<ul style="list-style-type: none"> LLP-Form 8-Statement of Account & Solvency Furnishing of Half Yearly Form NDH-3 by Nidhi Company or Mutual Benefit Society.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
30.10.2024 (Wednesday)	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 September 2024. Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2024. Filing of Form 10DA where Deduction u/s 80JJA is claimed in respect of employemnet of new companies. (If due date of Submission of ITR is 30.11.2024)
31.10.2024 (Thursday)	GST	<ul style="list-style-type: none"> Last date for Opt-in/Opt-out of QRMP Scheme for the Quarter October 2024 - December 2024)
31.10.2024 (Thursday)	MCA	<ul style="list-style-type: none"> MSME-Form MSME 1 for the period Apr-24 to Sep-24 for companies having outstanding balances to MSME's exceeding 45 days
31.10.2024 (Thursday)	Income Tax	<ul style="list-style-type: none"> Quarterly statement of TDS deposited for the quarter ending September, 2024 Intimation by a designated constituent entity, resident in India, of an international group in Form no. 3CEAB for the accounting year 2023-24 Furnish Annual audited accounts for each approved programmes under Section 35(2AA) Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending September, 2024 Furnishing copies of declaration received in Form No. 60 during April 1, 2024 to September 30, 2024 to the concerned Director/Joint Director

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
31.10.2024 (Thursday)	Income Tax	<ul style="list-style-type: none"> • File Income Tax Return for the A.Y. 2024-25 if the assessee (not having any international or specified domestic transaction) is <ul style="list-style-type: none"> ◦ corporate-assessee ◦ non-corporate assessee (whose books of account are required to be audited) ◦ partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A apply • Audit report under section 44AB for the assessment year 2024-25 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E in Form 3CEB • E-filing of report (in Form No. 3CEJ) by an eligible investment fund in respect of arm's length price of the remuneration paid to the fund manager (if the assessee is required to submit return of income on October 31, 2024) • E-filing of report (in Form No. 3CEJ) by an eligible investment fund in respect of arm's length price of the remuneration paid to the fund manager (if the assessee is required to submit return of income on October 31, 2024) • Furnish Form 10-IC (S. 115BAA), 10-ID(S. 115BAB, Manufacturing Co.), if due date of ITR is 31.10.2024 • Intimation in respect of each investment made in India for quarter ending September, 2024 in:- <ul style="list-style-type: none"> (a) Form 10BBB - by pension fund (b) Form II - Sovereign Wealth Fund

*Specified States: - Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, UTs of Daman, Diu and Dadra & Nagar Haveli, Puducherry, Andaman & Nicobar Islands & Lakshadweep.

**Specified States: - Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, J & K, Delhi UTs of Ladakh and Chandigarh.

INCOME TAX

CBDT ENHANCES MONETARY LIMITS FOR FILING OF APPEALS BY THE DEPARTMENT

The Central Board of Direct Taxes (CBDT) has issued a circular enhancing the monetary limits for filing appeals by the Income Tax Department before various judicial forums. The revised monetary thresholds are as follows:

S. No.	Appeals/SLPs	Monetary Limits
1.	Before Income Tax Appellate Tribunal	Rs. 60,00,000
2.	Before High Court	Rs. 2,00,00,000
3.	Before Supreme Court (SLP/ Appeals)	Rs. 5,00,00,000

The enhanced limits apply to new appeals/SLPs to be filed as well as cases currently pending before the Income Tax Appellate Tribunal (ITAT), High Courts, and the Supreme Court. In cases where the tax effect is below the revised monetary limits, pending appeals/SLPs may be withdrawn.

CBDT INTRODUCED DIRECT TAX VIVAD SE VISHWAS SCHEME (DTVSV), 2024

In line with the Union Budget 2024-25 announcement, the CBDT has introduced the Direct Tax Vivad Se Vishwas Scheme, 2024 (DTVSV), effective from 1st October 2024. The Scheme, notified under the Finance (No. 2) Act, 2024, aims to resolve pending income tax disputes.

Key forms under the Scheme includes:

- Form-1 (Declaration and Undertaking),
- Form-2 (Certificate from the Designated Authority),
- Form-3 (Intimation of Payment),
- Form-4 (Final Settlement Order)

INCOME TAX

CBDT ENHANCES MONETARY LIMITS FOR FILING OF APPEALS BY THE DEPARTMENT

The amount to be paid by the taxpayers under the Scheme is as follows:

Nature of Tax Arrear	Amount Payable on or Before 31-12-2024	Amount Payable on or After 01-01-2025
Disputed tax (after 31-01-2020 but before the 22-07-2024)	100% of disputed tax	110% of disputed tax
Disputed tax (on or before 31-01-2020)	110% of disputed tax	120% of disputed tax
Disputed interest/penalty/fee (after 31-03-2020 but before 22-07-2024)	25% of disputed interest/penalty/fee	30% of disputed interest/penalty/fee
Disputed interest/penalty/fee (on or before 31-01-2020)	30% of disputed interest/penalty/fee	35% of disputed interest/penalty/fee

The amount payable will be reduced to 50% if the appeal was filed by the tax authorities.

GOODS & SERVICES TAX

THE CENTRAL GOVERNMENT AS PER THE POWERS CONFERRED BY THE FINANCE ACT, 2024, NOTIFIES CERTAIN AMENDMENTS WHICH IS AS FOLLOWS-

Amendments effective from 1 July 2017

- Section 16(5)- The conditions under Section 16 of the CGST Act, 2017, have been relaxed with retrospective effect from 1st July 2017. This relaxation extends the deadline for claiming ITC for invoices or debit notes under Section 16(4) until 30th November 2021 for the financial years 2017-18, 2018-19, 2019-20, and 2020-21. The extension applies to returns filed in FORM GSTR-3B
- ITC on any services received prior to 1 July 2017 by an ISD shall be eligible for distribution as GST credit, even if invoices are received prior to the said date.

Amendments effective from 1st November 2024

- For services subject to Reverse Charge Mechanism (RCM), the amendment specifies the time of supply where the recipient must issue a self-invoice
- The Central Government has been granted the power to prescribe **conditions and restrictions** for the revocation of GST registration cancellations
- A time limit has been proposed for issuing invoices by the recipient when they are liable to pay taxes under RCM
- Registered persons required to deduct tax under **Section 51** must now file a monthly return in **FORM GSTR-7**, even if no tax has been deducted
- IGST refunds are restricted for goods subjected to export duty, including those exported to SEZs. This applies regardless of whether the goods were supplied with or without payment of tax
- Penalty provisions for **e-commerce operators** have been updated, reflecting the evolving digital commerce landscape
- Co-insurance premiums and **re-insurance commissions** are now included in the CGST Act, streamlining these financial transactions within the GST framework

GOODS & SERVICES TAX

Other major Amendments

Bank Account Verification Mandatory for GSTR-1 Filing:

As of September 1, 2024, a major compliance update will restrict the filing of GSTR-1 or IFF (Invoice Furnishing Facility) forms for taxpayers who have not added and verified their bank account details in their GST registration profile..

Invoice Management System (IMS):

Effective from October 1, 2024, the Invoice Management System (IMS) will require buyers to review and take action on invoices uploaded by their suppliers. Buyers can accept, reject, or leave an invoice pending. If no action is taken, the invoice is automatically deemed accepted. The buyer's Input Tax Credit (ITC) in GSTR-3B will be updated based on these actions. Accepted invoices will result in ITC credits, while pending or rejected invoices may delay the credit.

COMPANY LAW

THE COMPANIES (ACCOUNTS) AMENDMENT RULES, 2024 WERE ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS (MCA) ON SEPTEMBER 24, 2024. THE RULES INCLUDE THE FOLLOWING:

Form CSR-2 must be filed separately for the financial year 2023-2024 on or before December 31, 2024. This must be done after filing Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS) or Form No. AOC-4 XBRL.

THE COMPANIES (INDIAN ACCOUNTING STANDARDS) SECOND AMENDMENT RULES, 2024

Ministry of Corporate Affairs, via a notification dated 9th September 2024, announced amendments to the Companies (Indian Accounting Standards) Rules, 2015. These changes are made under the Companies Act, 2013, in consultation with the National Financial Reporting Authority. Key revisions include the introduction of new provisions related to leaseback transactions under Indian Accounting Standard (Ind AS) 116. The amendments clarify how seller-lessees should apply the right-of-use asset and lease liabilities, ensuring that gains or losses related to retained rights are not recognized, except under specific circumstances. Additionally, illustrative examples are provided to demonstrate the application of the revised rules, such as handling sale and leaseback transactions with both fixed and variable payments. These rules aim to streamline accounting processes and ensure compliance with the updated Ind AS requirements. The amendments will be applicable for reporting periods beginning on or after 1st April 2024.

COMPANY LAW

INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (ACCOUNTING, AUDIT, TRANSFER AND REFUND) RULES, 2016, SECOND AMENDMENT RULES, 2024

The Ministry of Corporate Affairs has amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The amendments aim to clarify the process for transferring securities to legal heirs and increase the minimum claim amount for filing a claim with the IEPF Authority. The rules now accept legal heir certificates issued by revenue authorities and require additional documentation, such as indemnity bonds and no objection certificates from other legal heirs. The amendments also introduce a new requirement for companies to obtain insurance coverage for risks associated with verification reports. These changes are intended to streamline the process for investors to claim lost or unclaimed securities and protect the interests of both investors and companies.

COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) AMENDMENT RULES, 2024

The Ministry of Corporate Affairs (MCA) issued a notification on 9th September 2024, amending the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016. These amendments are effective from 17th September 2024, primarily focus on mergers or amalgamations involving a foreign holding company and its wholly-owned Indian subsidiary. The newly introduced sub-rule 5 under Rule 25A stipulates that both companies must obtain prior approval from the Reserve Bank of India (RBI) before proceeding. Additionally, the Indian transferee company must comply with Section 233 of the Companies Act, 2013, and submit an application to the Central Government under the same section. The rule further clarifies that the required declaration under sub-rule (4) should be made when the application is submitted. This amendment brings more clarity and procedural requirements for cross-border mergers involving foreign holding companies and their Indian subsidiaries, ensuring compliance with both regulatory bodies and the Companies Act, 2013.

COMPANY LAW

CLARIFICATION ON HOLDING OF ANNUAL GENERAL MEETING (AGM) AND EGM THROUGH VIDEO CONFERENCE (VC) OR OTHER AUDIO VISUAL MEANS (OAVM) AND PASSING OF ORDINARY AND SPECIAL RESOLUTIONS BY THE COMPANIES UNDER THE COMPANIES ACT, 2013 READ WITH RUES MADE THEREUNDER

MCA provides clarification on holding of AGM and EGM through VC or OAVM and passing of Ordinary or Special Resolution. The Ministry of Corporate Affairs (MCA) has released General Circular 09/2024 on September 19, 2024, clarifying the procedures for conducting Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) via Video Conferencing (VC) or Other Audio Visual Means (OAVM). This guidance extends the option for companies to hold their AGMs in 2024 and 2025 to utilize VC or OAVM until September 30, 2025. However, it does not extend the statutory deadlines for holding AGMs; companies that miss these deadlines may face legal consequences under the Companies Act, 2013. The circular builds on previous communications from the MCA, including General Circulars 20/2020, 02/2022, and 09/2023, emphasizing compliance with the relevant provisions of the Act, particularly Sections 96 and 100, which govern the timing and calling of meetings. MCA has issued General Circular 09/2024 on 19th September 2024 to provide clarification on holding of Annual General Meeting (AGM) and EGM (Extraordinary General Meeting) through VC (Video Conferencing) or OAVM (Other Audio Visual Means) and passing of ordinary or Special Resolution by the companies under Companies Act, 2013 read with Rules made thereunder - Extension of timeline-reg on 19th September 2024. Key points of the Circular are: This circular is in the continuation of Minister's General Circular No 20/2020 dt 5th May 2020. General Circular No 02/2022 dt 5th May 2022 General Circular No 09/2023 dt 25th September 2023 It has been decided that to allow companies whose AGMs are due in the year 2024 and 2025 to conduct their AGM through VC or OAVM on or before 30th September 2025 General Circular shall not be constructed as conferring any extension of statutory time for holding AGM by the companies under Companies act 2013.

LUNAWAT UPDATE

Articles & Presentations

During September 2024 , CA Pramod Jain gave following presentations:

- Presentation on Practical Aspects of Tax Audit organised by ICAI - Varanasi Branch (CIRC)

During September 2024 , CA Rajesh Saluja gave following presentations:

- Training on Finance for Non Finance made at
 - RPS Consulting Pvt. Ltd., Hyderabad
 - IntelliSmart Infrastructure Private Limited, Gurgaon
 - Blissladder Consulting Private Limited
- Training for Financial Acumen made at Maruti Suzuki India Limited, Gurgaon



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