

LUNAWAT BULLETIN

WHAT'S INSIDE?

Around the Globe	2
Compliance Due Dates	3
Income Tax	8
Goods & Services Tax	11
Company Law	14
Lunawat Update	16

LUNAWAT & CO

MARKET WATCH

Sensex : 31/10/2024: **79389.06**
30/09/2024: **84299.78**

Nifty : 31/10/2024: **24205.35**
30/09/2024: **25810.85**

AROUND THE GLOBE

MSMES WILL GET COLLATERAL FREE LOANS OF UPTO RS 100 CR THROUGH A NEW CREDIT ASSESSMENT MODEL BY PSU BANKS

Finance Minister Nirmala Sitharaman announced a new credit guarantee scheme for MSMEs, offering collateral-free loans up to Rs 100 crore. The scheme aims to address the difficulties faced by MSMEs in obtaining term loans for machinery and expansion. Sitharaman highlighted that banks will implement their own credit assessment models, eliminating the need for third-party guarantees.

GDP LIKELY TO GROW 6.2 PC IN Q2

India's economic growth is projected to slow to 6.2% in the second quarter of 2024-25, due to a high base effect and heavy rainfall, as per Barclays' estimates. While government spending and rural consumption are picking up, urban demand and private investment remain weak. Barclays has revised its GDP forecast for 2024-25 to 6.8% from 7% earlier, expecting a recovery in the second half of the year.

TAX FRAUD: ₹25,000 GST EVASION BY 18,000 BOGUS COMPANIES UNCOVERED

Tax authorities have uncovered approximately 18,000 fraudulent companies registered under GST, resulting in an estimated tax evasion of Rs 25,000 crore. These fictitious entities were identified during a nationwide crackdown on fake GST registrations, with voluntary payments of Rs 70 crore collected during the operation.

INDIA'S FOREX KITTY FALLS \$2.6 BILLION TO \$682 BILLION AS OF NOVEMBER 1

India's forex reserves decreased by \$2.6 billion to \$682.1 billion for the week ending November 1, as the Reserve Bank of India likely intervened to support the weakening rupee. The rupee fell slightly against the dollar, closing at 84.07, after hitting a record low during the week. Outflows from Indian stocks and bonds contributed to the pressure on the currency.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
07.11.2024 (Thursday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> • Deposit tax deducted (TDS) / tax collected (TCS) for the month of October 2024. • Submission of declaration in Form-27C for no TCS as obtained from manufacturer to the CIT/ CCIT
07.11.2024 (Thursday)	FEMA	<ul style="list-style-type: none"> • Report actual ECB transactions through Form ECB-2 return.
07.11.2024 (Thursday)	Equalisation Levy	<ul style="list-style-type: none"> • Deposit of equalization levy deducted on specified services during the month of October 2024
10.11.2024 (Sunday)	GST	<ul style="list-style-type: none"> • GSTR -7 by TDS Deductor for the period of October, 2024. • GSTR -8 by TCS Collector(E-Commerce Operator) for the period of October, 2024.
11.11.2024 (Monday)	GST	<ul style="list-style-type: none"> • GSTR -1 (Statement for furnishing details of outward supplies) for month of October 2024 by taxpayers whose aggregate turnover exceeds Rs. 5 crores in the previous FY or those who have not opted for QRMP.
13.11.2024 (Wednesday)	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 October 2024. • GSTR-IFF: to furnish B2B Supplies (Optional) for the month of October 2024 by taxpayers who opted for QRMP Scheme

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
14.11.2024 (Thursday)	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.
15.11.2024 (Friday)	Income Tax	<ul style="list-style-type: none"> Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending September 30, 2024. Extended due date for filing of Income Tax Returns for the AY 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) (c)partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A apply ◦ Or is required to furnish audit report under section 44AB for the assessment year 2024 Furnish Form 24G by an office of the Government where TDS/TCS for the month of October, 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 October, 2024
15.11.2024 (Friday)	PF/ESI	<ul style="list-style-type: none"> Filing of ECR & challan deposit of ESI & PF collected during October 2024.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
20.11.2024 (Wednesday)	GST	<ul style="list-style-type: none"> GSTR-3B for the month of October 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 October 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).
29.11.2024 (Friday)	MCA	<ul style="list-style-type: none"> MGT-7/7A-Annual Return other than Dormant Company (Within 60 days from AGM (should be filed by 29 th November of the relevant FY)) PAS-6:- Half-yearly Reconciliation of Share Capital Audit Report for unlisted companies and private companies.
30.11.2024 (Saturday)	MCA	<ul style="list-style-type: none"> NFRA-2 Form - Annual Return by Auditors of Companies Covered under NFRA
30.11.2024 (Saturday)	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 October 2024. Return of income for the assessment year 2024-25 in the case of an assessee if he/it is required to submit a report under section 92E pertaining to international or specified domestic transaction(s) Report in Form No. 3CEAA by a constituent entity of an international group for the accounting year 2023-24 Statement of income distribution by Venture Capital Company or venture capital fund in respect of income distributed during previous Year 2023-24 (Form No. 64)

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
30.11.2024 (Saturday)	Income Tax	<ul style="list-style-type: none"> • Statement to be furnished in Form No. 64D by Alternative Investment Fund (AIF) to Principal CIT or CIT in respect of income distributed (during previous year 2023-24) to units holders • Exercise option of safe harbour rules for international transaction and specified domestic transaction by furnishing Form 3CEFA and Form 3CEFA respectively. • Filing of statement of income distributed by business trust to unit holders during the financial year 2023-24. This statement is required to be filed electronically to Principal CIT or CIT in form No. 64A • Submit copy of audit of accounts to the Secretary, Department of Scientific and Industrial Research in case company is eligible for weighted deduction under section 35(2AB) [if company has any international/specified domestic transaction]. • If due date of submission of return of income is November 30, 2024, following forms are to be furnished <ul style="list-style-type: none"> ◦ Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F ◦ 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

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
30.11.2024 (Saturday)	Income Tax	<ul style="list-style-type: none"> • If due date date of submission of return of income is November 30, 2024, following forms are to be furnished: <ul style="list-style-type: none"> ◦ Form 56FF for the claiming deduction u/s 10A(1B)(b) by newly established undertakings in free trade zone etc. ◦ Form 10BA for claiming deduction u/s 80GG in respect of rent paid ◦ Form 10IEA for exercising option to withdraw from new regime (Sec 115BAC)

INCOME TAX

CBDT EXTENDS ITR FILING DEADLINE FOR AY 2024-25

The CBDT has extended the deadline for filing Income Tax Returns for AY 2024-25 from October 31, 2024, to November 15, 2024, for specified assesseees under the Income-tax Act, 1961.

CBDT MANDATES E-FILING FOR FORMS 3CEDA AND 3C-O EFFECTIVE OCTOBER 31, 2024

The CBDT mandating the electronic submission of specific income tax forms in accordance with Rule 131 of the Income Tax Rules, 1962. Effective from October 31, 2024, Forms 3CEDA and 3C- O must be filed electronically and verified as per the procedures specified in sub-rule (1) of Rule 131.

- **Form 3CEDA:** Required for applications requesting the rollback of an Advance Pricing Agreement (APA).
- **Form 3C-O :** Needed for approvals u/s 35CCC of the Income Tax Act, 1961, related to specific deductions.

CENTRAL GOVERNMENT SETS TOLERANCE RANGE FOR ARM'S LENGTH PRICE (ALP) VARIATION FOR AY 2024-25

The Central Government has set rules for acceptable differences in prices for transfer pricing under Section 92C of the Income-tax Act for AY 2024-25.

- For wholesale trading transactions, the price can vary by up to 1% from the arm's length price.
- For other types of transactions, the allowed variation is 3%.

CBDT UPDATES COMPOUNDING GUIDELINES

CBDT has released new compounding guidelines u/s 279(2) of the Income Tax Act, replacing those from 2008-2022. These apply to new and pending cases, allowing recalculated charges if lower. Rejected applications can be resubmitted after fixing defects. Fees: ₹25,000 for single, ₹50,000 for consolidated applications, adjustable against total charges. Approval from the CBDT Chairman is needed for serious offences.

INCOME TAX

NO TCS ON RBI PAYMENTS

CBDT has exempted payments from the Reserve Bank of India (RBI) from tax collection at source (TCS) u/s 206C(1F) of the Income Tax Act, 1961. Effective from the date of publication in the Official Gazette, this exemption, issued u/s 206C(12), aims to ease compliance for transactions involving the RBI.

CBDT UPDATES FORMS 10A AND 10AB IN INCOME-TAX RULES

CBDT amended the Income-tax Rules, 1962, effective retroactively from October 1, 2024. The amendments remove references to "2C" and introduce a new declaration format in Forms 10A and 10AB, requiring applicants to confirm accuracy and report changes in their trust or institution. Adjustments to serial numbers, notes, and document requirements clarify the registration process u/s 12A and 80G. The memorandum confirms no adverse effects due to the retrospective application of these changes.

CBDT AMENDS RULES 21AA, 26B AND FORMS 12BAA, 16, 24Q

CBDT updates to rule 21AA and rule 26B include removing specific references to "S. 89(1)" in rule 21AA. Rule 26B now allows assessee to report non-salary income and tax details using a new Form No. 12BAA. Additionally, Form No. 16 and Form No. 24Q have been revised to incorporate these updates, enhancing clarity and compliance in TDS reporting for taxpayers and deductors.

CBDT UPDATES TCS RULES AND FORMS FOR ENHANCED REPORTING

The CBDT makes the changes to tax collection at source (TCS) rules u/s 206C of the Income-tax Act. Now, when TCS is not collected or collected at a lower rate due to certain exemptions, the details must be reported. If TCS credit belongs to someone other than the collectee, a declaration can be submitted, and the credit will go to the right person, who will also get the TCS certificate. Form 27EQ has been updated to include "J" for cases where no or reduced TCS applies.

INCOME TAX

CBDT ISSUES GUIDANCE ON DTVSV 2024

CBDT outlines eligibility for the Direct Tax Vivad se Vishwas Scheme (DTVSV) 2024. It clarifies that pending appeals as of July 22, 2024, are eligible, but cases involving search assessments, foreign income, or legal violations are excluded. The circular also details payment rates, with lower rates available for declarations by December 31, 2024, and requires full settlements without partial resolutions. Forms and deadlines for participation are provided.

GUIDELINES FOR CONDONATION OF DELAY IN INCOME TAX REFUND CLAIMS

CBDT sets new guidelines for condoning delays in filing income tax returns for refunds or loss carryforward. Claims can be handled by authorities based on monetary limits, with no claims entertained after five years from the assessment year. Applications must be decided within six months, and the Central Processing Centre (CPC) will handle delay condonation requests for seeking condonation of delay in verifying the return of income by sending the ITR-V.

CONDONATION OF DELAY FOR AY 2023-24 – SECTION 80P DEDUCTION CLAIMS

CBDT gives co-operative societies extra time to file their tax returns for AY 2023-24, allowing them to claim deductions u/s 80P, even if their returns were delayed due to long audit processes. This extends the rules from a previous circular (No. 13/2023) to cover this year, helping affected societies avoid penalties.

GOODS & SERVICES TAX

IMPORTANT AMENDMENTS VIA NOTIFICATIONS

(1)

Section 128A of the CGST Act (effective from 1 November 2024) grants a waiver from interest and penalty for demands pertaining to the period from 1 July 2017 to 31 March 2020 under section 73 of the CGST Act. The waiver can be claimed by paying tax up to 31 March 2025.

Rule 164 is inserted under the CGST Rules, which provide for the procedure to apply for waiver under section 128A of the CGST Act. This rule outlines a structured procedure for applying for waivers, ensuring compliance with payment conditions, and providing clear timelines and processes for review, approval, or rejection of applications.

Forms: Application for waiver can be filed electronically as below. - FORM GST SPL-01, in cases where the waiver is being sought for a demand raised in a show cause notice or statement. - FORM GST SPL-02, in cases where the waiver is being sought for demand confirmed in an adjudication or appellate order.

(2) INPUT TAX CREDIT-

Notification No. 22/2024 provides much-needed relief to taxpayers who have received demands for wrong availment of ITC due to contraventions of Section 16(4) but where such ITC is now eligible under Section 16(5) or 16(6).

Section 16(4) of the CGST Act specifies that no registered person can take Input Tax Credit (ITC) for any invoice or debit note issued against the supply of goods or services after the due date for filing the return for November of the next financial year, or the actual date of filing the annual return for that year.

Now through notification no 24/2024, special procedure for rectification of orders has been notified under section 148 of the CGST Act, to be followed by the class of taxable persons, against whom orders under section 73 or section 74 or section 107 or section 108 of the CGST Act have been issued confirming demand for wrong availment of input tax credit on account of contravention of provisions of sub-section (4) of section 16 of the CGST Act, but where such input tax credit is now available as per the provisions of sub-section (5) or sub-section (6) of section 16 of the CGST Act, and where appeal against the said order has not been filed.

GOODS & SERVICES TAX

Such person shall file application along with information in Proforma specified under Annexure A of this notification, within a period of six months from the date of issuance of this notification.

Proper officer who has issued the order shall carry out rectification within 3 months from date of application.

(3) LATE FEES PROVISIONS-

Rule 66(1) of the CGST Rules has been amended to prescribe the due date to furnish the tax deducted at source (TDS) return in Form GSTR-7 by the 10th day of the month following the calendar month.

The late fees for a delay in furnishing of the TDS return in Form GSTR-7 from June 2021 onwards has been capped to Rs. 25 per day along with the following:-

- Total late fee capped to a maximum of INR1,000.
- Full waiver from late fee granted in case there is no TDS liability.

(4) RCM PROVISIONS-

RCM to be introduced on metal scrap (falling under categories 72 to 81) supplied by unregistered persons to registered persons, provided that the supplier will also require to take registration when it crosses the threshold limit with effect from 10 October 2024.

RCM is also introduced on service by way of renting of any immovable property other than residential dwelling by registered person from any unregistered person

(5) TDS PROVISIONS-

The scope of TDS is being extended to registered persons receiving supplies of metal scrap w.e.f 10 th October 2024.

The metal scrap refers to products falling under Chapters 72 to 81 of the First Schedule to the Customs Tariff Act, 1975. These chapters cover various metals and their scraps, such as iron, steel, copper, nickel, aluminium, lead, zinc, tin, and other base metals.

The amendment ensures that registered persons involved in the purchase of metal scrap from other registered persons will now be liable to deduct TDS @ 2% under Section 51 of the CGST Act, 2017.

GOODS & SERVICES TAX

CLARIFICTIONS ON VARIOUS ISSUE VIA CIRCULARS

• Affiliation Services

- Provided by educational boards, such as the Central Board of Secondary Education, are taxable for the period from 1 July 2017 to 17 June 2021; the issue will be regularised on an 'as is where is' basis.
- Provided by universities to their constituent colleges are not covered within the ambit of exemptions provided to educational institutions and are taxable at the rate of 18
- Affiliation services provided by state or central educational boards, educational councils, and similar bodies to government schools to be exempted with effect from 10 October 2024
- Preferential location charges paid with consideration for construction services of residential, commercial or industrial complexes before the issuance of the completion certificate to be treated as composite supply and tax rate of main supply to be applicable
- When a goods transport agency provides ancillary or intermediate services, such as loading, unloading, unpacking, transshipment and temporary warehousing, in the course of transporting goods by road and issues a fresh consignment note, these services are to be considered part of a composite supply. However, if these services are not provided during the transportation of goods and are invoiced separately, they are not to be treated as part of a composite supply of the transport of goods
- DGCA-approved flying training courses conducted by flying training organisations are exempt from GST under Sl. No. 66 of Notification No. 12/2017-CT(R) as they qualify as recognised educational services

COMPANY LAW

MCA NOTIFIES IEPFA (FORM OF ANNUAL STATEMENTS OF ACCOUNTS) AMENDMENT RULE 2024

The Ministry of Corporate Affairs has issued the Investor Education and Protection Fund Authority (Form of Annual Statements of Accounts) Amendment Rule, 2024, dated 10th October 2024. This amendment updates Rule 5 of the IEPFA (Form of Annual Statement of Accounts) Rules, 2018. Previously, the balance sheet, income and expenditure account, and receipt and payment account were approved by the Authority or an authorized committee and signed by the Chairperson and one Member of the Authority. With the 2024 amendment, the requirement has changed, and these documents must now be signed by the Chairperson and the Chief Executive Officer (CEO) of the Authority instead of a member. This change aligns the approval and authentication process with a more streamlined approach by involving the CEO in the financial reporting and governance of the Authority. The IEPFA, established under Section 125 of the Companies Act, 2013, is responsible for managing unclaimed dividends, matured deposits, and promoting investor education and awareness.

“In the Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Rules, 2018, in rule 5, in sub-rule (2), for the words “one Member”, the words “the chief executive officer” shall be substituted.”

COMPANY LAW

MCA NOTIFIES COMPANIES (ADJUDICATION OF PENALTIES) SECOND AMENDMENT RULES, 2024

The Ministry of Corporate Affairs has issued a notification regarding the Companies (Adjudication of Penalties) Second Amendment Rules, 2024, under the authority of the Companies Act, 2013. This amendment introduces a crucial change to the existing Companies (Adjudication of Penalties) Rules, 2014, specifically in sub-rule (1) of rule 3A. A new proviso stipulates that any proceedings already pending before an Adjudicating Officer or Regional Director at the time of this amendment will continue according to the rules that were in place prior to the amendment. The updated rules aim to ensure consistency in handling ongoing cases despite the regulatory changes. The amendment is effective immediately upon publication in the official gazette. Prior to this amendment, the Companies (Adjudication of Penalties) Rules were last revised in August 2024 and February 2019.

LUNAWAT UPDATE

Articles & Presentations

During October 2024 , CA Rajesh Saluja gave following presentations:

- Training for New Dealer Induction Programme for Hero Mindmine Institute Pvt Ltd



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