

# UPDATE DECEMBER 2024

Bizsolindia Monthly Update | Issue VI | Volume XX | December 2024

***Bizsol***  
...partners in strategy

## Spotlight

# INDIAN ECONOMY

# A Beacon of Resilience Amid Global Uncertainty

## In This Update

### Whats New?

### BTO

### Bizsol Corner

### #DigitalUpdates



## We Believe In

**“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.”**

**Mahatma Gandhi**

# In This Issue

FROM THE DESK OF THE CHAIRMAN – CS VENKAT R VENKITACHALAM	05
INDIAN ECONOMY A BEACON OF RESILIENCE AMID GLOBAL UNCERTAINTY – CS VENKAT R VENKITACHALAM	10
CORPORATE SOCIAL RESPONSIBILITY - CA MANOJ BEHEDE	18
RULE 37A - CA SAURABH JAKHOTIYA	24
WHAT'S NEW?	
• GST	28
• CUSTOMS	30
• INCOME TAX	32
• DGFT	33
• RBI	34
BEYOND THE OBVIOUS	35
BIZSOL CORNER	37
DIGITAL BIZSOL	44

## THIS MONTH FOR YOU - DECEMEBER 2024

Sl. No	Law	Particular	Due Dates
1	Income Tax	Due date for deposit of Tax deducted/collected for the month of November, 2024.	07/12/2024
2	Wages Act	Payment of Salary / Wages If employees <1000	07/12/2024
3	GST	GSTR -8 E Commerce Operator For The Month of November 2024	10/12/2024
4	GST	GSTR-7 Registered persons who deduct TDS for the month of November 2024	10/12/2024
5	Wages Act	Payment of Salary / Wages If employees > 1000	10/12/2024
6	Excise	ER-1 / ER-2 Returns (w.r.t. products not covered under GST	10/12/2024
7	GST	Filing of GSTR-1 for the month of November 2024	11/12/2024
8	GST	Filing of IFF for the month of November 2024 for the taxpayers filing GSTR-1 on quarterly basis.	13/12/2024
9	GST	GSTR-5 & GSTR-6-ISD Return for the month of November 2024	13/12/2024
10	Income Tax	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of November, 2024 has been paid without the production of a challan	15/12/2024
11	Income Tax	Third instalment of advance tax for the assessment year 2025-26	15/12/2024
12	Income Tax	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of October, 2024	15/12/2024
13	Income Tax	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 November, 2024	15/12/2024
14	Provident Fund	“Due date to pay of the November 2024’s provident fund contribution of both employee and employer to be paid by the employer under ECRCum-Return”	15/12/2024
15	ESIC	Due date to pay ESIC Payments for November 2024	15/12/2024
16	GST	Filing of GSTR-3B for the month of November 2024	20/12/2024
17	GST	Due date for filing GSTR-5A (OIDAR) for the month of November 2024	20/12/2024
18	GST	Payment of monthly liability for the taxpayers having GSTR-3B filing on quarterly basis	24/12/2024
19	Income Tax	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of November, 2024	30/12/2024
20	Income Tax	Furnishing of report in Form No. 3CEAD for a reporting accounting year (assuming reporting accounting year is January 1, 2023 to December 31, 2023) by a constituent entity, resident in India, in respect of the international group of which it is a constituent if the parent entity is not obliged to file report under section 286(2) or the parent entity is resident of a country with which India does not have an agreement for exchange of the report etc.	30/12/2024
21	Income Tax	Filing of belated/revised return of income for the assessment year 2024-25 for all assessee (provided assessment has not been completed before December 31, 2024)	31/12/2024
22	GST	Filing of Annual Return GSTR-9 and GSTR-9C for the financial year 2023-2024.	31/12/2024
23	GST	Due Date for amendment in opening balances for Electronic Credit Reversal and Reclaimed statement	31/12/2024

## FROM THE DESK OF THE CHAIRMAN



**CS Venkat R Venkitachalam**

**Chairman, Bizsolindia Services Pvt Ltd**

In the recently concluded elections to the Maharashtra State Assembly there were some anticipated winners and some sore losers. However, the biggest winner of them all was the ruling dispensation's "Ladli Behna Yojana", a giveaway to the voters in anticipation of their voting for the party in power (in this case), otherwise known as "freebies". The Prime Minister refers to this as "revdis". According to him such handouts are nothing but harmful welfarism. Today, two years down the line political parties without exception are competing with each other to top up these revdis. Revdis today are the most high-profile tool to woo voters. Noone was willing shoot himself in the foot by opposing this popular extravaganza. During the campaigns all political parties are routinely coming up with competing promises, both innovative and mundane; but involving enormous costs to the exchequer with their promises. When the press called them freebies, the Prime Minister preferred to christen them "revdis". In today's India if you have to understand Indian elections, you have to understand what revdis is and how it affects our elections and how it skews our democracy. Revdi' is a Rajasthani sweet dish, often gifted as a symbol of love and gratitude during festivities. The taste of revdi characterises the essence of sesame seeds along with the sweetness of sugar or jaggery. Revdi, in general, is not an essential commodity but plays a significant part in the lives of middle and elite classes who share Revdi boxes with their near and dear ones. In fact, Narendra Modi is the first person of consequence who opposed this and preferred to call this practice derisively as "Revdi Culture" – freebies in return for votes. "Political parties practicing the Revdi culture will never build new expressways, new airports or new defence corridors for you", he exhorted his followers. "People of the Revdi culture think that by distributing freebies, they can buy votes – together we need to defeat this thinking and practice as it is very dangerous for the development of the nation." That was the PM in the aftermath of his landslide victory to the Lok Sabha in 2014. However, Modi today is in no position to oppose this Scheme as his own Party is promoting the Scheme in a big way and it has fetched the BJP and its allies the prosperous state of Maharashtra. If you can't beat them; join them. At last, Modi has found his match as the ultimate 'vote catcher' – the humble, albeit sweet, Revdi! Revdi comes in many forms – sewing machines, sarees, nutrition kits, free electricity, free water supply etc., etc. If you ask an economist, he will tell you, how wrong it is to bribe the voters through these freebies. Theoretically, he may be right. But in today's India with so much of abject poverty, these freebies are like manna from heaven for a lot of people below the poverty line just managing to eke out a living!

Before you criticise the politician for promoting such schemes (even if you prefer to call them revdis) spare a thought for them even though significant amounts of revdi would simply result. in additional borrowing, and further hikes in the share of interest payment in the Budget and the GDP, leaving the government powerless to spend on the things that would make the economy stronger and more competitive. The political economy redesigned through revdis for the ruling alliance's victory in Maharashtra is, in other words, injurious to national prosperity. But permit me to quote a Rajasthani proverb with a minor tweak. "Bhookh meethi ya revdi?"

Elections tend to obscure a lot of developments including important information that affect all of us. Here is one such. Judgments coming out from the higher courts in India tend to alter the way we decide our own views on important matters that affect us. The apex court delivered an important judgment that had not been discussed by many in India because of our preoccupation with the recent elections. It was delivered by a nine-bench presided over by the then Chief Justice D Y Chandrachud. The court does not constitute large Benches like this unless the gravity of the subject demands the congregation of such a large gathering of wise men in the apex court. The recent judgment delivered by the Bench was intended to question (and overturn) previous verdicts on the same issues delivered by their predecessors. You may agree or disagree with the observations made by the learned judges; but you have to appreciate the sagacity displayed by some of those sitting on the Bench. As it is difficult to analyse the verdict in detail and to substantiate the nuances expressed by them in a short paragraph, I leave it for the legal experts. However, in order just to whet your appetite, I will merely say this much. The verdict not only covered the legal aspects on the subject of private property and the primacy that such properties enjoy when the government also expresses an interest in them. As if that is not enough, the Order also happened to contain some controversial expositions questioning the wisdom of their predecessors. Simply put, the judges were called upon to decide whether the government indeed has unfettered right to take over your property and more importantly, how should the government go about the process while doing so Answer to this very question came in this case titled Owners Association & Others vs State of Maharashtra & Others. Are our private properties indeed "common community resources" with the state having a say whether it could be acquired by the government of the day. In a 7:2 decision, the Court clarified that the government cannot simply take over all private properties by calling them "community resources." In the process of delivering this judgment the CJI called into question the wisdom of one of the most erudite judges who had dispensed justice sitting on the very same Bench – Justice V R Krishna Iyer way back in time. Justice Iyer quoting from the Directive Principles of State Policy had eloquently opined that "the ownership and control of the material resources of the community are to be so distributed to subserve the common good." Further he had added, "In essence, the interpretation of the relevant Article 39(b) adopted in these judgments is rooted in a particular economic ideology and the belief that an

economic structure which prioritises the acquisition of private property by the state is beneficial for the nation.” In his judgment referring to Article 39(b), Justice Chandrachud, disagreed with this view expressed by former top court judge Justice Krishna Iyer in a 1978 case that private properties also fall within the “material resources of the community.” The CJI observed that Iyer had done a “disservice” to the broad and flexible spirit of the Constitution. Justice Nagarathna though agreed with the majority view and held “Neither can there be canonisation of the socialist policy followed by the State nor can the principles akin to laissez faire economics be ignored at a time when they have been resurrected by the state itself to suit the developments of the economy in the country and for the benefit of the people of India.” She continued further “The observations of the Judges in those decisions would not call for any critique in the present times. Neither is it justified nor warranted.” Justice Dhulia another dissenting judge strongly disapproved of the remarks made by the CJI calling the criticism harsh and unnecessary”. In the end the Court’s decision effectively protected the private property owners while still allowing the government to acquire certain resources if they are truly essential for the community’s well-being. The ruling strikes a balance between individual property rights and the greater public good. This decision sets a clear precedent for future cases about property rights and government acquisition of private resources in India. You can agree or disagree with the decision of the Court till the cows come home. But what appealed to me here was the quality of the process as much as the wisdom behind the decision.

The delimitation of constituencies both for Lok Sabha and State Assemblies that was scheduled to be done immediately after the Census is now all set to take place in 2026 if reports are to be believed. It is long overdue already. Now that the Census is scheduled to be taken up in 2026, it is safe to assume that the delimitation exercise is also sure to follow thereafter. India’s delimitation exercise is a complex process aimed at ensuring fair and equitable representation in the country’s legislative bodies.

The process involves redrawing the boundaries of electoral constituencies based on the latest population data from the immediately preceding census. This ensures that each constituency has a roughly equal number of voters maintaining the principle of “one person, one vote”. The delimitation exercise is crucial for maintaining the integrity of India’s democratic system and ensuring that all citizens are fairly represented in the legislative process. Our delimitation process is overseen by a Delimitation Commission that is set by an Act of Parliament. Earlier this exercise had been done after the 1951, 1961 and 1971 Census. This time, the Central Government is on the horns of a dilemma – undertake this arduous task now or kick the ball down the road. Look at this. Chandrababu Naidu recently expressed concerns about his state’s aging population and called on the people of his state to have more children!

How relevant are these posturing? Sample this. In Bihar, one member of Parliament represents about 3.1 million citizens as against 1.75 million in Kerala! That is because Bihar's population has grown, and Kerala's has stabilised. Southern states by and large have been successful in limiting their family size whereas in the Northern states the families have increased their size by ignoring the government's family planning initiatives. In the delimitation exercise, the Southern states would find themselves getting punished for good behaviour and the intransigent Northern states would get rewarded despite being delinquents, in a manner of speaking - punishing the achiever and rewarding the errant! Now that the time has come to pass, you can expect considerable discussions on this subject shortly.

The United Nations Climate Change Conference at Baku at Azerbaijan ended acrimoniously (at least from India's perspective) on 22nd November 24. India's opposition to the proposed financing arrangement at the Conference was that it feels that the proposed scheme of financing of \$300 Billion is far below the actual needs of the developing countries to combat climate change. This amount is too meagre to support the transition to clean energy, adapt to climate impact and address the consequential loss and damage. India highlighted the failure of the developed countries to fulfil their previous commitment of providing \$100 Billion annually in climate finance. This lack of trust undermines the credibility of future pledges. India feels aggrieved that the proposal would be inclusive of loans and private investments in the calculation of climate finance. This dilutes the amount of actual grant-based aid that developing countries deserve and receive. India demands greater clarity and transparency in the definition and better accountability of climate finance. There is a need for a robust mechanism to ensure that funds are used effectively and efficiently. Another important issue pointed out by India was on the principle of "common but differentiated responsibilities" and "respective capabilities" of member nations. This principle holds that developed countries, as historical emitters, should bear a greater burden in financing climate action. However, it is possible that India's stance may also be influenced by domestic political compulsions, including upcoming elections and the need to balance economic growth with climate action. India's opposition to COP29 financing arrangement reflects its concerns about the adequacy, transparency, and equity of the proposed funding mechanisms. India seeks a more ambitious and equitable approach to climate finance that addresses the specific needs of developing countries and promotes a just and sustainable transition.

In one of the earlier issues in these columns I had indicated that I would all but recommend the name of Javier Milei, the President of Argentina to a Nobel Prize subject, of course, his implementing the revolutionary economic reforms including the Dollarisation that he had propagated when he came to power. I did check on the internet as to how he is governing his country to deserve this prestigious award. Lo and behold – he has not done that bad, after all, though he may have to wait a while for being conferred the honour! Argentina had experienced humiliating economic decline caused by rampant inflation, absurd government spending and handouts and thickets of unwarranted regulations all round. After he took over, the scourge of inflation has come down sharply in the background of 30% lower government spending. Based on his unconventional economic philosophy, people compare him with Donal Trump especially since he has an aggressive style and is sceptical about anything woke. He, in fact, adores Trump and admires late Margaret Thatcher, former PM of Great Britain. After coming to power, he has more or less halted spending on public works, cut transfer of money to provincial governments and has slashed salaries to the faculty at universities. With all that, he has relieved the pressure on the country's central bank that was tasked with the job of finding ways and means to finance the government all the time! He has managed to bring dollars back into the formal banking system with some success.

At last count, he still has some 3000 structural reforms on his to-do list. The markets are celebrating. When he took office, inflation was running at 13% month to month. Today, that figure is down to 3%. Some achievement this. He has helped ending the recession in the economy though the poverty rates are tending to be higher. Considering all these factors I feel that my bet on him was right; but the right moment is yet to come. Moreover, there was another angle to his being in the limelight – Dollarisation, the elimination of the Peso, the currency of Argentina and its replacement with the US Dollar. That part of Milei's agenda remains unfulfilled.

Thank you.

Venkat R Venkitachalam

## FROM THE DESK OF THE CHAIRMAN



**CS Venkat R Venkitachalam**

**Chairman, Bizsolindia Services Pvt Ltd**

---

### INDIAN ECONOMY A Beacon of Resilience Amid Global Uncertainty

---

**A**fter the excitement associated with the elections, both at state and central, it is time now to let the inevitable fatigue to take over. It is also a time to take a hard look at where we stand as a country on many fronts. With every passing election, one gets an uncanny feeling that we are somehow pivoting away from being a vibrant and tolerant democracy to an anarchic paradigm where an ordinary man is likely to start entertaining self-doubts about our achievements. The fissiparous tendencies that we encounter during the dance of democracy, a euphemism for our electoral processes can do us no good. Time that we recognise the dangers of such trends and find possible solutions so that we leave the world for the future generation a shade better than we found them. I am no sociologist who can describe our collective psyche. In order to dispel negative emotions and to feel reenergised, we as citizens need a strong dose of self-motivation that is rooted in reality. After cutting out the cacophony surrounding liberal freebies and empty promises let us begin at the beginning. My intention here is to look at the broad national scenario on the economic front. I decided to look at what we have collectively acquired over the years over our election cycles - both good and bad. This piece is not so much on what kind of economic model that we have developed and come to practice. The intention here is not so much on what is ideal for us, but what has come to survive more from the point of view of our resilience over the years. We have played with different economic models like a dose of communism, a smattering of capitalism and unique models of socialism. Our economy is also laced with a dose of oligarchy and autarchy. But after all these experiments, what we observe is what we feel convenient for us that I would term it as convenienism.

When it comes to our economic model, we are still a work in progress, and it may remain so for some time to come. Over the years with different political parties especially at the national level, we have shown remarkable resilience with every shade of economic thought that we have practiced under different governments. Today while writing this piece, I would say that the tangible output that we have achieved on the economic front has been consequent to different economic philosophies followed and practices by different parties at a national level. I would attribute this to the resilience of our economy more than a clearly defined and contrasting take on economic thought. At one level it is remarkable that the country has weathered many a storm with elan. India has an impressive story to tell on what it has achieved over the years on the economic front – a country that has put a satellite on the moon and also has faced the plight of having to pledge its family silver to meet the country's day to day expenses, no mean achievement this! While India's economy is resilient, it is not immune to challenges such as income inequality, unemployment, inflation, and dependence on imports for key resources like oil. Structural reforms are ongoing, but their success will determine the sustainability of this resilience. India's inherent economic resilience arises from a combination of its diversified economic base, large domestic market, demographic strengths, financial prudence, and reform-driven growth policies. These factors equip the country to navigate both internal and external economic challenges while maintaining a sustained growth trajectory. The inherent resilience of the Indian economy stems from several factors that allow it to withstand global shocks and maintain a steady growth trajectory.

## Important Elements of Our Economy:

- 1. Diverse Economic Structure:** India's economy is supported by a broad-based structure, with key sectors like agriculture, manufacturing, and services. The Services sector, particularly IT and business process outsourcing (BPO), contributes significantly to its GDP while agriculture still provides a safety net for rural employment. The diversification helps cushion economic shocks in one sector, as other sectors can keep up the momentum.
- 2. Demographic Dividend:** With one of the world's youngest populations, India benefits from a growing workforce. This demographic advantage fuels consumption, drives economic activity, and creates a large domestic market for goods and services. Moreover, a youthful population can lead to higher productivity and innovation, reinforcing long-term growth potential.
- 3. Strong Domestic Consumption:** India has a large and growing middle class, which ensures strong domestic demand. While exports are vital, domestic consumption accounts for a significant part of the economy. This internal demand helps the country to remain relatively insulated from global downturns.

4. **Robust Financial Institutions:** India's regulatory framework for its banking and financial sectors, supervised by the Reserve Bank of India (RBI), has consistently ensured financial stability. Even during crises, such as the 2008 global financial crisis, India's banking sector showed resilience, thanks to conservative lending practices and prudent regulation.

5. **Government Reforms and Policies:** Reforms such as the Goods and Services Tax (GST), digitalisation drives, and the promotion of ease of doing business have enhanced the efficiency of the economy. Policies like "Make in India" and "Atmanirbhar Bharat" aim to boost manufacturing and reduce import dependency, further solidifying economic resilience.

6. **External Sector Management:** India has maintained a manageable current account deficit, and foreign exchange reserves have consistently been high providing a buffer against external shocks. The RBI's flexible exchange rate policy and management of foreign capital inflows have allowed the country to mitigate vulnerabilities linked to external factors.

7. **Agriculture's Safety Net:** Despite the increasing share of services and industry, agriculture continues to provide a livelihood to a sizeable portion of the population. The rural economy acts as a buffer in times of crisis, as it sustains demand for basic goods and services, especially in periods of urban or industrial downturn.

8. **Entrepreneurial Spirit and Innovation:** India's startup ecosystem is among the largest in the world, fostering innovation across sectors like fintech, healthcare, and education. The spirit of entrepreneurship and innovation has created new job opportunities and contributed to the economic dynamism, adding to its long-term resilience.

9. **Diverse Export Portfolio:** India's exports are not overly reliant on one sector. Its export basket includes textiles, pharmaceuticals, IT services, and agricultural products. This diversification reduces the risk of economic shock from downturns in a single global industry.

10. **Foreign Direct Investment (FDI):** India continues to attract elevated levels of FDI due to its growing market and favourable demographics. The government's continued push to liberalise FDI norms across sectors such as defence, retail, and insurance has provided a steady influx of capital.

11. **Digital Infrastructure:** India's rapid advancement in digital infrastructure like the Unified Payments Interface has transformed access to financial services, improved governance, and created new economic opportunities, especially in rural areas.

India's economy is at a crucial juncture where several positive trends are supporting its growth, while certain challenges do pose risks for its long-term stability.

## What is Going Right for Indian Economy:

- 1. Strong Economic Growth:** India has been one of the fastest-growing major economies in the world. Despite global slowdowns, the Indian economy has continued to grow, with estimates of GDP growth ranging between 6-7% in recent years. This sustained growth provides momentum for development and job creation.
- 2. Rising Foreign Direct Investment (FDI):** India continues to be a preferred destination for FDI, with increasing inflows in sectors like technology, manufacturing, and e-commerce. The government's efforts to liberalise FDI norms and improve ease of doing business have attracted significant foreign capital.
- 3. Digital Economy and Innovation:** India's rapid digitalisation, fuelled by initiatives like the Unified Payments Interface and Digital India, has transformed the economy. This has improved financial inclusion, enhanced productivity, and spurred innovation, particularly in sectors like fintech, health tech, and ed-tech.
- 4. Expanding Infrastructure:** Large-scale infrastructure projects, such as roads, railways, and airports, have been critical to economic growth. The National Infrastructure Pipeline (NIP) and other initiatives are improving connectivity and creating jobs, thus supporting long-term economic development.
- 5. Growing Domestic Consumption:** India's large and expanding middle class continues to drive domestic consumption, a major pillar of the economy. Consumer spending in sectors like real estate, retail, and electronics remains strong, insulating the economy from global demand fluctuations to some extent.
- 6. Stable Macroeconomic Indicators:** The Reserve Bank of India (RBI) has managed inflation well, especially compared to other developing economies. Additionally, India's foreign exchange reserves remain robust, providing a buffer against global financial instability and currency volatility.
- 7. Reform-Oriented Government Policies:** The government has introduced important reforms in taxation (Goods and Services Tax), labour laws, and land acquisition, aimed at simplifying regulations and boosting the business climate. Policies like "Make in India" and "Atmanirbhar Bharat" (Self-reliant India) are intended to strengthen manufacturing and reduce dependency on imports.

In short, the economy can boast of a robust growth, increasing FDI, digital advancements, infrastructure development, rising consumption, and stable macroeconomic indicators.

## **What is Going Wrong for Indian Economy:**

1. **Unemployment and Job Creation:** Despite strong economic growth, India struggles with job creation, particularly in formal sectors. Youth unemployment is particularly high which poses a risk of engendering social unrest and an inability to take advantage of the country's demographic dividend. Economic growth has been led by capital-intensive industries, particularly in the services sector that has not created enough jobs as expected. The lack of adequate employment opportunities in the formal sector drives many into informal, low-paying jobs. This is a ticking timebomb for the country and had been so for quite some time.

2. **Income Inequality:** India has one of the highest levels of income inequality in the world with a significant concentration of wealth among the top 1% of the population. Economic growth has not been inclusive with rural and urban poor being left far behind. The disparity between the rich and the poor has led to uneven opportunities in education, healthcare, and other essential services, perpetuating a cycle of endemic poverty and that limits the much-needed social mobility.

3. **Agricultural Distress:** The agricultural sector, which employs around 40-50% of the workforce, suffers from low productivity, fragmented landholdings, and outdated technology. These issues lead to low farmer incomes, contributing to rural distress. Agriculture is heavily dependent on the monsoon, making it vulnerable to climate change. Water scarcity and unpredictable weather patterns have increased the vulnerability of the farmers, who also face mounting debt burdens. Farmer suicides have become source concern to the planners.

4. **Inflation and Price Volatility:** Rising food and fuel prices significantly affect the lower and middle classes. Volatile global oil prices directly impact domestic inflation, as India is heavily reliant on oil imports. High inflation erodes purchasing power especially among poorer sections of the society. Post-pandemic, India has seen disruptions in supply chains, particularly for essential goods which has added inflationary pressures and made basic commodities more expensive.

5. **Slow Pace of Reforms:** While the government has initiated reforms (such as value added taxes, changes in labour laws, and land acquisition reforms), the implementation has been slow and uneven, often hindered by bureaucratic inefficiencies, regulatory complexities, and political resistance. Despite progress, India still struggles with ease of doing business, especially in areas like contract enforcement, regulatory approvals, and land acquisitions which deter investments, particularly in the manufacturing sector.

6. **Fiscal Deficit and Public Debt:** India's fiscal deficit remains uncomfortably high, exacerbated by pandemic-related stimulus measures. This tends to crowd out private investment and limit the government's ability to invest in crucial sectors like infrastructure, health, and education. With increasing public debt, there is less fiscal space for the government's readiness to respond to future economic crises or to undertake large-scale welfare programmes and infrastructure projects.

7. **Banking Sector and NPAs:** Indian banks, especially public sector banks, continue to grapple with elevated levels of NPAs (bad loans). This weakens the banking sector's ability to lend to productive sectors and hampers overall economic growth. Small and medium-sized enterprises (SMEs) and farmers face difficulties in accessing affordable credit due to risk aversion among banks and slow financial sector reforms.

8. **Infrastructure Deficiencies:** India's infrastructure, especially in rural areas, still lags behind that of other major economies. Deficiencies in transportation, power, and urban infrastructure impede industrial growth and regional development. Rapid urbanisation has put enormous pressure on urban infrastructure, leading to overcrowded cities, inadequate public services, and an ever-increasing housing crisis. Managing this rapid urbanisation is a daunting challenge.

9. **Excessive Dependence on Oil Imports:** India imports over 80% of its crude oil needs, making the economy vulnerable to fluctuations in global oil prices. This dependence creates macroeconomic instability through increased import bills, higher inflation, and current account deficits. While India is making strides in renewable energy, the transition from fossil fuels to greener energy sources is slow as can only be expected. This has become critical not only for reducing oil dependency but also for combating climate change.

10. **Education and Skill Development:** Despite vast improvements in literacy rates, the quality of education remains a major issue. Many graduates, particularly from rural areas, are not employable due to outdated curriculums and lack of vocational skills. There is a gap between the skills demanded by the industry and what the workforce possesses. This mismatch is also a significant factor behind high unemployment rates even among educated youth

11. **Environmental and Climate Challenges:** Environmental degradation, particularly in major cities, poses serious public health risks and reduces productivity as a consequence. Poor air quality, water pollution, and waste management are growing concerns as urbanisation intensifies. India is highly vulnerable to climate change, with frequent floods, droughts, and cyclones affecting agriculture, water availability, and infrastructure. This also exacerbates poverty in vulnerable communities.

12. **Low Female Labor Force Participation:** Female labour force participation in India is among the lowest in the world, despite improvements in education for women. Cultural norms, safety concerns, and lack of support structures (like childcare) keep women out of the formal workforce, which limits the growth of the economy.

13. **Health and Social Welfare:** The pandemic exposed the fragility of India's healthcare system, especially in rural areas. Inadequate healthcare infrastructure and unequal access to healthcare services hinder the country's ability to respond to health crises and improve overall public health. Social safety nets, though expanding, are still inadequate. Millions of informal sector workers lack access to pensions, healthcare, and other benefits, making them vulnerable to economic shocks.

On the negative side issues like high unemployment, income inequality, agricultural distress, inflation in key sectors, excessive oil dependency, slow reforms, low female workforce participation, fiscal deficit, and environmental challenges are areas of concern. India's long-term success will depend on its ability to address these challenges while maintaining the momentum in the areas where it is performing well. The Indian economy while growing has proven to be resilient. It faces several major challenges that could impact its long-term growth and stability. These challenges span across multiple sectors, from employment and inequality to infrastructure and environmental sustainability.

**Conclusion:** The primary challenges faced by the country and a viable way forward could be summarised thus: high unemployment, low female labour participation and widening inequality are major social issues that could undermine the country's long-term growth. The agricultural sector faces persistent distress while industry and services are growing without generating sufficient employment. Rising inflation, a high fiscal deficit, and a struggling banking sector with bad loans present serious risks to our economic stability. India's vulnerability to climate change and environmental degradation needs urgent attention to sustain long-term growth. Addressing these challenges will require comprehensive structural reforms, targeted government interventions, and inclusive growth policies to ensure long-term stability and prosperity for the Indian economy. The country should be able address these challenges in its stride going by our past performance. For many, India presents a fascinating story of possibilities and contradictions with few parallels. It is a story of miraculous economic possibilities, a story left deliberately incomplete to be pursued and completed by future generations. This should not come as a surprise for an economy that is about to become the third largest in the world in the next five years. India's economic journey is nothing short of a modern miracle. The country should be able address these challenges in its stride going by our past performance. For many, India presents a fascinating story of possibilities and contradictions with few parallels. The country should be able address these challenges in its stride going by our past performance. For many, India presents a fascinating story of possibilities and contradictions with few parallels.

The country should be able address these challenges in its stride going by our past performance. For many, India presents a fascinating story of possibilities and contradictions with few parallels. It is a story of miraculous economic possibilities, a story left deliberately incomplete to be pursued and completed by future generations. This should not come as a surprise for an economy that is about to become the third largest in the world in the next five years. India's economic journey is nothing short of a modern miracle. Emerging from the shadows of colonialism and poverty, India has transformed itself into one of the world's fastest-growing major economies fuelled by its dynamic entrepreneurial spirit, youthful workforce, and an unwavering focus on innovation. Backed by a booming digital revolution, a rapidly expanding middle class and large-scale infrastructural developments, India has not only weathered global disruptions but has often emerged stronger because of them. From its leadership in innovative technology and renewable energy to its resilient rural economy, India stands at the crossroads of becoming an economic powerhouse, blending traditional strengths with modern ambitions. As the world grapples with uncertainty, India's rise continues to defy the odds, showcasing its unshakable economic resilience. Here is a toast to that miracelous economy.

**Thank you.**

**Venkat R Venkitachalam**



# ***Corporate Social Responsibility(CSR): A Brief' by***

***CA Manoj Behede,***

***Director, Bizsolindia Services***

Corporate social responsibility (CSR) is a vital element of business in India. With effect from April 1, 2014, CSR has become an obligatory requirement for certain companies under section 135 of the Companies Act, 2013, compelling them to engage in activities that contribute to the social, economic & environmental development of the country.

In this article, I aim to provide an overview of CSR in India, including its legal framework, and the reporting requirements that these companies need to follow.

## **Understanding CSR in India**

The Companies Act, 2013, made CSR mandatory for companies meeting certain thresholds financially.

CSR requirement applies to companies meeting any of the following criteria in the preceding financial year:

- Net worth: More than INR 500 Crores
- Turnover: More than INR 1,000 Crores.
- Net profit: More than INR 5 Crores.

These companies must spend a minimum of 2 % of their net profit over the last three years on CSR activities. For newly incorporated companies with less than three years of operations, the average net profit of available years should be considered.

The calculation for average net profit for determining CSR expenditure should be as per the provisions of Section 198 of the Companies Act, 2013, excluding the items specified under Rule 2(1)(h) of the Companies (CSR Policy) Rules, 2014. Section 198 outlines specific adjustments to be made when calculating a company's net profit, excluding elements such as capital payments or receipts, income tax, and the set-off of previous losses. Profit Before Tax (PBT) is used for the computation of net profit under section 135 of the Act.

Excess CSR spending can be set off against the mandated 2 % CSR expenditure for up to the immediately succeeding three financial years, taking into account the conditions outlined in Rule 7(3) of the Companies (CSR Policy) Rules, 2014 are met.

Surplus in CSR activities i.e. income generated from CSR activities, such as revenue received from CSR projects, interest income earned by the implementing agency on CSR funds, proceeds from the disposal or sale of materials used in CSR initiatives, and other similar income sources. Any surplus resulting from CSR activities must be utilized only for CSR purposes.

CSR should primarily be driven by the company's Board of Directors of the Company, which is responsible for planning, executing and monitoring CSR activities based on recommendations from its CSR Committee. The CSR framework is disclosure-based, requiring CSR-mandated companies to file annual details of their CSR activities in the MCA21 registry. Additionally, companies must include necessary disclosures regarding CSR in their financial statements, including any instances of non-compliance. Existing legal provisions, such as mandatory disclosures, accountability of the CSR Committee and the Board, and audit requirements for the company's accounts, provide robust mechanisms for effective monitoring

### **Permitted CSR activities under Schedule VII**

CSR activities are defined in Schedule VII of the Act and can include a wide range of projects such as promoting education, healthcare, environmental sustainability, and rural development.

Companies can include the following activities in their CSR policies, as specified in Schedule VII

1) Poverty, health, and sanitation:

- Eradication of hunger, poverty and malnutrition;
- Promotion of healthcare including sanitation and preventive healthcare;
- Contributions to the Swachh Bharat Kosh and ensuring access to safe drinking water.

## **2) Education and employment:**

- Improvement of education, special education, and vocational skills for children, women, the elderly, and the differently abled.
- Livelihood enhancement projects.

## **3) Gender equality and support for vulnerable groups:**

- Promoting gender equality and setting up homes and hostels for women and orphans.
- Empowering women and establishing facilities for senior citizens and disadvantaged groups.

## **4) Environmental sustainability:**

- Initiatives for environmental sustainability, ecological balance, and conservation of natural resources.
- Support for projects like river Ganga rejuvenation and agroforestry.

## **5) National heritage and culture:**

- Protection of national heritage, art, and culture, including restoring historical buildings and promoting traditional arts.

## **6) Support for armed forces and their families:**

- Welfare measures for armed forces veterans, war widows, and dependents.

## **7) Promotion of sports:**

- Training and promotion of rural, nationally recognized, Paralympic, and Olympic sports.

## **8) Contributions to government funds:**

- Contributions to funds like the Prime Minister's National Relief Fund, PMCARES Fund, and others aimed at socioeconomic development.

## **9) Support for research and development:**

- Contributions to R&D projects in science, technology, engineering, and medicine funded by government bodies or public institutions.

## **10) Support for educational institutions:**

- Contributions to public-funded universities, IITs, and national research bodies like DRDO, ICAR, and CSIR.

## **11) Rural development projects:**

- Initiatives focused on the development of rural areas.

## **12) Slum area development:**

- Development of slum areas as declared by the government.

### 13) **Disaster management:**

- Activities related to disaster relief, rehabilitation, and reconstruction.

## **CSR compliance: Forms CSR-1 and CSR-2**

### **Form CSR-1**

From April 1, 2021, entities undertaking CSR activities need to file Form CSR-1 with the Ministry of Corporate Affairs (MCA). This form is mandatory for NGOs and other organizations to receive CSR funding from companies. The registration helps in effective monitoring of CSR spending and ensures compliance. Companies must ensure that CSR activities are conducted either directly or through registered entities such as:

- Registered societies, public trusts, or Section 8 companies incorporated by the company;
- Section 8 companies, registered societies, or trusts established by the Central or State Government;
- Entities established under a State Legislature or Act of Parliament;
- Section 8 companies, registered societies, or public trusts registered under Section 12A and 80G of the Income Tax Act with a minimum three-year track record in similar activities.

All these entities, along with companies planning to undertake CSR activities, must register by filing Form CSR-1 electronically. Form CSR-1 needs to be certified by a practicing professional.

## **Documents required for filing Form CSR-1**

### **Entity documents:**

- PAN card.
- Registration certificate.
- 12A and 80G exemption certificate, if applicable.
- NGO Darpan ID, if applicable.

### **Authorized person documents:**

- PAN and DSC of the authorized person signing the form.

### **Company-specific documents:**

- Company CSR policy
- Company CSR report
- Details of the subsidiary and other entities involved.

### **Form CSR-2: Annual CSR reporting**

Introduced through the Companies (Accounts) Amendment Rules, 2022, Form CSR-2 is mandatory for companies to report their CSR activities from the financial year 2020-21 onwards. It serves as an addendum to the annual financial statements filed through Form AOC-4 or its variants.

### **Applicability:**

- All companies covered under Section 135 of the Companies Act, 2013, which deals with CSR provisions.
- Companies must file Form CSR-2 as an addendum to their annual financial statement filings.
- From FY 2023-24, Form CSR-2 should be furnished separately on or before December 31, 2024, independent of filing the respective AOC-4 forms.

### **Key information required in Form CSR-2:**

- Net worth, turnover, and net profit of the company.
- Details of the CSR committee, including meetings held and attended by directors.
- Project details, including funds allocated and spent, locations, and modes of implementation.
- Unspent CSR amounts and transfers to specified funds under Schedule VII.
- Reasons for any shortfall in CSR spending and corrective measures taken.

## **Penalties for non-compliance**

Failure to comply with CSR provisions can result in significant penalties. Companies not meeting the required CSR spend or failing to transfer the unspent amount to a specified fund, may be fined up to INR 1 Crore. Officers responsible for the default can also face penalties up to INR 2,00,000.

- **Company penalties:** Up to INR 1 Crore or twice the unspent CSR amount required to be transferred, whichever is less.
- **Officer penalties:** Up to INR 2,00,000 or one-tenth of the unspent CSR amount required to be transferred, whichever is less.

## **GST IMPACT ON EXPENSES INCURRED TOWARDS CSR ACTIVITIES**

GST on expenses incurred on goods or/and services to carry out activities relating to CSR as defined in section 135 of the Companies Act, 2013, will not be available as eligible Input Tax Credit to the taxable person incurring such expenses. This has been specifically specified under section 17(5)(fa) of CGST Act 2017, as amended.

Thank you.

***Manoj. V. Behede***



## Impact on Recipient for non-payment of tax by the Supplier by CA Saurabh Jakhotiya

**Rule 37A. Reversal of input tax credit in the case of non-payment of tax by the supplier and re-availment thereof :**

### **Background of Introducing Rule 37A of CGST Rules, 2017:**

Prior to the implementation of this Rule, suppliers would report their transactions in Form GSTR-1, allowing buyers to view these details and avail of Input Tax Credit (ITC) in their GSTR-2B. However, suppliers often neglected to file their GSTR-3B returns or failed to remit the actual tax amounts to the government. Consequently, buyers, having already paid the full invoice value to the suppliers, claimed ITC in good faith based on the matching provisions. When discrepancies surfaced, the GST Department required buyers to reverse the ITC, along with additional interest, due to the suppliers' non-payment of taxes. This led to significant financial setbacks for buyers who had no control over the suppliers' compliance. Furthermore, there was no mechanism to reclaim these credits in GST returns even after the suppliers eventually paid the tax. The introduction has ensured that the taxpayer will get the credits once the supplier has paid the tax.

### **What is Rule 37A of CGST Rules 2017:**

- Supplier has issued the invoice/debit note for goods/services and also reported in GSTR-1 but failed to file GSTR-3B and also failed to pay tax.
- Recipient has accounted the invoice/debit note and availed the ITC based on Matching provisions as per GSTR-2B.
- Now since supplier has not filed GSTR-3B, recipient has to reverse the ITC

### Time limits to reverse the ITC as per Rule 37A:

Condition	Whether ITC to be reversed	Interest Applicability	
If Supplier filed GSTR-3B on or before 30th September of the year following the financial year.	Not required to reverse the ITC which has been claimed earlier	Not applicable	
If Supplier filed GSTR-3B after 30th September of the year following the financial year.	ITC needs to be reversed in GSTR-3B which has been claimed earlier	If ITC reversal is done before 30th November	No Interest Applicable
		If ITC reversal is done after 30th November	Interest will be applicable

### Re-claim of ITC reversed under Rule 37A:

- Recipient can re-claim or re-avail the ITC in Table 4(D)(1) of Form GSTR-3B of any subsequent period once the supplier files GSTR-3B and pay the taxes thereon. There is no restriction of time limits for re-claim or re-availment of ITC.

### How to identify the Suppliers who have defaulted in payment through GSTR-3B:

- GSTR-2A – List is available for those suppliers who have not filed GSTR-3B
- GSTR-2B – ITC reversal under Rule 37A tab is available

Screenshot where one can find details of ITC reversal on GST Portal

To Navigate – Login to GST Portal → Services → Return Dashboard →

Select the month → View GSTR-2B

SUMMARY

ALL TABLES

View Advisory

ITC available

ITC Not Available

ITC Reversal

HELP

S.NO.	Heading [Expand All v]	GSTR-3B table	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
Part A ITC Reversed - Others						
1	ITC Reversal on account of Rule 37A ▲	4(B)(2) Ⓢ	0.00	0.00	0.00	0.00
	B2B - Invoices		0.00	0.00	0.00	0.00
	B2B - Debit notes		0.00	0.00	0.00	0.00
	B2B - Invoices (Amendment)		0.00	0.00	0.00	0.00

## **Conclusion:**

Rule 37A of the CGST Rules has been implemented to ensure compliance and accountability in the Goods and Services Tax (GST) system. Here are the key reasons for its introduction:

- 1. Preventing Revenue Loss:** The rule aims to safeguard government revenue by ensuring that Input tax credit (ITC) is only claimed when the corresponding tax has been paid by the supplier. This reduces the risk of fraud and ensures that the system is not exploited.
- 2. Encouraging Timely Compliance:** By requiring registered taxpayers to reverse ITC when suppliers fail to file their returns or pay taxes, Rule 37A encourages timely compliance from suppliers. It incentivizes them to adhere to their tax obligations.
- 3. Establishing Clear Mechanisms:** The rule provides a clear framework for reversing and re-claiming ITC. This helps taxpayers understand their responsibilities and the procedures they need to follow if suppliers default on their obligations.
- 4. Maintaining Integrity in the Tax System:** By linking ITC eligibility to the supplier's tax payment and compliance status, Rule 37A reinforces the integrity of the GST system. It ensures that only genuine transactions and tax credits are recognized.
- 5. Facilitating Transparency:** The requirements under Rule 37A promote transparency in the input tax credit mechanism, making it easier for tax authorities to monitor and audit compliance.

In summary, Rule 37A is designed to enhance accountability within the GST framework, ensuring that tax credits are only available when taxes have been duly paid, thus supporting the overall integrity of the tax system

# WHAT'S NEW?



## WHAT'S NEW?

### GST

- From 1st April 2025, taxpayers with an Aggregate Turnover of 10 crores and above would not be allowed to report e-Invoices older than 30 days from the date of reporting on IRP portals (Applicable for Invoices/Credit notes/Debit notes).

[Advisory dtd 5th November 2024]

- GSTN has developed the new Form GST DRC-03A on GST portal which is available now to adjust the paid amount through DRC-03 against the corresponding demand order. Therefore, it is advised to the taxpayers to use the DRC-03A form to link the payment made vide DRC-03 with the demand order. Only DRC-03 forms where the cause of payment is either 'Voluntary' or 'Others' can be used in the Form GST DRC-03A.

[Advisory dtd 5th November 2024]

- Supplier View of IMS has also been made available where the action taken by their recipients on the records/invoices reported in GSTR-1/1A/IFF, will be visible to the suppliers in 'Supplier View' functionality. This will help a supplier taxpayer to see the action taken on their reported outwards supplies and will help to avoid any wrong action taken by the recipient taxpayer [Advisory dtd 13th November 2024]

- Due dates for filing of GSTR-3B for the month of October 2024 for Maharashtra and Jharkhand were extended till 21st November 2024.

[Notification no 26/2024 – Central Tax dtd 18th November 2024]

- Reporting TDS Deducted by scrap Dealers in October 2024 - Taxpayers who were granted registration in November 2024, but deducted TDS in October 2024, are hereby advised to report the consolidated amount of TDS deducted for the period from 10.10.2024 to 30.11.2024 in the GSTR-7 return to be filed for the month November 2024.

[Advisory dtd 26th November 2024]

- Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Madhya Pradesh - Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application.

The said functionality also provides for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail,

- (a) A Link for OTP-based Aadhaar Authentication OR
- (b) A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail)

[Advisory dtd 27th November 2024]

- GSTN has prepared a consolidated document on authorized B2B e-Invoice verification apps available for download. The said document would serve as a reference to ensure that taxpayers have the most up-to-date information regarding approved B2B e-Invoice verification apps.

[GST Advisory dtd 27th November 2024]

- Government to authorize Additional and Joint Commissioners to adjudicate cases under GST Sections 67, 73, 74,76, 122, 125, 127,129 and 130 of Central Goods and Services Tax Act 2017 across India for notices issued by Directorate General of Goods and Services Tax Intelligence. It specifies jurisdiction for Principal Commissioners or Commissioners locations include Ahmedabad, Bengaluru, Chennai, Delhi, Mumbai, and others to streamline GST enforcement and compliance

[Notification no 27/2024-Central Tax dtd 25th November 2024]

- Due date for furnishing FORM GSTR-3B for the month of October, 2024 for registered persons whose principal place of business is in the State of Manipur will be 30th November 2024

[Notification no 29/2024-Central Tax dtd 27th November 2024]

# WHAT'S NEW?

## Customs

- Following Amendments made Handling of Cargo in Customs Areas Regulations, 2009.
- The licensing term for Customs Cargo Service Providers (CCSPs) in Regulation 5(3) is reduced from ten years to five years
- Regulation 10(2), following proviso substituted  
CCSPs now automatically retain their appointments as long as their AEO Authorization is valid and not suspended or revoked under Regulation 12.  
[Notification no 75/2024-Customs (N.T.) dtd 7th November 2024]
- Anti-dumping duty is imposed on imports of welded stainless-steel pipes and tubes falling under tariff items 73041110, 73041190, 73044100, 73045110, 73049000, 73051129, 73059099, 73061100, 73062100, 73062919, 73063090, 73064000, 73065000, 73066100, 73066900, 73069011, 73069019 or 73069090 of the First Schedule to the Customs Tariff Act, 1975 originating from Vietnam and Thailand.  
[Notification No. 23/2024-Customs (ADD) dtd 4th November 2024]
- The amount of insurance to be provided by Customs Cargo Service Providers (CCSPs) should be equal to the average value of goods likely to be stored in the Customs area for a period of 5 days instead of 10 days. Also the custodian bond executed by CCSPs i.e. ICDs/CFSs etc who are AEO-LO shall have the validity same as the validity of approval granted under Regulation 10 of HCCAR, 2009.  
[Circular No. 22 /2024-Customs dtd 8th November 2024]
- Condition No. 48 now includes provisions for direct supplies to the armed forces of the Union under the Ministry of Defence and to government departments.  
[Notification no 47/2024-Customs dtd 13th November 2024]
- Jajpur in Odisha state is now an authorized location for the unloading of imported goods and loading of export goods under the Customs Act, 1962.  
[Notification No. 78/2024-Customs (NT) dtd 12th November 2024]
- Department has imposed anti-dumping duties on imports of Epichlorohydrin falling under tariff item 29103000 of the First Schedule to the Customs Tariff Act, 1975 schedule originating from China PR, Korea RP, and Thailand.  
[Notification No. 24/2024-Customs (ADD) dtd 11th November 2024]

- It is clarified that the clear float glass which is not wired, not coloured, not reflective and not tinted and has only a tin layer on one side and there is no other metal oxide layer on it, will be said to be having no absorbent layer; therefore, will be correctly classified under tariff item 70052990.

[Circular No. 23/2024-Customs dtd 14th November 2024]

- Ministry of Heavy Industries has issued Electrical Equipment Quality Control Order (EEQCO), 2020 for Low Voltage Switchgear. The first phase of the EEQCO is scheduled to come into effect from 10.11.2024.

[Instructions no 28/2024 – Customs dtd 12th November 2024]

- Mandatory additional qualifiers have been proposed which needs to be declared at the time of filing of import declarations in respect of coking/ non-coking coal w.e.f 15.12.2024.

[Circular no 24/2024-Customs dtd 20th November 2024]

- CBIC has decided to permit the importers who are facing difficulties on electronic filing of their IGCR-3 monthly statement, may do so manually before jurisdictional officers till 31.01.2025. The monthly statement is to be filed online from the month of February 2025. Further, an excel utility will be made available by DG Systems, CBIC by 15th December 2024 for filing IGCR-3 monthly statement.

[Circular no 25/2024-Customs dtd 21st November 2024]

- It is clarified that the expression “for use in manufacture of cellular mobile phones” is intended to convey that the component should be used in manufacturing process for cellular mobile phones. This does not mean that the components should be imported by manufacturer of cellular mobile phones. Therefore, the goods being imported by the intermediate goods manufacturer who is MOOWR unit for further supplying after some manufacturing/ value addition to the final manufacturer of Cellular mobile phones are duly eligible for the benefit of concessional rate of duty under IGCR Rules, 2022, as long as all other conditions are met

[Circular no 26/2024-Customs dtd 21st November 2024]

# WHAT'S NEW?

## Income Tax

- Monetary limits have been fixed for Income Tax Authorities in respect of reduction or waiver of interest paid or payable under section 220(2) of Income Tax Act –

Sr no	Income-tax Authority	Monetary limits for reduction or waiver of interest
1	Pr. CITI CIT	Upto Rs. 50 Lakhs
2	CCIT/DGIT	Above Rs. 50 Lakhs to Rs. 1.5 crore
3	Pr. CCIT	Above Rs. 1.5 crore

[Circular No. 15/2024 dtd 4th November 2024]

- CBDT has notified the “Petroleum and Natural Gas Regulatory Board” (PAN: AAALP0582E) for exemption benefit of section 10(46A)(b) (any income arising to a body or authority or Board or Trust or Commission, not being a company) of Income Tax Act. [Notification No. 118/2024 dtd 12th November 2024]

- CBDT updated procedures for condonation of delays in filing Forms 9A, 10, 10B, and 10BB for Assessment Year (AY) 2018-19 and subsequent years under Section 119(2)(b) of the Income-tax Act, 1961. Principal Commissioners of Income Tax (Pr. CsIT) are authorized to handle delays of up to 365 days, while Principal Chief Commissioners (Pr. CCsIT) and equivalent authorities will address delays exceeding 365 days.

Applications must be filed within three years from the end of the relevant assessment year, with pending and new applications falling under this circular’s scope. Authorities aim to resolve applications within six months from the month of receipt.

[Circular No. 16/2024-Income Tax dtd 18th November, 2024]

- Circular authorizes Principal Commissioners of Income Tax (Pr. CsIT) to handle delay cases of up to 365 days and Principal Chief Commissioners of Income Tax (Pr. CCsIT) for delays exceeding 365 days for addressing the condonation of delays in filing Forms 10-IC and 10-ID for Assessment Years (AYs) 2020-21, 2021-22, and 2022-23 under Section 119(2)(b) of the Income-tax Act, 1961.

[Circular No. 17/2024-Income Tax dtd 18th November, 2024]

- CBDT has notified SKAN Research Trust (PAN: ABBTS4312B), Bengaluru under the category of 'Research Association' for 'Scientific Research' for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with Rules 5C and 5D of the Income-tax Rules, 1962 and will be applicable for Assessment Years 2025-26 to 2029-30. [Notification No. 121/2024 dtd 25th November 2024]

- Provisions of section 194N (Payment of certain amounts in cash) of the said Act shall not apply to Foreign Representations duly approved by the Ministry of External Affairs of the Government of India including Diplomatic Missions, agencies of the United Nations, International Organisations, Consulates and Offices of Honorary Consuls which are exempt from paying taxes in India as per the Diplomatic Relations (Vienna Convention) Act 1972 (43 of 1972) and the United Nations (Privileges and Immunities) Act 1947 [Notification No. 123/2024 dtd 28th November 2024]

## WHATS NEW?

### DGFT

- Public notice no 05/2024 dtd 27th May 2024 (Related to wastage Permissible and SION norms w.r.t Gold/Platinum/Silver content in export item) has been kept in abeyance till 31st December 2024.

[Public Notice. 29/2024-25 dated: 1st November 2024]

- Maximum wastage or manufacturing loss and Standard Input Output Norms under the Handbook of Procedures, 2023 with respect to export of gold/silver/platinum jewelry has been revised.

[Public Notice. 30/2024-25 dated: 1st November 2024]

- Ministry of Heavy Industries is now notified for mandatory QCO's which are exempted by DGFT for goods to be utilized/consumed in manufacture of export products.

[Public Notice. 31/2024-25 dated: 5st November 2024]

- Additional Port of export as 'Amritsar Airport' added in Para 4.71 of the Handbook of Procedures 2023, for exports under schemes of gold/silver/platinum jewellery and articles thereof

[Public Notice. 32/2024-25 dated: 13th November 2024]

- DGFT has fixed SION norms for export product Clobetasol Propionate under Chemical and Allied Product group.

[Public Notice. 33/2024-25 dated: 14th November 2024]

- ITC (HS) 2022, (Schedule-I) Import Policy is amended in sync with the Finance Act, 2024 (No.2 of 2024) dated 16.08.2024. The updates include changes to specific codes, descriptions, and policy conditions for various goods, including natural menthol, aviation turbine fuel, ballistic protection items, and certain machinery and vehicles  
[Notification No. 40/2024-25-DGFT Dtd: 26th November, 2024]

- The requirement of compulsory registration under Chip Imports Monitoring System (CHIMS) in terms of Policy Condition no 8 of Chapter no 85 of ITC (HS), 2022, Schedule 1 (Import Policy) has been Discontinued with immediate effect. The affected ITC (HS) codes are 85423100, 85423200, 85423300, 85423900, and 85429000, which cover various types of electronic circuits and parts.  
[Notification No. 41/2024-25-DGFT Dtd: 29th November, 2024]

## WHATS NEW?

### RBI

- The Reserve Bank of India (RBI) has issued guidelines for the reclassification of Foreign Portfolio Investment (FPI) to Foreign Direct Investment (FDI) under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019. If an FPI exceeds the 10% limit on a company's total paid-up equity, it must either divest or reclassify the excess investment as FDI.  
[RBI/2024-25/90 A.P. (DIR Series) Circular No. 19 dtd 11th November 2024]

# BEYOND THE OBVIOUS



## GST

- The petitioner had filed a reply to the show cause notice, but the same was not duly considered, and no opportunity for a hearing was afforded, the impugned order is liable to be set aside, and the petitioner's registration ought to be restored [Aditya Developers v. State of Maharashtra]
- Show cause notice demanding reversal of ITC was issued without affording the assessee a personal hearing, and the order confirming the notice was passed in violation of natural justice, the impugned order is liable to be set aside [ Alpha Security Instruments (India) (P.) Ltd. v. Deputy Commercial Tax Officer]
- Where an ex parte order was passed and a recovery notice issued without giving the assessee an opportunity to participate, the order is to be set aside, subject to costs on the assessee. [Saipriya Bangalore Agencies (P.) Ltd. v. Assistant Commissioner of Commercial Taxes]
- The assessee made a pre-deposit, and the signatory was duly authorized, the appellate order dismissing the appeal for non-payment of pre-deposit and lack of authorization is to be set aside. [Delphi World Money Ltd. v. Union of India]
- The delay in filing the revocation application is to be condoned, as the assessee has expressed willingness to pay the applicable tax, interest, and penalty [Md. Naimuddin v. Additional Commissioner]
- The assessee's application for waiver of interest and penalty cannot be denied, as the tax liability was nullified in earlier proceedings [Pepsico India Holdings (P.) Ltd. v. Commissioner Commercial Tax]
- The order is liable to be set aside, as the assessing authority is required to provide the assessee with an opportunity for a hearing before passing an adverse order. [Dronacharya Sewa Sansthan v. State of U.P]
- The petitioner is entitled to claim Input Tax Credit on GST paid upon receiving an advance from MMRDA, as a valid receipt voucher has been issued [L & T IHI Consortium v. Union of India]
- The assessee shall be permitted to file a revocation application, as the cancellation of registration was on account of non-filing of returns [Kiran Enterprises GSTIN v. Commissioner, State Goods & Another]

## SERVICE TAX

- Department failed in setting into motion provisions of law to raise any levy - It is limpid that respondents have retained amounts without authority of law - Amounts to be refunded along with interest. [The Hongkong and Shanghai Banking Corporation Ltd Vs The Union Of India, Mumbai]
- CESTAT held that as per settled precedent, reimbursable amounts do not form part of consideration for provision of service & so will not attract levy of Service Tax [Central Industrial Security Force Vs Commissioner Of Central Excise, West Bengal]

## INCOME TAX

- When the agreement date and registration date differ, the stamp duty value on the agreement date is to be considered for computing profits and gains from the flat's transfer [Arihant Associates v. ACIT]
- Section 54EC exemption can apply to gains from a depreciable asset taxed as short-term capital gains under Section 50 [Omnific, Mumbai vs Income Tax Officer]
- The notice under section 148 for reopening the assessment was issued by the Jurisdictional Assessing Officer (JAO) instead of the Faceless Assessing Officer (FAO) as required by section 151A. Since the correct procedure was not followed, the notice is considered defective, leading to the quashing of the reassessment proceedings initiated by the JAO. The failure to comply with the mandatory requirement of issuing the notice through the FAO renders the proceedings invalid. [Pravina Jagdish Patel vs Income-tax Officer]
- The notice under section 148 for reopening the assessment was issued by the Jurisdictional Assessing Officer (JAO) instead of the Faceless Assessing Officer (FAO) as required by section 151A. Since the correct procedure was not followed, the notice is considered defective, leading to the quashing of the reassessment proceedings initiated by the JAO. The failure to comply with the mandatory requirement of issuing the notice through the FAO renders the proceedings invalid. [Pravina Jagdish Patel vs Income-tax Officer]
- The Assessing Officer issued a reopening notice to the assessee and later passed an order. However, the order was issued by someone who had not heard the assessee, and said order was to be set aside. [Johnson Koomullil Thomas vs. Income-tax Officer]

## CENTRAL EXCISE

- CESTAT held that Advertisement expenses incurred by dealers not to be included in assessable value for payment of excise duty [Suzuki Motorcycle India Private Limited Versus Commissioner of Central Excise]

## COMPANY LAW

- Members can't ask for rectification of register for SEBI violations, Co. itself can apply for such rectification [[2024] 159 taxmann.com 453 (NCLAT - Chennai)]
- Pledger-in-default, can't claim voting rights on pledged shares; HC upholds pledgee's right to exercise voting: HC [[2024] 159 taxmann.com 476 (Delhi)]

## RERA

- MahaRERA ordered Spenta Enclave to pay interest to homebuyers for delays in delivering possession. The ruling emphasized that buyers are entitled to compensation for delays, reinforcing timely completion as a priority under RERA. [ Homebuyers v. Spenta Enclave Pvt. Ltd.]
- Tamil Nadu RERA imposed penalties on developers involved in unregistered sales of plots/flats, emphasizing stricter compliance with registration requirements under the RERA Act. [ TNRERA v. Unregistered Developers]
- The MahaRERA tribunal ruled that developers must provide transparent and accurate completion dates in their agreements. This reaffirms the authority's focus on protecting homebuyers from delay [ Dr. Jayashree D. Chettiar v. Lodha Developers Ltd.]
- The Haryana RERA penalized the developer for misleading marketing claims regarding project specifications, stressing that promotional materials must align with registered details [ Manoj Kumar v. ATS Infrastructure Ltd.]
- The Delhi RERA directed the developer to refund the booking amount to the complainant with interest due to non-compliance with promised delivery timelines. [ Ashok Mehta v. DLF Developers Ltd.]
- MahaRERA canceled registrations for projects where quarterly updates were not submitted and directed the initiation of penal proceedings against the promoters. [ State of Maharashtra v. X Real Estate Group]

# BIZSOL CORNER



## Event :Diwali Laxmi Pooja at Office

### Company and SEBI Law

SEBI has notified the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2024. The amended norms modifies the definition of the connected person. Now, a firm or its partner or its employee in which a connected person is also a partner shall deemed to be connected persons. Further, a person sharing household or residence with a connected person shall also be deemed a connected person

Notification No. SEBI/LAD-NRO/GN/2024/216 dated 06.12.24

www.bizsolindia.com



07/12/2024

Daily Updates!

Bizsol  
...partners in strategy

### Company and SEBI Law

SEBI has updated its 'Investor Charter' to enhance investor protection, market transparency, and trust and confidence among investors. Key updates includes ensuring confidentiality of investor information and providing right to exit at fair and reasonable terms from the market related products or services. SEBI has stren

Daily Updates!

Bizsol  
...partners in strategy

### Company and SEBI Law

SEBI has amended the Securities and Exchange Board of India (Intermediaries) Regulations, 2008. Board has introduced summary proceedings for specific non-compliant intermediaries. These proceedings cover stock brokers, clearing members, depository participants, and others failing to meet obligations or violating securities laws. The amendment mandates the issuance of notices, submission of responses with documentary evidence, and the subsequent passing of orders.

Notification No. SEBI/LAD-NRO/GN/2024/215 dated 06.12.24



# BIZSOL CORNER



CA Akhilesh Laddha, Sr. Associate Audit, selected as Professional of the month for September 2024



Mr. Keshav Bari, Associate Audit, selected as Associate of the month for September 2024



# BIZSOL CORNER



CA Gunjan Rathi, Sr. Associate Audit, selected as Professional of the month for October 2024



Mr. Pranay Gholap, Sr. Associate Accounts, selected as Associate of the month for October 2024



# BIZSOL CORNER



Ms. Gauri Kabara, Trainee Article, selected as Article of the month for October 2024



## Event: - Game Hour on Saturday



# TDS/TCS Mismatch & Follow Up

**Handling TDS / TCS Mismatches & Follow-Up With Suppliers & Customers**

## Identifying TDS/TCS deducted by Suppliers/Vendor's

- Obtain the list of TDS/TCS deducted by your suppliers/vendors, TDS/TCS receivable GL listing
- Download the Form 26AS from TRACS website
- Reconciliation of TDS reflected in Form 26AS and TDS receivable GL
- Prepare summary report of Matched, Mismatch transactions

## Suppliers Follow-ups

- Interaction with suppliers for the identified mismatches
- Follow up for correction of mismatches with the supplier within the agreed timeline
- Guiding the suppliers w.r.t. methodologies for updation of TDS/TCS details
- Any other field work required in relation to above scope
- Providing MIS from time to time for these activities

## Identifying TDS deducted by Customer's

- Obtain the list of TDS deducted by customer's w/194Q, TDS receivable GL listing
- Download the Form 26AS from TRACS website
- Reconciliation of TDS reflected in Form 26AS and TDS receivable GL
- Prepare summary report of Matched, Mismatch transactions

**Now pay the professional fees based on successful reconciliation**

Call Us On +91 98600 51518 | Email Us On [corporate@bizsolindia.com](mailto:corporate@bizsolindia.com)

# Maximize The Entitlement Of GST

Finance Bill have received the ascent and therefore, all the provisions made in the Finance Bill and amendment in Finance Bill has been made effective. Considering the provisions introduced w.r.t. GST and newly introduced TCS w.e.f. 1st October 2020, we have started providing our following services :

**GSTR-2A Reconciliation and Follow up with the Suppliers and guidance to them to ensure your maximum entitlement of GST.**

## Identifying Mismatches

- Review of purchase register of the company for all the location.
- Identifying the incorrect data in purchase register and reviewing the same with the invoice basis which the credit is availed.
- Reconciliation of the credit availed by the company with the invoice reported by the supplier.
- Preparing supplier-wise summary report of mismatches.

## Suppliers Follow-ups

- Interaction with suppliers and customers for the identified mismatches.
- Follow up for correction of mismatches with the supplier within the agreed timeline.
- Guiding the suppliers w.r.t. methodologies for correction of the invoices.
- Working out strategies for agreed mismatches.
- Any other field work required in relation to above scope.
- Providing MIS from time to time for these activities.

**Now pay the professional fees based on successful reconciliation.**

Call Us On +91 98600 51518 | Email Us On [corporate@bizsolindia.com](mailto:corporate@bizsolindia.com)

# Physical Verification of Stock, Fixed Assets and tagging thereof through QR Code

**Periodic Stock Audit • Perpetual Stock Audit • Asset Tagging  
Asset verification**

## Verification Of Assets and Inventory

- Review of the inventory / asset listing
- Planning of verification to ensure minimum stoppage in operations
- Use of latest technologies like QR Codes to ensure faster results
- Tagging the assets with the QR Codes
- Actual counting of Inventory / Assets - Manpower deployment
- Age-wise Analysis of stocks
- Live Reporting to ensure accuracy
- Assistance to Statutory Auditors for count
- Final report to management team / certification of stock
- Correct valuation of inventory
- Read report on opening balance of inventory to be uploaded in the ERP
- PAN INDIA presence

Call Us On +91 98600 51518 | Email Us On [corporate@bizsolindia.com](mailto:corporate@bizsolindia.com)

# #DIGITALBIZSOL

## New Episodes



Input Service Distributor

Invoice Management System Under GST  
(IMS)

Remission of Duties and Taxes on Exported  
Products (RODTEP)

Tap To Listen Now On!



## OUR SERVICES

### Bizzsolindia Services Private Limited

#### Consultancy & Audit in the Area of

- Strategic Management Consultancy
- Indirect Taxation (GST, Customs)
- AEO Certification
- FEMA
- Foreign Trade Policy (Export Promotional Schemes, EPCG, Advance Authorization, DFIA, Duty Drawback, Brand Rate Fixation)
- EOU / EHTP / STP /BTP
- SEZ
- Project Consultancy (Industrial Parks, Clusters, Agro Economic Zone, Food Park, etc.)
- Direct Taxation including Domestic and International Transfer Pricing
- New Business Set up in India
- Valuation including Business Valuation
- Internal Audit
- Corporate Law & Procedures

#### Knowledge Process Outsourcing in the area of

- Indirect Taxation
- GST E-Way Bill
- Accounts
- Inventory management
- Fixed Assets Management
- Implementation of Company Law Matters

### Bizzsol Legal Services

#### Handling Litigations/Compliances in-

- Corporate Law/Company Law
- Consumer Laws
- Intellectual Property Law
- Competition Law
- Environmental Laws
- NCLT & NCLAT
- DRT and SARFAESI ACT
- Labour Laws
- Drafting Commercial Agreements

### Bizzsolindia IT Services Private Limited

#### Specialized IT consulting and Solutions / modules along with ERP Integration and following areas:

- Specialized Software for EOUs and SEZs
- Expert in Application programming using Java and ERP Connectivity
- Data Migration
- Offers bucket of Add On Products for EXIM related solutions for the Complete industry needs
- ERP Consulting / Implementation

Bizsolindia Financial Services Pvt. Ltd.

Financial Services dealing with:

- Treasury Audit
- Information Services
- Advisory Services
- Policy Consulting
- Treasury Outsourcing
- Interest Rates Advisory
- Treasury Operations Training
- Banking Advisory Services
- International Syndication

A.B. Nawal & Associates,  
Cost Accountants

Practicing Cost Accountant, Cost Audit, GST  
Adjudication matters up to CESTAT & VAT Audit.

MPAS & Associates  
(Formerly Behede Joshi & Associates),  
Chartered Accountant

Practicing Chartered Accountants, Statutory  
& Tax Audit VAT Audit & Transfer Pricing

R. Venkitachalam,  
Company Secretary

Practicing Company Secretary.

Nawal Barde Devdhe & Associates,  
Cost Accountants

Practicing Cost Accountants & Cost Audit

Bizsolindia Services Pvt. Ltd.  
CIN: U74999PN2004PTC019256  
14-17, Suyash Commercial Mall, Above  
Union Bank of India, Baner Road,  
Baner, Pune-411045  
Tel: +91 20 40702001 /2002  
corporate@bizsolindia.com  
www.bizsolindia.com

We welcome your valuable feedback on this issue  
at [editor@bizsolindia.com](mailto:editor@bizsolindia.com)

Chief Editor  
Manoj Malpani

Editorial Team  
Vinay Jain, Amit Devdhe,  
Abhishek Malpani, Anita Patil,  
Sourabh Lahoti, Shravan Biyani,  
Nidhi Nawal (Biyani)

Nasik: +91 9860791794, Mumbai: +91 99700 61039  
Aurangabad: +91 9422927642, Satara: +91 9423866197  
Ahmedabad- +91 90330 24545

For Private Circulation only. While utmost care has been taken to provide up to date & current information, any person using this information may exercise sufficient caution. We shall not be responsible for any errors / omissions or any losses arising out of use of contents of this newsletter. Reproduction of contents in any form needs prior written approval from Bizsol.

This disclaimer informs readers that the views, thoughts, and opinions expressed in the text belong solely to the author, and not necessarily to the author's employer, organization, committee or other group or individual.