

MONTHLY UPDATE CAPSULE

November 2024



R R D AND ASSOCIATES

Chartered Accountants

CA Rakesh Daftary

Contents

INCOME TAX	3
1. I-T dept notifies tolerance range for AY25 for transfer pricing cases.....	3
2. Non-disclosure of foreign property invites Rs 10 lakh penalty per year	3
3. Income Tax Department reduces time allowed to apply for old income tax refunds; check the new time limit.....	5
GST & CUSTOMS.....	6
4. Businesses with turnover over Rs 10 cr cannot report e-invoices older than 30 days from April 1, 2025	6
5. GST, customs, excise case hearings to be virtual by default now: Expert views on pros and cons	6
6. GSTR-3B deadline expired: File now to avoid input tax credit loss, GST registration cancellation	8
RBI/MOF.....	11
7. Banks seek integration with RBI platform to monitor LRS limits	11
MISCELLANEOUS.....	12
8. You won't need to repeat KYC for new accounts or services with same bank..	12
9. FSSAI sets expiry timelines for food items sold on ecom and qcom	14
R R D AND ASSOCIATES	15
WHAT WE SERVE	16
OTHER SPECIALIZED SERVICES:	17
DISCLAIMER:	18

INCOME TAX

I-T dept notifies tolerance range for AY25 for transfer pricing cases

The income tax department has notified the tolerance range for variation between arm's length price and transfer pricing for international and specified domestic transactions for Assessment Year 2024-25. The range has been retained at the same level as last year's -- one % for "wholesale trading" and three % for all other taxpayers, the Central Board of Direct Taxes (CBDT) said.

The term 'wholesale trading' will be defined as an international transaction or specified domestic transaction of trading in goods subject to certain conditions. "The notification of tolerance range shall provide certainty to taxpayers and reduce the risk perception associated with the pricing of a transaction in transfer pricing," the CBDT said in a statement.

Read more at: [I-T dept notifies tolerance range for AY25 for transfer pricing cases](#)

Non-disclosure of foreign property invites Rs 10 lakh penalty per year

Many high-net-worth individuals who allegedly own undeclared properties in Dubai have received notices from the tax office. Buyers must comply with the Foreign Exchange Management Act (FEMA) and the Income-Tax Act when buying property abroad. "As the United Arab Emirates is a tax-free zone, black money is often routed through hawala to Dubai, then banked and invested in property. Cash deposits in Dubai bank accounts are not scrutinised for tax implications as they are in India. However, if the sender is a resident Indian, the source of funds could be questioned in India," says Vivek Jalan, partner, Tax Connect Advisory Services.

Remittance and purchase

A resident Indian can acquire property abroad by remitting funds through the Liberalised Remittance Scheme (LRS) route. Under LRS, all resident individuals, including minors, may remit up to \$250,000 per financial year for permissible transactions, including buying property abroad. In the case of minors, the LRS declaration should be signed by the natural guardian. For remittances under LRS for property purchases, tax collected at source (TCS) at 20 applies

for amounts over Rs 7 lakh. The money sent abroad should come from a legitimate source. The person should have declared this money in their income tax return (IT)

Sometimes, the husband sends money abroad in his spouse's name to surmount the \$250,000 limit. The spouse must get proportionate ownership in the property. Any amount gifted to a spouse is not taxable in her hands. Earnings from the gifted amount, however, will be clubbed with the husband's income proportionately (in the same ratio as the amount gifted by the husband and wife's funds) and taxed.

Holding stage

An Indian resident must report the property in their ITR under the Foreign Asset (FA) schedule. Failure to disclose is considered a violation under the Black Money Act and results in a penalty of Rs 10 lakh for each financial year for which disclosure was not made.

Rental income from a foreign property is taxed under the head "Income from House Property". This income must be declared in the Foreign Source Income (FSI) schedule of the ITR. This income is added to the taxpayer's income and taxed at the applicable slab rate. A standard 30% deduction on gross rental income is allowed for maintenance and repairs. If tax is paid abroad on rental income, the taxpayer may claim a foreign tax credit in India.

Sale of property

Gains from the sale of foreign property by an Indian tax resident are taxable in India. Properties held up to 24 months get classified as Short-Term Capital Gains (STCG) and are taxed at the individual's slab rate. For properties held over 24 months, Long-Term Capital Gains (LTCG) apply. They get taxed at 12.5% without indexation benefits if purchased on or after 23 July, 2024, and at 20% with indexation benefits if purchased before this date. Foreign tax credit is available in India for capital gains tax paid abroad.

Section 54 benefit available on sale of overseas property

Section 54 of the Income-Tax Act provides tax exemption on capital gains arising from the sale of a residential property, provided the gains are reinvested in purchasing or constructing another residential property within a specified period. This benefit is also available on the sale of a foreign property, the gain must be long-term & the property in which the gain is reinvested must be situated in India.

Read more at: [Non-disclosure of foreign property invites Rs 10 lakh penalty per year](#)

Income Tax Department reduces time allowed to apply for old income tax refunds; check the new time limit

Income taxpayer's often file this application requesting the tax department to condone delay in filing/revising ITR in order to claim income tax refund and carry forward of losses and set off. The latest circular has reduced the time limit to apply for condonation of delay to five years from the end of the financial year in which the ITR was actually required to be filed. The earlier 2015 circular allowed taxpayers to file the condonation delay application within six years from the end of the financial year in which the ITR was required to be filed. Hence, taxpayers will get one year less to file delay condonation requests to apply for old income tax refunds. CBDT issued the circular on October 1, 2024. If the income tax department believes that there is a genuine hardship and there is evidence of the same, then they accept the condonation of delay request.

How to file condonation of delay request on income tax portal online

A taxpayer can file a condonation of delay request by logging in to his/her account on the income tax portal. Follow the steps below to file a condonation request:

Step 1: Once logged in, click on 'Services' and select 'Condonation Request'

Step 2: On the condonation request page, select the reason for filing the condonation request (Allow ITR filing after time-barred) and click on 'continue'

Step 3: A new webpage will open where you have to click 'Create Condonation Request'.

The income tax portal will ask you to provide certain details and upload documents. These are - Request Category, Assessment Year, ITR file, Claim Value, Filing Type, Reason for Delay & ITR Type from the options. Enter the required details and click on 'Submit'. Once submitted, you must also verify your ITR. A condonation delay request is also often filed if the taxpayer has missed the deadline to verify their ITR. As per current income tax laws, if the ITR is not verified within 30 days from the filing date, then it is considered that the taxpayer has not filed the ITR. According to the circular, the Commissioner of Income-tax, Central Processing Centre (CPC), Bengaluru, shall be vested with the powers for acceptance/rejection of petitions seeking condonation of delay in verifying the ITR.

Read more at: [Income Tax Department reduces time allowed to apply for old income tax refunds; check the new time limit](#)

GST & CUSTOMS

Businesses with turnover over Rs 10 cr cannot report e-invoices older than 30 days from April 1, 2025

New Delhi: From April 1, 2025 onwards, businesses with Aggregate Annual Turnover (AATO) greater than Rs 10 crore will not be allowed to report e-invoices older than 30 days on the date of reporting under the goods and services tax ([GST](#)).

The reform will ensure on-time tax payment and will regulate the delays in reporting of tax invoices, streamlining the GST ecosystem as a whole.

Earlier this time limit restriction was applicable for taxpayers with AATO greater than or equal to 100 crores.

The e-Invoice System is for GST-registered people for uploading all the business-to-business (B2B) invoices to the Invoice Registration Portal (IRP). The IRP generates and returns a unique Invoice Reference Number (IRN), digitally signed e-invoice and QR code to the user. The advisory clarified that this restriction will apply to all document types for which IRNs are to be generated, including the Credit, Debit note.

The advisory added that the April 1 deadline is to provide sufficient time for taxpayers to comply with this requirement. The government had earlier imposed the time limit for business with turnover above Rs 100 crore, effective November 2023.

Read more at: [Businesses with turnover over Rs 10 cr cannot report e-invoices older than 30 days from April 1, 2025](#)

GST, customs, excise case hearings to be virtual by default now: Expert views on pros and cons

The finance ministry has made it mandatory for all Goods and Services Tax (GST), customs and excise departmental quasi-judicial/appellate authorities to conduct personal hearing for proceedings under the specified Acts through Video Conferencing (VC) i.e. in Virtual Mode. Exceptions to allow personal hearing in physical mode may be allowed on receipt of specific request from the party concerned and after recording the reasons for the same in writing, said

Central Board of Indirect Tax & Customs (CBIC) in an internal circular dated November 5, 2024.

Do note that the virtual mode of hearing was introduced in April 2020 and in August 2020 it was made mandatory. In July 2022, the ministry amended its earlier order on the matter making virtual hearings optional. In November 2024, the ministry has made virtual hearings mandatory again.

Which mode of hearing is suitable for which GST registered taxpayers

Both the physical mode and online mode have their own set of advantages and limitations. For instance, cases which have voluminous records and where several parties are involved are better and more effectively done physically.

However, routine cases involving pure legal issues, which may require lesser time, can be done virtually. One must bear in mind that there are several multi-jurisdictional taxpayers who have their proceedings going on before various GST authorities in multiple states.

For such taxpayers, making the virtual hearings mandatory will save a lot of travel time and cost. Further, it also ensures that the taxpayers have the benefit of attending hearings alongside their counsels/consultants which, in the ordinary course, may not be feasible on account of travel cost and time related issues.

Will quality of the GST proceedings remain the same

All virtual proceedings are recorded, and the recording link is shared with taxpayers for their own reference. The recording is done based on an implied consent by taxpayers.

In GST proceedings sometimes it's better to take the physical hearing option rather than online. Officers during virtual hearings have been seen to be distracted and not attentive towards the submissions made by the practitioners/ assessed mainly at an adjudication level. Further in GST matters, it becomes difficult to present the reconciliations and come to the same understanding with the officers/ adjudicators. However, during physical personal hearing, officers are bound to be attentive and engaged in oral submissions of the taxpayers.

Read more at: [GST, customs, excise case hearings to be virtual by default now: Expert views on pros and cons](#)

GSTR-3B deadline expired: File now to avoid input tax credit loss, GST registration cancellation

The deadline for filing [GSTR-3B](#) was November 20, 2024, for all [GST registered taxpayers](#) except in the state of Maharashtra and Jharkhand where the deadline is November 21, 2024. GSTR-3B is a simplified return that is essentially a summary of outward supplies, inward supplies subject to reverse charge mechanism (RCM), calculation of eligible input tax credit (ITC) and others. It serves as a self-declaration for registered [GST](#) taxpayers and complements the GSTR-1 and GSTR-2 forms by summarising GST liabilities for a specific tax period.

What can happen if you fail to file GSTR-3B by the deadline

Missing the GSTR-3B return filing deadline results in penalties and interest being levied on GST registered taxpayers. The maximum amount of late fee can vary based on the type of return and the taxpayer's turnover.

The penalty and interest which needs to be paid if GSTR-3B is filed after the deadline:

1. Late Filing Penalty Nil Return: Rs 20 per day (Rs 10 under CGST and Rs 10 under SGST).
Normal Return: Rs 50 per day (Rs 25 under CGST and Rs 25 under SGST).
2. Interest on Tax Dues: In addition to the late fee, an 18% annual interest is charged on any outstanding tax amount from the due date until the payment date. However, there is a limit for the maximum amount of late fee that the GST department can collect for late filing of the return. The table below shows this:

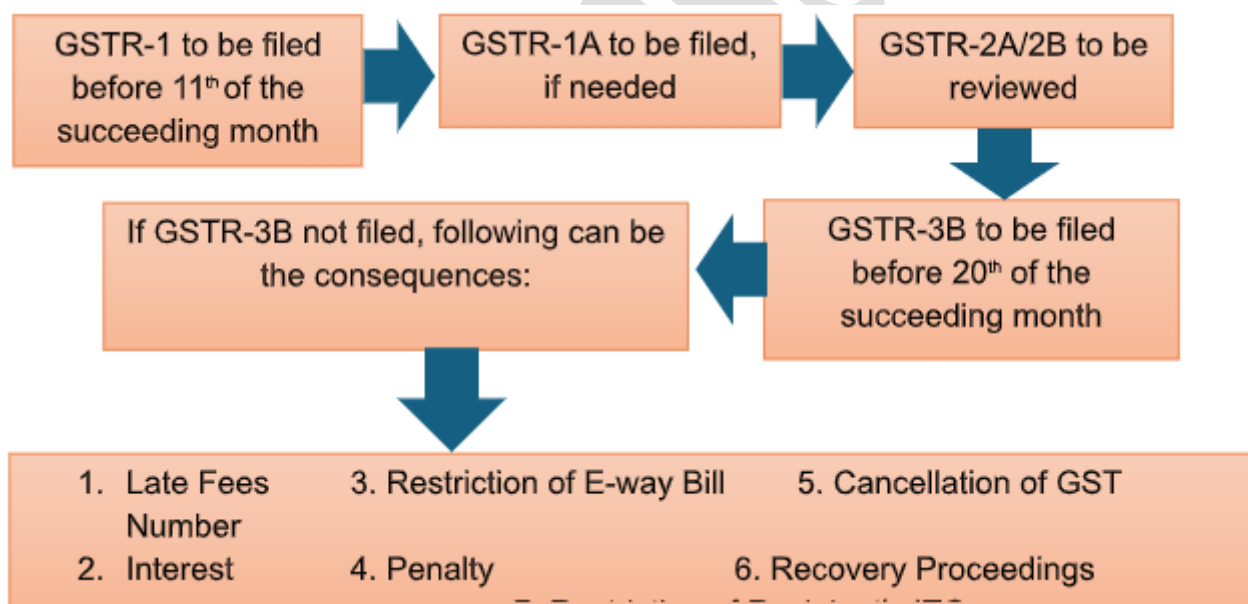
Annual Turnover	SGST	CGST	Total Fee
Below Rs 1.5 crore	Rs 1,000	Rs 1,000	Rs 2,000
Between Rs 1.5 crore and Rs 5 crore	Rs 2,500	Rs 2,500	Rs 5,000
Above Rs 5 crore	Rs 5,000	Rs 5,000	Rs 10,000

Any mistakes or omissions made in previous filings for FY 2023-24 cannot be corrected after November 30, 2024. Late fees continue until the return is filed, with interest at 18% on outstanding tax dues. Further non-filing for two consecutive tax periods restricts e-way bill generation.

GST registration can be cancelled if GST returns are not filed

Taxpayers, other than a composition taxpayer, who fail to file their GST returns for six consecutive months could face cancellation of their GST registration. However, the same cannot be done without intimating the taxpayer vide a show cause notice and granting them a reasonable opportunity of being heard.

The department initiates action if a composition scheme taxpayer does not file GST returns for two consecutive tax periods. If the taxpayer still does not file his/her pending GST returns, then the department may take a strict action against the taxpayer by starting the process for cancellation of GST registration.



The buyer loses pending input tax credit for FY 2023-24 if GSTR-3B is not filed by November 30, 2024

In cases where the recipient has failed to file Form GSTR-3B, in which the ITC is required to be claimed, by the end of November, 2024, claiming the ITC for all invoices for the previous financial year, the claim of ITC on invoices for previous financial year would lapse and cannot be claimed later on, even if the return is filed with late fees.

If one has to consider the delay in filing returns by the supplier, if the supplier has disclosed the invoices for the previous year in the GSTR 1 returns filed by it till November, 2024, the recipient can claim ITC. However, if the supplier has not paid the tax in its GSTR 3B return, subsequently, such ITC can be rejected by the tax authorities for non-fulfilment of conditions under section 16(2)(c) of the IGST Act.

Also, any unclaimed ITC or amendments to previous filings. Without the ability to claim ITC, the buyer cannot offset their output tax liability, resulting in a higher tax burden. Therefore, it is crucial to meet this deadline to ensure that ITC benefits are not lost.

Read more at: [GSTR-3B deadline expired: File now to avoid input tax credit loss, GST registration cancellation](#)

Banks seek integration with RBI platform to monitor LRS limits

Banks have approached the Reserve Bank of India (RBI) seeking integration with its Centralised Information Management System (CIMS) platform, aiming for real-time verification of limit utilisation under the Liberal Remittance Scheme (LRS), said people familiar with the development.

Under the LRS, Indian citizens are allowed to remit up to \$250,000 per financial year for various permissible transactions. The move can also fast-track the inclusion of international credit card spending under LRS regulations, according to the people.

The RBI launched CIMS last year, its next generation data warehouse, where banks submit data, including statutory returns. Queries emailed to the RBI did not elicit any response.

Once implemented, the integration would enable banks to track in real time and flag once any cardholder breaches the limit, and also ensure seamless remittance of tax collected.

While the government removed, through a gazette notification in May, the differential treatment for credit cards vis-a-vis other modes of drawal of foreign exchange under LRS, its full implementation is pending. This would mean that transactions through international credit cards while being overseas would not be counted as LRS and hence would not be subject to tax collection at source (TCS).

Later, after discussion with stakeholders, it amended certain provisions, including restoring exemption from TCS to the threshold of Rs 7 lakh per financial year per individual in all categories of LRS payments, through all modes of payment, regardless of the purpose.

Read more at: [Banks seek integration with RBI platform to monitor LRS limits](#)

MISCELLANEOUS

You won't need to repeat KYC for new accounts or services with same bank

If you're already a customer of a bank and have completed your KYC (identity verification), you don't need to go through the process again if you decide to open a new account or use other services with the same bank. The bank will use your existing KYC details. The Reserve Bank of India (RBI) recently updated its Know Your Customer (KYC) guidelines to align them with changes made to the Prevention of Money Laundering (PMLA) rules.

The key points in the new amendments are as follows:

Centralized Record Keeping:

When banks update your KYC information (like your address or contact details), they must now send the updated information to a central government database (called the Central KYC Records Registry or CKYCR) within seven days. The CKYCR is a central database where KYC information for individuals and entities is stored in a digital format. The registry helps maintain a unified and updated record of customers across financial institutions.

This helps keep a single, up-to-date record of your information across all banks.

Better Customer Tracking:

Banks must now track your KYC details using a unique customer ID, called the UCIC (Unique Customer Identification Code). This makes it easier to identify and verify you, even if you have multiple accounts or products with the same bank.

Easier for Banks to Share KYC Info:

Banks will now be able to share your KYC details more easily with other financial institutions, as long as they follow the updated rules. This speeds up the process if you need to move between banks or financial services.

Faster KYC Updates:

If you provide updated KYC information (like a change in address), the bank must upload the changes to the central registry quickly—within seven days or within any other time frame set by the government.

Online KYC Records:

The central registry, CKYCR, stores your KYC information digitally, so it can be accessed by authorized institutions without the need for physical documents.

Customer Due Diligence (CDD) at the UCIC Level:

The RBI's revised guidelines mandate that Customer Due Diligence (CDD) procedures be applied at the unique customer identification code (UCIC) level. The UCIC is a unique identifier assigned to customers by financial institutions to track their transactions across different accounts and services. This means that if a customer who has already been KYC-verified wishes to open another account or avail of additional services with the same institution, there is no need to repeat the entire KYC process. As long as the customer is already identified, further KYC checks would not be necessary for new accounts or products.

Implications of the Changes:

Customers who have already gone through the KYC process will not be asked to provide the same documents again when opening new accounts or accessing other services with the same financial institution. This simplifies the process for both customers and institutions.

Financial institutions will be required to send updated KYC information to the CKYCR within a fixed timeline, enhancing the centralization and accuracy of customer KYC records.

The overall aim is to improve the efficiency of KYC compliance, reduce redundant documentation, and streamline customer onboarding and service access while still adhering to anti-money laundering (AML) regulations.

The RBI's changes are designed to make the KYC process smoother and quicker for customers, while also improving the way banks store and update customer information. The main benefit for you is that you won't have to repeat the KYC process when accessing new services at the same bank, and your updated details will be easier to track.

Read more at: [You won't need to repeat KYC for new accounts or services with same bank](#)

FSSAI sets expiry timelines for food items sold on ecom and qcom

The Food Safety & Standards Authority of India (FSSAI) on Tuesday asked e-commerce and quick-commerce food operators to ensure a minimum shelf life of 30% or at least 45 days before products expire at the time of delivery.

The order follows rising concerns over violations of food safety standards in quick-commerce and ecommerce.

The meeting, led by FSSAI Chief Executive Officer

G Kamala Vardhana Rao, brought together over 200 platforms and industry bodies, including major players Blinkit and Zepto. Rao asked online businesses to launch robust training programmes for delivery staff, ensuring they're well-versed in critical food safety and hygiene protocols.

Sources revealed that the food safety regulator further pressed platforms to conduct regular health checkups for delivery executives to support Food Safety Training & Certification (FoSTaC). To prevent contamination, the regulator also insisted that food and non-food items be delivered separately.

Rao cautioned operators against making unverified claims online. "This would prevent misleading information and protect consumers' right to accurate product details," stated FSSAI in a release.

Moreover, the regulator clarified that any product claim made on e-commerce and quick commerce platforms -- like marking a product healthy -- must align with the information provided on the product labels and is in adherence to the FSSAI's Labelling and Display Regulations.

"A transparent, compliant, and accountable e-commerce food sector is vital for protecting consumer health and fostering confidence in digital food marketplaces," the release said.

Recently issues related to the sale of near-expiry food products and those lacking expiry dates via digital commerce platforms have been flagged by several authorities. Last month, the Central Consumer Protection Authority (CCPA) issued notices to quick-commerce and e-commerce players for failing to display MRPs and "best before" dates for perishables.

Read more at: [FSSAI sets expiry timelines for food items sold on ecom and qcom](#)

R R D AND ASSOCIATES



CONTACT DETAILS & ALLIANCE WITH ABV & COMPANY

Name of Firm	R R D AND ASSOCIATES
Founder Member	Rakesh Daftary (CA, B.Com.) https://www.linkedin.com/in/ca-rakesh-daftary-a7437b122
Offices	<u>Head Office:</u> D-401, Aaradhya Nine, Naidu Colony, Pant Nagar, Ghatkopar (E), Mumbai – 400 075 <u>Branches:</u> 1) GHATKOPAR: 12, Platinum Mall, Jawahar Road, Ghatkopar (E), Mumbai - 400 077 2) DOMBIVLI: 3/203, Sarvodaya Galaxy CHSL, Kopar road, Dombivli (W), Thane – 421 202 3) MUMBAI (Undergoing redevelopment): Gita Gruh, 57B, 2nd Floor, Picket Road, Kalbadevi, Mumbai- 400 002.
Contact Details	Mobile: 99870 86483 / 90040 99423 Email: rakesh_daftary@rrdandassociates.co.in URL: https://rrdandassociates.co.in Website of Alliance Firm: http://www.abvca.com/

WHAT WE SERVE



SPECIALIZED INTO

- ✓ Audit & Assurance (incl. Tax Audit, Statutory Audit etc)
- ✓ Internal audit / Management audit
- ✓ ESOP Valuation SBP (Share based payment) under Ind AS
- ✓ Valuations under various laws including Companies Act and IBBI
- ✓ Implementation of IFC, Drafting SOPs, Testing controls
- ✓ Company formation and assisting clients with Regulatory compliance for setting up business in India
- ✓ Setting up of Vigil and whistle-blower mechanism
- ✓ Developing, implementing and operationalizing Business Ethics and Code of Conduct for Employees and Directors
- ✓ Tax, Regulatory and Advisory
- ✓ Accounting advisory, Book Keeping and MIS services
- ✓ Project Financing for Term Loan & Working Capital Loan
- ✓ ECB Compliances, Returns, Hedge Accounting and Certification
- ✓ Tax effective Portfolio Management / Reshuffling advisory
- ✓ Regular Attest function
- ✓ Talent pool of proficient resources to our network firms and clients

OTHER SPECIALIZED SERVICES:

Assurance

- ⑩ Concurrent Audit
- ⑩ Statutory Audit
- ⑩ Stock Audit
- ⑩ Forensic Audit
- ⑩ Due Diligence
- ⑩ Tax Audit

Operations & Risk Consultancy

- ⑩ Internal Audit
- ⑩ Review of Internal Financial Control
- ⑩ Drafting and assistance in SOP's
- ⑩ Fraud Investigations

Tax, Regulatory & Advisory

- ⑩ Consultancy under Direct and Indirect taxation
- ⑩ GST Implementation Services
- ⑩ Assessment and Litigation Support
- ⑩ Filling of Returns under direct and indirect taxes
- ⑩ ROC Fillings Regulatory compliances
- ⑩ RBI and SEBI fillings
- ⑩ Supporting in 15CA and 15CB filing

Accounting Advisory

- ⑩ Assistance in drafting and preparations of Financial statement with respect to Ind-AS, IFRS, US GAAPs
- ⑩ Accounts receivables / payable reconciliations
- ⑩ Bank Reconciliations
- ⑩ Inventory Management support
- ⑩ Fixed Asset & Inventory verification
- ⑩ MIS, Budgeting

DISCLAIMER:

The information furnished herein is intended sole personal, non-commercial use of the user. While we have taken every precaution to ensure that the content of this updates are both current and accurate, errors can occur.

This communication is for internal distribution and use only among personnel of R R D AND ASSOCIATES, its Alliance firms, and their related entities. The information contained in this update is for general guidance on matters of interest only. The application and impact of laws can vary widely based on the specific facts involved. Given the changing nature of laws, rules and regulations, and the inherent hazards of electronic communication, there may be delays, omissions or inaccuracies in information contained herein. Accordingly, the information on this update is provided with the understanding that the authors and publishers are not herein engaged in rendering legal, accounting, tax, or other professional advice and services. As such, it should not be used as a substitute for consultation with professional accounting, tax, legal or other competent advisers. Before making any decision or taking any action, you should consult us.

While we have made every attempt to ensure that the information contained in this update has been obtained from reliable sources, we are not responsible for any errors or omissions, or for the results obtained from the use of this information. All information in this update is provided "as is", with no guarantee of completeness, accuracy, timeliness or of the results obtained from the use of this information, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. In no event will R R D AND ASSOCIATES, its related personnel, its Alliance or employees thereof be liable to you or anyone else for any decision made or action taken in reliance on the information in this update or for any consequential, special or similar damages, even if advised of the possibility of such damages.