

HVJ & Associates

CHARTERED ACCOUNTANTS



HVJ COMMUNIQUE

127th Edition – May 2024

Be proud of what you do. Let your work speak for you.
HAPPY WORKERS DAY



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Dear Professional Colleagues,

“Follow your passion, be prepared to work hard and sacrifice, and above all, don’t let anyone limit your dreams.”

—Donovan Bailey

As we HVJ & Associates continue to uphold our standards of excellence and client-centric service, we encourage you to reach out with any questions, feedback, or topics you would like to see covered in future editions. Your engagement and satisfaction are paramount to us, and we look forward to serving you with dedication and expertise.

We are delighted to bring you our 127th edition of HVJ Communique which briefs about various amendments/circulars/clarifications in Goods and Service Tax, Income Tax, RBI and Companies Act 2013. We are always on our forefront to apprise our clients, associates as well as those seeking knowledge with recent updates on various laws and regulations. We have consolidated various regulatory announcements and amendments by respective regulators, along with our analysis, for the month of May 2024.

Happy reading!!

Help us improve!

We hope you find this Journal informative and of continued interest. We welcome your feedback at info1@hvj.co.in

With warm regards,



CA Sudheer Javali

Partner





B. Com, FCA, DISA

THE COMPENDIUM



- **FLUCTUATIONS SUMMARY**
 - **COMPLIANCE CALENDAR – MAY 24**
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-

FLUCTUATIONS SUMMARY

Foreign Exchange Fluctuation

Currency	As on 31st March 2024	As on 30 th April 2024	Fluctuation
US	83.41	83.43	
GBP	105.25	104.31	
EURO	90.04	89.332	
JPY	0.5511	0.5292	

Stock Market Fluctuation

Stock Exchange	As on 31st March 2024	As on 30 th April 2024	Fluctuation
Sensex	74,055.28	74,482.78	
Nifty	22,471.35	22,604.85	

COMPLIANCE CALENDAR –MAY 2024

Sl. No.	Particulars	Due Date
Compliance Calendar for GST		
1	GSTR 7 is a return to be filed by the persons who is required to deduct TDS	10-05-2024
2	GSTR 8 is a return to be filed by the persons who is required to deduct TCS	10-05-2024
3	GSTR-1 (Monthly) for April 2024	11-05-2024
4	GSTR-1 (IFF) (Quarterly) for April 2024 as per QRMP Scheme	13-05-2024
5	GSTR -5 for April 2024 (Non-Resident Taxable person)	13-05-2024
6	GSTR-6 (Monthly) for April 2024 (ISD)	13-05-2024
7	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 April, 2024	15-05-2024
9	GSTR - 5A for April 2024 (OIDAR Service provider)	20-05-2024
10	GSTR-3B (Monthly) for April 2024	20-05-2024
11	PMT-06 Deposit of GST of April under QRMP scheme	25-05-2024
12	GSTR-11 Return for April by persons with Unique Identification Number (UIN) like embassies etc to get refund under GST for goods and services purchased by them	28-05-2024
13	ITC reversal on stocks and capital goods by person opting for Composition scheme in FY 24-25	30-05-2024
Compliance Calendar for ESI, PF & PT Payments		
1	Half yearly return of ESIC for contribution period Oct 23 to Mar 24	12-05-2024
2	PF Payment for the month of April 2024	15-05-2024
3	ESI Payment for the month of April 2024	15-05-2024
4	Professional Tax Due Date April 2024	20-05-2024
Compliance Calendar for Income Tax Act, 1961		
1	Payment of TDS/TCS deducted /collected in April 2024	07-05-2024
1	Due date for issuing TDS certificate for tax deducted under Section 194-IA, Section 194-IB, Section 194M and Section 194S in February 2024	15-05-2024
2	Form 24G: Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of April, 2024 has been paid without the production of a challan	15-05-2024
3	Form 27EQ - Quarterly Statement of TCS for January-March	15-05-2024
4	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M in the month of April, 2024	30-05-2024

6	Form 9A Online Application by trust/institution for exercising the option to apply income of previous year in the next year or in future. Applicable where due date of ITR is 31 Jul	31-05-2024
7	Form 10 Statement to accumulate income for future application u/s 10(21) or 11(1) Applicable where due date of ITR is 31 Jul	31-05-2024
8	Form 10BD E-filing of Annual Statement of Donors & Donations received by charitable organisations u/s 80G/35	31-05-2024
9	Form 10BE E-filing of Annual Statement of Donors & Donations received by charitable organisations u/s 80G/35	31-05-2024
10	Form 24Q, 26Q, 27Q Quarterly statements of TDS for January- March	31-05-2024
11	Return of tax deduction from contributions paid by the trustees of an approved superannuation fund during FY 23-24	31-05-2024
12	Form 49A Application for allotment of PAN in case of non-individual resident person, which enters into financial transaction aggregating to Rs. 2,50,000 or more during last financial year and has not been allotted PAN	31-05-2024
13	Form 16A Annual Statement of financial transactions in respect of Dividend and Interest of FY 23-24	31-05-2024
14	Form 16B Statement of reportable accounts for Calendar year 2023 by reporting financial institutions. File NIL statement if no transactions to report	31-05-2024
15	Higher TDS/TCS due to non-linking of PAN Aadhar, shall not be applicable for transactions up to March 31, 2024 if PAN is linked with Aadhar up to May 31, 2024	31-05-2024
Compliance Calendar for Companies Act, 2013		
1	FC- 4 Annual Return of Foreign Company (Branch / Liaison /Project Office) for FY 23-24	30-05-2024
2	Annual Return of Limited Liability Partnership (LLP) for FY 23-24	30-05-2024

Goods and Services Tax Act, 2017

1. Advisory: Auto-populate the HSN-wise summary from e-Invoices into Table 12 of GSTR-1

<https://www.gst.gov.in/newsandupdates/read/630>

- a. GSTN is pleased to inform that a new feature to auto-populates the HSN-wise summary from e-Invoices into Table 12 of GSTR-1 is now available on the GST portal. This allows for direct auto-drafting of HSN data into Table 12 based on e-Invoice data.
- b. Please note that the HSN-wise summary data auto-populated into Table 12 is intended for your convenience. Please ensure that you reconcile the data with your records before its final submission.
- c. Any discrepancies or errors should be manually corrected or added in Table 12 before final submission.

2. CBIC issues guidelines for GST investigation; prior approval for big cos:

According to the guidelines, when a taxpayer is simultaneously being investigated by the state GST and DGGI officers on different subject matters, the principal commissioner will 'consider the feasibility' of only one of the offices. GST field officers will now have to seek the

approval of their zonal principal chief commissioners to initiate an investigation against any big industrial houses or major MNCs and levy duty on goods/services for the first time.

3. CBIC prescribes NIL interest for specified GSTINs for delay in filing GSTR-3B due to technical glitch:

NOTIFICATION NO. 07/2024 – CENTRAL TAX

The CBIC has issued notification to provide that NIL rate of interest shall be levied for specified GSTINs for delay in filing GSTR-3B due to technical glitch of portal for specified period.

4. Integration of E-way bill portal with New IRP-

In the recent past four new IRP portals were launched for easing the process of generating e invoices. As of today, there are six IRP portals through which the taxpayers may generate IRNs (e-invoices). Now the GSTN has also integrated the four new IRP portals with the E way bill portal. This shall enable generation of E-way bills alongside E-invoices in all the 6 IRP portals.

5. Introduction of Table 14A and 15A in GSTR-1

Two new tables i.e., Table 14A and Table 15A have been introduced in GSTR-1 to capture the amendment details of the supplies made through e-commerce operators (ECO) on which e-commerce operators are liable to collect tax under section 52 or liable to pay tax u/s 9(5) of the CGST Act, 2017. The said tables are now live and available for usage.

6. Advisory on Reset and Re-filing of GSTR-3B of some taxpayers:

<https://www.gst.gov.in/newsandupdates/read/629>

1. This has reference to the facility for re-filing of GSTR-3B for some of the taxpayers. It was noticed that there were discrepancies in the returns of some taxpayers during the filing process between the saved data in the GST system and actually filed data in the fields of ITC availment and payment of tax liabilities. The matter was examined and deliberated by the Grievance Redressal Committee of the GST Council and as a facilitation measure the Committee decided that these returns shall be reset, in order to give opportunity to such taxpayers to correct the discrepancy.

2. Accordingly, only the affected taxpayers have been communicated on their registered email-ids and the affected returns are visible on their respective dashboards for the purpose of re-filing with the correct data. The taxpayers, who have received such communication, are requested to visit their dashboard and re-file their GSTR-3B within 15 days of receipt of such communication.

3. You may reach out to your jurisdictional tax officer or may raise ticket of GST grievance redressal portal, in case you face any difficulty in re-filing of such GSTR-3B.

4. Inconveniences caused to the taxpayer is deeply regretted.

7. Enhancement in the GST Portal

<https://www.gst.gov.in/newsandupdates/read/633>

GSTN is pleased to inform that an enhanced version of the GST portal would be launched on 3rd May 2024. The effort is to improve user experience and ensure that the information you need is accessible and easy to navigate.

a. Key Enhancements Include:

News and Updates Section: We have introduced a dedicated tab for all news and updates. This section now includes a beta search functionality, module wise drop downs and access to archived advisories dating back to 2017.

User Interface Improvements: Minor tweaks have been made to the homepage to enhance usability and aesthetics especially to make it convenient to use.

Updated Website Policy: We have updated our website policy, including the data archival policy. Details regarding web managers have also been included.

b. These changes are scheduled to go live at midnight on 3rd May 2024. Attached to this advisory is a screenshot showcasing some of the upcoming modifications. GSTN will continue to keep you informed as and when these changes are implemented.

Attachment: https://tutorial.gst.gov.in/downloads/news/screenshots_of_gst_revamped_fo_portal.pdf

8. Search BOE feature available on GST portal

Search BOE feature available on GST portal to know why IGST paid on imports are not appearing in GSTR 2A

Taxpayers can follow the below steps to fetch the requisite details:

- a. Login to GST Portal
- b. Navigate to **Services > User Services > Search BEO**
- c. Enter the port code, Bill of Entry Number, Bill of Entry Date and reference date and click on search button.
Note: The reference date would be either Out of charge date, Duty payment date, or amendment date – whichever is later.
- d. If the BOE details do not appear in the Search results, click on the **QYERY ICEGATTE** button, at the bottom of screen, to trigger a query to ICEGATE.
- e. History of fetched BOE details from ICEGATE along with status query are displayed after 30 minutes from the time of triggering the query.

Case Law

9. Cross Empowerment/Parallel Proceedings Under GST

Decision of Hon'ble High Court Of Madras In The Case Of M/S Tvl Vardhan Infrastructure [2024-Vil-272-Mad]

Facts of the case :

- Some taxpayers are assigned under Central Tax but adjudicated by State Tax authorities; and
- Some taxpayers are assigned under State Tax but adjudicated by Central Tax authorities.

Arguments by the petitioner

- In the absence of a proper notification under Section 6 of respective GST enactments for cross empowerment, the impugned proceedings are without jurisdiction.
- Cross-empowerment notification issued is only with respect to grant of refund. Hence, cross empowerment is not in place for adjudication proceedings.

Decision of the court

- Power of assessment has been vested with the proper officers to whom the assessee is assigned by virtue of Circular No. 01/2017-GST dated 20.09.2017D.
- Section 4(2) of CGST Act empowers the Board to appoint any officers of Central Tax below the rank of Assistant Commissioner of Central Tax to be Central Tax Officer for administration of CGST Act, 2017. Therefore, Board cannot appoint officers for state tax purposes. Similarly, under the State Acts, the Commissioners are provided with the same powers. Therefore, there is no cross-empowerment even under this section.
- Section 6(1) of respective GST enactments empowers Govt to issue notification for recommendation of GST Council for cross-empowerment. However, there is no notification except for refund has been issued.
- Therefore, the proceedings are held to be without jurisdiction. Officers under the State or Central Tax Administration as the case may be, cannot usurp the power of investigation or adjudication of an assessee who is not assigned to them.

10. M/s Sri Shanmuga Hardwares Electricals Vs the State Tax Officer, Salem

The Hon'ble High Court of Madras has held that the Department cannot reject the claim of ITC for a mere reason that the said credits were not appearing in GSTR-3B. The taxpayer had claimed ITC vide GTSR-9 as the same was missed to be claimed in GSTR-3B. In this regard, the Hon'ble High Court has held that the assessing officer should examine whether the ITC claim is valid by examining all relevant documents, including by calling upon the registered person to provide such documents. Therefore, the matter is remanded for reconsideration.

11. Applicability of Reverse Charge on Rent Paid by a Company to its Directors

M/S Cords Cable Industries Limited vs Commissioner, Central Excise, Jaipur (Rajasthan)
(CESTAT New Delhi-Service Tax Appeal No. 52207 of 2018)

Although this judgement has been delivered under the Service Tax Regime, it is equally applicable under the GST Regime as well.

In this case, the appellant, a private limited company had made rental payments to 2 persons, who also happened to be the directors of the company. The Department demanded service tax under reverse charge mechanism on the ground that taxable services provided or agreed to be provided by a director of a company to the company is liable for reverse charge.

The Honorable Tribunal held that the directors are providing the service of renting of immovable property in their individual capacity as owners of the premises and not as directors of the company and accordingly, the company cannot be asked to pay service tax under the reverse charge mechanism.

Incidentally, in this case, service tax was collected and paid by the landlords (who happened to be the directors in this case) on the rental receipts. This was considered as an additional ground for holding that reverse charge was not applicable.

Under the GST Law also, there is an identical provision under Notification 13/2017-Central Tax (Rate) – as per serial number 6 of the Notification, services supplied by a director of a company or body corporate to the said company or body corporate is liable for reverse charge. The ratio of this judgement can be applied to GST as well.

Income Tax Act, 1961

1. Consequences of PAN becoming inoperative

<https://www.incometax.gov.in/iec/foportal/sites/default/files/202404/Circular%20no%206%20of%202024%20on%20TDS%20TCS.pdf#>

Deductee/collectee having PAN status as 'Inoperative' attracts higher TDS/TCS rates. However, for the transactions entered into up to 31.03.2024 with inoperative PANs, deductors/collectors shall have **no liability** to deduct TDS/TCS at higher rate if PAN becomes operative on or before 31.05.2024.

2. Attention Trusts/ Institutions

One of the conditions required to be fulfilled by the trust or institution in order to be eligible to claim exemption under the first regime, is laid down in clause (b) of the tenth proviso to clause (23C) of section 10 of the Act. This states that in case the total income of the trust or institution, as computed under the Act without giving effect to the provisions of exemption under the first regime, exceeds the maximum amount which is not chargeable to income-tax in any previous year, the trust or institution is required to get its accounts audited and furnish the audit report in the prescribed Form before the specified date.

3. CBDT notifies 'Amul Research and Development Association' for the purpose of sec. 35 relief

The Central Board of Direct Taxes (CBDT) has notified 'Amul Research and Development Association' under the category "Research Association" for Scientific Research for the purposes of section 35(1)(ii) of the Income-tax Act, 1961.

4. No special drive to re-open cases of mismatch in HRA claims: CBDT:

The CBDT has stated that any apprehensions about retrospective taxation and re-opening cases on HRA claims issues are completely baseless. The board has clarified that there is no special drive to re-open cases, and media reports alleging that the department is undertaking large-scale re-opening have been entirely misplaced.

5. CBDT issues FY'25 interim action plan for tax officers:

The income tax department has come out with an interim action plan for 2024-25 fiscal year, which include identification of potential cases of prosecution, wherein there is short-payment of TDS and faster disposal of appeals.

The action plan also stipulates timeline for approval of refunds, identification of cases where seized assets are due for release and release the same by June 30, 2024. It also called for finalization of compounding proposals pending as on April 31, 2024, and disposal of at least 150 appeals by June 30.

Case Law

6. HC quashes order rejecting application for condonation of delay in filing revised ITR:

Where assessee-trust had inadvertently erred in claiming past years' deficit against current year's income and, as a result, it was settled with a demand, application filed by assessee for condonation of delay in filing revised return was to be allowed.

7. No penalty for not getting books of account audited if they weren't written up within due date of filing ITR:

[2024] 159 taxmann.com 1594 (Rajkot - Trib.) [17-01-2024]

Where assessee had not written up books of account within due date of filing return, question of getting them audited to comply provision of section 44AB did not arise, and thus, assessee could not be visited to penalty under section 271B for offence committed by assessee of not getting accounts audited.

8. Reassessment justified if assessee failed to prove that cash purchases were below threshold limit:

HC: [2024] 161 taxmann.com 509 (Allahabad) [25-01-2024]

Where AO issued show cause notice under section 148A(b) on ground that assessee had made cash purchases from a seller at value exceeding Rs.20,000 and later while passing order under section 148A(d) raised a new ground on account of purchases being made outside books of account, since AO had reached bonafide satisfaction by conducting a survey against seller and assessee failed to establish that purchases made were paid through banking channel or that no purchases were made, same would make suffice test of valid assumption of jurisdiction to reassess assessee.

9. Sum received from employer on account of out-of-court settlement isn't taxable as profit in lieu of salary:

ITAT: [2024] 161 taxmann.com 462 (Delhi - Trib.)[12-04-2024]

Where assessee received certain amount as lump sum amount after his termination from service as a settlement out of court with his employer and said payment was voluntary in nature without there being any obligation on part of employer to pay further amount to assessee in terms of any service rule, such payment would not amount to compensation in terms of section 17(3)(i).

10. Sale consideration of shares not to be considered as turnover of share broker: ITAT: [2024] 161 taxmann.com 307 (Rajkot - Trib.)[06-03-2024]

Where assessee, a share broker, earned commission income was not in excess of limits prescribed under section 44AB and, thus, he was not required to get books of account audited, impugned penalty levied under section 271B was to be deleted.

RBI / FEMA

**1. RBI issues draft directions on 'regulation of Payment Aggregators (PAs)':
PRESS RELEASE NO. 2024-2025/116**

RBI has issued two draft directions on regulation of Payment Aggregators (PAs). Firstly, new directions on regulation of PAs, covering a broad range of aspects including point-of-sale (PA-O) and secondly, amendments to existing directions on PAs. RBI has proposed that non-bank providing PA services must have a minimum net worth of Rs 15 crore at the time of applying for authorisation and a minimum net worth of Rs 25 crore by 31.03.2028. The public comments on same may be sent by 31.05.2024.

2. RBI issues master circular on 'credit facilities to Scheduled Castes and Scheduled Tribes': MASTER CIRCULAR NO. FIDD.CO.GSSD. BC.No.04/09.09.001/2024-25

RBI issued several guidelines and instructions to banks regarding credit facilities to Scheduled Castes (SCs) and Scheduled Tribes (STs). The Master Circular consolidates the circulars issued by RBI on the subject till date. The RBI has directed banks to establish closer liaison with the District Industries Centres, which have been set up in different districts for

promoting self-employment. Further, at the block level, a certain weightage is to be given to SCs/STs in the planning process.

3. `RBI allows banks to submit statutory returns on 'unclaimed deposits' via CIMS Portal: [CIRCULAR NO. DOR.RET.REC.12/12.01.001/2024-25](#)

As per RBI (Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2021, banks submit statutory returns (i.e. Form A, Form VIII and Form IX on unclaimed deposits) in an electronic form on the XBRL Portal. With the launch of the Centralized Information Management System (CIMS), the RBI has decided to shift the submission of statutory returns from the XBRL Portal to the CIMS Portal. Further, banks must continue to submit Form A and Form VIII on both XBRL and CIMS portals concurrently.

4. RBI releases draft master directions on 'Electronic Trading Platforms' [PRESS RELEASE NO. 2024-2025/211 Dated 30th April 2024](#)

RBI has released draft master directions on 'Electronic Trading Platforms' (ETPs). ETP refers to any electronic system, other than a recognised stock exchange, on which transactions in eligible instruments are contracted. As per master directions, an entity seeking authorisation as an ETP operator must maintain a minimum net worth of Rs.5 crore and must continue to maintain a minimum net worth prescribed at all times These directions are effective immediately.

5. RBI issues revised master circular on 'Bank Finance to Non-Banking Financial Companies (NBFCs)' [MASTER CIRCULAR NO. DOR.CRE.REC.No.17/21.04.172/2024-25 Dated 24th April 2024](#)

RBI has issued the revised Master Circular on 'Bank Finance to Non-Banking Financial Companies (NBFCs)'. This circular consolidates all instructions issued up to 23.04.2024. The purpose is to outline the RBI's regulatory policy regarding the financing of NBFCs by banks. This circular applies to all Scheduled Commercial Banks (excluding RRBs). It highlights norms regarding bank finance to NBFCs registered with RBI, NBFCs not requiring registration and activities not eligible for bank credit.

6. RBI directs 'Kotak Mahindra Bank Ltd' to cease and desist from on boarding new customers and issuing fresh credit cards

Supervisory Action against Kotak Mahindra Bank Limited under Section 35A of the Banking Regulation Act, 1949. In exercise of its powers under Section 35A of the Banking Regulation Act, 1949, directed Kotak Mahindra Bank Limited (hereinafter referred to as 'the bank') to cease and desist, with immediate effect, from

- i. on boarding of new customers through its online and mobile banking channels and
- ii. issuing fresh credit cards

The bank shall, however, continue to provide services to its existing customers, including its credit card customers.

KNOWLEDGE CAPSULE

Form 61A - Statement of Specified Financial Transactions (SFT)

1. What is Form 61A

To monitor high-worth transactions conducted by taxpayers, the Income Tax Act introduced a concept called the Statement of reportable account or Financial Transactions, previously also known as Annual Information Return (AIR). The Income Tax Act's Section 285BA mandates specific reporting entities to provide this statement.

According to the 1962 Income Tax Rules, Rule 114E states that this statement must be submitted using Form No. 61A.

SFT in Form 61A shall be submitted on or before 31 May of the FY, immediately following the FY in which the transaction is recorded or registered.

2. What are Specified Financial Transactions

The specified financial transactions referred above are of the following kinds:

- The purchase, sale, or exchange of rights, property, goods, or interests in a property.
- Contracts for works
- Transaction for rendering any service
- Any investments made or expenses incurred
- The acceptance of deposits or the granting of loans

It's worth emphasizing that the Central Board of Direct Taxes (CBDT) has the authority to prescribe varying thresholds for different transactions and different individuals or entities based on the kind of these transactions.

3. Who has to File Form 61A

- A financial institution, including a banking company and co-operative bank
- A non-banking financial company (NBFC)
- Any entity issuing credit cards
- **Any individual or entity subject to an audit under section 44AB of the Income Tax Act.**
- Postal service offices
- A Nidhi company, as defined in section 406 of the Companies Act 2013
- A corporation issuing bonds or debentures
- A corporation issuing shares
- A mutual fund organization
- A corporation listed on a recognized stock exchange
- A trustee of a mutual fund or an individual authorized by the trustee
- Authorized dealers, offshore banking units, money changers, or any other individuals defined in FEMA (Foreign Exchange Management Act)
- An Inspector General or Sub-Registrar appointed under the Registration Act, 1908

4. Which Transactions are Reported in Form 61A?

Class of person (reporting person)	Type of Transaction and limit
Banking Companies and Co-operative Banks	Payment in cash for acquiring Pay Orders (POs) or Demand Drafts (DDs) amounting to a cumulative annual sum of Rs 10 lakh or higher.
Banking Companies and Co-operative Banks	Payment in cash that surpasses Rs 10 lakh when acquiring prepaid RBI instruments such as RBI bonds and so on.
Banking Companies and Co-operative Banks	Deposits or withdrawals totaling Rs 50 lakh or higher from multiple current accounts held by an individual at the same bank.
Banking Companies, Co-operative Banks and Post Offices	Deposits amounting to Rs 10 lakh or greater in bank accounts, excluding current and time deposit accounts, belong to an individual.
Banking Company, Co-operative Bank, Post Master General of Post office, Nidhi	Payments in cash totaling INR 1 lakh or higher annually, or Rs 10 lakh or greater through any other form of payment, for settling a credit card bill issued to a customer within a year.
A company or an institution issuing debentures or bonds	Receipts of Rs 10 lakh or greater in a year from an individual for acquiring such debentures or bonds.
A company issuing shares	Receipts of more than INR 10 lakhs in a year from an individual for purchasing shares also encompass any share application funds received.
Listed companies	The repurchase of shares from an individual for an amount aggregating to Rs 10 lakh or higher.
Manager/Trustee of a Mutual Fund	Receiving Rs 10 lakh or more in a year from an individual purchasing unit of such a Mutual Fund.
A Dealer of Foreign Exchange	Receiving payments from an individual for selling foreign currency or expenses incurred in that foreign currency through methods such as debit/credit card transactions, issuing drafts or traveler cheques, or using any other financial instrument for an annual sum of Rs 10 lakh or higher.
Inspector-General/Sub-Registrar appointed under the Registration Act, 1908	The acquisition or sale of immovable property by an individual, where the transaction's sale value is Rs 30 lakhs or higher, or as determined by the stamp valuation authority.
Persons liable for audit u/s 44AB of the Income Tax Act	Receiving cash payments of more than Rs 2 lakh by an individual for the sale of goods or the provision of services (excluding those mentioned previously).

5. What is the Penalty for Default or Delay

If an individual involved in a specified financial transaction neglect to file Form 61A, authorities will issue a notice requiring the Form's submission within 30 days from the notice's issuance date. If the individual fails to respond to the notice and does not submit Form 61A, a penalty of five hundred rupees daily for non-compliance is imposed. It will start from the date when the period specified in the notice expires.

6. Penalties for Defective Form 61A

Suppose a reporting entity or individual identifies any inaccuracies or discrepancies in the data provided within Form 61A. In that case, they must promptly contact the relevant income tax authority within a 10-day window to rectify the issue without incurring any penalties. When the authorities detect defects or incompleteness in the data furnished within Form 61A online filing, they notify this reporting entity or individual. The reporting entity or individual will then have thirty days to correct the information from the date of notification.

The Income Tax Act prescribes these penalties for those who fail to submit a rectified Form 61A:

- Accurately providing inaccurate information results in a penalty of fifty thousand rupees on reporting entities and individuals.
- Reporting individuals and entities who become aware of data inaccuracies after submitting the statement but do not promptly inform the relevant authorities and provide correct information within 10 days are subject to a penalty of Rs. 50,000.
- If incorrect information is furnished, a penalty of five hundred rupees per day will be assessed from the original due date until it is specified for default in the notice. Subsequently, a one thousand rupees penalty per day is levied beyond the given due date mentioned in the notice.

The tax authority may extend the deadline for rectifying details in default cases. However, if the reporting entity or individual fails to correct the information after receiving the notice, the statement in question (Form 61A) will be deemed invalid.

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Team HVJ
