

**R.C. JAIN AND ASSOCIATES LLP**

**NEWSLETTER**

**June 2024**

*“It always seems impossible until it's  
done.”*

*- Nelson Mandela*



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**[Notification No. 49/2024 F. No. 300196/16/2022-ITA-I]**

New Delhi, the 6th June, 2024

The notification pertains to the exemption of certain income of the Real Estate Appellate Tribunal Punjab, from income tax under section 10(46) of the Income-tax Act, 1961.

- 1) **Purpose:** The notification is issued under clause (46) of section 10 of the Income-tax Act, 1961, which allows certain entities to be exempted from including specified income in their total income.
- 2) **Specified Income:** The following types of income earned by the Real Estate Appellate Tribunal, Punjab, are exempt from income tax:-
  - Levy of fees/charges/fines collected under The Real Conditions: To qualify for the exemption, the Tribunal must adhere to certain conditions:
  - It should not engage in any commercial activity. Estate (Regulation and Development) Act, 2016 and Punjab State Real Estate (Regulation and Development) Rules, 2017.
  - Government grants.
  - Interest on bank deposits.
  - The nature of its activities and specified income should remain unchanged throughout the financial year(s).
  - It must file its income tax return as per the provisions of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.
- 3) **Effective Period:** The notification specifies that this exemption is applicable for the Assessment Years from 2023-2024 to 2026-2027.

**[Notification No. 51/2024 F. No. 300196/43/2018-ITA-I]**

New Delhi, the 12th June, 2024

The notification pertains to the exemption of certain income of 'Kerala Co-operative Deposit Guarantee Fund Board' from income tax under section 10(46) of the Income-tax Act, 1961.

- 1) **Specified Income:** The following types of income earned by Kerala Co-operative Deposit Guarantee Fund Board, are exempt from income tax :-
  - Contribution received from the Government of Kerala
  - Contribution received from society(ies) as defined in paragraph 2(k) of the Kerala Co-operative Deposit Guarantee Scheme.
  - Interest on bank deposits.
  
- 2) **Conditions:** To qualify for exemption, the Tribunal must adhere to certain conditions:-
  - shall not engage in any commercial activity;
  - its activities and the nature of the specified income shall remain unchanged throughout the financial year(s); and
  - shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.
  
- 3) **Effective Period:** This notification shall be deemed to be applicable for Assessment Year from 2019-2020 to 2022-2023 respectively.

## **CBDT Updates the Tax Audit Report in Form No 3CD**

SUBJECT: Changes on e-filing portal and Common issues while filing ITR

### **A. Changes in Functionalities Section 115 BAC (New Tax Regime) - Bank Account Validation**

To ensure the smooth receipt of your Income Tax Refund, taxpayers are required to pre-validate bank account on the e-Filing portal. Income Tax refunds are issued to pre-validated bank accounts linked to PAN.

From AY 2024-25 onwards, there are some minor changes in Prevalidate bank Account functionality: Option of selection of bank account for credit of refund has been removed from ITR Forms. Refund will be credited to the pre-validated bank account of taxpayer (if multiple bank accounts are prevalidated then refund will be credited to one of the pre-validated bank accounts)

### **B. Changes in Statutory Forms**

#### **New Regime for Cooperative Societies**

- Option for Section 115BAE is to be exercised by new manufacturing co-operative societies by e-filing Form 10-IFA on or before the due date specified under Section 139(1) for furnishing the first return on or after the 1st day of April 2024.

#### **Introduction to Form 10-IA**

With effect from AY 2024-25 (FY 2023-24) Form 10-IA has to be furnished when **deduction u/s section 80DD/80U is claimed.**

These sections cover expenses incurred to treat a dependent person (or self) with a disability/severe disability subject to pre-defined conditions. The deduction is the disability is certified by:

- A Neurologist having a degree of Doctor of Medicine (MD) in Neurology (in case of children, a Paediatric Neurologist having an equivalent degree); or
- A Civil Surgeon or Chief Medical Officer in a Government hospital.

#### **New Form 34BC Introduced - e-Dispute Resolution Scheme, 2022**

- The dispute resolution forum that small and medium taxpayers can opt to approach are the Dispute Resolution Committees to be constituted by Central Government u/s 245MA read with Rule 44DAA
- Small and medium taxpayers [those whose returned income is Rs. 50 lakhs or less [if return filed] who fulfil specified conditions can avail dispute resolution in respect of specified orders by making application to DRC.
- The Central Government has, vide Notification No. 27/2022 [S.O. 1642(E)], dated 5-4-2022], notified the new e-Dispute resolution Scheme, under section 245MA. The notification came into force with effect from 5-4-2022.
- Dispute Resolution Committee (DRC) is different from Dispute Resolution Panel (DRP) constituted u/s 144C.

## **C. RETURN RELATED GRIEVANCES**

### **Claim of foreign tax credit in ROI**

Residents are allowed credit for any tax paid outside India by way of deduction or otherwise. Credit only for Tax Surcharge and Cess and not against Interest, Fee or Penalty.

Form 67 to be furnished before the due date for filing ROI.

There is no provision for condonation of delay in filing Form 67 by the Assessing Officer and the alternative remedy to file such an application before PCIT/CCIT/CBDT should be explored.

## **D. REFUND RELATED GRIEVANCES**

### **Non-receipt of refund: Refund determined; bank account validated by the assessee but refund failure.**

Assessee may be advised to update the bank account details once again: Delete the validated bank account and again add validated bank account through his e-filing account.

JAO to also update the bank details: Add assessee bank account through ITBA common function-maintenance maintain bank account details and then inform assessee to raise refund re-issue request through his e-filing account login- services- create refund re-issue request.

### **Withholding/release of refund: (amended section 245(2) of IT Act, 1961 from 01.04.2023 as per finance act-2023)**

Since CASS cases are handled by FAOs under faceless assessment, the FAO needs to take prior administrative approval of the PCIT (AU) and then communicate to JAO for withholding or release of refund. Communication from FAO will be received in official mail as well as ITBA- Faceless enquiry- Work list.

Once JAO receives communication from FAO, the JAO needs to take necessary action for withholding/ release of refund through ITBA – ITR Processing – Return Receipt Register-View RRR entries.

**~ Compiled by Jeet Dargar**

**CASE LAWS**

**1) Issue Involved:**

Failure by Assessing officer to give justified time to the assessee for response and failure to consider the assessee's submissions before passing an order were considered as justified points for appeal and the appellate tribunal remanded the case back to the AO for reconsideration.

**HIGH COURT OF MADRAS**

**Coonoor Sri Thanthi Mariamman Kerala Seva Sangam**

**v.**

**Assessment Unit\***

SENTHILKUMAR RAMAMOORTHY, J.W.P. NO. 12650 OF 2024

W.M.P. NOS. 13800 & 13801 OF 2024 JUNE 6, 2024

**Gist of the Case:**

- The petitioner challenged an income tax assessment order dated 24.03.2024, citing breach of natural justice principles.
- The assessment was reopened for the year 2018-19, and various notices were issued under the Income Tax Act.
- The petitioner contested that cash deposits were contributions, not taxable income, supported by bank statements showing lower deposits than assessed.
- The court found the one-day notice period for response unreasonable and noted the assessment order did not address petitioner's submissions or documents.
- Consequently, the court set aside the order, remanding the matter for reconsideration with provision for additional documents and a fair hearing.

**Facts of the Case:**

- The case involves the reopening of the assessment of the assessee under Section 148A (d) and Section 148 of the Income Tax Act. After the assessee filed a return of income, scrutiny notices were issued and the assessee responded accordingly. Subsequently, a show cause notice was issued, allowing only one day for the assessee to reply. Following this, an assessment order was passed, adding Rs. 85.84 lakhs to the assessee's income based on cash deposits in its bank account.
- In the writ petition, the assessee contended that the actual amount received in the bank account was Rs. 43.21 lakhs, supported by a bank certificate showing Rs. 42.92 lakhs. The assessee argued that the one-day notice period was insufficient and criticized the assessment order for

lacking any discussion or consideration of the assessee's replies and supporting documents.

- The petitioner sought to challenge the assessment order primarily on grounds of inadequate opportunity to respond and failure to consider crucial evidence, claiming the order was unsustainable.

**Held:**

- The court noted that the show cause notice issued to the taxpayer provided only one day for response, which it deemed unreasonable.
- The taxpayer, in their response to the notice, reiterated that the actual amount deposited in their bank account was Rs. 42.92 lakhs, supported by a bank statement. This was significantly lower than the amount assessed by the tax authorities (Rs. 85.84 lakhs)
- Upon examining the assessment order, the court found that it did not address or consider the taxpayer's submissions regarding the discrepancy in deposited amounts.
- Based on these findings, the court concluded that the assessment order was flawed due to procedural irregularities and the failure to adequately consider the taxpayer's explanations and evidence. Therefore, the court set aside the assessment order and remanded the case back to the tax authorities for reconsideration.



## 2) Issue Involved:

Grant of Section 80G Registration to Bar Association Established Since 1924, which was initially denied by the CIT on the plea that the necessary submissions were not made by the Bar Association within time. CIT (Rajpal Yadav) had failed to take into consideration the CBDT circulars granting the extended time. Upon an appeal to ITAT, the said Registration was then granted to the Bar Council.

### IN THE ITAT KOLKATA BENCH 'A'

#### Income-tax Bar Association Calcutta

v.

#### Commissioner of Income-tax (Exemption)\*

RAJPAL YADAV, VICE-PRESIDENT (KZ) AND SANJAY AWASTHI,

ACCOUNTANT MEMBER IT APPEAL NO. 205 (KOL) OF 2024 JUNE 11, 2024

#### Gist of the Case:

- Bar Association, established since 1924, applied for registration under section 80G(5)(iii) of the Income Tax Act. Initially granted provisional registration, the Association applied for regular registration after the deadline specified by the Commissioner. The Commissioner rejected the application, citing procedural timelines, and cancelled the provisional registration.
- The appeal argued that the application was within extended deadlines provided by CBDT circulars and highlighted the Association's consistent charitable activities. It requested the Tribunal to grant regular registration under section 80G(5)(iii) based on the Association's historical charitable work and compliance with amended procedures.

#### Facts of the Case:

- The entity in question is a Bar Association that has been in existence since 1924. The Bar Association filed an application using Form No. 10AB. The purpose of this application was to obtain regular registration under section 80G(5)(iii) of the Income Tax Act.
- Initially, the Commissioner granted provisional registration to the Bar Association. The Bar Association commenced its activities after receiving provisional registration. The application for regular registration (under section 80G(5)(iii)) was submitted after six months from the commencement of activities.
- The Commissioner observed that the application for regular registration was not filed within the prescribed timeframe (six months from the commencement of activities). Therefore, the Commissioner rejected the application for regular registration and also cancelled the provisional registration previously granted.

- The Bar Association appealed the Commissioner's decision to the Tribunal.

**Held:**

- In appeal, the Association argued that its application was within the extended deadline provided by CBDT circulars and that its activities remained consistently charitable. It contended that the Commissioner's decision overlooked the extended filing period and misapplied the law's requirements for registration under the amended provisions.
- The Departmental Representative acknowledged the CBDT's extensions but did not counter the appellant's submissions effectively.
- After hearing both sides and reviewing the provisions of section 80G (5), the Tribunal found that the Commissioner had misconstrued the law and failed to recognize the extended filing deadlines set by the CBDT. Considering the Association's longstanding charitable activities and compliance with the amended procedures, the Tribunal allowed the appeal. It directed the Commissioner to grant regular registration under section 80G(5)(iii) of the Income Tax Act to the Bar Association.
- In conclusion, the Tribunal emphasized that the Association's application was timely within the extended period and that its charitable activities remained consistent, warranting the grant of regular registration under the Income Tax Act.

**~ Compiled by Chaitanya Sejpal**

### **3) Issue involved**

The case involves Ms. Deepa Pamnani appealing against the Appellate Order by the National Faceless Appeal Centre Delhi for the assessment year 2015-16. The dispute arose from the assessment order by the Income Tax Officer, Mumbai, who treated long-term capital gains from the sale of shares as unexplained cash credits under Section 68 of the Income Tax Act, 1961. The Assessing Officer also denied exemption under Section 54F for the purchase of a residential property and disallowed a stamp duty expense.

#### **IN THE ITAT MUMBAI BENCH 'D'**

**Ms. Deepa Pamnani**

**Pamnanai Hospital & Research center**

**v.**

**The Income tax officer Ward 20(1)(1)**

#### **Facts of the Case:**

- Ms. Deepa Pamnanai received 28,750 shares of Beam Developers Private Limited as a gift from her son in December 2014.
- In February 2015, Ms. Deepa Pamnanai sold these shares to Mr. Suresh Galani, another director of the company, for a total consideration of Rs. 3 crores.
- The Income Tax Officer (AO) conducted an assessment and treated the long-term capital gain arising from the sale of shares as taxable under Section 68 of the Income Tax Act, 1961. This section deals with unexplained cash credits.
- The AO disputed the valuation of the shares, alleging that the sale price was inflated and not reflective of the true market value. This led to the classification of the capital gain as unexplained income.
- Ms. Deepa Pamnanai claimed exemption under Section 54F of the Income Tax Act, which allows for exemption of capital gains arising from the sale of a residential property if the proceeds are reinvested in another residential property.
- Ms. Deepa Pamnanai appealed against the AO's order to the National Faceless Appeal Centre Delhi (CIT-A). The CIT-A upheld the AO's decision, thereby denying the claim under Section 54F and affirming the treatment of capital gains as unexplained income.
- Ms. Deepa Pamnanai contested the CIT-A's decision before the Income Tax Appellate Tribunal (ITAT). Her grounds of appeal included:
  - ✓ Validity and fairness of the share valuation.
  - ✓ Compliance with Section 54F requirements.
  - ✓ Procedural fairness and adequate opportunity to present evidence.
- The ITAT reviewed the case and ruled in favor of Ms. Deepa Pamnanai. It recognized the validity of the share valuation, allowed the claim under Section 54F, and highlighted procedural deficiencies in the appellate process conducted by the CIT-A.

### **Conclusion of the case:**

- The ITAT accepted the valuation of the shares at Rs. 10 per share, as determined by Ms. Deepa Pamnanai. This was crucial as it determined the capital gains tax liability based on this valuation.
- The ITAT disagreed with the Income Tax Officer's (AO) assessment under Section 68 and did not treat the capital gains arising from the sale of shares as unexplained income. Instead, it recognized the transaction as genuine and taxable under the appropriate provisions of the Income Tax Act.
- The ITAT allowed Ms. Deepa Pamnanai's claim for exemption under Section 54F of the Income Tax Act. This exemption is applicable when capital gains from the sale of a residential property are reinvested in another residential property, subject to certain conditions. The ITAT found that Ms. Deepa Pamnanai met these conditions and thus granted her the exemption.
- In conclusion, the ITAT's decision in favor of Ms. Deepa Pamnanai resolved the contentious issues related to the valuation of shares, capital gains taxation, and the application of exemptions under the Income Tax Act for the assessment year 2015-16 & accordingly the addition was duly deleted.

**~ Compiled by Sanchit Jain**

**CASE LAW**

**Goods & Service Tax**

**Partha Pratim Dasgupta Vs Joint Commissioner of State Tax  
(HIGH COURT OF CALCUTTA)**

**Date of Judgment/Order - 10/06/2024**

**Case Summary**

- Petitioner-assessee appealed against an order passed by the GST Department.
- Said appeal was filed on along with the required 10% pre-deposit and a provisional acknowledgement.
- Appeal was delayed by 55 days and hence, accompanied by a Condonation of delay application.
- Assessee argued that Appellate Authority ignored explanation provided in said application and relied solely on Section 107(4) proviso, asserting it lacked jurisdiction to condone delays beyond one month after the prescribed period and rejected application.
- The Court opined that the assesses could not be prevented from maintaining an application for condonation of delay by referring to Section 5 of the Limitation Act, 1963.

**Facts of the case**

The petitioner was aggrieved by an order of the Department dated 4th October, 2023 passed under Section 73(9) of the West Bengal Goods and Service Tax Act, 2017.

- The petitioner had filed an appeal on 27th February, 2024 against the said order.
- The aforesaid appeal was filed along with 10% pre deposit of the disputed amount of tax.
- There was a delay of 55 days in filing of the appeal.
- Subsequently, on 14th March, 2024 the petitioner had received a notice as to why the appeal should not be rejected due to the delay as the same was filed beyond one month of the prescribed period as provided for under Section 107(1) read with Section 107(4) of the said Act.

**Conclusion of the case**

- The Honourable High Court of Calcutta held that the Appellate Authority could not prevent the petitioner from maintaining an application for condonation of delay by invoking the provisions of Section 5 of the Limitation Act, 1963.
- The issue whether the Appellate Authority is competent to condone the delay beyond one month from the prescribed period for filing of an appeal has already been conclusively decided by the Hon'ble Division Bench of this Court in the case of S. K. Chakraborty & Sons v. Union of India reported in 2023 SCC Online Calcutta 4759.
- Having regard to the aforesaid the Honourable High Court is of the view that the Appellate Authority ought to have taken note of the explanation given in the application for condonation

of delay under Section 5 of the Limitation Act, 1963.

- In view thereof, Honourable High Court restored the aforesaid appeal to its original file and number and directed the Appellate Authority to hear out the same in accordance with law on merit within a period of two months from the date of communication of this order.
- The Honourable High Court concluded that in case there was a delay in filing of an appeal beyond one month by the aggrieved assessee, then too, the Appellate Authority has an authority to condone such delay by considering the genuinity of the cause of such delay, subject to the time limit of 3 years from the date of order as highlighted in Section 5 of the Limitations Act, 1963. Detailed Case Law along with the Case Law referred is attached for your reference.

**53<sup>rd</sup> GST Council Meeting**  
**(Held on 22/06/2024)**

**Key Recommendations in the Meeting:**

- GST Council recommends waiving interest and penalties for demand notices issued under Section 73 of the CGST Act (i.e. the cases not involving fraud, suppression or wilful misstatement, etc.) for the fiscal years 2017-18, 2018-19 and 2019-20, if the full tax demanded is paid up to 31/03/2025.
- GST Council recommends the time limit to avail ITC with respect to any invoice or debit note under Section 16(4) of CGST Act, through any GSTR 3B return filed up to 30/11/2021 for FY 2017-18, 2018-19, 2019-20 and 2020-21, may be deemed to be 30/11/2021.
- GST Council recommends monetary limit of Rs. 20 lakh for GST Appellate Tribunal, Rs. 1 crore for High Court and Rs. 2 crore for Supreme Court, for filing of appeals by the Department, to reduce litigation.
- GST Council recommends reduction of the quantum of pre-deposit required to be paid for filing of appeals under GST. For appeal to first appellate authority the maximum limit is recommended to be reduced from Rs. 25 crores to Rs. 20 crores. For appeal to second appellate authority the maximum limit is recommended to be reduced from Rs. 50 crores to Rs. 20 crores.
- GST Council recommends amending provisions of CGST Act to provide that the three-month period for filing appeals in GST Appellate Tribunal will start from a date to be notified by the Government.
- To ease the interest burden of the taxpayers, GST Council recommends to not levy interest u/s 50 of CGST Act in case of delayed filing of return, on the amount which is available in Electronic Cash Ledger (ECL) on the due date of filing of the said return.
- GST Council recommends exemption from Compensation Cess leviable on the imports in SEZ by SEZ Unit/developer for authorised operations from 1st July, 2017.
- Due date of filing Form GSTR 4 (for composition taxpayers) is recommended to be extended from 30th April to 30th June.
- Value in case of supply of certain services by foreign affiliate to the related domestic entity

shall be deemed to be the value declared in the invoice. If no such invoice is issued then the Value of services shall be deemed to be NIL.

- GST Council recommends insertion of new Form GSTR 1A to allow for correction in GSTR 1. It will be allowed to be filed before filing of GSTR 3B.
- The GST Council recommended to roll-out the biometric-based Aadhaar authentication of registration applicants on pan-India basis in a phased manner.
- The GST Council recommends a common time limit for issuing of demand notices and orders under sections 73 and 74 from FY 2024-25.
- The time limit for the taxpayers to avail the benefit of reduced penalty, by paying the tax demanded along with interest, has been recommended to be increased from 30 days to 60 days.
- The threshold for reporting of B2C inter-State supplies invoice-wise in Table 5 of FORM GSTR-1 was recommended to be reduced from Rs. 2.5 Lakh to Rs. 1 Lakh.

**~ Complied by Aditya Bhoir**

**RBI/2024-25/40**

**DoR.SPE.REC.No.24/13.03.00/2024-2025**

**June 07, 2024**

**Amendment to Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016**

The Reserve Bank of India has revised the definition of bulk deposits for all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks. The term “Bulk Deposit” would now mean:

- i. Single Rupee term deposits of Rupees three crore and above for Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks.
- ii. Single Rupee term deposits of Rupees one crore and above for Local Area Banks as applicable in case of Regional Rural Banks.

These instructions shall be applicable to all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks.

**RBI/2024-25/41**

**A.P. (DIR Series) Circular No. 09**

**June 07, 2024**

**Foreign Exchange Management (Overseas Investment) Directions, 2022 - Investments in Overseas Funds**

The Foreign Exchange Management (Overseas Investment) Directions, 2022 have been amended to clarify provisions regarding investments in units or other instruments issued by overseas investment funds.

**1. Amendment to Paragraph 1(ix)(e):**

- Investments (including sponsor contributions) in units or any other instrument issued by an investment fund overseas, regulated by the financial sector regulator in the host jurisdiction, shall be considered as Overseas Portfolio Investment (OPI).
- In jurisdictions outside International Financial Services Centres (IFSCs), listed Indian companies and resident individuals are permitted to make such investments.
- In IFSCs, not only listed Indian companies and resident individuals but also unlisted Indian entities may invest in units or other instruments issued by an investment fund or vehicle, as per Schedule V of the Overseas Investment Rules, subject to applicable limits.
- The definition of "investment fund overseas, duly regulated" includes funds regulated by the financial sector regulator of the host country or jurisdiction through a fund manager.



## 2. **Amendment to Paragraph 24(1):**

- Residents of India, including Indian entities and resident individuals, are allowed to invest (including sponsor contributions) in units or any other instrument issued by an investment fund or vehicle set up in an IFSC, as OPI.
- This expands the scope beyond listed Indian companies and resident individuals to include unlisted Indian entities for investments in IFSCs.

These amendments aim to provide clarity on regulatory frameworks governing investments in overseas investment funds, ensuring alignment with the diverse regulatory environments across jurisdictions. The updated directions were issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999, and AD Category-I Banks are instructed to communicate these changes to their stakeholders.

**RBI/2024-25/44**

**FIDD.CO.PSD.BC.No.7/04.09.01/2024-25**

**June 21, 2024**

### **Priority Sector Lending – Amendments to the Master Directions**

The Master Directions (MD) on Priority Sector Lending (PSL), dated September 04, 2020, have been updated with several amendments:

1. **Para 7 - Adjustments for weights in PSL Achievement:** The lists of districts categorized by their Priority Sector Lending (PSL) credit levels (high and low) as per Annex IA and IB have been updated. These updated lists will remain valid until FY 2026-27. Starting from FY 2024-25, incremental priority sector credit in districts with lower credit flow (per capita PSL less than ₹9,000) will receive a higher weight (125%), whereas districts with higher credit flow (per capita PSL greater than ₹42,000) will receive a lower weight (90%). This amendment aims to adjust PSL targets more dynamically based on district-level credit performances.
2. **Para 9 - Micro, Small & Medium Enterprises (MSMEs):** The definition of MSMEs under PSL has been aligned with the Master Direction on Lending to Micro, Small & Medium Enterprises (MSME) Sector for clarity and consistency.
3. **Para 27 - Monitoring of Priority Sector Lending targets:** The requirement for Urban Cooperative Banks (UCBs) to submit priority sector advances data using specific reporting formats (Statement I and Statement II) at quarterly and annual intervals to RBI's Department of Supervision (DoS) Regional Offices has been repealed. This reporting obligation has been integrated into the reporting requirements under the Master Direction on Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024 (MD on FSR), with the applicable return specified at Sl. No. 61 of Annex III. This change streamlines reporting procedures for UCBs regarding PSL targets.

**~ Compiled by Ruchi Bhanushali**

**ROC CLAMPS DOWN ON COMPANY AND ITS DIRECTORS FOR SUBMITTING ILLEGIBLE FINANCIAL STATEMENTS IN E-FORM AOC-4**

**The Registrar of Companies of Kolkata**

**In the matter of M/s Pre-Stressed Udyog (India) Private Limited**

The company had filed e-form AOC-4 - form for filing financial statements and other documents with the Registrar of Companies under section 137 of the Companies Act 2013 and sub-rule (1) of Rule 12 of Companies (Accounts) Rules 2014 for the financial year ended 31st March 2016.

From the financial statements filed by the company, it was observed that certain pages of the financial statements were not legible at the Ministry of Corporate Affairs portal.

Further to the above, specific schedules attached to the financial statements in the e-form were also found to be not legible at the Ministry of Corporate Affairs portal

The Regulators had come to a firm conclusion that the It may be concluded that the financial statements as at the end of the year 31st March, 2016 had not been properly filed by the company and hence the same could be considered as a defective filing. This has resulted in no complete information with respect to the financial statements being given to the public for their view.

With the above facts arising from the enquiry report, the Registrar of Companies had reasons to believe that the company and its directors had violated the provisions of section 137 of the Companies Act 2013 relating to filing financial statements with the Registrar of Companies.

And following penalty has been levied:

Sr. No.	Penalty imposed up on Company /Directors	Amount of default	The total maximum penalty imposed
		Rupees	Rupees
1.	Company	10,000+(100*2449) =2,54,900	2,00,000
2.	Director - 1	10,000+(100*2449) =2,54,900	50,000
3.	Director - 2	10,000+(100*2449) =2,54,900	50,000
4.	Director - 3	10,000+(100*2449) =2,54,900	50,000
		<b>Total penalty</b>	<b>3,50,000</b>

**~Compiled by Ankita Jain**

**#HUNAAR ART**



**~ By Ananya Poojari**

**Allow us to tell you more!**



**R.C. JAIN & ASSOCIATES LLP**  
**Chartered Accountants**  
**Website: [www.rcjainca.com](http://www.rcjainca.com)**

**Head Office:**  
**Mumbai -**

622-624, The Corporate Centre,  
Nirmal Lifestyles, L.B.S. Marg,  
Mulund (W),  
Mumbai - 400080.  
Email: [info@rcjainca.com](mailto:info@rcjainca.com)  
Phone: **25628290/91 67700107**

**Branch Offices:**  
**Bhopal -**

M-272, Near Arya Samaj Bhawan,  
Gautam Nagar, Bhopal,  
Madhya Pradesh- 462 023  
Email: [hmjainca@rediffmail.com](mailto:hmjainca@rediffmail.com)  
Phone: **0755-2600646**

**Aurangabad -**

Su-Shobha, Plot No.7,  
Mitranagar, Behind Akashwani,  
Near Maratha Darbar Hotel,  
Aurangabad - 431001.  
Email: [sskasliwal@gmail.com](mailto:sskasliwal@gmail.com)  
Phone: **0240-2357556**

