

Announcements

GST

• Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Kerala, Nagaland and Telangana

Starting October 5, 2024, GST registration in Kerala, Nagaland, and Telangana will include biometric Aadhaar authentication. After submitting Form GST REG-01, applicants will receive an email with a link for either OTP-based Aadhaar Authentication or to book an appointment at a GST Suvidha Kendra (GSK). If you receive the appointment link, you must schedule a visit to the GSK. At the GSK, bring your appointment confirmation email, jurisdiction details, original Aadhaar and PAN cards, and the original documents uploaded with your application. Biometric authentication and document verification will occur at the GSK. Schedule appointments within the timeframe specified in the email; GSK hours will follow state guidelines. Taxpayers should comply with these procedures for a smooth registration process.

• Advisory for Taxpayers: New GST Provision for Metal Scrap Transactions

As of October 13, 2024, the government has issued Notification 25/2024-Central Tax requiring businesses dealing with metal scrap to register using FORM GST REG-07 on the GST portal. In Part B of Table 2, applicants must select "Others" and enter "Metal Scrap Dealers" in the provided text box, which is mandatory. After completing the form, taxpayers must submit it on the GST portal to comply with the new regulations. These changes aim to simplify the registration process for metal scrap buyers and ensure compliance with updated GST provisions. Taxpayers are encouraged to register promptly.

• Advisory on IMS

The Invoice Management System (IMS) is now available to taxpayers as of October 14, 2024. This system allows taxpayers to match invoices from suppliers to ensure accurate Input Tax Credit (ITC) claims. Taxpayers can accept, reject, or keep invoices pending for later review. The first GSTR-2B based on actions taken in IMS will be progressively introduced on November 14, 2024, for the October 2024 return period. It is not mandatory to take action on invoices in IMS; if no action is taken, invoices will be deemed accepted and included in GSTR-2B. The IMS aims to streamline ITC claims and enhance accuracy in GST filings.

• Important advisory for GSTR-9/9C

Starting from the financial year 2023-24, the GST system will automatically fill in eligible Input Tax Credit (ITC) for domestic supplies (excluding reverse charge and imports) from Table 3(I) of GSTR-2B into Table 8A of GSTR-9. This feature will be available on the GST portal from October 15, 2024. Additionally, a validation tool will be progressively introduced to help taxpayers verify the auto-populated data in GSTR-9 for the period from April 2023 to March 2024. These updates aim to simplify the GSTR-9 and GSTR-9C filing process by ensuring accurate ITC data transfer.

• Hard - Locking of auto-populated liability in GSTR-3B

To enhance the GST return filing process and reduce errors, the GST Network (GSTN) has implemented improvements, including a pre-filled GSTR-3B form that auto-populates tax liabilities from GSTR-1, GSTR-1A, or the Invoice Furnishing Facility (IFF), and Input Tax Credit (ITC) from GSTR-2B. Taxpayers can amend incorrectly declared outward supplies through GSTR-1A before filing their GSTR-3B. Starting in January 2025, the GST Portal will hard-lock auto-populated values in GSTR-3B, preventing manual changes to data sourced from GSTR-1, GSTR-1A, IFF, or GSTR-2B. Any necessary corrections must be made via GSTR-1A or the Invoice Management System (IMS) prior to filing. These measures aim to improve accuracy and streamline the GST return filing process for taxpayers.

• Validation of bank account details while adding bank account as Non Core amendment

GSTN has initiated a validation process for taxpayers updating their bank account details through non-core amendments. When entering bank information, taxpayers must click the "VALIDATE ACCOUNT DETAILS" button first. The "Save" button will remain disabled until validation is complete. Once the "Validate Account Details" button is clicked, the "Save" button will activate, allowing taxpayers to save the new information. This validation step aims to streamline the amendment process and ensure accurate bank account details in the GST system. Taxpayers are encouraged to follow these guidelines for compliance.

• Barring of GST Return on expiry of three years

The Finance Act, 2023, effective October 1, 2023, prohibits taxpayers from filing GST returns after three years from their due date. This applies to Sections 37 (GSTR-1), 39 (GSTR-3B), 44 (GSTR-9), and 52 (GSTR-7). The restriction will be enforced on the GST portal starting in early 2025. Taxpayers are advised to reconcile their records and file any outstanding GST returns promptly to avoid compliance issues.

Income Tax

- CBDT vide Order u/s 119 dated 07th October, 2024 has further extended the due date to file audit report in correct Form 10B/10BB as applicable for A.Y. 2023-24 to 10th November, 2024 from 31st March, 2024 for those taxpayers who have filed Form 10B/10BB till 31st October, 2023 but filed Form 10B instead of Form 10BB and vice-versa.
- The due date for filing returns under Section 139(1) of the Income Tax Act, 1961, has been extended from October 31, 2024, to November 15, 2024, for corporate assessees (all companies), non-corporate assessees whose books require auditing under the Income Tax Act or other laws, and partners of firms whose accounts are subject to audit, including spouses if Section 5A applies.

MCA

- The Investor Education and Protection Fund Authority (IEPF) has amended its rules regarding the annual statement of accounts, now called the Investor Education and Protection Fund Authority (Form of Annual Statement of Accounts) Amendment Rules, 2024. These rules take effect upon publication in the Official Gazette. A key change replaces "one Member" in Rule 5(2) with "the chief executive officer," clarifying roles within the IEPF Authority and ensuring compliance with the Companies Act, 2013.

Due dates

Income Tax

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| 7th Nov, 2024 | • TDS Payment for October 2024. |
| 15th Nov, 2024 | • Issue of TDS Certificates in Form 16A for July to Sep 2024.
• Extended Income Tax Return due date for Non Corporate's requiring Audit and Corporates for FY 2023-24. |
| 30th Nov, 2024 | • TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments), 26QE (Crypto Assets) for Oct 2024.
• Filing of Income Tax Returns of taxpayers who are required to furnish TP report (including partners of such firm). |

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| 10th Nov, 2024 | • GSTR 7 - TDS return under GST for the month of October 2024.
• GSTR 8 - TCS return under GST for the month of October 2024. |
| 11th Nov, 2024 | • GSTR 1 (Monthly) for October 2024. |
| 13th Nov, 2024 | • GSTR 1 - GSTR 1 IFF (Optional) (October 2024) for QRMP.
• GSTR 5 - (NRTP) for October 2024.
• GSTR 6 - (Input Service Distributors) for October 2024. |
| 20th Nov, 2024 | • GSTR 3B - (Monthly) for October 2024.
• GSTR 5A - (OIDAR) for October 2024. |
| 25th Nov, 2024 | • GST PMT-06 Challan Payment if no sufficient ITC for Oct 2024 (for all Quarterly Filers). |

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| 28th Nov, 2024 | • MGT 7/7A Filing for Companies & OPC for FY 2023-24. |
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Payroll & Labour Law

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| 15th Nov, 2024 | • PF & ESI Returns and Payment for October 2024. |
| 30th Nov, 2024 | • Labour Licence renewal for Calendar Year 2025 (January to December 2025). |

The Psychology of Spending: Understanding Why We Buy What We Buy

Introduction

The decisions we make around money aren't always rational; in fact, they are often influenced by psychological factors that are far from logical. Whether it's splurging on a new outfit after a long week, impulsively buying a gadget because it's on sale, or even purchasing something to feel more aligned with a social group, our spending habits reveal a complex interplay of emotions, cognitive biases, and social influences. This phenomenon, commonly known as the psychology of spending, helps us understand why we buy what we buy.

At its core, the psychology of spending encompasses how factors like emotional states, marketing strategies, personal identity, and even cognitive biases impact our financial behaviours. By exploring these factors, individuals can better understand their own spending habits and learn strategies to make more intentional, values-based purchases. This understanding is especially valuable in a consumer-driven society where impulsive spending can often lead to financial stress and misalignment with personal goals. The following case study will illustrate how awareness of spending triggers and psychological influences can transform one's relationship with money.

Case Study: Sarah's Journey to Mindful Spending Background

Sarah, a 30-year-old professional with a stable income, found herself constantly frustrated by her inability to save. Despite earning a good salary, she often ended up spending on things that brought her only short-term happiness, leaving her financially stretched. Sarah set financial goals, including saving for travel and a future home, but her spending habits seemed to be holding her back. Curious about the reasons behind her spending patterns, Sarah embarked on a journey to analyse her spending behaviour and develop strategies for more intentional financial choices.

Problem and Analysis

Through a 30-day spending diary, Sarah tracked each purchase and noted her emotional state, purpose for the purchase, and any environmental triggers. She found some surprising patterns:

Emotional Spending Triggers: Sarah noticed a tendency to shop online after a long workweek, using shopping as a way to reward herself for getting through the week. This "retail therapy" was her way of coping with stress but didn't offer lasting satisfaction.

Social Media Influence and FOMO: Following several fashion and lifestyle influencers on social media, Sarah often felt the need to buy clothes, gadgets, or beauty products that were popular online. This fear of missing out (FOMO) made her feel like these purchases were "necessary" to fit in, even though they didn't truly align with her personal needs.

Sale and Scarcity Biases: Whenever Sarah saw sales or limited time offers, she felt compelled to buy to avoid "missing out." This anchoring effect, where the sale price anchored her perception of value, led her to buy things simply because they seemed like a good deal rather

than a need.

Misalignment with Personal Values: Sarah identified as someone who valued sustainability and quality over quantity, yet her spending patterns reflected a tendency toward fast fashion and consumer goods. This misalignment created feelings of guilt and regret after certain purchases, as they didn't resonate with her core values.

Intervention and Results

Sarah implemented several strategies to address her spending triggers:

Pause Before Purchasing: She applied a 24-hour waiting rule for any impulsive purchases, which helped her reassess whether the item was truly needed.

Mindful Social Media Use: Sarah unfollowed influencers who promoted a consumer-heavy lifestyle and began following accounts that focused on minimalism and sustainable living, reducing FOMO and aligning her feed with her values.

Values-Based Spending Plan: She created a spending checklist that required purchases to align with her personal goals and values, prioritizing quality and sustainability over impulse buys.

After six months, Sarah noted several positive outcomes. Her savings had grown positively, and her purchases brought her greater satisfaction because they were chosen intentionally. By understanding her spending psychology, Sarah was able to make meaningful changes that reflected her goals and values.

Conclusion

Sarah's case demonstrates that spending habits are often driven by a complex web of psychological factors that include emotional states, social influence, and cognitive biases. By becoming aware of these influences, she transformed her financial behavior, aligning her spending with her values and goals rather than external pressures or emotional impulses.

The psychology of spending reminds us that self-awareness is a powerful tool for financial empowerment. When individuals understand why they buy what they buy, they can make more intentional, meaningful financial decisions. This shift not only improves financial health but also enhances overall satisfaction with purchases, reducing regret and leading to a more fulfilling relationship with money. The insights gained from understanding spending psychology can guide individuals toward financial mindfulness, allowing them to prioritize long-term happiness over temporary gratification.

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