

J P Chawla & Co. LLP

2024



Fineprint

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A MONTH THAT WAS

India Boosts Rooftop Solar Prospects with Revised Subsidies, Targets 40 GW by 2022

In a significant stride towards sustainable energy, India is set to accelerate its rooftop solar capacity deployment, with over 25 crore households having the potential to install 637 GW of solar energy. The Council on Energy, Environment and Water (CEEW) reports a substantial increase in rooftop solar projects, following the inclusion of the distributed renewable energy segment in the latest renewable purchase obligations (RPO).

The Ministry of New and Renewable Energy has raised financial assistance for solar projects, with the subsidy for capacities up to 3 kW increased to Rs 18,000 per kW. The revised capital subsidy has expanded the potential of solar systems to 32 GW, aligning with the government's target of achieving 40 GW of rooftop solar by 2022. Notably, the government aims to solarize 1 crore homes in 2024, allocating a budget of 5,000 crores exclusively for rooftop solar installations. However, the revised rates and subsidies are applicable only to residential homes, excluding commercial and industrial sectors. The move signifies a pivotal step towards India's commitment to clean energy and achieving sustainable power targets.

India Unveils ₹45,000 Crore Investment Plan to Propel River Cruise Tourism and Inland Waterways Growth

New Delhi: The Ministry of Ports, Shipping, and Waterways has unveiled a landmark ₹45,000 crore investment initiative to revolutionize river cruise tourism and harness India's inland waterways for economic development. The investment breakdown includes ₹35,000 crore allocated for cruise vessels

and ₹10,000 crore for cruise terminal infrastructure, with a targeted completion date set for 2047. This strategic move was announced at the inaugural Inland Waterways Development Council (IWDC) meeting in Kolkata, where shipping and ports minister Sarbananda Sonowal chaired discussions with state ministers and industry leaders.

The comprehensive plan aims to expand river cruise tourism from eight to 26 waterways, increase cruise circuits with night stays from 17 to 80, and boost the number of river cruise terminals from 15 to 185. The initiative anticipates a substantial surge in cruise tourism traffic by 2047, enhancing India's position as a key player in the global tourism industry.

Furthermore, as part of the broader strategy to promote inland waterways for cargo trade, a ₹15,200 crore investment was approved at the Global Maritime India Summit (GMIS) in Mumbai last October. This investment is projected to drive a remarkable growth rate exceeding 400%, elevating cargo volumes to over

500 million tonnes per annum (MTPA) by 2047.

Minister Sonowal also launched the 'Harit Nauka' guidelines and the 'River Cruise Tourism Roadmap, 2047,' which outlines more than 30 potential cruise routes and an action plan for river cruise development. Aligned with the Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047, these initiatives seek to significantly increase the modal share of inland waterway transportation (IWT) from 2% to 5% and raise IWT cargo volume to over 500 MTPA. Notable projects include the Jal Marg Vikas Project for the Ganga-Bhagirathi-Hooghly River system and the establishment of multimodal terminals at Varanasi, Sahibganj, and Haldia.

India Defies Global Economic Downturn, Anticipates 7.3% GDP Growth in FY 2023-24

In a remarkable turn of events, India is poised for a robust economic performance, as projected by the National Statistical

Office's advance estimates for the financial year 2023-24. Despite global economic uncertainties, conflicts, and a slowdown, India's real GDP is expected to grow at 7.3%, maintaining its position as the fastest-growing major economy globally. The nation's resilience echoes Charles Dickens' dichotomy of "the best of times" and "the worst of times."

Voices reaffirming faith in India's growth story include a recent commendation from China's Global Times, recognizing India's economic strides under PM Modi. This stands in stark contrast to the global economic outlook marked by high interest rates, escalating conflicts, sluggish international trade, and climate disasters, posing challenges to global growth.

Analysts express surprise at India's ability to defy recessionary trends, supply chain shocks, and energy price fluctuations. Despite a projected moderation in the second half, India is expected to outperform other major economies this fiscal year.

The strong growth across all sectors, exceeding 6%, is attributed to higher government spending and a booming construction sector, recording double-digit growth at 10.7%. This resilience is further reflected in the significant demand for cement and growth in construction equipment, pointing to a promising economic trajectory.





Notification No. 04/2024 Central Tax -5th January 2024

Special Procedure to be followed by a registered person engaged in manufacturing of Pan Masala, Tobacco or like items.

Government vide this notification provides special procedure of filling the details and information under Form GST SRM-I by the manufacturer of Pan Masala, Tobacco, and similar items. The said registered person shall also be required to submit a special statement under Form GST SRM-II on a monthly basis. The taxpayer shall upload a certificate of Chartered Engineer FORM GST SRM-III in respect of machines declared by him, as per para 1 of this notification, in Table 6 of FORM GST SRM-I.

Notification No. 02/2024 Central Tax -5th January 2024

Extension of due date of Filing GSTR-9 & GSTR-9C in Tamil Nadu

Due to flood in certain districts of Tamil Nadu the government vide this notification has extended the date of filing GSTR-9 & GSTR-9C for the year 2022-23 from 31st December 2023 to 31st January 2024. The said notification shall be applicable to the registered person having principal place of business in the districts of Chennai, Tiruvallur, Chengalpattu, Kancheepuram, Tirunelveli, Tenkasi, Kanyakumari, Thoothukudi and Virudhunagar.

Notification No. 02/2024 Central Tax -5th January 2024

Extension of due date of Filing GSTR3B in Tamil Nadu

Earlier due to flood in certain districts of Tamil Nadu the government vide this notification has extended the date of filing

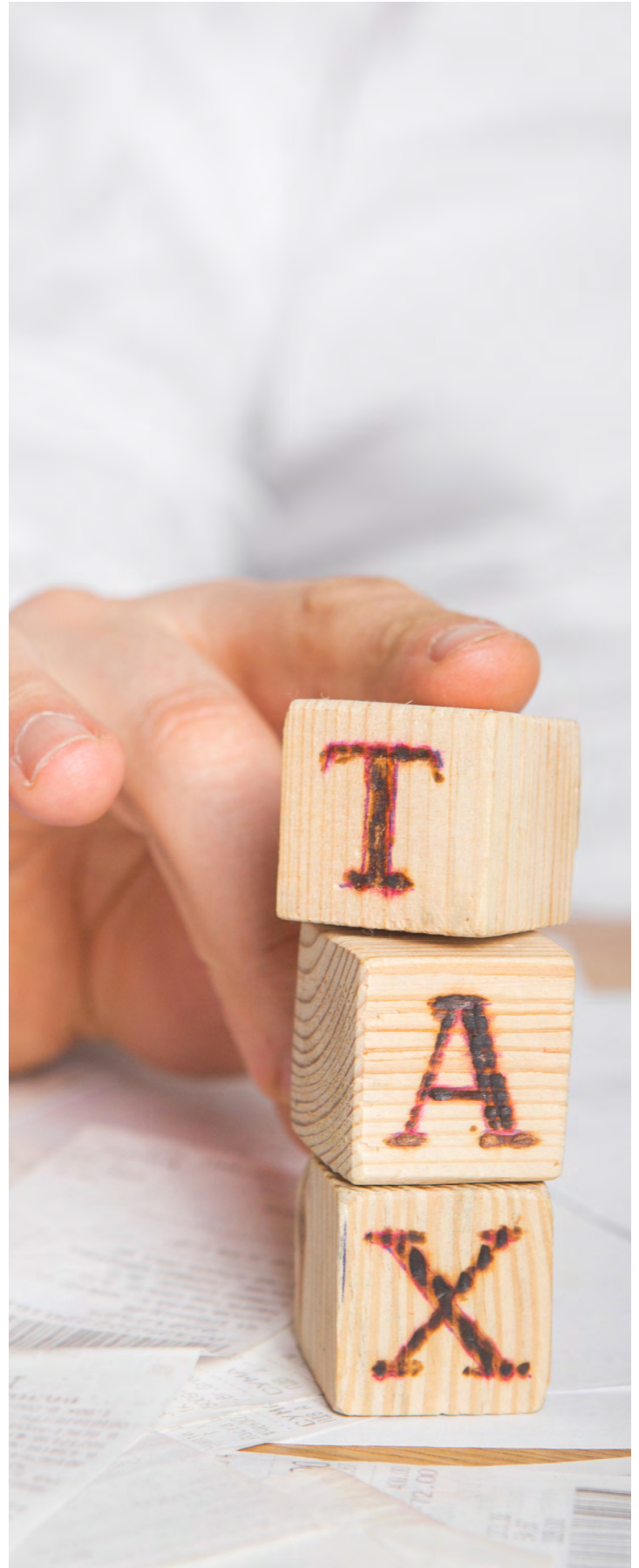
GSTR-3B for the month November-2023 from 20th December 2023 to 10th January 2024. The said notification shall be applicable to the registered person having principal place of business in the districts of Chennai, Tiruvallur, Chengalpattu, Kancheepuram, Tirunelveli, Tenkasi, Kanyakumari, Thoothukudi and Virudhunagar.

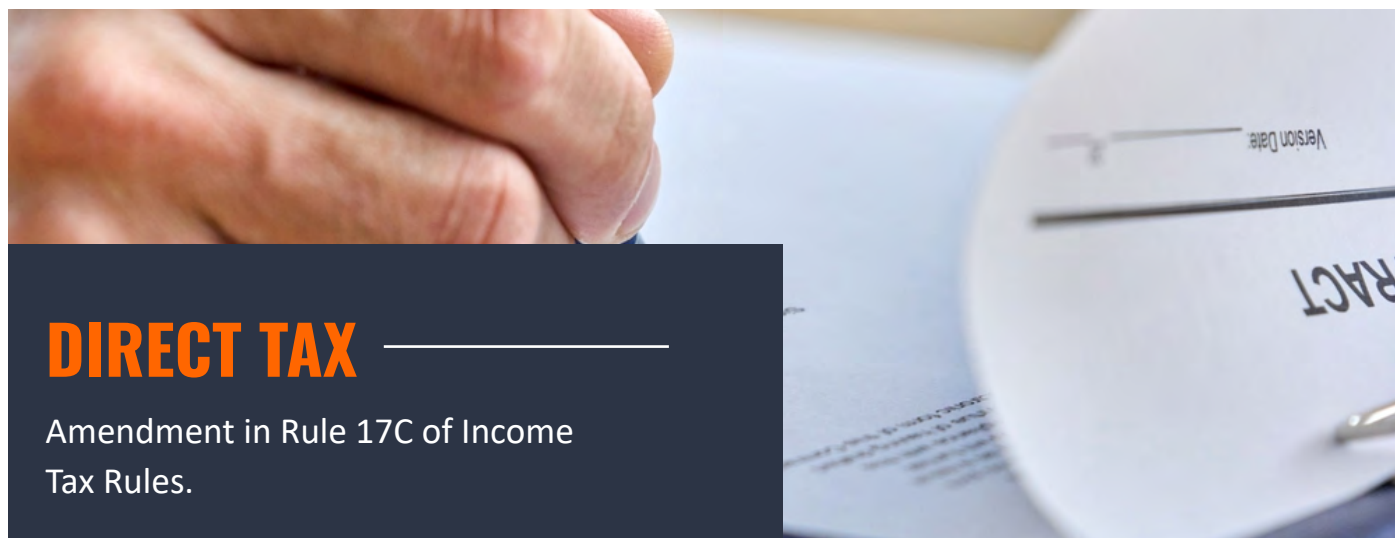
Advisory on the functionalities available on the portal for the GTA (Goods Transport Agency) taxpayers

The following Functionalities are made available on the portal for the GTA (Goods Transport Agency) Taxpayers.

1. Filing of Online Declaration in Annexure V and Annexure VI for the existing GTA Taxpayers: As per the Notification No. 06/2023-Central Tax (Rate), dated 26.07.2023, the option by GTA to pay GST on Forward Charge mechanism or the Reverse Charge mechanism respectively on the services supplied by them during a Financial Year shall be exercised by making a declaration in Annexure V or Annexure VI from the 1st January of the current Financial Year till 31st March of the current Financial Year, for the next Financial Year. To comply with the above notification, online filing in Annexure V Form and Annexure VI Form is available on the portal for the existing GTA taxpayers for filing declaration in Annexure V Form or Annexure VI Form for the succeeding FY 2024-25 from 01.01.2024 to 31.03.2024. To Access Annexure V Form: Post login on the FO portal-Navigate to Services>>User Services>>GTA>>Opting Forward Charge Payment by GTA (Annexure V). To Access Annexure VI Form: Post login on the FO portal-Navigate to Services>>User Services>>GTA>>Opting to Revert under Reverse Charge Payment by GTA (Annexure VI)

2. Filing of Online Declaration in Annexure V for the Newly registered GTA Taxpayers: As per the Notification No. 5/2023-Central Tax (Rate), dated 09.05.2023, the option to pay GST on Forward Charge mechanism on the services supplied the Newly registered taxpayers can now be able to file their declaration within the specified due date for the current Financial Year i.e. 2023-2024 and onwards. The due date (before the expiry of forty-five days from the date of applying for GST registration or one month from the date of obtaining registration whichever is later) is now being configured by the system and the same would be displayed to the newly registered taxpayers on their dashboard. The newly registered GTA taxpayers can now file their online declaration on the portal for the current FY within the specified due date. To Access: Post login on the FO portal-Click YES on the pop up message on post login (or) Navigate to Services>>User Services>>GTA>>Opting Forward Charge Payment by GTA (Annexure V).
3. Uploading manually filed Annexure V Form for the FY 2023-24 on the portal: The Existing/ Newly registered GTA taxpayers who have already submitted Declaration in Annexure V Form for the FY 2023-24 manually with the jurisdictional authority are requested to upload their duly acknowledged legible copy of the Annexure V Form on the portal, mentioning correct particulars as mentioned in the physical Annexure V submitted, with correct date of acknowledgement from jurisdictional office, where such physical Annexure V was filed for the record purposes. Further it is informed that if the Annexure V was filed manually within the specified due date for the FY 2023-24, he need not to file it again on the portal for the FY 2024-25 or any succeeding FY. By utilizing the manual upload facility, you can upload the legible copy of duly acknowledged manually filed Annexure V for 2023-24, with correct particulars. To Access: Post login on the FO portal-Navigate to Services>>User Services>>GTA>> Upload Manually Filed Annexure V.
4. As per the above notification, the option exercised by GTA to itself pay GST on the services supplied by it during a Financial Year shall be deemed to have been exercised for the next and future financial years unless the GTA files a declaration in Annexure VI to revert under reverse charge mechanism.
5. However, the GTAs who filed declaration for the FY 2024-25 on the portal for the period from 27.07.2023 till 22-08-2023 has been considered as filed and valid. Those taxpayers are requested that they need not file declaration in Annexure V Form for the subsequent FYs if they wish to continue their option for pay GST on Forward charge mechanism.





DIRECT TAX

Amendment in Rule 17C of Income Tax Rules.

The Rule 17C of Income Tax rules specifies the form and mode of investment of accumulated funds of Charitable Institutions for the purpose of Section 11(5)(xii). The CBDT has specified a new investment –

“Investment by way of acquiring units of POWERGRID Infrastructure Investment Trust”.

- [Notification No. – 103/2023]

Amendment in Safe Harbour Rules.

The CBDT has amended the following safe harbour rules.

1. Rule 10TA provides the definitions related to Safe Harbour rules. The following definitions has been updated.
 - b. Intra Group Loan
 - c. Operating Expense
 - d. Operating Revenue
2. Rule 10 TD specifies the eligible transactions for safe harbour rules and the conditions related to the same. The following eligible transactions has been amended.
 - a. Advancing of intra-group loans referred to in item (iv) of rule 10TC where the amount of loan is denominated in Indian Rupees (INR)
 - b. Advancing of intra-group loans referred to in clause (iv) of rule 10TC where the amount of loan is denominated in foreign currency.

- [Notification No. – 104/2023]

Notification of Income Tax Returns

The Income Tax Return forms – ITR – 1 and ITR – 4 have been notified for AY 2024-25.

- [Notification No. – 104/2023]

Notification of Guidelines for Section 194-O of Income Tax Act, 1961

The CBDT has issued circular providing the additional guidelines and clarifications in relation to TDS deduction u/s 194-O of Income Tax Act, 1961. Section 194-O of Income Tax Act provides that an E-Commerce operator shall deduct TDS @ 1% on the gross amount of sale of goods or provision of service or both facilitated through its digital or electronic facility or platform.

- [Circular No. – 20/2023]



REGULATORY

Securities and Exchange Board of India (SEBI)

With a view of promoting ease of doing business, SEBI has issued consultation paper on December 9, 2023, which contains the following:

- the proposed changes to the SEBI (Listing Obligations and Disclosure Requirements) 2015 ('LODR Regulations') and the SEBI (Issue and Listing of Non-Convertible Securities), 2021 ('NCS Regulations'); and
- introduction of concept of Fast Track public issuance and listing of debt securities and proposed norms of the same. The comments/ suggestions should be submitted either through online web-based form or post in the prescribed format latest by December 30, 2023.

SEBI has revised the framework vide Circular dated December 12, 2023 for upstreaming of clients' funds to clearing corporations by stock brokers and clearing members, the regulator said through a circular. In June, the capital market regulator had laid out a framework for the same but had received various representations from stock brokers and based on the suggestions made by them, revised the framework to enable ease of doing business. One of the revisions in the regulations pertains to the settlement of payment requests of clients on or before the next day instead of the same day. The next revision relates to the upstreaming of fixed deposit receipts (FDR) created out of clients' funds

Reserve Bank of India

Reserve Bank of India (Government Securities Lending) Directions, 2023

In pursuance of the announcement, the Draft Reserve Bank of India (Government Securities Lending) Directions, 2023 were placed on the Reserve Bank's website, on February 17, 2023, to invite comments from banks, market participants and other interested parties. Based on the comments received, the Reserve Bank of India (Government Securities Lending) Directions, 2023 have been finalized and are being issued. These Directions have been issued in exercise of the powers conferred under section 45W of the Reserve Bank of India Act, 1934 read with section 45U of the Act and of all the powers enabling it in this behalf.

Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023

A review of Internal Ombudsman schemes has been undertaken by the Reserve Bank in line with the integration of the erstwhile

three RBI Ombudsman Schemes as also with the objective to improve the customer service standards in regulated entities. The framework reaffirms that the Internal Ombudsman mechanism should work as envisaged and the Internal Ombudsman shall be positioned as an independent, apex level authority on consumer grievance redress within the regulated entities.



ACCOUNTING AND AUDITING



Indian Accounting Standards (Ind AS)/ Accounting Standards (AS)

Exposure Draft on Financial Instruments with Characteristics of Equity - Proposed amendments to IAS 32, IFRS 7 and IAS 1

Indian Accounting Standards (Ind AS) are based on the IFRS Standards issued by the International Accounting Standards Board (IASB) of IFRS Foundation. The IASB, before issuing the new/amendments to IFRS Standards, issues consultative documents [such as Discussion Paper (DP), Exposure Draft (ED) etc] seeking public comments from across the globe.

The Accounting Standards Board (ASB) of ICAI with the aim to provide an opportunity to the various stakeholders in India to raise their concerns at the initial International Standard-setting stage itself, invites comments on the consultative documents issued by the IASB. Recently, the IASB has issued the same Exposure Draft for public comments:

In view of challenges in classifying complex financial instruments that combine some characteristics of both debt—financial liabilities—and ordinary shares—equity instruments, the proposals in the Exposure Draft include:

1. clarification of the underlying classification principles of IAS 32 to help companies distinguish between financial liabilities and equity;
2. disclosures to further explain complexities around instruments that have both financial liability and equity characteristics; and
3. presentation requirements for amounts—including profit and total comprehensive income—attributable to ordinary shareholders separately from amounts attributable to other holders of equity instruments.
4. The document of this Exposure Draft is available at <https://resource.cdn.icai.org/77633asb62410.pdf>.



We are a team of distinguished Business Advisors, Chartered Accountants, Tax Consultants, Company Secretaries, Management Accountants, Corporate Financial Advisors, Management consultants, Technology consultants and Forensic experts. We provide services in area of Business Intelligence Services, Taxation Services, Audit, Risk and Assurance Services, Outsourcing Services, Regulatory Services, Transaction Advisory Services, Doing Business in India and Start Up Services.

For further insights and updates, we invite you to explore our website at www.jpc.co.in
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