

# J P Chawla & Co. LLP

# 2024



## Fineprint

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## A MONTH THAT WAS

### Grew Energy Wins Big in India's Solar Power Sector

Grew Energy, a leading player in the renewable energy arena, has clinched a significant victory by securing the largest share of the Solar Energy Corporation of India (SECI) tender. This tender, amounting to 200 megawatts (MW), underscores Grew Energy's commitment to revolutionizing India's solar power landscape.

The tender, issued in December 2023, mandated the testing, packaging, forwarding, supply, and transportation of solar photovoltaic (PV) modules across the nation. Grew Energy's successful bid, with a competitive price of ₹22.66 per Watt peak (WP), not only demonstrates its prowess in manufacturing but also sets a benchmark for future auctions in the sector.

Vinay Thadani, CEO of Grew Energy, emphasized the company's technological capabilities and nationwide infrastructure, enabling them to meet the demanding requirements of the tender. Moreover, with a focus on domestically manufactured PV modules and cells, Grew Energy is aligned with India's goal of self-sufficiency in renewable energy production.

Hardip Singh, COO of Grew Energy, expressed confidence in meeting delivery deadlines and contributing significantly to India's renewable energy targets. The company's vision extends beyond mere business success, aiming to play a pivotal role in making India a global leader in sustainable energy solutions.

With this triumph, Grew Energy reaffirms its position as a key player in India's journey towards a greener and more sustainable future.

### BharatPe Launches Bharat Pe One: A Game-Changer in Fintech

Indian fintech giant Bharat Pe has unveiled Bharat Pe One, revolutionizing payment systems with its all-in-one solution. Integrating POS, QR code, and speaker into a single device, Bharat Pe aims to simplify transactions for offline merchants across India.

With plans to roll out in 100 cities initially and expand to 450 cities within six months, Bharat Pe One boasts a high-definition touchscreen, 4G/Wi-Fi connectivity, and the latest Android OS for optimum performance and security.

CEO Nalin Negi emphasized the device's versatility, offering dynamic/static QR codes, tap-and-pay, and card payments to cater to diverse merchant needs. The user-friendly interface and portable design ensure seamless transactions, while comprehensive dashboards provide merchants with valuable insights.

Bharat Pe One signifies a strategic move towards enhancing SMEs' efficiency and convenience, reaffirming Bharat Pe's commitment to empowering businesses nationwide.





# GST

**Waiving the Interest liability for a class of registered persons  
Notification No. 07-2024 - Central Tax.**

In exercise of the powers conferred by sub-section (1) of section 50 read with section 148 of the Central Goods and Services Tax Act, 2017 the government vide this notification had waived the interest liability for the following class of registered person for the respective months:

Registered Person	Month
19AAACI1681G1ZM	June, 2018
19AAACW2192G1Z8	October, 2018
19AABCD7720L1ZF	July 2017 and August, 2017
19AAECS6573R1ZC	July 2017 and February, 2018

The waiver is provided to the above registered person because of technical glitches on GST portal due to which the registered person is not able to file GSTR-3B within the due date but have sufficient balance in their electronic cash ledger or electronic credit ledger or had deposited the required amount through challan.

**Extend the effective date of Special Procedure to be followed by a registered person engaged in manufacturing of Pan Masala, Tobacco or like items.  
Notification No. 08-2024 - Central Tax**

Earlier the Government vide this notification no. 04-2024 – Central Tax, 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. The effective date of said notification was extended from 1st April 2024 to 15th May 2024.

**Extension of Due date of filling GSTR-1 for the month  
March-2014  
Notification No. 09-2024 - Central Tax**

Due to some technical glitches the government vide this notification had extend the due date of filling GSTR-1 for the month of March-2024 from 11th April 2024 to 12th April 2024.

**Advisory on Auto population of HSN summary from e-invoices into Table 12 of GSTR-1**

An advisory has been issued regarding the Auto population of HSN summary from e-invoices into Table 12 of GSTR-1 on 09.04.2024. The advisory is read as follows:

1. GSTN is pleased to inform you that a new feature to auto-populate 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.
2. 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.
3. Any discrepancies or errors should be manually corrected or added in Table 12 before final submission.



## DIRECT TAX

Modification of Rules regarding PAN becoming inoperative as per Rule 114AAA of Income Tax Rules, 1962.

The Central Board of Direct Taxes "CBDT" has partially modified the circular no. 3 of 2023 which specifies the consequences of PAN becoming inoperative. The board has received grievances from the taxpayers that they are in receipt of notices intimating that they have committed default of 'short deduction/collection' of TDS/TCS while carrying out the transactions where the PANs of the deductees/collectees were inoperative. In such cases, as the deduction/collection has not been made at a higher rate, demands have been raised by the Department against the deductors/collectors while processing of TDS/TCS statements.

With a view to redressing the grievances faced by such deductors/collectors, the Board, in partial modification and in continuation of the Circular NO. 3 of 2023, hereby specifies that for the transactions entered into upto 31/03/2024 and in cases where the PAN becomes operative (as a result of linkage with Aadhaar) on or before 31/05/2024, there shall be no liability on the deductor/collector to deduct/collect the tax under section 206AA/206CC, and the deduction/collection as mandated in other provisions of Chapter XVII-B or Chapter XVII-BB of the Act, shall be applicable

- [Circular No. - 6/2024]

### Extension of due date for filing of Form No. 10A/10AB under the Income-tax Act, 1961

The Central Board of Direct Taxes (CBDT) has extended the due date of making an application in Form No. 10A and Form No. 10AB till 30/06/2024.

It has been clarified that where any trust, institution or fund has already made an application in Form No. 10AB under the said provisions on or before the issuance of this Circular, and where the Principal Commissioner or Commissioner has not passed an order before the issuance of this Circular, the pending application in Form No. 10AB may be treated as a valid application.

In case where any trust, institution or fund has already made an application in Form No. 10AB, and where the Principal Commissioner or Commissioner has passed an order rejecting such application, on or before the issuance of this Circular, solely on account of the fact that the application was furnished after the due date or that the application has been furnished under the wrong section code, it may furnish a fresh application in Form No. 10AB within the extended time i.e. 30/06/2024.

It is also clarified that if any existing trust, institution or fund who had failed to file Form No. 10A for AY 2022-23 within the due date as extended by the CBDT circular no. 6/2023 dated 24/05/2023 i.e. September 30, 2023 and subsequently, applied for provisional registration as a new trust, institution or fund and has received Form No. 10AC, it can avail the option to surrender the said Form No. 10AC and apply for registration for AY 2022-23 as an existing trust, institution or fund in Form No. 10A within the extended time i.e. 30.06.2024.

- [Circular No. - 7/2024]

# REGULATORY

## Reserve Bank of India | Foreign Exchange Management Act

### Mode of Payment and Reporting of Non-Debt Instruments (Amendment) Regulations, 2024

In exercise of the powers conferred by Section 47 of the Foreign Exchange Management Act, 1999 and consequent to the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, the Reserve Bank of India notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (Amendment) Regulations, 2024. The Amendment Regulations inter alia provides the amount of consideration for purchase / subscription of equity shares of an Indian company listed on an International Exchange shall be paid, - a. through banking channels to a foreign currency account of the Indian company held in accordance with the Foreign Exchange Management (Foreign currency accounts by a person resident in India) Regulations, 2015, as amended from time to time; or b. as inward remittance from abroad through banking channels.

### Foreign Currency Accounts by a person resident in India (Amendment) Regulations, 2024

In exercise of the powers conferred by Section 9 and clause (e) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999, the Reserve Bank of India notified the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Amendment) Regulations, 2024. The Amendment Regulations inter alia provides that subject to compliance with the conditions in regard to raising of External Commercial Borrowings (ECB) or raising of resources through American Depository Receipts (ADRs) or Global Depository Receipts (GDRs) or through direct listing of equity shares of companies incorporated in India on International Exchanges, the funds so raised may, pending their utilization or repatriation to India, be held in foreign currency accounts with a bank outside India.

### Master Direction for Asset Reconstruction Companies (ARCs)

To ensure prudent and efficient functioning of ARCs and to protect the interest of investors, Reserve Bank of India hereby issues the Master Direction - Reserve Bank of India (Asset Reconstruction companies) Directions, 2024. This will consolidate the existing regulatory guidelines issued to ARCs vide Master Circular on ARCs and Asset Reconstruction Companies (Reserve Bank) Directions, 2018.

## Securities and Exchange Board of India (SEBI)

### Circular on Standardization of the Private Placement Memorandum (PPM) Audit Report

In consultation with pilot Standard Setting Forum for AIFs (SFA), SEBI has prepared a standard format in relation to PPM Audit Report applicable to various categories of AIF in order to have ease of compliance reporting and uniform compliance standards. The said reporting format shall be hosted on the websites of the AIF Associations which are part of SFA. To ensure timely and accurate reporting, the associations shall assist all AIFs in understanding the reporting requirements and in resolving any issues in connection with reporting. The reporting requirement shall be applicable for PPM audit reports for the Financial Year ending March 31, 2024 onwards.

### SCORES 2.0 New Technology to strengthen SEBI Complaint Redressal System for Investors

In order to protect the interest of investors, SEBI has launched a new version of SEBI Complaint Redressal System (Scores 2.0). The new version is an online system through which investors can lodge their complaints through web URL or an App and this will strengthen the investor complaint redress mechanism through auto-routing, auto escalation, monitoring by the 'Designated Bodies and reduction of timelines.







# AUDIT AND ACCOUNTING

Audit and Assurance

## Indian Social Stock Exchange

Social Stock Exchange (SSE), created as a separate segment under the existing stock exchange, is a platform where securities or other funding structures are listed and follow procedures for funding selected entities that make and report measurable social impact.

The concept of Social Stock exchange is built on the premise that private sector and non-profit sector can play a significant role in national development outcomes if more funding is made available to them. The three dimensions of education, health and income are used by the Human Development Index to measure a country's development achievements. India ranks 129 among 189 countries for the year 2019, thus, indicating the need for more funding to the social sector to achieve national development outcomes.

While both For Profit Organisations (FPOs) and Not for Profit Organisations (NPOs) operate in different ways and have different financing needs, SSE recognises the unifying elements, the common minimum reporting standards on social impact, governance and financials for both FPOs & NPOs.

## SEBI and Social Stock Exchange

SEBI has issued regulations vide notification dated 25-07-2022 to provide broad framework for Social Stock Exchange (SSE) in India. Following regulations were amended through this notification:

- » Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations").
- » Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

- » Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations").

**Further, SEBI vide its circular dated 19-09-2022 specified detailed framework for SSE in India. Circular specifies four major components:**

- a. Minimum requirements to be met by a Not for Profit Organization (NPO) for registration with SSE in terms of Regulation 292F of the ICDR Regulations
- b. Minimum Initial Disclosure Requirement for NPOs raising funds through the issuance of Zero Coupon Zero Principal Instruments in terms of Regulation 292K(1) of the ICDR Regulations.
- c. Annual disclosure by NPOs on SSE which have either raised funds through SSE or are registered with SSE in terms of Regulation 91C of the LODR Regulations
- d. Disclosure of Annual Impact Report by all Social Enterprises which have registered or raised funds using SSE in terms of Regulation 91E of the LODR Regulations.

## Eligibility criterion of NPO

Two recent developments- (1) the Notification F. No. SEBI/LAD-NRO/GN/2022/90 dated July 25, 2022, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022 and (2) the SEBI circular SEBI/HO/CFD/PoD1/P/CIR/2022/120 dated September 19, 2022, Framework on Social Stock Exchange list out eligibility criterion and disclosure requirements for entities to be listed as NPOs. Some of the important ones are -

1. Entities must be registered in India as one of the below:
  - a. a charitable trust registered under the public trust statute of the relevant state.
  - b. a charitable trust registered under the Societies Registration Act, 1860.
  - c. a charitable trust registered under the Indian Trusts Act, 1882.
  - d. a company incorporated under section 8 of the Companies Act, 2013.
2. Registration certificate valid at least for next 12 months at the time of seeking registration with SSE.
3. NPO must have been registered for at least 3 years.
4. Annual Spending in the past financial year must be at least 50 lakhs.
5. Funding in the past financial year must be at least 10 lakhs.

### Eligibility conditions for being identified as a Social Enterprise

To be identified as a Social Enterprise, a Not for Profit Organization or a For Profit Social Enterprise, shall establish primacy of its social intent.

To establish the primacy of its social intent, a Social Enterprise shall meet the following eligibility criteria:-

- a. **The social enterprise shall be indulged in at least one of the following activities:**
  - i. eradicating hunger, poverty, malnutrition and inequality;
  - ii. promoting health care including mental healthcare, sanitation and making available safe drinking water;
  - iii. promoting education, employability and livelihoods;
  - iv. promoting gender equality, empowerment of women and LGBTQIA+ communities;
  - v. ensuring environmental sustainability, addressing climate change including mitigation and adaptation, forest and wildlife conservation;
  - vi. protection of national heritage, art and culture;
  - vii. training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
  - viii. supporting incubators of Social Enterprises;

- ix. supporting other platforms that strengthen the non-profit ecosystem in fundraising and capacity building;
- x. promoting livelihoods for rural and urban poor including enhancing income of small and marginal farmers and workers in the non-farm sector;
- xi. slum area development, affordable housing and other interventions to build sustainable and resilient cities;
- xii. disaster management, including relief, rehabilitation and reconstruction activities;
- xiii. promotion of financial inclusion;
- xiv. facilitating access to land and property assets for disadvantaged communities;
- xv. bridging the digital divide in internet and mobile phone access, addressing issues of misinformation and data protection;
- xvi. promoting welfare of migrants and displaced persons;
- xvii. any other area as identified by the Board or Government of India from time to time.



- b. The Social Enterprise shall target underserved or less privileged population segments or regions recording lower performance in the development priorities of central or state governments.
- c. The eligible activities of the Social Enterprise are established through one or more of the following criterion-
  - a. at least 67% of the immediately preceding 3-year average of revenues comes from providing eligible activities to members of the target population;
  - b. at least 67% of the immediately preceding 3-year average of expenditure has been incurred for providing eligible activities to members of the target population;
  - c. members of the target population to whom the eligible activities have been provided constitute at least 67% of the immediately preceding 3-year average of the total customer base and/or total number of beneficiaries.

**Corporate foundations, political or religious organizations or activities, professional or trade associations, infrastructure and housing companies, except affordable housing, shall not be eligible to be identified as a Social Enterprise.**

All registered Social Enterprises will also have to provide an audited Annual Impact Report (AIR) containing disclosures regarding Strategic Intent and Planning, Approach, and Impact Score Card. The annual impact report will be audited by a Social Audit Firm employing Social Auditor.







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](http://www.jpc.co.in)  
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