HVJ & Associates
CHARTERED ACCOUNTANTS

HVJ COMMUNIQUE

124TH Edition – February 2024

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Dear Professional Colleagues,

"Success doesn't come from what you do occasionally, It comes from what you do consistently."

Motivation gets you going, but discipline keeps you growing. That's the law of consistency.
It doesn't matter how talented you are. It doesn't matter how many opportunities you receive. If you want to grow consistency is the key.
We at HVJ strive to work with consistency leading to perfection, continued dedication, hard work and passion with better ways to give best services to our esteemed clients' needs and to serve our clients the best and help them achieve their business goals. We work on building trust of our clients by providing best quality services, we make consistent effort and work passionately to serve our clients' needs and complete the work on time effectively and efficiently.

We are delighted to bring you our **124th** 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 February 2024

Happy Reading!!!

With warm regards,

CA Sudheer Javali
Partner
B. Com, FCA, DISA

THE COMPENDIUM

- **Fluctuations Summary**
- **Compliance Calendar – Jan 24**
- **Statutory Updates**
    1. Goods and Services Tax Act, 2017
    2. Income Tax Act, 1961
    3. RBI / FEMA
    4. Companies Act, 2013
    5. Key Features of Budget 2024-2025
- **Knowledge Capsule**

Fluctuations Summary

Foreign Exchange Fluctuation

Currency	As on 31st Dec 2023	As on 31st Jan 2024	Fluctuation
US	83.25	82.72	↓
GBP	105.97	105.38	↓
EURO	91.89	89.79	↓
JPY	0.59	0.56	↓

Stock Market Fluctuation

Stock Exchange	As on 31st Dec 2023	As on 31st Jan 2024	Fluctuation
Sensex	72,176.28	71,645.30	↓
Nifty	21,700.15	21,697.45	↓

Compliance Calendar – FEB 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	10-02-2024
2	GSTR 8 is a return to be filed by the persons who is required to deduct TCS	10-02-2024
2	GSTR-1 (Monthly) for January 2024	11-02-2024
3	GSTR-6 (Monthly) for January 2024 (ISD)	13-02-2024
4	GSTR -5 for January 2024 (Non-Resident Taxable person)	20-02-2024
5	GST CMP -08 for January 2024	18-02-2024
6	GSTR – 5A for January 2024 (OIDAR Service provider)	20-02-2024
7	GSTR-3B (Monthly) for January 2024	20-02-2024
8	GSTR-11 for UIN Registered Person for January 2024	28-02-2024
Compliance Calendar for ESI, PF & PT Payments		
1	PF Payment for the month of January 2024	15-02-2024
2	ESI Payment for the month of January 2024	15-02-2024
3	Professional Tax Due Date January 2024	20-02-2024
Compliance Calendar for Income Tax Act, 1961		
1	Payment of TDS/TCS deducted /collected in Jan 2024	07-02-2024
2	Due date for deposit of TDS for the period Nov 2023 to Jan 2024 when Assessing Officer has permitted quarterly deposit of TDS under 192, 194A, 194D or 194H	07-02-2024
3	The due date for issuing of TDS Certificate for tax deducted under sections 194-IA,194-IB,194M, and 194S in the month of Jan 2024.	15-02-2024
4	The due date for furnishing of form 24G by an office of the government where TDS/TCS for the month of Jan, 2024 has been paid without the production of a challan.	15-02-2024
5	Furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M, 194S in January 2024	29-02-2024

Statutory Updates

Goods and Services Tax Act, 2017

1. **Tamil Nadu Extends Due Date for Furnishing Monthly Return in Form GSTR-3B For November 2023 Due to Michaung Cyclone**
   The notification, issued under the powers conferred by the Central Goods and Services Tax Act, extends the due date for filing GSTR-3B for November 2023 until January 10, 2024. This extension is applicable to registered entities operating in the districts of Tirunelveli, Tenkasi, Kanyakumari, Thoothukudi, and Virudhunagar in Tamil Nadu.
   https://taxinformation.cbic.gov.in/view-pdf/1009980/ENG/Notifications

2. **GSTN enabled Functionality to furnish Letter of Undertaking (LUT) for FY 2024-25**
   Goods and Services Tax Network (GSTN) has introduced a new functionality on the GST Portal, enabling taxpayers to submit a Letter of Undertaking (LUT) for the Financial Year 2024-2025. This crucial task must be completed on or before March 31, 2024, or before the commencement of supply for Exports and Special Economic Zones (SEZ).

3. **CBIC revokes Special Procedure GST Notification for Certain Goods, effective January 1, 2024**

   The Ministry of Finance, under the Central Board of Indirect Taxes and Customs, has issued Notification No. 03/2024-Central Tax, dated 5th January 2024, **with the aim of rescinding Notification No. 30/2023-CT, dated the 31st July, 2023**. This move, made under the authority of section 148 of the Central Goods and Services Tax Act, 2017, has far-reaching implications for businesses and tax compliance.

   The rescission of Notification No. 30/2023-CT, dated the 31st July, 2023 marks a significant development in the tax landscape governed by the Central Goods and Services Tax Act. Businesses must carefully navigate the changes, reassess their operations, and ensure compliance with the amended regulations. A proactive approach to understanding the reasons, impacts, and compliance considerations will enable businesses to adapt swiftly and maintain a robust financial and operational footing in the evolving tax environment.

   https://taxinformation.cbic.gov.in/view-pdf/1009982/ENG/Notifications

4. **Section 148 of the Central Goods and Services Tax Act, 2017 - Special Procedure for certain processes - Special Procedure to be followed by Registered Person engaged in manufacturing notified goods**
   NOTIFICATION NO. 4/2024–CENTRAL TAX [S.O. 85(E)/F.NO. CBIC-20001/7/2023-GST], DATED 5-1-2024

   In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Council, hereby notifies the following special procedure to be followed by a registered person engaged in manufacturing of the goods, the description of which is specified in the corresponding entry in column (3) of the Schedule appended to this notification, and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Schedule

https://taxinformation.cbic.gov.in/view-pdf/1009983/ENG/Notifications

5. **Advisory for furnishing bank account details by registered taxpayers under Rule 10A of the Central Goods and Services Tax Rules, 2017**

   Mandatory Bank Account Details Submission as per law: All Registered Taxpayers are required under the provisions of CGST Act, 2017 and the corresponding Rules framed thereunder to furnish details of their bank account/s within 30 days of the grant of registration or before the due date of filing GSTR-1/IFF, whichever is earlier.
   Taxpayers are therefore advised to promptly furnish their bank account details, who have not provided it so far if 30 Days period is shortly going to expire to avoid disruption in business activities and the subsequent suspension of GSTIN.

   https://www.gst.gov.in/newsandupdates/read/623

6. **Advisory on Payment through Credit Card (CC)/Debit Card (DC) and Unified Payments Interface (UPI)**
   To facilitate the taxpayer registered under GST with more methods of payment, two new facilities of payment have now been provided under e-payment in addition to net-banking. The two new methods are Cards and Unified Payments Interface (UPI). Cards facility includes Credit Card (CC) and Debit Card (DC) namely Mastercard, Visa, RuPay, Diners(CC only) issued by any Indian bank.

   https://www.gst.gov.in/newsandupdates/read/622

7. **Advisory on introduction of new Tables 14 & 15 in GSTR-1**
   As per Notification No. 26/2022 –
   Central Tax dated 26th December 2022 two new tables Table 14 and Table 15 were added in GSTR-1 to capture the details of the supplies made through e-commerce operators (ECO) on which e-commerce operators are liable to collect tax under section 52 of the Act or liable to pay tax u/s 9(5). These tables have now been made live on the GST common portal. These two new tables will be available in GSTR-1/IFF from January-2024 tax periods onwards.
   https://www.gst.gov.in/newsandupdates/read/621

8. **Karnataka GST Authorities Bust Rs 180 Crore Fake ITC Scam**
   the Karnataka Commercial Taxes Department has successfully uncovered a multi-state GST fraud, leading to the arrest of the key mastermind, Mohammed Siddiq. The operation, conducted over two days in collaboration with Kerala State GST authorities, revealed a sophisticated network involved in issuing fake GST claims, resulting in a significant loss of government revenue.
   Officials arrested Mohammed Siddiq in Mysuru on Wednesday, accusing him of acquiring dummy GST registrations using forged documents. Siddiq, alleged to be the linchpin of the operation, facilitated a scrap business across Kerala, Tamil Nadu, and Karnataka. The arrest sheds light on his involvement in issuing fake tax invoices, enabling bogus claims of input tax credit (ITC) by dealers without remitting the taxes to the governments after initial transactions.

9. **Case Study - Goa Cabinet Approves GST Amendments for Clarity on Casino and Online Gaming Taxation**

Legislative Clarity on Taxation:- In a significant development, the cabinet has granted approval for amending the Goa Goods and Services Tax Act, 2017, to address ambiguities in the taxability of casinos, horse racing, and online gaming. This move comes as a bid to provide a clear legislative framework and will be presented in the upcoming budget session of the assembly.

Repealing the Ordinance for a Comprehensive Bill:- The cabinet's decision includes the repeal of the Goa Goods and Services Tax (Amendment) Ordinance, 2023, through the introduction and passage of the comprehensive Goa Goods and Services Tax (Amendment) Bill, 2024. This decision aims to streamline and consolidate the legislative provisions.

Overview of the Previous Ordinance:- The previously promulgated Goa Goods and Services Tax (Amendment) Ordinance, 2023, effective from October 1, 2023, mirrored changes in the central GST Act, 2017. The amendment sought to align the state legislation with the updated central provisions.

Defining Key Expressions:- The upcoming bill aims to define crucial expressions such as "online gaming," "online money gaming," "specified actionable claim," and "virtual digital asset." These definitions will bring clarity and specificity to the taxation framework.

Mandatory Registration for Online Gaming Money Suppliers:- The bill introduces a mandatory registration requirement for individuals supplying online gaming money from outside India to recipients within the country. This move strengthens regulatory oversight and ensures compliance within the online gaming sector.

Conclusion: Toward a Transparent and Regulated Gaming Taxation Framework The proposed amendments signal a proactive step by the Goa government to establish a transparent and regulated taxation framework for activities like casinos, horse racing, and online gaming. As the bill progresses through the legislative process, it is anticipated to bring much-needed clarity and coherence to the taxation landscape in these sectors. Stakeholders will closely watch the developments during the upcoming budget session for insights into the future regulatory landscape.

GST Changes Proposed by Budget 2024: The Complete Analysis

1. Inclusion of Reverse Charge (RCM) Invoice/ITC under ISD mechanism for distributing ITC.
2. Making ISD mechanism compulsory for distributing ITC by Head Offices.
3. Removal of taxpayer's liberty between ISD and Cross Charge mechanism

Background:

There is an ISD mechanism in GST Law, which prescribes the rules and regulations including separate registration requirement for availment of common ITC by Head office on behalf of its branches / distinct persons and then distribute such ITC to respective branches / distinct persons under same PAN.
However as per wordings of current GST Law, ISD provisions were not mandatory. So out of own convenience & comfort, many taxpayers chose not to opt for ISD Rules and rather they were availing & distributing such ITC under normal GST rules vide cross charge. So, there was a lot of

confusion and debate among taxpayers, as to which approach is right and which approach is wrong.

Proposed Changes in Budget:

Now Government seeks to mandate compulsory registration by ISD under ISD Provisions for procurement of common services on behalf of branches / distinct persons, availing its ITC and then finally distribute such ITC to branches/distinct persons under same PAN.

The proposed changes mandate the distribution of such ITC under ISD provisions only. This amendment seeks to bring uniformity in ISD related compliances by all taxpayers.

Change 1) Earlier RCM invoices were not included in clause (61) of section 2. The proposed amendment seeks to include RCM invoice compulsorily under ISD mechanism for the purpose of distribution of ITC on such invoices by HO to branches through ISD mechanism only. After such amendment, whatever tax an ISD pays under RCM, he can distribute such ITC to branches under ISD rules only. No other mode will be allowed like cross charge etc.

Change 2) Earlier the words 'and issues' were used in clause (61) of section 2. Now the proposed amendment seeks to replace it with "and liable".

This shifts the entire ISD paradigm from a taxpayer's liberty to compulsion.

The earlier wording was dependent of taxpayer's action of issuing invoice under ISD mechanism and had liberty to taxpayer. However, the proposed wordings do not give any liberty to taxpayer and taxpayer will be duty bound to follow ISD rules for distributing ITC to branches. That means input eligible for ISD can be distributed through ISD mechanism only and not by any other mechanism like cross charge etc.

Income Tax Act, 1961

1. **Exemption from specified income U/s 10(46): Karnataka State Rural Livelihood Promotion Society**

[Notification No. 2/2024/ F. No. 300196/20/2019-ITA-I]

Introduction: The Ministry of Finance, Department of Revenue, Central Board of Direct Taxes, has issued Notification No. 2/2024- Income Tax on January 2, 2024. This notification pertains to the taxation aspects of the 'Karnataka State Rural Livelihood Promotion Society.'

Detailed Analysis: The notification, empowered by clause (46) of section 10 of the Income-tax Act, 1961, highlights that the Karnataka State Rural Livelihood Promotion Society, a body constituted by the Government of Karnataka (PAN AACAK0581H), is now eligible for specific income exemptions. The specified income includes grants received from the Central Government, grants from the State Government of Karnataka, and interest earned on bank deposits.

Furthermore, the notification applies retrospectively for assessment years 2019-2020 to 2023-2024, relevant for the financial years 2018-2019 to 2022-2023.

https://incometaxindia.gov.in/communications/notification/notification-2-2024.pdf

2. Income Tax Notification on Non-Resident Investment in Financial Products

[Notification No. 04/2024 F. No. 370142/48/2023-TPL]

The Ministry of Finance, through the Central Board of Direct Taxes, has issued a significant notification under clause (4G) of section 10 of the Income Tax Act, 1961. Dated January 4, 2024, Notification S.O. 66(E) focuses on the activity of investment in a financial product by non-residents. This investment is facilitated through a contract with a capital market intermediary, specifically, a Unit of an International Financial Services Centre (IFSC). The notification outlines the conditions under which such investments will be recognized, especially when the income is received in the non-resident's account with the Offshore Banking Unit of the IFSC, as mentioned in section 80LA.

https://incometaxindia.gov.in/communications/notification/notification-4-2024.pdf

3. Section 10(46) Income Tax Exemption for Karma yogi Bharat

[Notification No. 7/2024 F. No. 196/12/2023-ITA-I]
The Ministry of Finance, through the Central Board of Direct Taxes, has issued Notification No. 7/2024 on Income Tax, dated 5th January, 2024. This notification grants tax exemptions to 'Karma yogi Bharat,' a Company incorporated under Section 8 of the Companies Act, 2013, with 100% equity shared owned by the President of India.
The notification specifies the types of income eligible for exemption, including grants/subsidies, various fees, and interest earned. However, stringent conditions accompany this tax exemption. Karma yogi Bharat is restricted from engaging in any commercial activity, and the nature of specified income must remain consistent throughout the financial years.
https://incometaxindia.gov.in/communications/notification/notification-7-2024.pdf

4. CBDT Notifies Income Tax Return Form ITR-6 for AY 2024-25

CBDT, through Notification No. 16/2024, has officially released the modified ITR-6 form for the upcoming Assessment Year.
Applicability: The revised ITR-6 form is applicable for companies that are not eligible for exemption under section 11 of the Income Tax Act. It's important for businesses falling under this category to take note of the changes and ensure compliance with the updated form.
Assessment Year 2024-25: The new ITR-6 form is tailored for the Assessment Year 2024-25, meaning that companies will need to use this form for filing their income tax returns for the financial year ending March 31, 2024.
Effective Date: The changes introduced in the ITR-6 form will be in effect from April 01, 2024. Companies are advised to familiarize themselves with the modifications and adapt their filing procedures accordingly.

The newly notified ITR-6 form incorporates changes pertaining to amendments made by the Finance Act 2023. The form also seeks a few additional details from companies, including Legal Entity Identifier (LEI), MSME registration, reasons for tax audit under section 44AB, disclosure of winnings from online games taxable under section 115BBJ, and more.

5. IT Department Urges PAN Verification to Avoid Higher TDS/TCS Rates for Deductors

The Income Tax Department has released a crucial update directed towards deductors, underscoring the significance of verifying the PAN (Permanent Account Number) status of deductees. This advisory is particularly pertinent as it sheds light on the potential ramifications of overlooking the PAN status, specifically when it is labeled as 'Inoperative'.
The Income Tax Department has highlighted that deductees with an 'Inoperative' PAN status might face higher TDS/TCS (Tax Deducted at Source/Tax Collected at Source) rates. This serves as a cautionary note for deductors to exercise vigilance in their transactions and ensure compliance with the updated guidelines to avoid any adverse consequences.

6. IT department provides clarity on eligibility for deduction of donations to Ram Mandir u/s 80G

The Income Tax department has provided clarity on the eligibility of donations made towards the repair, rebuild, or renovation of the Ram Mandir in Ayodhya, administered by the Shri Ram Janmabhoomi Teerth Kshetra Trust. According to the latest notification, such contributions are now eligible for deductions under Section 80G(2)(b) of the Income-tax Act, 1961.

The government's announcement outlines that 50 percent of the donation amount allocated for the purpose of temple repair or renovation qualifies for this deduction. It is crucial to understand that cash donations exceeding Rs 2,000 will not be eligible for this tax benefit.

7. Changes proposed in the Income-tax Act by the Finance Bill 2024

7.1. Extension of sunset dates under various provisions

- Exemption to specified fund [Section 10(4D)] allowed to the Investment division of the offshore banking unit. This date to commence operations is proposed to be extended from 31-03-2024 to 31-03-2025.
- Exemption to royalty or interest income received by a non-resident from lease of aircraft or a ship [Section 10(4F)]. Exemption to royalty or interest income received by a non-resident from lease of aircraft or a ship [Section 10(4F)]
- Extension in the outer date for the incorporation of start-up [Section 80-IAC]
  An eligible start-up (company or LLP) can claim a deduction under Section 80-IAC for the profit and gains arising from eligible business. The deduction can be claimed up to 100% of the profits and gains derived in 3 consecutive years out of the 10 assessment years beginning from the year of incorporation.
  One of the conditions to claim deduction under this provision is that an eligible entity is incorporated on or after 01-04-2016 but before 01-04-2024. This outer date for the incorporation of a start-up company or LLP is proposed to be extended from 2024 to 2025. Consequently, the deduction under Section 80-IAC will remain available to a start-up if incorporated on or before 31-03-2025.

7.2. Withdrawal of small outstanding direct tax demands

The finance minister, in her budget speech, has proposed the withdrawal or waiver of small, unresolved, unverified, or disputed direct tax demands related to financial years up to 2014-15. This initiative aims to address concerns related to demands amounting to Rs. 25,000 for the period up to financial year 2009-10 and Rs. 10,000 for financial years 2010-11 to 2014-15

Companies Act, 2013

1. **Filing E-form LEAP -1 under Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024**

   1. **Application.-** The provisions of these rules shall apply to —

   (a) unlisted public companies;

   (b) listed public companies, so far as they are in accordance with regulations framed or directions issued in this regard by the Securities and Exchange Board or the Authority, which issue their securities for the purposes of listing on permitted stock exchanges in permissible jurisdictions.

   2. Listing on permitted stock exchanges in permissible jurisdictions.-

   1. An unlisted public company, which does not fall under rule 5 and which has no partly paid-up shares, may issue equity shares for the purposes of listing on a stock exchange in a permissible jurisdiction.

   Explanation. — For the purposes of this sub-rule, issue of equity shares shall include, offer for sale of equity shares by existing shareholders of the unlisted public company for listing on a stock exchange in a permissible jurisdiction.

   2. The unlisted public company or its existing shareholders referred to in sub-rule (1) shall also comply with the requirements of the Scheme.

   3. Listing of equity shares on permitted stock exchanges in permissible jurisdiction by an unlisted public company which also intends to get its equity shares listed with any recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) shall also be in compliance with such conditions as may be specified by the Securities and Exchange Board of India.

   4. The unlisted public company shall file the prospectus in e-Form LEAP-1 specified in the Second Schedule along with the fees within a period of seven days after the same has been finalized and filed in the permitted exchange.

   5. After the listing of the equity shares of a company on any of the stock exchanges in a permissible jurisdiction, the company shall comply with Indian Accounting Standards as specified in the Annexure to the Companies (Indian Accounting Standards) Rules, 2015 in preparation of their financial statements, in addition to any other accounting standard, which they may be required to comply for the preparation of the financial statements filed before the securities regulator concerned, or with the stock exchange concerned, as the case may be.

   3. Certain companies not eligible.- A company shall not be eligible for issuing its equity shares for listing in accordance with these rules, in case it —

   (a) has been registered under section 8 or declared as Nidhi under section 406 of the Act;

   (b) is a company limited by guarantee and also having share capital;

   (c) has any outstanding deposits accepted from the public as per Chapter V of the Act and rules made thereunder;

(d) has a negative net worth; Explanation.— For the purposes of this clause, the expression "net worth" shall have the same meaning as assigned to it under clause (57) of section 2 of the Act;

(e) has defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holder or any other secured creditor: Provided that this clause shall not apply if the company had made good the default and a period of two years had lapsed since the date of making good the default;

(f) has made any application for winding-up under the Act or for resolution or winding-up under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and in case any proceedings against the company for winding-up under the Act or for resolution or winding-up under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) is pending;

(g) has defaulted in filing of an annual return under section 92 or financial statement under section 137 of the Act within the specified period.

https://www.mca.gov.in/bin/dms/getdocument?mds=qcIDsiX0Le%252F2EMv7m1iyEw%253D%253D&type=open

RBI / FEMA

1. **Foreign remittance made by using forged Form 15CB isn't "proceeds of crime" from Scheduled offence of forgery**
   Foreign remittance made by using forged Form 15CB Certificates does not amount to "proceeds of crime" being generated from scheduled offence of fabrication / forgery of Form 15CB Certificates
   After considering all facts, including incriminating material against the petitioner which are the statements made by co-accused/witness under section 50 of PMLA and the fact that their evidentiary value can be tested at the stage of trial, no generation of "proceeds of crime" from criminal activity and the petitioner being a sick and infirm person, the present anticipatory bail application is allowed. The petitioner, in case of arrest, shall be released on bail on furnishing personal bond in the sum of Rs.1,00,000/- with one surety of the like amount to the satisfaction of the concerned Investigating Officer or any other authorized person subject to stipulated conditions

2. **Streamlining of Internal Compliance monitoring function – leveraging use of technology**
   RBI had recently carried out an assessment in select Supervised Entities (SEs) of the prevailing system in place for internal monitoring of compliance with regulatory instructions and the extent of usage of technological solutions to support this function. It is seen that SEs have adopted varying levels of automation to support this function, ranging from use of macro-enabled spreadsheets to workflow-based software solutions. The review brought out that automation of the compliance monitoring process in SEs remains a work in progress with various aspects of this function being carried out with significant manual intervention. There is, thus, a need to implement comprehensive, integrated, enterprise-wide and workflow-based solutions/ tools to enhance the effectiveness of this function.
   https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12603&Mode=0

Key Features of Budget 2024-2025

- **People-Centric Inclusive Development**
  1. Substantive development of all forms of infrastructure-Physical, Digital and Social
  2. Digital Public Infrastructure (DPI)-Promoted formalisation and financial inclusion
  3. Deepening and widening of tax base via GST
  4. Strengthened financial sector brought savings, credit and Investment back on track
  5. GIFT IFSC- A robust gateway for global capital and financial services for the economy
  6. Proactive Inflation management
  7. All parts of country becoming active participants in economic growth

- **Garib Kalyan, Desh ka Kalyan**
  1. DBT has led to savings of ₹2.7 lakh crore
  2. 25 crore people moved out of Multidimensional poverty
  3. Credit assistance to 78 lakh street vendors under PM-SVA Nidhi

- **Empowering the Youth**
  1. 1.4 crore youth trained under Skill India Mission
  2. Fostering entrepreneurial aspirations of Youth-43 crore loans sanctioned under PM Mudra Yojana

- **Welfare of Farmers-Annadata**
  1. Direct financial assistance to 11.8 crore farmers under PM-KISAN
  2. Crop Insurance to 4 crore farmers under PM Fasal Bima Yojana
  3. Integration 1,361 mandis under eNAM, supporting trading volume of₹ 3 lakh crores.

- **Infrastructure and Investment**
  1. Implementation of 3 major railway corridor programmes under PM Gati Shakti-to improve logistics efficiency and reduce cost
  2. Promotion of foreign investment via bilateral investment treaties to be negotiated
  3. Expansion of existing airports and comprehensive development of new airports under UDAN scheme
  4. Promotion of urban transformation via Metro rail and Namo Bharat

- **Tourism**
  1. States will be encouraged to undertake development of iconic tourist centres to attract business and promote opportunities for local entrepreneurship
  2. G20 meetings in 60 places presented diversity of India to global audience
  3. Long-term interest free loans to be provided to States to encourage development
  4. Projects for port connectivity, tourism infrastructure, and amenities will be taken up in islands, including Lakshadweep.

- **Agriculture and Food Processing**
  1. Government will promote private and public investment in post-harvest activities
  2. Application of Nano-DAP to be expanded in all agro-climatic zones
  3. Atmanirbhar Oilseeds Abhiyaan-Strategy to be formulated to achieve atmanirbharta for oilseeds
  4. Comprehensive programme for dairy development to be formulated
  5. Implementation of Pradhan Mantri Matsaya Sampada Yojana to be stepped up to enhance aquaculture productivity, double exports and generate more employment opportunities

- **Achievements of Taxation Reforms**
    1. Direct Tax Collections more than trebled in last 10 years
    2. Number of return filers swelled to 2.4 times
    3. **Faster refunds:** Reduction in average processing time of returns from 93 days (2013-14) to 10 days (2023-24)
    4. Average monthly Gross GST collections doubled to ₹1.66 lakh crore in FY24
    5. Increase in tax buoyancy of State revenue from 0.72 (2012-16) to 1.22 in the post-GST period (2017-23)
    6. **Positive sentiment about GST**
        • 94% industry leasers view transition to GST as largely positive
        • 80% of respondents feel GST has led to supply-chain optimisation
        (As per a survey conducted by a leading consulting firm)
    7. **Decline in import release time since 2019 by: -**
        • 47 per cent at Inland Container Depots
        • 28 per cent at Air Cargo complexes
        • 27 per cent at Sea Ports

Knowledge Capsule

Section 54EC - Deduction on LTCG Through Capital Gain Bonds
Selling capital assets and making a profit will result in taxation on those profits as capital gains. Nevertheless, there is a way to avoid this tax by investing the profits into specific assets. This is typically known as Capital gains exemption. Let us delve into one such exemption given under Section 54EC in detail.

Section 54EC
When a taxpayer sells long-term immovable property (land or building), they have the option to avail capital gain exemption under Section 54EC by investing in certain bonds.

Section 54EC bonds, also known as Capital gain bonds are fixed income instruments which provide capital gains tax exemption under section 54EC to the investors.

The exemption under Section 54EC can be claimed by any taxpayer, including individuals, Hindu Undivided Families (HUFs), companies, LLPs, firms, and others.

Bonds eligible for exemption under section 54EC of the Income Tax Act
- Rural Electrification Corporation Limited or REC bonds
- National Highway Authority of India or NHAI bonds
- Power Finance Corporation Limited or PFC bonds
- Indian Railway Finance Corporation Limited or IRFC bonds

Key facts to avail the LTCG exemption by investment in capital gain bonds
- To avail the tax-exemption the investment must be made within 6 months of the date of sale of immovable property.
- Such investment can be redeemed only after 5 years.
- The exemption on investment is allowed only against long term capital gains on sale of immovable property (i.e., sale of land or building or both). The asset is considered long-term if the taxpayer has held it for a minimum of 24 months prior to the sale.
- The exemption is available up to a maximum amount of Rs 50 lakh.

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