



**Edition 34**  
**From Feb 1, 2024 to Feb 29, 2024**



## **The Scoop**

The most recent figures on Indian economy for Q3, India's economy grew by 8.4%, a big jump from the 4.3% growth in the same period in 2022. India's economy did well, growing by 7.3% because lots of money was put into building things. But, the response from private companies wasn't great, and they sold off almost 29% of their assets. To keep the economy growing, the next Indian government needs to deal with inflation going up, problems in farming and related areas not growing fast enough, less foreign investment, and less money coming in from trade.

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## INCOME TAX UPDATES



### 1. CBDT notifies Tax Information Exchange Agreement: India-Samoa

The agreement aims to facilitate the exchange of information between India and Samoa concerning taxes. It encompasses various aspects, including the object and scope, jurisdiction, taxes covered, definitions, exchange of information upon request, tax examinations abroad, declining a request for information, confidentiality, costs, implementation legislation, mutual agreement procedure, entry into force, and termination.

Under Article 1, the agreement emphasizes providing assistance through the exchange of relevant information for the administration and enforcement of domestic tax laws. It covers aspects like determination, assessment, collection of taxes, and investigation or prosecution of tax matters.

Articles 2 and 3 outline the jurisdiction and taxes covered under the agreement, ensuring a comprehensive scope that includes existing and future taxes.

Article 4 provides definitions crucial for interpreting the agreement, ensuring clarity and consistency in its application.

Read More: <https://incometaxindia.gov.in/communications/notification/notification-21-2024.pdf>



## INCOME TAX UPDATES

### 2. Income-tax (Amendment) Rules 2024 – Changes in ITR-2, ITR-3 & ITR-5 Schedule CG

**CBDT issued a significant corrigendum No. 22/2024 on 21st February 2024, amending the Income-tax (Amendment) Rules,**

1. Title Amendment (Page 148): The corrigendum substitutes “Income-tax (Amendment) Rules, 2024” with “Income-tax (Second Amendment) Rules, 2024.”
2. Form ITR-2 Changes (Page 171): Introduction of “Amount (Rs.)” column in Schedule 80DD and Detailed schedule revision for claiming deductions related to dependent persons with disabilities.
3. Form ITR-3 Modifications (Page 229): Similar to ITR-2, Form ITR-3 sees the addition of “Amount (Rs.)” column in Schedule 80DD. The revised schedule provides details for deductions concerning dependents with disabilities.
4. Form ITR-3 Schedule 80U Addition (Page 230): A new column, “Amount (Rs.),” is introduced in Schedule 80U for detailing deductions related to persons with disabilities.

**Read More:** <https://incometaxindia.gov.in/communications/notification/notification-22-2024.pdf>

### 3. CBDT approves Panjab University’s Scientific Research Deduction U/s. 35(1)(ii)

The focus is on granting approval to Panjab University, Chandigarh, under the category of ‘University, college or other institution’ for ‘Scientific Research’ purposes.

The CBDT grants Panjab University (PAN: AAAJP0325R) approval for availing benefits under Section 35(1)(ii) of the Income Tax Act. This section allows for exemption or deduction from taxable income for expenditures incurred on scientific research. The approval is categorized under “University, college or other institution” for “Scientific Research”.

Read more : [https://incometaxindia.gov.in/communications/notification/notification\\_23-2024.pdf](https://incometaxindia.gov.in/communications/notification/notification_23-2024.pdf)



## INCOME TAX UPDATES

### 4. Direct Tax Collections for F.Y. 2023-24 up to 10.01.2024

- ◆ The provisional figures of Direct Tax collections up to 10th Jan, 2023 continue to register steady growth.
- ◆ Direct Tax collections up to 10th Jan, 2023 show that gross collections are at Rs. 17.18 lakh crore which is 16.77% higher than the gross collections for the comparable period of last year.
- ◆ Direct Tax collection, net of refunds, stands at Rs. 14.70 lakh crore which is 19.41% higher than the net collections for the corresponding period of last year.
- ◆ Refunds amounting to Rs. 2.48 lakh crore have been issued during 1st April, 2023 to 10th January, 2024.

Read More: <https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1175/PressRelease-Direct-Tax-Collections-for-FY2023-24.pdf>





## GST UPDATES



### **1. Enhanced E-Invoicing Initiatives & Launch of Enhanced portal**

- i. PAN-Based Search: Users can check the e-invoice enablement status of entities using their Permanent Account Number (PAN) in addition to search with GSTIN.
- ii. Automatic E-invoice exemption List: The portal now automatically publish updated list with all GSTINs that have filed for e-invoice exemptions at the start of the month and is available for users to download.
- iii. Global Search Bar: A comprehensive search tab has been introduced that allows for quick access to the information across the portal.
- iv. Local Search Capabilities: Enhanced search functionality within advisory, FAQ, manual, and other sections for efficient information access.
- v. Revamped Advisory and FAQ Section: Now organized year-wise and month-wise for easier reference, offering comprehensive guidance.

Read More: <https://www.gst.gov.in/newsandupdates/read/624>

# GST UPDATES

## **2. Instances of Delay in registration reported by some Taxpayers despite successful Aadhar Authentication in accordance with Rule 8 and 9 CGST, Rules, 2017**

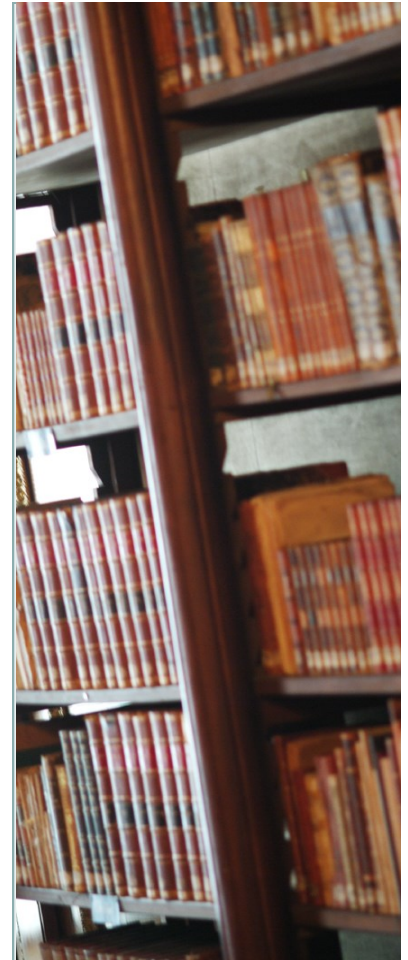
In accordance with Rule 9 of the Central Goods and Services Tax (CGST) Rules, 2017, pertaining to the verification and approval of registration applications,

Where a person has undergone Aadhaar authentication as per sub-rule (4A) of rule 8 but has been identified in terms of Rule 9(aa) by the common portal for detailed verification based on risk profile, your application for registration would be processed **within 30 days of application submission.**

Necessary changes would also be made to reflect the same in the online tracking module vis-à-vis processing of registration application.

**3. Indian Customs and Singapore Customs virtually signed the Joint Action Plan for phased negotiations of the Authorized Economic Operator Mutual Recognition Arrangement (AEO-MRA).** This arrangement is aimed at enhancing supply chain security and trade facilitation between India and Singapore. The signing of the Joint Action Plan signifies a commitment to mutual recognition of Authorized Economic Operators between the two countries.

**4. A case booked by the Directorate General of GST Intelligence, Lucknow Zonal Unit,** the officers gathered that three Agra-based taxpayers were availing fake Input Tax Credit (ITC) on the raw materials allegedly for manufacturing of 'Handpumps'. The fake ITC on raw materials (@18%) was further used to issue fake invoices of handpumps (@5%/0) to non-existent entities without any actual manufacture and supply. Adopting this modus, the taxpayers were obtaining fraudulent refunds under an "inverted duty structure" with evasion amounting to Rs. 15.27 Crore so far. The mastermind of the whole operation, who has been placed under judicial custody, accepted the fraud committed and voluntarily deposited Rs. 5.21 Crore.



### Reserve Ratios

CRR: 4.50%

SLR: 18.00%

### Exchange Rate (As on Sep'30, 2023)

INR / 1 USD : 83.058

INR / 1 GBP : 101.671

INR / 1 EUR : 87.937

INR / 100 JPY : 55.81



## MCA UPDATES



### 1. Extension and Fee Relaxation for Filing LLP BEN-2 and LLP Form No. 4D

- ◆ The circular stems from the Ministry's notifications of the Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023, and the Limited Liability Partnership (Third Amendment) Rules, 2023. These rules introduced Form LLP BEN-2 and LLP Form No. 4D for reporting purposes related to significant beneficial owners and beneficial interest in contribution received by the LLP, respectively.
- ◆ The circular acknowledges the transition of MCA-21 from version-2 to version-3,
- ◆ Extension of Filing Deadline: In light of the transition and to facilitate compliance, LLPs are granted an extension for filing Form LLP BEN-2 and LLP Form No. 4D without incurring additional fees. The deadline for such filings is extended up to 15th May 2024. Additionally, the forms will be made available in version-3 for filing purposes starting from 15th April 2024.

Read More: <https://www.mca.gov.in/bin/dms/getdocument?mds=ui4J8CwvqBhepbNiu3putw%253D%253D&type=open>

## MCA UPDATES

### 2. Deployment & usage of Change Request Form (CRF) on MCA-21: MCA Circular

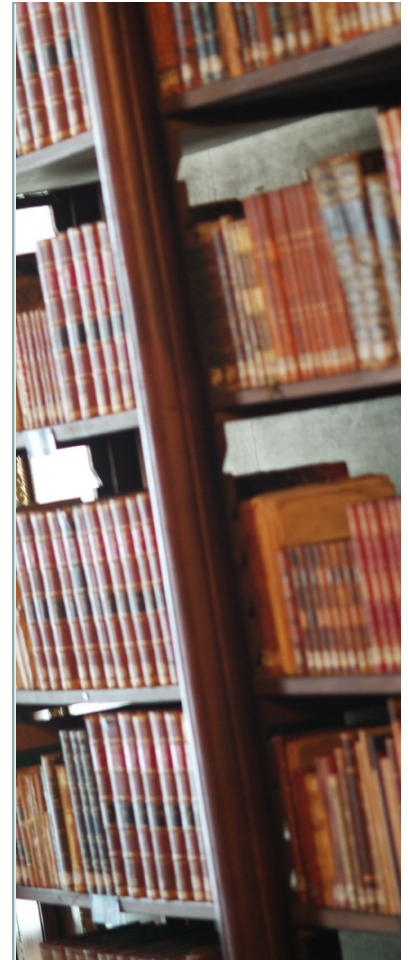
The Ministry of Corporate Affairs (MCA), Government of India, has introduced the Change Request Form (CRF) on MCA-21, a pivotal step towards enhancing administrative processes.

Understanding the CRF The CRF, accessible via the V3 portal of MCA-21, serves as a web-based tool catering to exceptional circumstances. It empowers stakeholders, including the Directorate General of Corporate Affairs (DGCoA), Regional Directors, and Registrar of Companies (RoCs), to make requests that cannot be accommodated through conventional channels. However, it's imperative to note that the CRF does not supersede reporting, application, or registry obligations mandated by the Companies Act, 2013, and LLP Act, 2008.

Primarily, the CRF is intended for master data correction and compliance with specific directives from Courts/Tribunals, beyond the purview of existing forms or services on the MCA-21 platform. While it offers flexibility, stakeholders must exercise discretion and ensure that requests align with the intended purpose. Misuse or inappropriate usage may result in rejection, emphasizing the importance of understanding the CRF's scope and limitations.

The Form should be processed by RoCs within 03 days of its filing, after which it should be forwarded to Joint Director (e-governance cell), who shall process and decide the matter within a maximum time of 07 days.

Read More: <https://www.mca.gov.in/bin/dms/getdocument?mds=Gdp7pwkWmPucgX1GIBvdSw%253D%253D&type=open>





## Reserve Ratios

CRR: 4.50%

SLR: 18.00%

## Exchange Rate (As on Feb 29, 2024)

INR / 1 USD : 82.87

INR / 1 GBP : 104.64

INR / 1 EUR : 89.57

INR / 100 JPY : 55.11

## RBI UPDATES



### 1.RBI cautions against frauds in the name of KYC updation

In the wake of continuing incidents/ reports of customers falling prey to frauds being perpetrated in the name of KYC updation, RBI once again urges the members of public to exercise caution and due care to prevent loss and safeguard themselves from such malicious practices.

The modus operandi for such frauds usually involves customers receiving unsolicited communications, including phone calls/SMS/emails, through which they are manipulated into revealing personal information, account/login details, or installing unauthorized or unverified apps through links provided in the messages. Such communications often employ tactics of creating a false urgency and threatening of account freezing/blocking/closure, if the customer fails to comply. Further, in order to safeguard themselves, members of public are encouraged to adopt the following measures:-

#### Do's

- In the event of receiving any request for KYC updation, directly contact their bank/ financial institution for confirmation/ assistance.
- Obtain contact number/ customer care phone number of the bank/ financial institution only through its official website/ sources.
- Inform their bank/ financial institution immediately in case of any cyber fraud incident.



## RBI UPDATES

- Enquire with their bank branch to ascertain available modes/ options for updating KYC details

### Don'ts

- Do not share account login credentials, card information, PINs, passwords, OTPs with anyone.
- Do not share KYC documents or copies of KYC documents with unknown or unidentified individuals or organizations.
- Do not share any sensitive data/ information through unverified/ unauthorized websites or applications.
- Do not click on suspicious or unverified links received in mobile or email.

Read More:

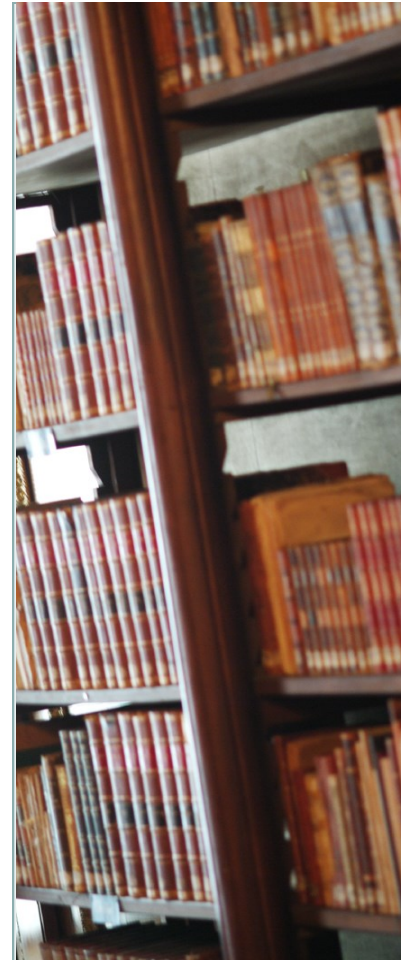
[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57244](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57244)

## 2. RBI Grants Payment Aggregator Licences to Juspay, Zoho, and Decentro

This approval comes in the wake of stringent criteria set by the regulator and positions these entities alongside other notable players in the payments aggregator landscape.

Juspay, Decentro, and Zoho have secured the coveted payment aggregator licences from the RBI. They join established names such as Stripe, Zomato, and Tata Pay, who received approval in January, as well as leading fintech players like Razorpay and Cashfree, which acquired the license last year.

Payment aggregator licenses empower companies to offer payment services to merchants, facilitating transactions between customers and businesses.





## RBI UPDATES

### 3. Launch of India's RuPay / UPI connectivity with Mauritius and Sri Lanka

With this connectivity, an Indian traveller to Mauritius will be able to pay a merchant in Mauritius using UPI. Similarly, a Mauritian traveller will be able to do the same in India using the Instant Payment System (IPS) app of Mauritius. Further, with the adoption of RuPay technology, the Mau-CAS card scheme of Mauritius will enable banks in Mauritius to issue RuPay cards domestically. Such cards can be used at ATMs and PoS terminals locally in Mauritius as well as in India. With this, Mauritius becomes the first country outside Asia to issue cards using RuPay technology. Indian RuPay cards would also be accepted at ATMs and PoS terminals in Mauritius.

The digital payments connectivity with Sri Lanka will enable Indian travellers to make QR code-based payments at merchant locations in Sri Lanka using their UPI apps.

These projects have been developed and executed by NPCI International Payments Limited (NIPL) along with partner banks / non-banks from Mauritius and Sri Lanka, under the guidance and support of Reserve Bank of India.

Read More:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57308](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57308)



## OTHER NEWS UPDATES

- ◆ **ESAF Small Finance Bank and Edelweiss Tokio Life Insurance Partner to Offer Life Insurance:** The partnership underscores ESAF Small Finance Bank's dedication to extending financial security to the unbanked and underbanked population, particularly in rural markets across India. The primary goal is to enhance the accessibility of innovative life insurance products, leveraging ESAF Small Finance Bank's extensive presence in rural markets.
- ◆ **HDFC Bank Receives RBI Approval for Stake Acquisition in Six Banks:** The approval encompasses HDFC Bank and its group entities, including HDFC Mutual Fund, HDFC Life Insurance, and HDFC ERGO General Insurance to acquire an aggregate stake of up to 9.5% in ICICI Bank, Axis Bank, IndusInd Bank, YES Bank, Bandhan Bank, and Suryoday Small Finance Bank (SFB). The purpose of the approval is to allow acquisitions within the normal course of business for these respective group entities.
- ◆ **RBI Grants Payment Aggregator License to Mswipe Technologies:** Mswipe Technologies, a prominent player in India's digital payments sector, has been awarded a Payment Aggregator (PA) license by the Reserve Bank of India (RBI). This significant development follows the company's receipt of an in-principle approval earlier in 2022. Mswipe aims to leverage this license to bolster its range of offerings, providing comprehensive payment technology solutions across various channels.
- ◆ **Fintech Startup 'Paymart' Partners With Five Indian Banks For Virtual ATM Service:** Paymart, a fintech startup, announced its partnership with five Indian banks to introduce a groundbreaking virtual, cardless, and hardware-less cash withdrawal service. The partnered banks include IDBI Bank, Indian Bank, Jammu & Kashmir Bank, and Karur Vyasa Bank, with discussions underway with four additional banks for further collaboration.
- ◆ **Reliance Industries Hits ₹20-Lakh Crore Market Cap Milestone:** Reliance Industries Limited (RIL) achieved a significant milestone on Indian stock exchanges by surpassing a market capitalization of ₹20-lakh crore. This marks the first instance of any company achieving this valuation on the Indian bourses. The surge in market value is attributed to various factors including robust performance across its business segments and favorable market conditions.





## INTERNATIONAL NEWS UPDATES

◆ **India Launches UPI Payments at Eiffel Tower in Paris:** NPCI International Payments (NIPL) has partnered with French e-commerce and proximity payments company, Lyra, to facilitate the acceptance of UPI payments in France. The strategic tie-up ensures a seamless integration of the UPI payment mechanism, starting with the Eiffel Tower.

◆ **France Takes Lead as First EU Nation to Offer Digital Visas:** France takes the lead in digitalizing the Schengen visa system, setting the stage for a more efficient and streamlined application process. The initiative aims to enhance visa accessibility and convenience, particularly with the upcoming 2024 Olympic and Paralympic Games in Paris

◆ **Iran Abolishes Visa Requirements for Indian Tourists :** Iran eliminates visa requirements for Indian tourists from February 4, 2024, aiming to boost tourism and global engagement. Indian ordinary passport holders can visit every six months for up to 15 days. The move extends to 33 countries, acknowledging India's growing outbound tourism market.

◆ **US House Passes Quad Bill:** The US House of Representatives has overwhelmingly passed the Quad bill aimed at enhancing cooperation between the US, Australia, India, and Japan. The bill mandates the establishment of a Quad Intra-Parliamentary Working Group to bolster joint efforts in various domains. The bill stresses cooperation on pandemic preparedness, technological innovation, and economic integration.

◆ **Russia's economy 'in for very tough times' despite improved growth outlook:** Russia's economy has proven to be surprisingly resilient amid waves of Western sanctions in the nearly two years since it launched its full-scale invasion of Ukraine. In late January, the International Monetary Fund more than doubled its forecast for the pace of the country's economic growth this year, raising it from 1.1% in October to 2.6%.

◆ **Japan's economy unexpectedly slips into recession, hurt by weak domestic demand:** Japan's economy dipped into a technical recession, after unexpectedly contracting again in the October-December period, provisional government data showed Thursday. High inflation crimped domestic demand and private consumption in what's now the world's fourth-largest economy.



CA Naveesh Nagpal



## EXPERT SPEAK

The fintech market in India is one of the fastest growing in the world. It is estimated to be worth \$2.1 trillion by 2030 and is already the second largest in Asia-Pacific.

The growth of the Indian fintech market is being driven by a number of factors, including:

- ◆ The increasing penetration of smartphones and internet connectivity in India
- ◆ The growing demand for financial services among the country's large and young population
- ◆ The supportive regulatory environment for fintech innovation
- ◆ The increasing investment in the fintech sector by both domestic and international investors

India has emerged as a major player in the global unicorn market, with 111 unicorns valued at \$349.67 billion.

Let's take a closer look at their growth and impact!

### **2011-2015: The Silent Revolution**

In 2011, Flipkart became India's first unicorn. By the end of 2015, 10 unicorns had emerged, with a total valuation of \$34 billion.

### **2016-2020: The Big Boom**

Companies like Paytm Mall & Snapdeal fueled the unicorn boom with their digital platforms and innovative services.

### **2021-2022: Unicorns Continue to Multiply**

Companies like Razorpay, Cred, Pharmeasy joined the Unicorn Club

With a unique blend of innovation, talent, and market potential, India's Fintech is poised to be a global powerhouse in the coming decade."

By developing a financial strategy, we can empower the start ups to thrive and contribute to the country's growth

We can create an environment that nurtures innovation and entrepreneurial spirit through

- ◆ Access to Funding
- ◆ Mentorship
- ◆ Market Opportunities



## EXPERT PANEL



CA Naveesh Nagpal

Ph: 9582289938

LinkedIn: <https://www.linkedin.com/in/naveesh-nagpal-a02b6539/>



CA Sanjay Singh

Ph: 9711205178

LinkedIn: <https://www.linkedin.com/in/sanjay-singh-12aa3122/>

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