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From President's Desk...

Dear Professional Colleagues and Readers,

As we look back over the last three months, it's inspiring to see the progress we've made. Our association has been active with numerous initiatives that reflect our commitment to staying future-ready, thanks to your support and participation.

On the technical front, we successfully held the Union Budget 2024 Public Programme, distributing 6,000 Budget booklets to the public. This year, we made a significant leap by using AI tools to automate the booklet's creation. Additionally, we released **six issues** of *CVOCA Gyan Ganga*, continuing to share valuable insights with our members and the broader community.

In our social outreach, we promoted "No WhatsApp Day" on 7th September 2024 during Paryushan. This initiative, supported by over **40+ community organizations**, received a positive response from the community, encouraging many to take a break from digital distractions and reconnect with themselves and others. This also got significant media coverage

We've also focused on enriching our members' knowledge through RRCs, tie-ups for software and book launches, and our **Growth Series**, which featured tips on technology and discussions on offbeat areas of practice. Networking meets were held at over ten locations in Mumbai, fostering stronger connections within our professional community.

For our younger members, a trekking event was organized, providing them with a platform to build teamwork and leadership skills in a fun, adventurous setting. We also launched the Value Investing Club, which now boasts over **250+ paid members** who are eager to deepen their understanding of investment strategies.

A new initiative has also been introduced for our members in the industry. Through this, members will have the opportunity to benefit from the knowledge and experience of stalwarts in their respective fields, enhancing their skills and professional growth through mentorship and collaboration.

Looking forward, we have several exciting events planned. One of the most anticipated is our **first-ever** Auction-based Cricket and Fun-Cum-Trade Fair for members and their families. We are also working on launching Financial and Technology Literacy Training **for Kids**, along with raising awareness on these topics through street plays in the community. We encourage all members to support these initiatives, as they aim to equip future generations with essential financial and technological skills.

As the saying goes, "**Change is the only constant in life**." Our association is dedicated to embracing change, be it through the adoption of new technologies or exploring offbeat areas of practice. We must continue to evolve to stay ahead of the curve, and I urge you all to take part in our upcoming events and initiatives.

Together, we will continue on this journey of growth and transformation, ensuring our community is well-prepared for the future.

Thank you all..... Always in Gratitude

October 9, 2024

CA Vinit Gada

304, Jasmine Apartment, Dada Saheb Phalke Road, Dadar (East), Mumbai - 400 014. Tel.: +91-9167928622 I E-mail : info@cvoca.org I Website : www.cvoca.org

Follow us on : @cvocain @CVOCA Association @cvoca YouTube http://bit.ly/cvocayt

GST ON ACCOMMODATION SERVICES

CA Monil Maru
Email : camonilmaru@gmail.com

Introduction:

Accommodation services are widely and one of the most commonly used services. From GST perspective, accommodation service industry has always been under pressure and keep addressing their issues to the government. Accommodation services are two-fold and classified as hotel accommodation and renting of residential dwelling

Outward Supply:

The general GST rate at which accommodation services are being levied on is 12% provided declared tariff is less than or equal to seven thousand five hundred. Earlier, accommodation services were exempt if such services have value of supply less than or equal to rupees one thousand but now this exemption has been withdrawn by the government. However, in the recently held 53rd GST council meeting, a big relief was given to the accommodation industry. It was recommended as "*Supply of accommodation services having value of supply less than or equal to twenty thousand rupees per person per month provided that the accommodation service is supplied for a minimum period of ninety days*". Industry was overjoyed with this exemption, but when it came to execution of the exemption, industry realised the practical difficulties. This is very much applicable in case of renting of residential dwelling.

In case of renting of residential dwelling, herein referred as 'renting services', generally such services are exempt from GST. However, government withdrawn this exemption in case renting services are provided for residence to registered person on reverse charges basis (RCM). Following is the summary of tax applicable on each scenario:

Nature of property	Property used for	Recipient registered or not	Exemption	Basis of GST payable
Residential Dwelling	Residence	Not registered	Available	NA
Residential Dwelling	Residence	Registered	Not available	Reverse charge
Residential Dwelling	Non residence/ Commercial	Not registered	Not available	Forward charge
Residential Dwelling	Non residence/ Commercial	Registered	Not available	Forward charge

It is to be noted that if the declared tariff is more than seven thousand five hundred per unit per day or equivalent then the outward GST rate of accommodation services would be 18%.

Further, it is well understood that renting would come up with providing food and beverage services in case of hotels and in some of the cases of renting services. Now comes the question of taxability of such food and beverage services. Food and beverage services are generally known as provision of restaurant services and hence are chargeable at 5% or 18% subject to repercussions on ITC, which is discussed in the ITC part ahead.

Further, any other services provided separately are to be charged at 18% for eg: service charges etc.

GST law has a concept of composite supply wherein, if one or more goods or services are supplied and all such goods or services are naturally bundled then all such goods or services would be taxed at the rate at which the principal supply is taxed at. With regards to this, alternatively, all the services mentioned above can be charged at a rate which is applicable for principal supply i.e. 12% and can be treated as composite supply as all these services are bundled together.

Input Tax Credit (ITC)

Where the benefit of exemption of INR 20,000 is availed, then no ITC would be available with regards to turnover of accommodation services and ITC should be reversed on monthly basis in proportion to the outward exempt supplies as per Rule 42 of the CGST Rules, 2017 and if any capital asset is purchased, then ITC on such capital asset should also be proportionately reversed as per Rule 43. However, proportionate ITC would be available to claim in respect of any taxable turnover.

For instance, if the accommodation services are supplied under exemption the no ITC is available on inputs and input services exclusively used for providing such accommodation services. Also, common ITC to be reversed to the extent of exempt turnover. Further, if service charges are being charged where GST is charged at 18%, then proportionate ITC to the extent of turnover of such services charges is available.

Where the benefit of exemption of INR 20,000 is not availed i.e. rent amount, in case of renting services, or declared tariff, in case of hotels etc., is more than INR 20,000 per person per month, then all the ITC of inputs and input services would be available to claim. However, if the food and beverages services are charged at 5%, then ITC on input and input services exclusively used for supply of such services would not be available. Further, such supplies, even though GST is charged at 5%, would be treated as exempt supplies and also, registered person is required to reverse the ITC to the extent of exempt turnover of food and beverages services.

Separately, if food and beverages are charged at 18%, then ITC on inputs and input services exclusively used for providing food and beverage services would be available in full and no proportionate reversal is required to be made.

CHANGES PROPOSED IN CAPITAL GAINS TAX IN UNION BUDGET 2024-2025

CA Maulik Vira
Email : maulik1171@yahoo.com

The bromance of Capital Gains and each Finance Minister every year is known to one and all. There would have been hardly a year in the history of presentation of Union Budget when Finance Ministers would have refrained from making any changes in Capital gains tax. From introduction of Securities Transaction Tax substituting long term capital gains tax to reintroduction of long term capital gains tax keeping Securities transaction tax intact to finally increasing long terms capital gains tax and increasing securities transaction tax simultaneously, history has witnessed all changes. With every change proposed in the Union Budgets and finally getting shape in Finance Acts, complications have reigned supreme for tax payers and tax practitioners also. Well, not to forget, as it is common with all love stories, this love story too has always faced opposition from the big daddy, you guessed it right, the financial markets.

So, what are the changes proposed in Union Budget 2024-2025 in Capital Gains scheme and tax. Let's scratch our heads and try to fathom the fine print

Smt. Nirmala Sitaraman has emphasized the need for Rationalisation and Simplification of taxation of Capital Gains in her budget speech and has made proposals in this regard in the Union Budget presented for 2024-2025. So what is this rationalization and simplification of taxation of Capital Gains all about and how will the economy manage to achieve it. Further, due to tremendous hue and cry in the real estate sector, certain amendments have been made while obtaining assent of the Hon'ble President of India on the 16th of August, 2024 to the proposed Finance Bill. Let us understand the objective of rationalization and simplification and the measures proposed by the Government for achieving the same and what amendments have been further made when the Finance Bill transformed into the Finance Act in this article.

Considering the changes made after proposing the Finance Bill and the scenario pre 23rd July, 2024 and post 23rd July, 2024, let us divide this article into 2 parts viz., 1. Effective capital gain tax w.e.f. 24th July, 2024 and 2. Capital Gain tax upto 24th July, 2024.

First, let us analyse effective capital gain tax w.e.f. 24th July, 2024 and the changes now made

To understand capital gains, it is imperative for us to understand the types of capital assets which will be impacted when sold

Following are the various type of capital assets, which when sold will attract tax known as capital gain tax

1. Stocks
2. Equity mutual funds
3. Debt and non-equity mutual funds
4. Bonds (listed)
5. REITs/InVITs
6. Equity FoFs

7. Gold / Silver ETF
8. Overseas FoF
9. Gold Funds
10. Real Estate
11. Bonds (unlisted)
12. Physical Gold
13. Stocks (unlisted)
14. Foreign equities / debt

Let us now see the existing tax structures for these assets

Asset type	Short Term Capital Gain Tax	Long Term Capital Gain Tax
Stocks	15%	10%
Equity mutual funds	15%	10%
Debt and non-equity mutual funds	Slab rate	Slab rate
Bonds (listed)	Slab rate	10%
REITs/InVITs	15%	10%
Equity FoFs	Slab rate	Slab rate
Gold / Silver ETF	Slab rate	Slab rate
Overseas FoF	Slab rate	Slab rate
Gold Funds	Slab rate	Slab rate
Real Estate	Slab rate	20% (with indexation)
Bonds (unlisted)	Slab rate	Slab rate
Physical Gold	Slab rate	20% (with indexation)
Stocks (unlisted)	Slab rate	20% (with indexation)
Foreign equities / debt	Slab rate	20% (with indexation)

I am sure the viewers will concur with me that complications in tax structure to this extent as mentioned hereinabove has always remained a pain in the neck for each tax payer all through these years necessitating a common investor to seek professional guidance in calculating tax liability and filing the returns of income.

This exactly has given birth to this proposal of Rationalisation and Simplification of taxation of Capital Gains which our Hon'ble Finance Minister referred to in her budget speech.

So, what happens now and how will it be different from the existing tax structure. Let us understand

It has now been proposed that if any of the above asset is sold within the minimum holding period (holding period specified for each type of capital asset), then the sale of such asset will be categorized as short term capital gain and the same will be charged to tax as under :

Asset type	Short Term Capital Gain Tax
Stocks	20%
Equity mutual funds	20%
Debt and non-equity mutual funds	Slab rate
Bonds (listed)	20%
REITs/InVITs	20%
Equity FoFs	20%
Gold / Silver ETF	20%
Overseas FoF	Slab rate
Gold Funds	Slab rate
Real Estate	Slab rate
Bonds (unlisted)	Slab rate
Physical Gold	Slab rate
Stocks (unlisted)	Slab rate
Foreign equities / debt	Slab rate

You will now ask what is the difference except for increase in short term capital gain tax rate. If the above table is read carefully, it will be understood that more number of items have now been assigned a tax rate instead of charging at slab rate. Thus, the list of items having special rate of tax has increased compared to the past.

However, this rationalization and simplification process is not just restricted to changes made in Short Term Capital Gains Tax. Let us analyse changes done in long term capital gain tax. Follow this table

Asset type	Long Term Capital Gain Tax
Stocks	12.50%
Equity mutual funds	12.50%
Debt and non-equity mutual funds	Slab rate
Bonds (listed)	12.50%
REITs/InVITs	12.50%
Equity FoFs	12.50%
Gold / Silver ETF	12.50%
Overseas FoF	12.50%
Gold Funds	12.50%
Real Estate	12.50%
Bonds (unlisted)	Slab rate
Physical Gold	12.50%
Stocks (unlisted)	12.50%
Foreign equities / debt	12.50%

Upon following the above table, we can draw the following inferences :

1. Except for Debt and non-equity mutual funds and unlisted bonds, which are continued to be taxed at slab rates, all other capital assets, when sold in long term will now be taxed at a single rate of 12.50%
2. Earlier, benefit of indexation was given on certain categories of assets like real estate, physical gold, unlisted shares etc whereas other categories of assets did not carry such a benefit thus complicating the tax structure. It can now be observed that indexation has been completely withdrawn for all purchases made after 23rd July, 2024 of all the said assets and now long term capital gain tax will be charged at a flat rate of 12.50% except for 2 assets as mentioned here in above.

This is the basic intention behind rationalization and simplification of capital gains. Thus, now, most of the assets when sold in long term will attract single rate of tax and there is no secondary caveat of with / without indexation

So now we come to the moot question of this discussion and that is whether this rationalization and simplification is a welcome move from the point of view of burden of tax on the seller or has it aggravated the already nagging pain.

Well, it appears that, for assesses falling under tax bracket of more than 15%, capital assets now getting taxed at 12.50% instead of slab rate in old regime will lead to a reduction in the tax burden, particularly for those capital assets which were not enjoying benefit of indexation.

However, the impact is different in case of those assets which were earlier eligible for the benefit of indexation to factor in the effects of inflation on the cost of acquisition as these will now be taxed at the time of sale at a flat rate of 12.50% without indexation. Thus in the long run, the impact of taxation will be higher on the assessee as had the benefit of indexation continued, the cost of acquisition would have been indexed to factor in the inflation and eventually the gains arising at the time of sales would had reduced thus reducing the tax liability under capital gains. Also, with no change done in Sec 54 / sec 54B / sec 54G, the amount of investment that an assessee will have to make in the future to avoid the burden of capital gains tax will increase as the section states that the benefit of exemption will be related to the capital gains. Thus, if the capital gains increase due to removal of indexation, the minimum investment that an assessee will have to make in the future will consequently increase. However, it is improbable to analyse these effects in current date and considering any hypothetical situation will be misleading for the readers.

Let us now understand case 2 which is changes in capital gain tax upto 24th July, 2024.

Under this scenario all other changes that have been discussed hereinabove in Scenario 1 remain the same except for 1 major change which impacts capital gains tax in case of real estate transactions.

As discussed hereinabove, at the time of calculating long term capital gains tax on sale of immovable properties like land and building, cost of acquisition was indexed adopting cost inflation index declared for each year to factor in the effect of inflation. This escalated the original cost of acquisition, bringing it in parity with its tentative value at the time of sale. Accordingly, while calculating long terms capital gains tax, the original cost of acquisition was replaced by the indexed cost of acquisition and the capital gains arrived were indexed capital gains. This indexed capital gain was lower than the actual profit on sale of the property. This benefit of indexation was proposed to be withdrawn as we discussed hereinabove but after a huge uproar in the industry as well as investors, the government decided to make certain changes in the proposal which are as under :

The benefit of indexation is restored back subject to the following :

a. It is applicable only to resident individuals and HUF

b. It is applicable only to sale of immovable property viz., land or building

c. It is applicable only if the property sold is purchased upto 23rd July, 2024.

So far so good. The assesses may be experiencing huge relief with this roll back. However before we start rejoicing and applauding this move of the government, there are a few points which need to be understood.

Firstly, as mentioned hereinabove, the benefit is available to only resident individuals or HUF. Thus, non-residents will continued to be covered under the changed regime and so will other categories of assesses like partnership firms, LLPs, corporates etc. This is the first curtailment in the benefit extended

Secondly, the benefit of indexation is available only to those properties purchased prior to 24th July, 2024. Thus, properties purchased after 23rd July, 2024 will be covered under the amended regime and the consequences are already discussed in Scenario 1.

Also, the benefit is only on sale of immovable properties. Thus other assets held for long term and sold such as bullion will continue to be taxed under amended regime.

The list does not end here. There are more tremors to come and the biggest tremor is as under :

I will reproduce hereunder the exact wordings of the amendments made :

"Provided further that in the case of transfer of a long-term capital asset, being land or building or both, which is acquired before the 23rd day of July, 2024, where the income-tax computed under item (B) exceeds the income-tax computed in accordance with the provisions of this Act, as they stood immediately before their amendment by the Finance (No. 2) Act, 2024, such excess shall be ignored;"

Item (B) here refers to

the amount of income-tax calculated on such long-term capital gains at the rate of twelve and one-half per cent. for any transfer which takes place on or after the 23rd day of July, 2024

To simplify, the meaning of this amendment is that any excess tax accruing under the new regime i.e. @ 12.5% of non indexed capital gains over indexed capital gains shall be ignored. This further means that the capital gains that shall be charged to tax will get restricted to indexed capital gains that have been calculated over all these years. Further, the assessee has to decide upon the option to be exercised i.e. to claim benefits of indexation or not to claim and thereby pay lower tax. As far as gains are concerned, this stance is to the benefit of the assessee and the assessee will opt for the old regime without a second thought. However, it is interesting to understand the impact in case of capital loss.

Let us understand the comparison with certain 2 illustrations viz., one with capital gains and other with capital loss.

Mr. A purchased a residential house property on 15th Dec., 2002 for Rs. 10,00,000/- and he is selling on 15th August, 2024 for Rs. 1,00,00,000/-

The comparison between tax under old regime and new regime is as under :

Particulars	Old Regime	New Regime
Date of Acquisition	15th Dec., 2002	15th Dec., 2002
Cost of Acquisition	Rs. 10,00,000/-	Rs. 10,00,000/-
Indexed Cost of Acquisition	Rs. 10,00,000/- * 363/105 = Rs. 34,57,143/-	-------------
Sale consideration	Rs. 1,00,00,000/-	Rs. 1,00,00,000/-
Date of sale	15th August, 2024	15th August, 2024
Capital Gains	Rs. 1,00,00,000 – Rs. 34,57,143 = Rs. 65,42,857/-	Rs. 1,00,00,000 – Rs. 10,00,000 = Rs. 90,00,000/-
Tax rate on capital gains	20%	12.50%
Capital Gains Tax	Rs. 65,42,857/- * 20% = Rs. 13,08,571	Rs. 90,00,000/- * 12.50% = Rs. 11,25,000/-

It can be thus observed that inspite of withdrawal of indexation, tax under capital gains as per new regime is lower than the tax as per old regime i.e. after benefits of indexation and hence any prudent assessee will opt for new regime.

Let us now tweak the above data a bit

Particulars	Old Regime	New Regime
Date of Acquisition	15th Dec., 2002	15th Dec., 2002
Cost of Acquisition	Rs. 20,00,000/-	Rs. 20,00,000/-
Indexed Cost of Acquisition	Rs. 20,00,000/- * 363/105 = Rs. 69,14,286/-	-------------
Sale consideration	Rs. 1,00,00,000/-	Rs. 1,00,00,000/-
Date of sale	15th August, 2024	15th August, 2024
Capital Gains	Rs. 1,00,00,000 – Rs. 69,14,286 = Rs. 30,85,714/-	Rs. 1,00,00,000 – Rs. 20,00,000 = Rs. 80,00,000/-
Tax rate on capital gains	20%	12.50%
Capital Gains Tax	Rs. 30,85,714/- * 20% = Rs. 6,17,143/-	Rs. 80,00,000/- * 12.50% = Rs. 10,00,000/-

Thus it can be observed that the tax on capital gains as per new regime is substantially higher than the tax as per old regime. Thus, the assessee will undoubtedly select option of old regime and his tax liability will stand restricted to Rs. 6,17,143/- and excess tax of Rs. 3,82,857/- (Rs. 10,00,000/- - Rs. 6,17,143/-) will be ignored.

Let us again add 1 more twist to our illustration as under :

Particulars	Old Regime	New Regime
Date of Acquisition	15th Dec., 2022	15th Dec., 2022
Cost of Acquisition	Rs. 50,00,000/-	Rs. 50,00,000/-
Indexed Cost of Acquisition	Rs. 50,00,000/- * 363/331 = Rs. 54,83,384/-	-------------
Sale consideration	Rs. 40,00,000/-	Rs. 40,00,000/-
Date of sale	15th August, 2024	15th August, 2024
Capital Loss	Rs. 40,00,000 – Rs. 54,83,384 = Rs. 14,83,384/-	Rs. 40,00,000 – Rs. 50,00,000 = Rs. 10,00,000/-

In the case of loss, as per the amended provisions, the loss shall get restricted to the amount arrived at as per new regime i.e. Rs. 10,00,000/- in our case. Thus, the assessee will have to forego additional loss of Rs. 4,83,384/- (Rs. 14,83,384 – Rs. 10,00,000/-) since the option of grandfathering i.e. comparison tax liability between old regime and new regime and exercising option of paying lower tax is applicable on tax liability. In the case of zero tax i.e. in the case of loss, there is no option of grandfathering and hence the assessee will have to adopt the new regime of capital gains tax and claim the benefit of reduced long term capital loss.

Impact of reduction in long term capital loss :

Long Term capital loss is eligible for set off against long term capital gains arising in current year and if the long term capital gains in the current year are not sufficient enough to absorb the entire long term capital loss, then the remaining long term capital loss can be carried forward for set off upto following 8 assessment years

Since loss calculated as per new regime is only available for set off or carry forward, income remaining after set off will increase in comparison to old regime resulting in higher tax outflow and in the case of carry forward also, since the loss allowed to be carried forward will be the one that is derived as per new regime, incomes in future years after set off of brought forward loss will be higher than the income that used to accrue as per the old regime, again leading to higher tax burden on the assessee. All this is due to the fact that the grandfathering benefit given to the assessee applies only to gains and not to losses.

It can thus be experienced that though benefits by restoring indexation have been given to the assessee, they will provide only partial relief. So, if an assessee feels that he has got a full glass of benefit, in reality, it is only a glass half full.

The finance minister should end her budget speech with "*Picture toh abhi baaki hai mere dost*"

FORM 26AS, AIS, TIS.

Purvil Boricha
Email : purvil2004boricha@gmail.com

Income tax filing is quite an overwhelming process for many. Understanding different income tax documents and their significance is crucial to file a precise return. Three central figures namely, Form 26AS, Annual Information System (AIS) & Taxpayer Information Summary (TIS) will be explicitly laid open, elucidating how they factor into effective income tax return planning and filing.

FORM 26AS:

Filing ITR involves a host of documents, which substantiate a person's tax liability. One such critical piece of document is Form 26AS. It's an annual consolidated credit statement, containing information on direct taxes that a person has already paid to the government. Income Tax Form 26AS acts a ledger of all taxes paid and refunds received during a specific Assessment Year. By means of this document, it is ensured that accurate taxes have been deducted from a person's income and deposited into the government's account.

(Every taxpayer can access their Form 26AS via the Income Tax Department's official website by using their Permanent Account Number or PAN.)

Structure of form 26AS (From FY 2022-23 and onwards):

PART-I: Details of Tax Deducted at Source. (TDS on salary, business, profession, interest income etc., shall be reported here)

PART-II: Details of Tax Deducted at Source for 15G/15H. (TDS on which no TDS is made because of Form 15G/15H due to income being less than the basic exemption limit.)

PART-III: Details of Transactions under Proviso to section 194B/First Proviso to sub-section (1) of section 194R/ Proviso to sub-section (1) of section 194S. (TDS made on payment made in kind (car in a lottery, foreign trips for meeting sales targets etc.)

PART-IV: Details of Tax Deducted at Source u/s 194IA/ 194IB / 194M/ 194S (For Seller/Landlord of Property/Contractors or Professionals/ Seller of Virtual Digital Asset. TDS made on sale of house property/rent payment in excess of Rs. 50,000 per month, payment to a contractor / professional service in excess of Rs.50 lakhs/sale of virtual digital asset (cryptocurrency).)

PART-V: Details of Transactions under Proviso to sub-section (1) of section 194S as per Form-26QE (For Seller of Virtual Digital Asset).

PART-VI: Details of Tax Collected at Source. (TCS made under various sections of 206C).

PART-VII: Details of Paid Refund (For which source is CPC TDS. For other details refer AIS at E-filing portal).

PART-VIII: Details of Tax Deducted at Source u/s 194IA/ 194IB /194M/194S (For Buyer/Tenant of Property /Person making payment to contractors or Professionals / Buyer of Virtual Digital Asset. These details consist of the TDS made by you in relation to the purchase of house property/rent payment in excess of Rs. 50,000 per month, payment to a contractor/professional service in excess of Rs.50 lakhs/purchase of virtual digital asset (cryptocurrency). This is just for information purposes.)

PART-IX: Details of Transactions/Demand Payments under Proviso to sub-section(1) of section 194S as per Form 26QE (For Buyer of Virtual Digital Asset)

PART-X: TDS/TCS Defaults (Processing of Statements. TDS defaults value (after processing of TDS returns) but do not include demands raised by the assessing officer.)

Importance of Form 26AS for ITR Filing:

The Income Tax Department provides a user-friendly online platform for taxpayers to access their Form 26AS. By logging into their accounts on the Income Tax e-filing portal, taxpayers can conveniently view, download, and cross-reference their Form 26AS. This easy accessibility enables taxpayers to verify the accuracy of the information presented in the form and identify any discrepancies or missing details that need to be addressed before filing their ITRs. Its importance is highlighted below:

1. Proof of tax payments.
2. Correct income reporting.
3. Verification of TDS certificate.
4. Claiming tax credits.

ANNUAL INFORMATION STATEMENT (AIS):

The tax department has introduced an Annual Information Statement (AIS) to incorporate new details like foreign remittances, off-market transactions, interest on income tax refunds, mutual fund purchases and dividend details, and break-up details of salary and ITR information of another person.

The AIS report has two parts: (i) Taxpayers Information Summary (TIS) and (ii) Annual Information Statement (AIS). TIS is a simplified statement showing aggregate value, whereas AIS is a comprehensive statement. TIS shows the processed value (i.e. the value according to income tax records) and derived value (i.e. the value modified after considering the taxpayer's feedback). On feedback submission, the derived information in TIS will automatically update in real-time.

The information shown on AIS is divided in two parts:

PART A- General Information

Part A displays general information pertaining to you, including PAN, Masked Aadhar Number, Name of the Taxpayer, Date of Birth/ Incorporation/ Formation, mobile number, e-mail address and address of Taxpayer.

PART B - TDS/TCS Information

Information related to tax deducted/collected at source is displayed here. The Information code of the TDS/TCS, Information description and Information value is shown.

TAXPAYER INFORMATION SYSTEM (TIS):

In addition to the Annual Information System (AIS) and Form 26AS, taxpayers also need to familiarize themselves with the Taxpayer Information Summary (TIS). The TIS statement provides taxpayers with a summarized overview of their tax-related information, including tax returns filed, taxes paid, refunds received, and other essential details.

The Taxpayer Information Summary (TIS) is a statement that consolidates the tax information available with the Income Tax Department for a specific taxpayer. The TIS statement includes details such as the number of tax returns filed by the taxpayer, taxes paid, refunds received, and any outstanding tax liabilities. It serves as a useful tool for taxpayers to review and reconcile their own tax records with the information maintained by the Income Tax Department.

Importance of AIS and TIS for Taxpayers:

The Annual Information System (AIS) and Taxpayer Information Summary (TIS) play significant roles in the tax compliance process for individuals and businesses. These systems provide taxpayers with comprehensive information about their financial transactions, taxes deducted at source, taxes paid, and refunds received. Understanding the importance of AIS and TIS can help taxpayers ensure accurate reporting of their income and taxes, avoid discrepancies, and stay compliant with tax laws.

Accessing the Annual Information System (AIS) and Taxpayer Information Summary (TIS) is crucial for taxpayers to stay informed about their tax obligations and ensure accuracy in their tax filings. The Income Tax Department provides a user-friendly online platform that enables taxpayers to conveniently access their AIS and TIS statements.

CONCLUSION:

In conclusion, understanding and utilizing the AIS and TIS statements are essential for effective tax planning and accurate income tax return filing. By accessing the AIS through Form 26AS and reviewing the TIS statement, taxpayers can ensure the accuracy of their tax information, reconcile their records, and stay compliant with tax laws. By leveraging these tools, taxpayers can have a comprehensive view of their tax-related information, optimize their tax compliance, and avoid any potential penalties or audits. Regularly checking the AIS and TIS statements allows taxpayers to stay informed, proactive, and in control of their tax affairs.

CARBON MARKETS IN INDIA – A ROUTE TO CARBON EFFICIENCY

CA Disha Veera
Email : disha.veera@gmail.com

Monetary incentives are of course the biggest drivers of most business ambitions. Changemakers realised it early on that if businesses were required to truly contribute to climate action, there had to be a strong incentive – and nothing like a monetary incentive. This is where the idea of carbon markets was born.

There are about 75 carbon taxes and emissions trading schemes in operation, worldwide. As per the recent Economic Survey 2023-24, the global voluntary carbon market is worth over US$ 1.20 billion, and India is the second-largest supplier of carbon offsets that contribute to these carbon markets.

Let us understand what exactly is a carbon market and how does it incentivise climate action.

What are carbon markets? What are carbon offsets?

As explained by the UNDP, carbon markets are trading systems in which carbon credits are sold and bought. Companies or individuals can use carbon markets to compensate for their greenhouse gas emissions by purchasing carbon credits from entities that remove or reduce greenhouse gas emissions.

One tradable carbon credit equals one tonne of carbon dioxide (tCO2) or the equivalent amount of a different greenhouse gas reduced, sequestered or avoided. When a credit is used to reduce, sequester, or avoid emissions, it becomes an offset and is no longer tradable.

Let's simplify this:

Imagine a Company X that switched from coal-based electricity to solar energy to power its manufacturing operations. Let's say it helped the company bring down its emissions by 1000 tCO2. If one carbon credit equals one tonne of CO2, the Company would be entitled to 1000 carbon credits.

On the other hand, imagine a Company Y that has a target to reduce its emissions by 2000 tCO2 and is only able to reduce emissions by 1000 tCO2 after many operational changes. In this case, it can buy carbon credits from Company X and thereby 'offset' its shortfall. Hence, carbon credits are also referred to as carbon offsets.

Types of Carbon Markets?

Broadly, carbon markets are categorized into two types – compliance and voluntary. Last year, the Indian government introduced both these types of markets or trading schemes:

1. Ministry of Power notified the Carbon Credit Trading Scheme (CCTS), 2023 **(compliance and voluntary)**
2. Ministry of Environment, Forest and Climate Change notified the draft Green Credit Programme Implementation Rules in June 2023 **(voluntary)**

Based on their working, carbon markets may be also classified into the following two types: cap and trade schemes (or emissions trading systems, ETS) and baseline-and-credit schemes.

Under a **cap-and-trade system** (or Emission Trading System – ETS), an overall emissions cap is set and permits equivalent to the cap are auctioned or provided to the participants. Any surplus or deficit in permits held by the Company vis-à-vis its actual emissions may be traded in the system.

Incentive: In a cap-and-trade system the restricted supply of permits creates scarcity and thereby drives liable parties to seek abatement opportunities that cost less than the permits. In other words, producers of goods that use processes that emit carbon have an incentive to find lower emission processes to minimise their permit liabilities and thereby reduce emissions.

The EU ETS (European Union Emissions Trading System) follows the cap-and-trade mechanism.

Under a **baseline and credit scheme**, an emissions intensity is set for emitting activities (like level of production) against a baseline. Credits are granted to companies that are within the baseline. Companies that have emissions above the baseline have to buy such credits.

Incentive: The ability to generate credits from emissions reductions relative to baseline and the pressure to avoid having to buy credits for emissions in excess of the baseline provide incentives for participants to find lower emission production processes.

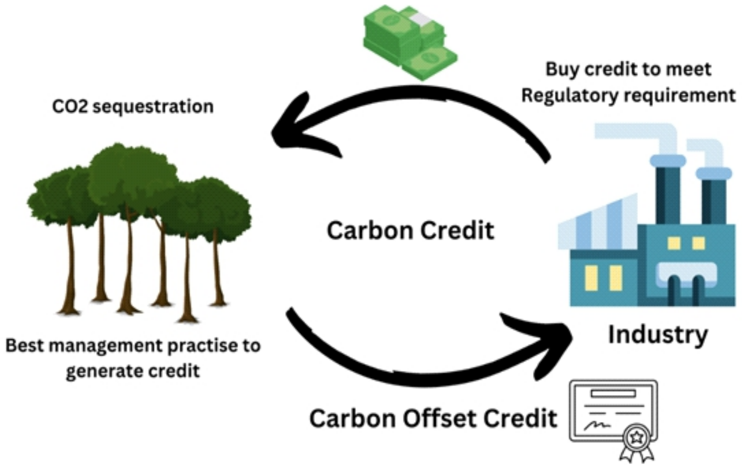
The CCTS India 2023 is a baseline and credit scheme, meaning that it would lead to creation of carbon credits upon achieving reductions below the baseline emissions.

However, there are limitations on using the baseline and credit scheme. Under an ETS, the government has full control over the amount of CO2e which can be emitted, because companies taken together cannot emit more than the total number of permits distributed. Under baseline and credit scheme, the government might set a theoretical emission limit, but companies will be free to emit as much as they want, as long as they buy offsets. This means that companies are paying others to reduce emissions instead of doing the job themselves. Hence, it is possible that there is no net reduction in the emissions at all.

Under the voluntary scheme, entities which are not obligated by the baseline limits may also participate in the carbon markets and buy or sell credits based on their requirement.

The compliance market under CCTS 2023 will be in application from FY 25-26, and is in works currently.

Under the Green Credit Programme, domestic entities will be able to voluntarily buy and sell carbon credits.



Under the draft, eight activities have been identified as eligible for carbon credits:

a. Tree plantation
b. Water Management
c. Sustainable agriculture

d. Waste management

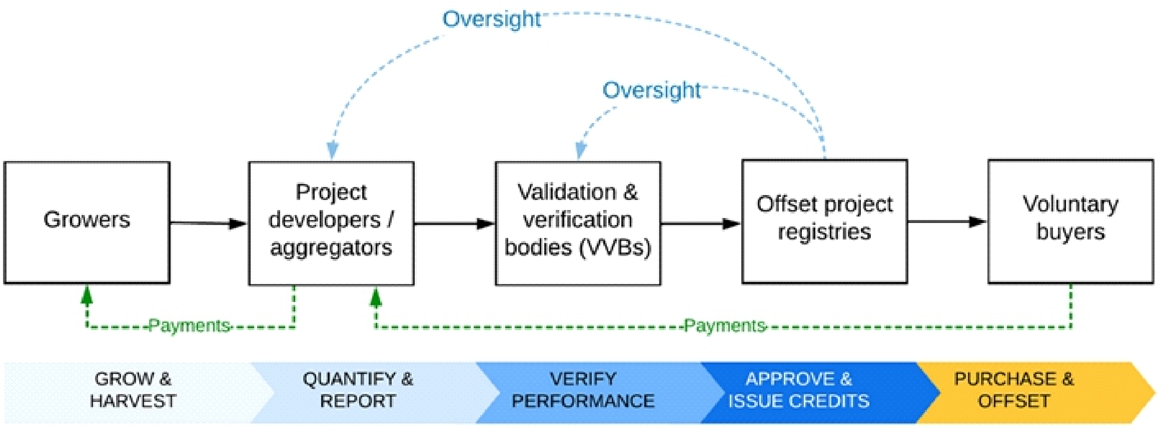
e. Air pollution reduction

f. Mangrove conservation and restoration

g. Ecomark (a government scheme to identify environment-friendly products), and

h. Sustainable building and infrastructure

Further, it should be noted that carbon credits would only be issued after obtaining validation from an accredited, independent verification body. This would ensure that there is no greenwashing and the credits so generated have actually contributed to emission reduction. The infographic below succinctly describes that entire process.



How are carbon credits priced?

Perhaps the most important success factor for a carbon market is the carbon price. Much like a stock exchange, the prices of carbon credits bought and sold are market-determined. However, a lot of factors influence it such as type of project, quality and credibility of offsets, popularity and regulatory requirements.

Source: Trading Economics

The above chart shows the 5-year movement of the price per allowance unit (carbon credit equivalent) on the EU ETS. The current average price is around EUR 67.86 per tCO2 which is equivalent to US$ 73.46. In a simulation conducted by the World Resources Institute (WRI) with 21 leading Indian companies, representing 9.20% of India's industry sector GHG emissions, the market clearing price (MCP) for trading cycles ranged between INR 500-1700 per tCO2/ carbon credit. This is equivalent to about US$ 20.30 which is much lower as compared to the world average. This may however not be representative of the actual price, considering the multiplicity of factors that affect carbon market prices.

As is evident from the graph, the EU ETS has seen an upward trend, partly because the EU has been limiting the number of permits every year, meaning lesser permits are available to trade, pushing the prices up. The prices are also affected by other external factors such the Russia-Ukraine war which caused a massive dip in the energy consumption and drove down the prices in 2022. Periodic dips in the recent times are also attributable to carbon reduction opportunities being cheaper than the price of permits. This way companies prefer to reduce their demand for permits and drive down their price.

To bring stability, regulators are applying different price control mechanisms. The Regional Greenhouse Gas Initiative (RGGI), covering many north-eastern states in the US, employs a reservation price or a floor. The State of California extends this mechanism by applying a collar too. The EU ETS uses market stability reserve (MSR) mechanism where it buys or sells permits in trade thereby regulating liquidity and prices.

As the Indian government introduces the scheme, there are multiple factors that will decide the prices in the Indian markets– the most critical factor being the emission intensity baseline itself. It is expected that the baseline would be higher initially and tighten over the years as organisations get accustomed to this market approach. The scheme is likely to first extend to power companies and then target hard-to-abate sectors (such as mining, steel, cement, etc.) in a phased manner.

Until then, organisations must prepare to embrace emission reduction solutions – nature-based or tech-based – and make appropriate budgetary allocations to facilitate the impending changes. Hopefully, with the advent of carbon markets, India will be closer to its vision of being net zero by 2070.

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TOUCHPAD V. KEYBOARD: THE ULTIMATE CORPORATE BATTLE (CHAPTER 1: LAPTOP GÉNÉRALE)

Viva Furiya
Email : vivafuriya007@gmail.com

The Pointing Device and the QWERTY keyboard have been arch enemies since the time of its invention, especially in the corporate world where the life of a business depends on computers.

There are two types of people in the Corporate World – the Keyboard Fanatics and the I-would-need-a-mouse-for-this guys; there's no in-between. The motto of the Fanatics is to try and not use the mouse at all and guess what the most beginner friendly thing in PCs is – yeah you guessed it right – the mouse! Simply point at what you want, click on it and voila, you have your results. Plus, all these buttons on the Keyboard, the peer pressure to learn typing skills and the never-ending fumbling between 'fn', 'ctrl', 'shift' and 'alt' makes the Keyboard even more monstrous and confusing to begin with. But the Fanatics are fans of the keyboard due to the same reason; and I admit, it does feel real good when you press a random keyboard shortcut, and somebody goes – how the hell did you do that?!

This article though, is not about what is superior. My goal here is to highlight that both have their uses. I mean both are a part of a single machine to begin with; it's not like you must choose one while buying a laptop, so why choose after? The thing is, if you use them both wisely, you'll be far more efficient and faster while operating a computer.

Since most of the corporates now operate on laptops, this article is a laptop special edition. I've seen a lot of my friends use a conventional mouse with their laptops, but the touchpad (that square thingy on your laptops below the keyboard, which is often referred to as the mouse of a laptop) has always been enough for me. In my view, the touchpad is much more accessible and offers a wide range of functions to navigate though the computer. The battle lies between using the keyboard and the mouse, and since the touchpad plays the role of a mouse for laptops, this article highlights shortcuts, tips, and techniques using the touchpad and the keyboard to operate your laptop faster and flawlessly (I request you to try these on your laptop as you read):

1. **The Touchpad's Reign:**

   Ever used a touchpad with more than one finger? Well, give it a go, and see the magic.

- Scroll in style: Swipe up/ down using **2 fingers** to scroll through a document/ word file/ worksheet.
- Zoom-in and Zoom Out: Move **2 fingers** away from each other to zoom in. Pinch (move 2 fingers closer to each other) to zoom out on documents, word files, worksheets, etc. Works exactly like a phone camera!
- Drag: To drag, hold down the **left click button** with **1 finger** and while dragging the touchpad with another.
- Show Desktop: Click on the bottom-right corner of your screen to open the desktop

Move files to desktop: Double click on a file/ folder and drag it to the bottom right corner of the screen and hold. Desktop appears. Drag the file/ folder onto the desktop and let go of the touchpad.

- Minimize and maximize using Three-finger Gestures: Swipe down using **3 fingers** to minimize all windows and return to the desktop. Swipe up to open the minimized window again.

- Making Navigation easier: Swipe left or right using **3 fingers** and you'll be able to see all the active windows. Navigate to the desired window by dragging your fingers right/ left. Let go of the mouse once you navigate to the desired tab. In case only two windows are open, just swipe once to navigate to the other window. Also, you can swipe up using **3 fingers** and hold to open the Task View.

- The Magic of Four-finger Gestures (I already know this one's gonna be your favorite): If you aren't in the habit of using multiple/ virtual desktops, like most of us, put the four-finger gestures to some better use. Go to **Settings > Bluetooth & Devices > Touchpad > Gestures and Interaction > Four-finger gestures > Swipes Menu.** From the dropdown, change the function to '**Change Audio and Volume**'. Now, you can swipe up/down to raise/decrease the volume and swipe right/ left to change tracks.

A magical touch: Use '**Taps**' menu at the bottom of the **Four-finger Gestures** section to define a four-finger tap as **Play/Pause**.

- Custom Gestures: Go to **Touchpad > Advanced**, and you'll find a hundred different functions you can assign to various taps and swipes. Have fun while making your laptops fun!

A couple of swiping motions in style and you feel like ironman, don't ya?!

2. The Keyboard Kingdom:

(Just highlighting the absolute necessities here;)

- Accessing a folder in a folder in a folder faster: Use '**Enter**' and '**Backspace**' to navigate through folders and sub-folders instead of using the mouse.

- Navigation between windows (the OG): '**ALT + Tab**' helps you navigate between windows much easier than looking for the icon in the taskbar and dragging the arrow on that icon and then clicking it. Also, after pressing '**Alt + Tab**', do not take off your finger from **ALT**, and a screen showing all currently active windows will appear. Navigate among them using the **arrow keys** or '**Tab**', and do not let go of **ALT**. Once you approach the window you want to open, let go of the **ALT** and the requisite window shall open on your laptop screens.

  Alternative: Tired of holding on to ALT already? Try '**Windows Key + Tab**'. Again, Task View shall open. Take your time and navigate to the requisite window using arrow keys. Press '**Enter**' to open the requisite window.

- Navigation between tabs: Use '**Ctrl + Up/ Down**' to navigate between tabs.

- Refresh: Have the habit of refreshing your computer often, trust me, '**F5**' will be more fun and timesaving.

- Open a new tab: Use **'Ctrl + T'** to open a new tab. Works for Chrome and Edge, and even to open new worksheet in Excel.

- Open a new window: Use **'Ctrl + N'** to open a new window. Works for Chrome/ Edge window, to open a new Word file, to add a new slide on PowerPoint and even to open new worksheet in Excel.

  Something Extra: If you press '**Ctrl + N**' from within a folder or from a specific location on your laptop, you can open a duplicate window. A duplicate window becomes handy when you want to access multiple files from the same folder but separate subfolders.

- Close a window: Instead of dragging the arrow to the '**X**', use '**Ctrl + F4**' to close a window. Saves a great deal of time.

- Create a new folder: '**Ctrl +Shift +N**' will help you create a new folder.

- Rename: Press '**F2**' to rename a file/ folder on the spot.

- Screenshot: To take a screenshot, press '**Windows + Prt Sc**'. You can paste that screenshot anywhere (Word file, e-mails, PPT, etc.) using '**Ctrl + V**'.

  A Better Way: You can activate the snipping tool by using only '**Prt Sc**'. If this doesn't work, try '**Windows key + Shift + S**'. Once the snipping tool is activated, you can crop the relevant part of the screen and paste the same anywhere using '**Ctrl +V'**. The Snipping tool also gives you options like free hand crop and screen recording!

- Location: Ever been asked to share the path/ location of the saved file? When that folder is open, press '**Ctrl + L**'. The location (as mentioned in the Address Bar) of the folder gets selected. Then press '**Ctrl + C**' to copy and '**Ctrl + V**' to paste the location. '**Alt + D**' may be used in place of '**Ctrl + L**'.

  If you are sent a folder path by someone, copy it first using '**Ctrl + C**' and paste it in the address bar by pressing '**Ctrl +L**' / '**Alt + D**' and then '**Ctrl + V**'. You'll be able to access the folder directly.

- Sort by date modified: Want to sort a folder chronologically? Just click on 'Date Modified' and voila, you'll find the files arranged from latest to oldest or vice versa.

- Open Context Menu: The drop-down which appears on a right click is called the Context Menu. If you're a keyboard fanatic like me, **'Shift + F10'** would access the Context Menu without touching the mouse.

- The 'Fn' Discrepancy: For some laptops, the shortcuts involving any Function keys don't work unless 'fn' is pressed. In this case, you can press '**Esc + Fn**' once. This enables Function Lock. Now, you won't need to press 'fn' for any shortcuts involving Function keys.

  E.g.: Once Function Lock is enabled, you can increase the brightness by just pressing the assigned function key; no need to press 'fn' key.

- Escape your way back: Opened any windows unintentionally? Want to cancel saving a file? Want to close the task view? Can't find how to go back? To close all such windows and pop ups, the **Escape key** might be able to help you out.

Once you get the hang of the above, these will help you glide smoothly through your desktop and save a lot of your time, not to mention the attention one gets!

Ultimately, it's a machine that should make your life easier. If, by using a computer, things are not getting done quicker, or if it's taking excessive efforts to complete a task, I urge you to take a pause and give it a thought whether you're going wrong somewhere. Remembering all the keyboard operations may seem a little hectic, but if you start implementing them one by one, you'll not need to revise them, unlike CA Final subjects. It'll become sort of a muscle memory. Try to use a computer like a computer and not as an alternative to manual labor. Make the computer put in the work. Trust me, you're smarter than the computer and not vice versa.

Confused between all the buttons, tabs, menus and can't figure out what to press and when? As one of my IT faculty told, your computer is not going to go up in flames if you press a wrong button. So if you don't know what a button does, don't be afraid to try it out. See what happens. Either it will work, or you'll learn something new; it's a win-win!

Happy exploring!

P.S. Some shortcuts may vary based on the model and versions of laptops. If you know any interesting shortcuts apart from the above, I'd love to know them. You can reach me on WhatsApp @***7043233232*** and on Instagram @***vivafuriya***.

EVENTS IN RETROSPECT

Day & Date	Committee	Program Name	Moderator / Speaker	Attendance
Thursday, August 01, 2024	Program Committee	Union Budget 2024 & Its Impact on Capital Market	CA Shri Nitin Maru & CA Shri Nilesh Shah	650+

Events In Retrospect

Day & Date	Committee	Program Name	Moderator / Speaker	Attendance
Saturday, August 03, 2024	Program Committee	Union Budget 2024 & Its Impact on Capital Market	CA Shri Nilesh Dedhia & CA Shri Mulesh Savla	100+

EVENTS IN RETROSPECT

Day & Date	Committee	Program Name	Moderator / Speaker	Attendance
Sunday, August 04, 2024	Program Committee	Union Budget 2024 & Its Impact on Capital Market	CA Shri Ketan Saiya & CA Shri Mulesh Savla	45+