

TAX EDGE

Monthly Tax & Regulatory Updates



Audit



Tax



Regulatory

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Measures to combat COVID-19



Measures to combat COVID-19

India's cumulative COVID-19 vaccination coverage exceeds 2.20 billion doses, over 0.95 billion 2nd dose & 0.22 billion precaution dose vaccines administered

India's COVID-19 vaccination coverage has exceeded 2.20 billion doses. So far, more than 0.95 billion and 0.22 billion vaccines have been administered with the 2nd dose and precaution dose respectively.

India's active caseload currently stands at 3,468. Active cases now constitute 0.01% of the country's total positive cases. India's recovery rate stands at 98.8%. Weekly positivity rate stands at 0.18%, daily positivity rate stands at 0.14%.

Please [Click Here](#) to read the Press Release dated 28 December 2022.

Union Health Minister visits hospital in Delhi, reviews mock drill for ensuring readiness of hospital infrastructure for COVID-19 management

The Union Minister for Health and Family Welfare, Dr Mansukh Mandaviya, visited Safdarjung Hospital, New Delhi on 27 December 2022 to review the mock drill being undertaken for ensuring readiness of hospital infrastructure for COVID-19 management.

The Minister stated "I recently reviewed the COVID-19 status and preparedness of prevention and management of COVID with State Health Ministers. Mock drills are being conducted across the country on 27 December 2022 to review the preparedness for management of COVID19, for which clinical readiness at hospitals is crucial. Government as well as private hospitals are undertaking mock drills on 27 December 2022. State Health Ministers are reviewing the drills in their respective states".



Measures to combat COVID-19

He had an informal interactive session with Heads of Departments (HoDs) and staff of Safdarjung Hospital and Vardhman Mahavir Medical College. He spent around an hour with the heads of various departments, doctors, nurses, heads of security and sanitation services and listened with patience to their numerous suggestions on quality hospital management, clinical practices, infection control measures, sanitation processes and patient-centered high quality healthcare provision. They shared their experience of working for providing round the clock services during the pandemic. He advised the HoDs to meet their teams every week, undertake physical visit of all departments and evaluate their performance to ensure best output. He also praised the doctors for their exemplary work during the pandemic.

The Minister cautioned against complacency and urged everyone to follow COVID Appropriate Behaviour. He emphasized to remain on the alert, refrain from sharing unverified information and ensure high level of preparedness. *“COVID cases are rising all over the world and India might witness a spike in cases too. Hence it is important that the entire COVID infrastructure in terms of equipment, processes and human resources are at a state of operational readiness”*, he stated.

Please [Click Here](#) to read the Press Release dated 27 December 2022.

Union Health Minister reviews public health preparedness for management of COVID-19 in view of recent rise in cases globally

The Union Minister for Health and Family Welfare during virtual interaction with State Health Ministers and Principal Secretaries/ Additional Chief Secretaries and Information Commissioners on 23 December 2022 stated that Centre and States need to work in tandem and in a collaborative spirit as was done during the previous surges for COVID19 prevention and management. The virtual meeting was held in the presence of Dr. Bharati Pravin Pawar, Union Minister of State for Health and Dr V K Paul, Member (Health), NITI Aayog to review the public health preparedness for containment and management of COVID-19 and progress of national COVID-19 vaccination campaign in view of the recent upsurge in cases in some countries like China, Japan, Brazil and the United States.

Measures to combat COVID-19



Union Health Minister referred to the message of Honourable Prime Minister from the high level review meeting held on 22 December 2022 and advised States to be on the alert and keep all preparedness for COVID19 management. States were requested to continue with pre-emptive and proactive approach. He urged States to strengthen the surveillance system for whole genome sequencing of positive case samples to track the variants through Indian SARS-CoV-2 Genomics Consortium (INSACOG) network to ensure timely detection of newer variants, if any, circulating in the country. Focus is to be given to health facility-based sentinel surveillance; pan-respiratory virus surveillance; community-based surveillance; and sewage/wastewater surveillance. He highlighted the need to collectively reinvigorate the system and remove any sense of complacency and fatigue.

Union Health Minister said that irrespective of the new COVID variants, 'Test-Track-Treat-Vaccinate and Adherence to COVID Appropriate Behaviour' continue to remain the tested strategy for COVID management. This would facilitate undertaking of appropriate public health measures, he said. States were also requested to expeditiously increase the rate of testing from the current rate of 79 tests per million, as on week ending 22 December 2022. They were further advised to increase the share of RT-PCR in tests. He advised States to ramp up vaccination of all eligible population, especially of the elderly and vulnerable population group. He cautioned against spreading of misinformation by ensuring dissemination of factually correct information in a timely manner. In view of the upcoming festive season, he stressed on the importance of public awareness campaigns regarding adherence to Covid Appropriate Behaviour. He also requested the State Health Ministers to personally monitor and review the preparedness of all infrastructure and ensure there is adequate stock of essential medicines.

Measures to combat COVID-19

States were briefed on the global COVID-19 situation and the domestic scenario. They were reminded that Union Health Ministry has already issued 'Operational Guidelines for Revised Surveillance Strategy in context of COVID-19' in June 2022 which calls for early detection, isolation, testing and timely management of suspected and confirmed cases to detect and contain outbreaks of new SARS-CoV-2 variants. The Minister requested States to ensure effective implementation of the same. There was comprehensive and detailed discussion on various aspects of COVID management including ramping up of hospital infrastructure; increased testing.

States appreciated the timely review meetings chaired by the Prime Minister and the Union Health Minister and advisories from the Union Health Ministry. They assured that they will work with the Centre for effective prevention and management of COVID-19. They informed that they are maintaining vigil and are reviewing the present situation. States also assured they will hold mock drill for readiness of hospital infrastructure on 27 December 2022.

Please [Click Here](#) to read the Press Release dated 23 December 2022.

Union Health Minister reviews COVID-19 situation & preparedness of public health system for surveillance, containment & management in view of rising COVID-19 cases worldwide

The Union Minister of Health and Family Welfare chaired a high-level meeting on 21 December 2022 to review the COVID-19 situation in India and preparedness of public health system for surveillance, containment and management of COVID-19 in view of the recent spike in cases of COVID-19 in some countries, along with Dr Bharati Pravin Pawar, Union Minister of State for Health and Family Welfare. Dr V K Paul, Member (Health), NITI Aayog, senior officials and public health experts were present.

The Union Health Minister has briefed on the global COVID-19 situation and the domestic scenario. Underlining the challenge posed by the increasing number of COVID-19 cases in some countries across the world such as China, Japan, South Korea, France and United States, Union Health Minister noted the importance of being prepared and remaining alert against new and emerging strains of COVID-19, especially in view of the upcoming festive season. Underlying and reiterating that COVID is not over yet, he directed the officials to be fully geared up and strengthen surveillance. He urged people to follow COVID Appropriate Behaviour and get vaccinated against COVID.

Measures to combat COVID-19



He directed for strengthening the surveillance system for whole genome sequencing of positive case samples to track the variants through INSACOG network to ensure timely detection of newer variants, if any, circulating in the country. This would facilitate undertaking of appropriate public health measures. States have been requested to send samples of all COVID-19 positive cases to INSACOG Genome Sequencing Laboratories (IGSLs) on a daily basis, for sequencing, to track new variants, if any. He briefed that India has been witnessing a steady decline in cases with average daily cases falling to 158 in the week ending 19 December 2022. However, a consistent rise in global daily average cases has been reported since last 6 weeks, with 5.9 lakh daily average cases reported in week ending 19 December 2022. A new and highly transmissible BF.7 strain of the Omicron variant has been found to be behind a wider surge of COVID infections in China.

Please [Click Here](#) to read the Press Release dated 21 December 2022.



Goods & Services Tax (`GST`)

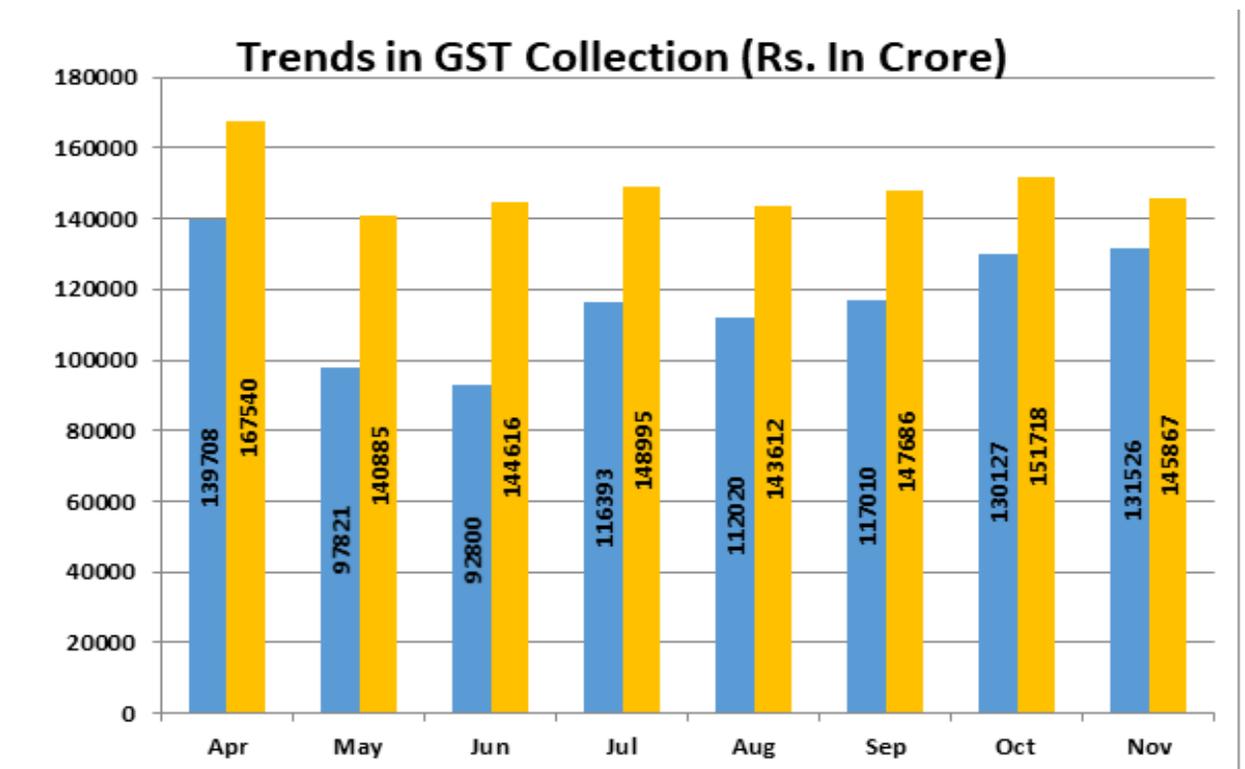


GST revenue collection for November 2022 Rs. 145,867 Crore (11% higher than GST revenue collection in November 2021)

The gross GST collected in the month of November 2022 is Rs. 145,867 Crore as below:

IGST (Integrated Goods and Services Tax)	Rs. 77,103 Crore
CGST (Central Goods and Services Tax)	Rs. 25,681 Crore
SGST (State Goods and Services Tax)	Rs. 32,651 Crore
Compensation cess	Rs. 10,432 Crore
Total	Rs. 1,45,867 Crore

The revenues for the month of November 2022 are 11% higher than the GST revenues in November 2021. During the month, revenues from import of goods are 20% higher and the revenues from domestic transactions (including import of services) are 8% higher than the revenues from these sources during the same month last year.



Please [Click Here](#) to read Press Release dated 1 December 2022.

Central Board of Indirect Taxes & Customs (CBIC) issues clarifications to deal with discrepancies between Input Tax Credit (ITC) availed in Form GSTR-3B (summary return) viz-a-viz ITC reflected in Form GSTR-2A (auto populated ITC statement) for Financial Years (FYs) 2017-18 & 2018-19

During the initial period of implementation of GST, in many cases, many suppliers have failed to furnish the correct details of supplies made in Form GSTR-1 (statement of outward supplies), which led to certain discrepancies in Form GSTR-2A of their recipients. However, the concerned recipients may have availed ITC on the said supplies even though the same were not auto-populated in Form GSTR-2A. The discrepancies between the amount of ITC availed in Form GSTR-3B as compared with the amount auto-populated in Form GSTR-2A are being noticed by the tax officers during their investigation. GST officers considered those discrepancies as '*Ineligible ITC*' availed by the taxpayers and have flagged those taxpayers seeking explanation for such discrepancies.

The restrictions regarding availment of ITC upto specified limits *beyond the ITC available in Form GSTR-2A* were provided and applicable with effect from 9 October 2019 onwards. However, the availability of ITC was subject to conditions specified u/s 16 of CGST Act, 2017 with effect from 1 July 2017 itself. In view of this, various representations have been received by the Government seeking clarifications regarding the manner of dealing with such discrepancies for FY 2017-18 and 2018-19. Finally, CBIC vide Circular No. 183/15/2022-GST has clarified as below:



Scenario	Clarification
<p>The supplier has filed Form GSTR-3B, but failed to file Form GSTR-1 due to which ITC does not get reflected in Form GSTR-2A of recipient</p>	<p>Tax officer shall follow the below procedure:</p> <ul style="list-style-type: none"> • He shall first seek the details from the recipient regarding all the invoices which are not reflecting in Form GSTR-2A, but ITC has been availed in Form GSTR-3B. He shall then ascertain the fulfillment of following conditions for availment of ITC:
<p>The supplier has filed both Form GSTR-1 and GSTR-3B, but failed to report a particular supply in Form GSTR-1 due to which said supply does not get reflected in Form GSTR-2A of recipient</p>	<ul style="list-style-type: none"> ✓ Recipient is in the possession of tax invoice or any other document issued by supplier ✓ Recipient has received the goods or services ✓ Recipient has made payment to the supplier
<p>The supplier has wrongly reported the Business to Business (B2B) supply as Business to Customer (B2C) in Form GSTR-1 due to which said supply does not get reflected in Form GSTR-2A of recipient</p>	<ul style="list-style-type: none"> • He shall then verify the payment of GST on said supply by the supplier as below: ✓ Where the difference amount > Rs. 5 lakh, the GST officer shall ask the recipient to produce a certificate by Chartered Accountant (CA) or Cost Accountant (CMA) certifying in respect of the said invoices that supply has actually been made by the supplier to the recipient and the tax on such supplies has been paid by the supplier
<p>The supplier has filed both Form GSTR-1 and GSTR-3B, but wrongly reported a particular supply in GSTIN of any other recipient due to which said supply does not get auto populated in Form GSTR-2A of recipient</p>	<ul style="list-style-type: none"> ✓ Where the difference amount \leq Rs. 5 lakh, the GST officer shall ask the recipient to produce a self-certified certificate from the concerned supplier declaring in respect of said invoices that supply has actually been made by the supplier to the recipient and the tax on such supplies has been paid by the supplier

Further, CBIC clarifies that the said guidelines will only apply to the ongoing proceedings in scrutiny/audit/investigation etc. for FY 2017-18 & FY 2018-19 and not to the completed proceedings. However, these instructions will apply in those cases for the said years where any adjudication or appeal proceedings are still pending.

Please [Click Here](#) to read Circular No. 183/15/2022-GST dated 27 December 2022.

CBIC clarifies regarding entitlement of ITC in respect of services by way of transportation of goods

Background

As per section 12 of Integrated Goods & Services Tax (IGST) Act, 2017, the *place of supply* of services by way of transportation of goods to a registered taxpayer shall be the *location of the taxpayer*.

An amendment was made from 1 February 2019 onwards, as per which the place of supply in case of transportation of goods to a *place outside India*, shall be the *place of destination of such goods*. In such cases, as the place of supply will be the concerned foreign destination and not the state where the recipient is registered under GST, doubts have been raised regarding the availability of ITC to the recipient.

Accordingly, CBIC vide Circular No.184/16/2022-GST has clarified the below in respect of supply of services by way of transportation of goods outside India (including by mail or courier).

Issue	Clarification
Where both supplier and recipient of the aforesaid supply are located in India, what would be the place of supply?	Place of destination of such goods
Whether the aforesaid supply of service shall be treated as intra-state supply (CGST and SGST chargeable) or inter-state supply (IGST chargeable)?	Inter-state supply (IGST would be chargeable)
Whether the recipient would be eligible to avail ITC in respect of IGST charged by the supplier of such aforesaid services?	Yes
What is the state code that needs to be mentioned by the supplier of aforesaid service while reporting the place of supply in Form GSTR-1?	96-Foreign Country

Please [Click Here](#) to read Circular No. 184/16/2022-GST dated 27 December 2022.

CBIC issues clarification regarding time limit for re-computation of GST liability by tax authorities, if charges of fraud, wilful-misstatement or suppression of facts is not established against a taxpayer

Background

The CGST Act provides for the following.

Relevant section of CGST Act (A)	Determination of outstanding GST liability by GST officer due to: (B)	Time period for issue of notice by GST officer (C)	Time period for issue of order by GST officer (D)
73	Reasons other than fraud, wilful misstatement or suppression of facts by taxpayer	2 years and 9 months from the due date of: <ul style="list-style-type: none">• Furnishing GST annual return, or,• In case the refund has been granted erroneously, the date of grant of (erroneous) refund	3 years from date of (C)
74	Fraud, wilful misstatement or suppression of facts by taxpayer	4 years and 6 months from the due date of: <ul style="list-style-type: none">• Furnishing GST annual return, or,• In case the refund has been granted erroneously, the date of grant of (erroneous) refund	5 years from date of (C)

Further, as per section 75, in case the appellate authority / court decides that notice u/s 74 above is not sustainable for the reason that the charges of fraud, wilful-misstatement or suppression of facts has not been established, the GST officer shall compute the GST payable as per section 73 above (and not 74).

The issue

Reportedly, doubts were raised regarding the *time limit* within which the GST officer is required to re-compute the GST liability in case a situation under section 75 arises, because in such situation the time limit of 3 years for passing order u/s 73 would have expired.

Clarification issued by CBIC

To address the above issue, CBIC has clarified the below:

- GST officer is required to issue the order of re-computation of GST liability within 2 years from the date of communication of order of appellate authority / court u/s 75
- Further, in case where the notice u/s 74 was issued beyond the period of 2 years and 9 months as mentioned in (c) above, the entire proceedings will have to be dropped, being hit by the time limitation u/s 73

Please [Click Here](#) to read Circular No. 185/17/2022-GST dated 27 December 2022.

CBIC clarifies issues on taxability of No Claim Bonus (NCB) offered by insurance companies & exemption from e-invoicing

NCB

As per the industry practice in insurance sector, when no claim is made by an insured person during the preceding year, insurance companies deduct NCB from the gross premium amount due. Reportedly, doubts have been raised regarding the taxability of NCB, which CBIC vide Circular no. 186/18/2022-GST dated 27 December 2022 has clarified as below.



Issue	Clarification
Whether the deduction on account of NCB from the insurance premium payable, can be considered as consideration for supply?	<p>No.</p> <p>A customer procures insurance policy to indemnify itself against loss / injury. There is no contractual obligation not to claim insurance in lieu of NCB. Thus, there is no supply provided by the insured to the insurance company.</p>
Whether NCB can be considered as an admissible discount for the purpose of valuation of supply?	<p>Yes. GST is leviable on net insurance premium after reducing the amount of NCB mentioned in the invoice.</p> <p>As per section 15 of CGST Act, 2017, value of supply does not include any discount which is given before or at the time of supply, if such discount has been duly recorded in the invoice. The pre-disclosure of NCB amount in the policy documents and specifically mentioning the discount in form of NCB is in accordance with the conditions mentioned in section 15.</p>

Applicability of e-invoicing

As per Notification no. 13/2020 – Central Tax dated 21 March 2020, certain entities/sectors such as insurance companies, banking companies, non banking financial institutions and goods transportation agencies etc. have been exempted from mandatory generation of e-invoices. Reportedly, doubts have been raised whether the exemption is available for the entity as a whole or whether the same is available only in respect of certain supplies made by the entity. CBIC has clarified that the exemption is available for the entity as a whole and not restricted by the nature of supply made by the entity.

Please [Click Here](#) to read Circular No. 186/16/2022-GST dated 27 December 2022.

CBIC issues clarification regarding treatment of statutory dues under GST law in respect of taxpayers for whom proceedings have been finalised under Insolvency & Bankruptcy Code, 2016 (IBC)

Background

As per Section 84 of CGST Act, if the Government dues against any person under CGST Act are reduced as a result of any appeal, revision or '*other proceedings*' in respect of such Government dues, then an intimation for such reduction of Government dues has to be given by the Commissioner to such person and to the appropriate authority with whom the recovery proceedings are pending. Further, recovery proceedings can be continued in relation to such reduced amount of Government dues. The phrase '*other proceedings*' is not defined in CGST Act.

The issue

It was clarified in March 2020 that no coercive action can be taken against a corporate debtor with respect to the dues of the period prior to the commencement of Corporate Insolvency Resolution Process (CIRP). Such dues will be treated as 'operational debt' and the claims may be filed by the proper officer with the National Company Law Tribunal (NCLT) as per provisions of the IBC.

Reportedly, representations have been received by CBIC from the industry, seeking clarification regarding the modalities for implementation of the order of NCLT under IBC with respect to treatment of such statutory dues under CGST Act and existing laws, after finalization of the proceedings under IBC.

Clarification issued by CBIC

Since the proceedings conducted under IBC also adjudicate the government dues pending under the CGST Act or under existing laws against the corporate debtor, the same appear to be covered under the term '*other proceedings*' in section 84 of CGST Act.

In cases where a confirmed demand for recovery has been issued by the tax authorities for which a summary has been issued in Form GST DRC-07/DRC 07 against the corporate debtor, and where the proceedings have been finalised against the corporate debtor under IBC reducing the amount of statutory dues payable by the corporate debtor to the Government under CGST Act or under existing laws, the Commissioner of GST shall issue an intimation in Form GST DRC-25 reducing such demand, to the taxpayer as well as the appropriate authority with whom recovery proceedings are pending.

Please [Click Here](#) to read Circular No. 187/19/2022-GST dated 27 December 2022.

CBIC prescribes manner of filing application for refund by unregistered buyers in case of cancellation of agreement for supply of services

Background

Currently, where any unregistered buyer enters into a long-term agreement of services (like construction of flat / house) and pays GST to the seller, and subsequently the contract is cancelled *and* the time limit (30 November of subsequent year) for issue of credit note by the seller is also over, there is no procedure to claim the refund of GST by the buyer. Given the above, the GST Council in the 48th meeting has recommended amendment in GST rules to prescribe the procedure for filing application for refund in such cases. Consequently, CBIC has prescribed the procedure as below.

Manner of filing application for refund

The following process needs to be followed by the unregistered buyer:

Step 1 – Obtain temporary registration for each supplier

Step 2 – Apply for refund under the category ‘refund for unregistered person’ on GST portal in Form GST RFD-01 (application for refund). Attach the necessary documents.

Step 3 – The acknowledgment / reference no. (ARN) shall be generated which can be used to track the status of the application.

The application can be filed within 2 years from the date of issue of letter of cancellation by the supplier.

Please [Click Here](#) to read Circular No. 188/20/2022-GST dated 27 December 2022.



Highlights of the 48th GST Council Meeting held on 17 December 2022 (via virtual mode) in New Delhi

The 48th Meeting of the GST Council was held on 17 December 2022 under the chairpersonship of the Union Finance and Corporate Affairs Minister Mrs. Nirmala Sitharaman. Given below are the recommendations made by the GST Council.

GST Rates	Recommendations
<ul style="list-style-type: none"> • Husk of pulses including chilka and concentrates including chuni/churi & khanda • Ethyl alcohol supplied to refineries for blending with motor spirit (petrol) • Rab (rab-salawat) • SUV motor vehicles having engine capacity > 1500CC, length > 4000mm and ground clearance ≥ 170mm • Renting of residential dwelling • Incentive paid to banks by Central Government under scheme for promotion of RuPay debit cards and low value BHIM-UPI transactions 	<ul style="list-style-type: none"> • Change in tax rate from 5% to NIL • Change in tax rate from 18% to 5% • Attracts tax rate of 18% • Attracts compensation cess of 22% • No GST shall be applicable on renting of residential dwelling to a taxpayer if the same is – <ul style="list-style-type: none"> ✓ Rented in his / her personal capacity for use as own residence, and ✓ Rented on own personal account (and not on account of business) • Incentive are in nature of subsidy and hence not taxable under GST
Measures for facilitation of trade	Recommendations
Decriminalization under GST	<ul style="list-style-type: none"> • Increase in minimum threshold limit of tax amount from Rs. 1 Crore to Rs. 2 Crore for launching prosecution (except for the offence of issue of invoices without actual supply of goods or services) • Decrease in compounding amount from the present range of 50% - 150% (of tax amount) to 25% - 100% • Decriminalize certain offences specified u/s 132(1) of CGST Act, 2017 as below: <ul style="list-style-type: none"> ✓ Obstruction or preventing any officer in discharge of his duties ✓ Deliberate tampering of material evidence ✓ Failure to supply the information

GST Rates	Recommendations
Implementation of functionality to facilitate e-commerce for micro enterprises	<ul style="list-style-type: none"> • GST Council in its 47th meeting had granted approval for allowing unregistered taxpayers and composition taxpayers to make intra-state supply of goods through e-commerce operators (ECOs), subject to certain conditions. To enable the same, the Council has approved the amendments in the GST Act and GST Rules • Considering the time required for development of the requisite functionality on the GST portal as well as for providing sufficient time for preparedness by ECOs, the Council has recommended the changes to be implemented from 1 October 2023 onwards
Reversal of ITC in case of delayed / non-payment / short-payment of consideration by buyer	<ul style="list-style-type: none"> • In case of delayed / non-payment / short-payment of consideration to a supplier within 180 days of date of invoice, ITC availed by a taxpayer is required to be reversed • The Council has recommended to amend the provision retrospectively with effect from 1 October 2022 onwards to provide for reversal of ITC only proportionate to the amount not paid to the supplier
Reversal of ITC in case of non-payment of GST by supplier	<p>The Council has recommended to prescribe the mechanism for:</p> <ul style="list-style-type: none"> • Reversal of ITC in case of non-payment of GST by the supplier, and • Re-availment of such ITC, if the supplier pays GST subsequently
Facility for cancellation of registration for taxpayers required to deduct / collect tax deducted at source (TDS) / tax collected at source (TCS) under GST	<p>The Council has recommended to amend the GST rules and provide a facility for cancellation of registration by the taxpayers required to deduct / collect TDS/TCS under GST</p>
Clarification on Schedule III to CGST Act, 2017(activities or transactions which shall not be treated as 'supply' under GST)	<p>Following entries were inserted in Schedule III with effect from 1 February 2019 onwards</p> <ul style="list-style-type: none"> • Supply of goods from a place in non-taxable territory to another place in non-taxable territory without such goods entering into India • Supply of warehoused goods before their clearance for home consumption • High sea sales <p>In order to remove the ambiguities regarding taxability of above transactions during the period 1 July 2017 to 31 January 2019, it has been recommended to make the said entries retrospectively effective from 1 July 2017.</p> <p>However, no refund shall be available in cases where GST has already been paid in respect of above transactions during the said period.</p>

GST Rates	Recommendations
Other measures (Litigation)	<ul style="list-style-type: none"> • GST rules to be amended to provide clarity on the requirement of submission of certified copy of the order appealed against and the issue of final acknowledgment by the appellate authority. This would facilitate timely processing of appeals and ease the compliance burden for the appellants • Facility for withdrawal of an application of appeal upto certain specified stage will be provided. This would help in reducing litigations at the level of appellate authorities
Measures for streamlining compliances	Recommendations
GST Registration	<ul style="list-style-type: none"> • Proposal to conduct a pilot in state of Gujarat for Biometric-based Aadhaar authentication and risk-based physical verification of applicants who have applied for GST registration • PAN-linked mobile number and e-mail address (fetched from Income-tax database) to be captured automatically and recorded in Form GSTR REG-01 (application for registration) • One time password (OTP) based verification to be conducted at the time of registration on such PAN-linked mobile number and e-mail address to restrict misuse of PAN
GST Return / Statement	<ul style="list-style-type: none"> • GST law to be amended to restrict the filing of return / statement to a maximum period of 3 years from the due date of filing of relevant return / statement • Form GSTR-1 to be amended to provide for reporting of details of supplies made through ECOs
Other measures	<ul style="list-style-type: none"> • Rule 88C and Form GST DRC-01B to be inserted for intimation to the taxpayer about the difference between tax liability reported in Form GSTR-1 and Form GSTR-3B for a tax period, to enable the taxpayer either pay the differential liability or explain the difference • Further, new GST rule to be inserted to restrict the furnishing of Form GSTR-1 for a subsequent tax period if the taxpayer has <ul style="list-style-type: none"> ✓ Neither deposited the amount ✓ Nor furnished a reply explaining the reasons for such amount remaining unpaid • Definition of 'non-taxable online recipient' and 'online information and database access or retrieval services' to be amended to reduce interpretational issues and litigation

GST portal enables taxpayers to drop proceedings suo-moto for suspension of GST registration

Background

If a taxpayer fails to file GST returns for a *continuous period of 6 months*, the registration may be suspended / cancelled by GST department. The suspension / cancellation may be revoked by filing all the pending GST Returns.

The issue

Earlier, if the taxpayer filed all the pending GST returns in response to a show-cause notice issued by the GST authorities *but* did not respond to the show-cause notice, the registration still remained suspended / invalid. The taxpayer had to necessarily approach the GST officer for revocation of the suspension. Thus, taxpayer had to face the inconvenience of a suspended GST registration even though it filed all the pending returns *but* did not respond to the show-cause notice.

Facility to taxpayer to drop proceedings suo-moto

The GST Network (GSTN) announced on Twitter that it has launched a new facility for such taxpayers to initiate drop proceedings suo-moto (i.e., on their own) once the pending returns are filed and revoke the suspension of their GST registration. In other words, if taxpayer has filed all the pending returns, and its registration status is still suspended, the taxpayer can revoke the suspension with a single click by initiating drop proceedings. It can do so by following the below link:

Log on to GST portal > Services > User Services > View Notices and Orders > Click on 'Initiate Drop Proceeding'.

Filed your pending 6 returns, yet GST registration is suspended?

Now Taxpayer can initiate Drop Proceeding for suspension of registration at the GST portal and revoke the suspension of registration.

Let's understand this enhancement:

- This functionality is for Taxpayers who file their pending returns after the receipt of Show-cause notice (SCN) issued by the GST system.
- Before this functionality, Taxpayers who file their pending returns, but not responded to the SCN, their registration remained suspended despite filing their returns.
- Now such Taxpayers have been given the facility to initiate Drop Proceeding on their own once the pending returns are filed.
- So, if Taxpayers have filed all pending returns, and their registration status is still suspended, then Taxpayers can revoke the suspension with a single click by initiating Drop Proceeding.

Goods and Services Tax

Dashboard > Services > GST Law > Downloads > Search Taxpayer > Help and Taxpayer Facilities > e-Invoice

Dashboard > Services > User Services > View Notices and Orders

View Notices and Orders

SCN (2) [redacted] has been issued for the GSTIN (SIN) [redacted] since you have not filed all returns. Once the due returns are filed, proceedings will be dropped for cancellation of the GSTIN within 15 returns. If it is not dropped automatically, you can click on the button to initiate drop proceeding.

Notice/Demand Order Id	Issued By	Type	Notice / Order Description	Date of Issuance	Due Date	Amount of Demand	Download
ZA3[redacted]2X	System Generated	Notice	Notice to return defaulter u/s 46 for not filing return	01/09/2020	16/09/2020	NA	⬇
ZA3[redacted]02	System Generated	Notice	Notice to return defaulter u/s 46 for not filing return	23/07/2020	07/08/2020	NA	⬇

Log on to GST portal > Services > User Services > View Notices and Orders > Click on 'Initiate Drop Proceeding'

For more details, visit www.gst.gov.in | [/gstsystemindia](https://gstsystemindia) | [/info.gstn](https://info.gstn) | GoodsandServicesTaxNetwork | Toll free helpline number: 800-103-4796 | www.gst.gov.in/portal

Direct Tax



Direct Tax

**Direct tax collection for FY 2022-23 (upto 17 December 2022)
Rs. 11,35,754 Crore (approx.), 19.81% higher than gross
collection for corresponding period last year**

Central Board of Direct Taxes has released the following statistics till 17 December 2022:

Description		FY 2022-23 (1 April 2022 till 17 December 2022)	FY 2021-22 (1 April 2021 till 17 December 2021)	Increase in FY 2022-23 (viz-a-viz FY 2021-22)
Direct Tax collection	Net collection: <ul style="list-style-type: none">Corporation TaxPersonal Income-tax (including securities transaction tax)	Rs. 6,06,679 Crore Rs. 5,26,477 Crore	Rs. 9,47,959 Crore	19.81%
	Total Net collection	Rs. 11,35,754 Crore		
	Gross collection (before adjusting refund):	Rs. 13,63,649 Crore	Rs. 10,83,150 Crore	25.90%
Advance tax collection for Q1, Q2, Q3	<ul style="list-style-type: none">Corporation TaxPersonal Income-tax	Rs. 3,97,365 Crore Rs. 1,23,937 Crore	Rs. 4,62,038 Crore	12.83%
	Total Advance tax collection for 3 quarters	Rs. 5,21,302 Crore		
	Refunds issued	Rs. 2,27,896 Crore	Rs. 1,35,191 Crore	68.57%

Almost 96.5% of the duly verified Income-tax returns (ITRs) having been processed till 17 December 2022, resulting in 109% increase in the number of refunds issued in the current FY.

Please [Click here](#) to read Press Release dated 18 December 2022.

Direct Tax

Supreme Court's (SC's) decision (in case of S.M. Overseas Pvt Ltd) holding reassessment proceedings invalid during pendency of rectification proceedings (even if rectification proceedings are time barred)

The SC vide ruling dated 7 December 2022 has held that reassessment proceedings cannot be initiated during the pendency of rectification proceedings (even if the rectification proceedings are time barred) without 1st passing a specific order for withdrawal of the time-barred rectification proceedings. The ruling puts to rest a long drawn controversy with the tax authorities.

Please [Click here](#) to read the detailed ruling dated 7 December 2022 issued by SC.

Central Board of Direct Taxes (CBDT) issues annual circular on deduction of tax at source (TDS) from salaries for FY 2022-23

As per section 192(1) of the Income-tax Act, an employer is required to calculate and deduct tax on the 'estimated' taxable income of each employee during the year. In other words, the onus to estimate the taxable income of each employee correctly and deduct tax on the same is cast upon the employer. This is big responsibility because incorrect estimation of taxable income and / or incorrect deduction of tax at source could lead to interest / penal implications for the employer.

Every year, CBDT issues an annual circular sometime between December to March to guide employers and employees understand the various rules relating to TDS on salaries for the relevant FY. The circular is helpful in understanding under 1 roof all the relevant provisions under the Income-tax Act, circulars, notifications, etc. which an employer and employee should be aware of and comply before the fiscal year end of 31st March. Pursuant to the above, CBDT has issued circular on 7 December 2022 containing instructions in relation to TDS u/s 192 on salary payments during the FY 2022-23 (AY 2023-24), including explanations on following issues and illustrations.

- Definition of 'salary', 'perquisite', 'profit in lieu of salary'
- Income-tax rates as per Finance Act, 2022
- Section 192 of the Income-tax Act – Broad scheme of TDS from 'salaries'
- Persons responsible for deducting tax and their duties
- Computation of taxable income under the head 'salaries'
- Rebate u/s 87A of Rs. 12,500 for individuals having total income upto Rs. 5 lakh
- Obtaining evidence / proof of claims from employees
- Calculation of tax to be deducted

Please [Click here](#) to read the Circular No. 24 dated 7 December 2022

Direct Tax

SC's decision (in case of Mansukh Dyeing & Printing Mills) holding that revaluation of capital assets of a firm by credit to its partners' capital accounts (after admission of partners) is taxable as capital gain

Background

Section 45(4) of the Income-tax Act dealing with capital gains on transfer of a capital asset to partner/ member on dissolution / reconstitution of a partnership firm / association of persons / body of individuals, was amended with effect from Assessment Year (AY) 2021-22 onwards. The reason for amendment was the uncertainty that existed (prior to the amendment) regarding applicability of above provision to a situation where assets are revalued or self-generated assets are recorded in accounts and payment is made to partner / member in excess of his capital contribution.

Prior to the amendment, as per section 45(4), gain arising from the transfer of a capital asset by way of distribution on the dissolution of a firm *or otherwise* was chargeable to tax as income of the firm.

After the amendment, the provision has been split into 2 parts from AY 2021-22 onwards:

- Section 45(4) –Where partner / member receives capital asset on dissolution / reconstitution, which represents the balance in his capital account in books of accounts of the firm / AoP/ Bol
- Section 45(4A) - Where partner / member receives money or other asset on dissolution / reconstitution, which exceeds the balance in his capital account in books of accounts of the firm / AoP/ Bol

In both the above situations, balance in capital account of the partner / member in accounts of the firm / AoP/ Bol is to be calculated without considering increase due to:

- Revaluation of asset
- Self-generated goodwill
- Other self-generated asset



Direct Tax

SC's decision dated 24 November 2022

In the case of Mansukh Dyeing & Printing Mills, SC has ruled on the much disputed topic of taxability of revaluation of capital assets of a firm by crediting its partners' capital accounts *under old section 45(4)*.

In the said case, for AY 1993-94, the assessee, a partnership firm, had admitted 4 new partners who contributed some nominal capital amounts to the assessee. Shortly thereafter, the assessee firm revalued its capital assets namely land and building and credited huge gains on revaluation to the capital accounts of all the partners (in their profit sharing ratio). 2 of the existing partners withdrew some nominal amounts from their capital balance.

As a result, the tax authorities invoked old section 45(4) on the ground that the huge gains on revaluation credited to partners' capital accounts was *in substance* nothing but a distribution of capital assets to the partners, as the enhanced capital balance immediately became available to the partners for withdrawal.

The assessee contested by arguing that the old section 45(4) was not applicable, as there was neither a transfer by way of distribution of capital assets to the partners, nor any transfer on account of dissolution of the firm or otherwise. The assessee submitted that there can be no income simply due to revaluation of capital assets in the books of the firm, unless the capital assets themselves were also transferred.

SC decided the issue in favour of tax department by holding / observing as below:

- The credit of revaluation gain to partners' capital accounts is nothing but distribution of capital assets valued at their fair market value
- The partners' capital accounts stood enhanced upon revaluation, which became available for withdrawal. In fact, some of the partners even withdrew such amounts subsequently from their capital accounts.
- Such revaluation is a 'transfer' of capital asset, falling within the ambit of residuary clause '*or otherwise*' within the meaning of old section 45(4)
- SC affirmed the Bombay High Court's decision in case of A.M. Naik Associates [(2004) 265 ITR 346] which held that the word '*or otherwise*' u/s 45(4) covers not only distribution of capital assets on *dissolution* but also subsisting partners transferring the firm's capital assets in favor of a retiring partner
- SC distinguished its earlier decision in case of Hind Construction [(1972) 83 ITR 211] (which held revaluation of goods to be non-taxable) as not applicable to the present case, as its earlier decision dealt with the period when the term '*or otherwise*' was absent in section 45(4)

The applicability of old section 45(4) to a partnership firm was highly disputed and has been contested many times by the industry with the India tax authorities. Though SC has decided the issue in favour of tax authorities, atleast the clarity has finally arrived.

Please [Click here](#) to read the complete ruling dated 24 November 2022 pronounced by SC.

International Tax



International Tax

CBDT allows Non-residents to submit Form 10F manually till 31 March 2023

What is Form 10F?

Income received by non-residents from India are usually taxable in India and if so, requires withholding of tax at source by the Indian payer. The withholding tax rate depends on nature of income and legal status of the non-resident. Depending on the nature of income, the withholding tax rate may be lower than the usual rate *provided* the non-resident is able to submit a tax residency certificate and / or declaration in Form 10F with the tax authorities.

The Form 10F requires following main information to be furnished by the non-resident:

- Status (such as individual / company / firm, etc.)
- Permanent Account Number (PAN)
- Nationality
- Tax identification number in the home country
- Address in the home country

Requirement to submit Form 10F electronically by 31 March 2023

By virtue of Notification no.3 dated 16 July 2022 issued by CBDT, Form 10F was required to be submitted *electronically* on the income-tax portal. This is possible only if the applicant has an existing PAN, because otherwise, it is not possible to log-in to the income-tax portal. Hence, this led to a major inconvenience for non-residents who were otherwise not required to obtain PAN as per the Income-tax laws of India.

Relaxation issued by CBDT on 12 December 2022

In order to address the above issue, CBDT has allowed those non-residents who do not have an existing PAN or are not required to have a PAN as per Income-tax law, to submit Form 10F *manually* (instead of *electronically*) till 31 March 2023.

Please [Click here](#) to read the Notification dated 12 December 2022

Company Law



Company Law

Extension of timeline till 30 September 2023 for companies to conduct Annual General Meeting (AGM) & Extraordinary General Meeting (EGM) through video conferencing (VC) or other audio visual means (OAVM)

Due to COVID-19, Ministry of Corporate Affairs (MCA) vide various circulars issued has allowed companies to conduct their AGMs / EGMs through VC or OAVM within such timelines as below:

Type of meeting	Previous extension	Circular (please click to read)	Current extension	Circular
AGM	Companies allowed to conduct AGMs due to be held during the year 2020 through VC / OAVM till 30 September 2020	Circular no 20/2020 dated 5 May 2020	Companies allowed to conduct AGMs due to be held during the year 2023 through VC / OAVM till 30 September 2023	Circular no 10/2022 dated 28 December 2022
	Companies allowed to conduct AGMs due to be held during the year 2020 and 2021 through VC / OAVM till 31 December 2021	Circular no 2/2021 dated 13 January 2021		
	Companies allowed to conduct AGMs due to be held during the year 2021 and 2022 through VC / OAVM till 30 June 2022	Circular no 19/2021 dated 8 December 2021 and Circular no 21/2021 dated 14 December 2021		
	Companies allowed to conduct AGMs due to be held during the year 2022 through VC / OAVM till 31 December 2022	Circular no 2/2022 dated 5 May 2022		

Company Law

Type of meeting	Previous extension	Circular (please click to read)	Current extension	Circular
EGM	Companies allowed to conduct EGMs through VC / OAVM till 30 June 2020	Circular no 14/2020 dated 8 April 2020 and Circular no 17/2020 dated 13 April 2020	Companies allowed to conduct EGMs through VC / OAVM till 30 September 2023	Circular no 11/2022 dated 28 December 2022
	Companies allowed to conduct EGMs through VC / OAVM till 30 September 2020	Circular no 22/2020 dated 15 June 2020		
	Companies allowed to conduct EGMs through VC / OAVM till 31 December 2020	Circular no 33/2020 dated 28 September 2020		
	Companies allowed to conduct EGMs through VC / OAVM till 30 June 2021	Circular no 39/2020 dated 31 December 2020		
	Companies allowed to conduct EGMs through VC / OAVM till 31 December 2021	Circular no 10/2021 dated 23 June 2021		
	Companies allowed to conduct EGMs through VC / OAVM till 30 June 2022	Circular no 20/2021 dated 8 December 2021		
	Companies allowed to conduct EGMs through VC / OAVM till 31 December 2022	Circular no 3/2022 dated 5 May 2022		

MCA has further clarified that the above extensions are limited to holding of AGM through VC or OAVM and in no way provides extension of time period for holding AGMs by companies under the Companies Act, 2013. Thus, companies which have not adhered to the relevant timelines of holding AGM shall remain subject to legal action under the Companies Act, 2013.

Company Law

Ministry of Corporate Affairs (MCA) to launch 2nd set of company e-Forms on its Version 3 (V3) online portal in 2 phases, from 9 January & 23 January 2023 onwards

Background (launch of 1st phase of company e-forms in July 2022)

Initially, all e-forms were filed on the Version 2 (V2) online portal of MCA. To provide industry with better online filing experience, MCA had launched a separate V3 online portal in July 2022. The 1st set (phase) of company e-forms on V3 portal were launched from 31 August 2022 onwards, as below.

- DIR3-KYC Web and DIR3-KYC (director KYC related forms)
- DPT-3 and DPT-4 (return of deposits), and
- CHG-1, CHG-4, CHG-6, CHG-8 and CHG-9 (creation of charge, modification and satisfaction related forms)



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Search



User Login



Welcome to MCA

Enter your User ID
(CIN/LLPIN/FCRN for Company/LLP and Email ID for other users)

Forgot User ID ?

Password

Forgot Password ?

Login for V3 Filing

* For LLP and 9 Company forms (CHG-1, CHG-4, CHG-6, CHG-8, CHG-9, DIR-3 KYC, DIR-3 KYC Web, DPT-3, DPT-4)

Register

Login for V2 Filing

* For Company Filing and Services



Launch of 2nd set of company e-forms

MCA has now notified the launch of 2nd set of company e-forms on V3 online portal vide notice dated 23 December 2022. The 2nd set will be rolled out in 2 phases from 9 January 2023 and 23 January 2023 onwards.

Company Law

List of company e-forms to be rolled from 9 January 2023 onwards

S No	Names of e-form	Details
1	SPICe+ PART A	Application for reservation of name for new company incorporation
2	RUN	Application for change of name of existing company
3	SPICe+ PART B	Application for company incorporation
4	AGILE PRO S	Application for GST, Employees State Insurance Corporation (ESIC), Employees Provident Fund Organisation (EPFO), Professional tax, opening of bank account and Shops and Establishment registration
5	e-MOA[INC-33]	Memorandum of Association for private limited company
6	e-AOA[INC-34]	Articles of Association for private limited company
7	e-MOA[INC-13]	Memorandum of Association for section 8 company
8	e-AOA[INC-31]	Articles of Association
9	INC-9	Declaration by subscribers and 1 st directors of the company
10	URC-1	Application for registration of a company u/s 366 of the Companies Act, 2013

Company Law

List of company e-forms to be rolled from 23 January 2023 onwards

S No	Names of e-form	Details
1	DIR-12	Appointment of directors, key managerial personnel and the changes among them
2	DIR-11	Notice of resignation of director
3	DIR-3	Application for allotment of Director Identification Number (DIN) by proposed director
4	DIR-3C	Intimation of DIN by the company to the Registrar of Companies (RoC)
5	DIR-5	Application for surrender of DIN to the RoC
6	DIR-6	Intimation of change in particulars of director to be furnished to the Central Government
7	INC-12	Application for grant of license to an existing company u/s 8 of the Companies Act, 2013
8	INC-18	Application to Regional Director for conversion of section 8 company into any other kind of company
9	INC-20	Intimation to the RoC for revocation of license issued u/s 8 of the Companies Act, 2013
10	INC-20A	Declaration for commencement of business by company having share capital
11	INC-22	Notice of situation or change of situation of registered office of the company
12	INC-23	Application to the Regional Director for approval to shift the registered office of the company from 1 state to another state or from jurisdiction of 1 RoC to another RoC within the same state
13	INC-24	Application for change in name of a company
14	INC-27	Conversion of public limited company into private limited company or vice-versa / Conversion of unlimited liability company into limited liability company
15	INC-28	Notice of the order of the Court or any other competent authority

Company Law

S No	Names of e-form	Details
16	INC-4	Change in Member/ Nominee by One Person Company (OPC)
17	INC-6	Application for conversion of OPC into private limited company
18	MGT-14	Filing of resolutions / agreements with the RoC u/s 117 of the Companies Act, 2013
19	MR-1	Return of appointment of managing director or whole time director or manager
20	MR-2	Approval of appointment / reappointment and remuneration to managing director or whole time director or manager
21	NDH-4	Declaration as Nidhi company or updation of status by Nidhi company
22	PAS-3	Return of allotment of shares
23	SH-7	Application for increase in authorized share capital of the company
24	SH-11	Return in respect of buy-back of securities
25	SH-8	Letter of offer for buyback of shares
26	SH-9	Declaration of solvency
27	NDH-1	Return of statutory compliances
28	NDH-2	Application for extension of time by Nidhi company
29	NDH-3	Half-yearly return filed by Nidhi company
30	GNL-3	Particulars of defaulting officers u/s 2(60)(iii) and (iv) of the Companies Act, 2013

Company Law

S No	Names of e-form	Details
31	PAS-6	Reconciliation of share capital audit report
32	MGT-3	Notice of location / change in location where foreign register containing particulars of shareholders, debenture holders and beneficial owners residing outside India, shall be kept
33	PAS-2	Information memorandum
34	DIR-9	Report by the company for disqualification of directors
35	DIR-10	Application for removal of disqualification of directors
36	AOC-5	Notice of address at which books of account are maintained
37	FC-1	Information to be filed by foreign company
38	FC-2	Return of alteration in the documents filed by foreign company
39	FC-3	Annual accounts along with the list of all principal places of business in India by foreign company
40	FC-4	Annual return of foreign company
41	GNL-2	Form for submission of documents with the RoC
42	GNL-4	Addendum to Form GNL-2
43	MSC-1	Application for obtaining the status of dormant company
44	MSC-3	Return of dormant companies
45	MSC-4	Application for seeking status of active company
46	RD-1	Application to the Regional Director

Please [Click Here](#) to read MCA's notice dated 23 December 2022.

Company Law

Investment from countries sharing land border with India – Prior approval required from Government of India for allotment of Director Identification No. (DIN) & appointment of Director for nationals belonging to such countries - MCA launches new online portal 'E-Sahaj Sewa' for security clearances of such citizens

Background

To prevent opportunistic takeover of Indian companies at the time of COVID outbreak, Reserve Bank of India (RBI) vide Press Note no 3 (2020) dated 17 April 2020 had notified that prior approval from Government of India shall be mandatory in the following cases:

- Foreign Investment into India by an entity belonging to 'any country sharing land border with India' (such as China, Pakistan, Afghanistan, Nepal, Bhutan, etc), or
- Where the beneficial owner of any foreign investment into India belongs to such country, or
- Transfer of beneficial ownership of an Indian entity to a buyer belonging to such country

Corresponding amendment by MCA

In line with the above requirement, MCA vide notification dated 1 June 2022 had amended Rule 8 and 10 of the Companies (Appointment and Qualification of Directors) Rules, as below:

- In case of allotment of DIN to any individual who is citizen of a country sharing land border with India, he shall be required to obtain prior approval from the Government of India before filing the application for DIN allotment in Form DIR-3. Copy of Government's approval shall be enclosed along with his application for DIN in Form DIR-3
- In case any individual who is citizen of a country sharing land border with India, is to be appointed as a director in any Indian company, he shall be required to obtain prior approval from the Government of India before his appointment as director. Copy of Government's approval shall be enclosed along with his consent to act as director in Form DIR-2

Company Law

E-Sahaj Sewa online portal

With effect from 15 December 2022 onwards, MCA has launched 'E-Sahaj Sewa' online portal (<https://esahajmcaservices.nic.in/#>) for security clearance of all applications received from citizens of countries sharing land border with India for:

- Allotment of DIN
- Appointment as director in any new / existing company in India

The screenshot shows the homepage of the E-Sahaj Sewa portal. At the top, there is a navigation bar with the Government of India logo, the Ministry of Corporate Affairs logo, and the text 'E SAHAJ SEWA'. There are buttons for 'Login', 'Register', and 'Track Application'. Below this, there is a banner for the Ministry of External Affairs, Government of India, featuring a portrait of Prime Minister Narendra Modi and a woman working on a rug. The banner includes the text 'Inviting Suggestions on India's priorities for G20 presidency 2023' and a 'Click Here' button. The banner also features the G20 logo and the text 'G20 भारत 2023 INDIA'.

E-Sahaj Sewa shall be a single online interface platform to provide the security clearance service only for DIN and director appointment related services. For other services such as receipt of Foreign Direct Investment (FDI) from entities / citizens of countries sharing land border with India, a separate online portal 'National Single Window System' (<https://www.nsws.gov.in/>) under the umbrella of Department for Promotion of Industry and Internal Trade (DPIIT) has already been launched since September 2021 onwards.

The screenshot shows the homepage of the National Single Window System (NSWS). At the top, there is a navigation bar with the Department for Promotion of Industry and Internal Trade logo, the Invest India logo, and the text 'National Single Window System'. There are buttons for 'About', 'FAQs', 'Guide', 'Contact', and 'ENG'. There are also buttons for 'CENTRAL APPROVALS', 'STATE APPROVALS', and 'GOVERNMENT SCHEMES'. There is a 'LOGIN' button. Below this, there is a banner featuring a portrait of Prime Minister Narendra Modi and the text 'Access over 598 Central Approvals and 4210 State Approvals'. The banner includes the text 'Explore, Apply and Get all the approvals required to start your business in India'. There is a search bar with the text 'Central Approvals' and a 'EXPLORE ALL' button. Below the search bar, there is a link 'Don't know which approvals are required? Click Here & Know Your Approvals'. At the bottom, there is a quote from Prime Minister Narendra Modi: 'We are laying a red carpet for all global companies to come and establish their presence in India. Very few countries will offer the kind of opportunities India does today.'

Reserve Bank of India (‘RBI’)



RBI notifies 'Modified Mumbai Interbank Forward Outright Rate' (MMIFOR) administered by Financial Benchmarks India Private Limited (FBIL) as a significant benchmark

Significant benchmarks refer to prices, rates, indices, values or a combination thereof related to financial instruments that are calculated periodically and used as a reference for pricing or valuation of financial instruments in an economy. Currently there are 6 significant benchmarks administered by FBIL which are used and referred by RBI for pricing or valuation of financial instruments in India.

- Overnight Mumbai Interbank Outright Rate (MIBOR)
- Mumbai Interbank Forward Outright Rate (MIFOR)
- USD/INR Reference Rate
- Treasury Bill Rates
- Valuation of Government Securities
- Valuation of State Development Loans (SDL)

RBI vide notification dated 1 December 2022 has added 1 more significant benchmark that is, 'MMIFOR' to the above list. Accordingly, 'MMIFOR' shall also be used as significant benchmark notified by RBI.

Please [Click Here](#) to read the Notification dated 1 December 2022.



RBI provides detailed framework governing operations of foreign branches & subsidiaries of Indian banks / All India Financial Institutions (AIFIs) in foreign jurisdictions & International Financial Services Centres (IFSCs)

RBI has notified a detailed framework to administer the operations of foreign branches and subsidiaries of Indian banks / AIFIs in foreign jurisdictions and IFSCs. Under the framework, foreign branches and subsidiaries of Indian banks / AIFIs shall deal in financial products (including structured financial products) which are not permitted by RBI in the domestic Indian market, only with the prior approval of RBI, subject to the fulfilment of the following conditions:

- Dealing in such financial products shall be done only with the prior approval of the board of directors of the Indian bank / AIFI
- Foreign branches and subsidiaries of Indian banks / AIFIs must have adequate knowledge, understanding and risk management capability for handling such financial products
- Foreign branches and subsidiaries of Indian banks / AIFIs shall act as market makers for financial products only if they have the ability to price / value such products and the pricing of such products is demonstrable at all times
- The exposure and mark-to-market (MTM) on these products are appropriately captured and reported in the returns furnished to RBI
- Foreign branches and subsidiaries of Indian banks / AIFIs shall provide information about dealing in financial products in such a manner and within the time frame prescribed by RBI
- Foreign branches and subsidiaries of Indian banks / AIFIs shall not deal in products linked to Indian Rupee unless specifically permitted by RBI
- Foreign branches and subsidiaries of Indian banks / AIFIs shall not accept structured deposits from any Indian resident; and
- Adhere to the suitability and appropriate policies mandated by RBI

Compliance with prudential norms

The financial products dealt with by the foreign branches and subsidiaries of Indian banks / AIFIs shall comply with the prudential norms such as capital adequacy, exposure norms (including large exposure framework), periodical valuation, etc.

All the activities of the foreign branches and subsidiaries shall be subject to the laws in India, unless specifically exempted by law.

Please [Click Here](#) to read the Notification dated 1 December 2022.

Securities Exchange Board of India ('SEBI')



SEBI notifies procedural requirements for obtaining prior approval in case of change in control of registered Intermediaries

Pursuant to SEBI guidelines, all SEBI-registered intermediaries are required to obtain prior approval from SEBI in case there is any change in control of such intermediaries (such as shareholding, decision making power or any other transaction / event). SEBI registered Intermediaries include the following:

- Stock Brokers / Clearing members
- Depository participants
- Registrar to an issue and share transfer agent (RTAs)
- Investment adviser
- Research analyst / Research entity
- KYC Registration Agency (KRA)

In line with the above provision, SEBI vide circular dated 28 November 2022 has laid down the following procedural requirement to be complied by all SEBI registered intermediaries whenever there is any change in control.



Sr. no.	Particulars	Procedural Requirements
1	Application for obtaining prior approval from SEBI	The concerned SEBI registered intermediary shall submit online application through the SEBI Intermediary Portal (SI Portal) for obtaining prior approval
2	Documents to be submitted along with the application	<p>Along with the online application, SEBI registered intermediary shall submit following documents:</p> <ul style="list-style-type: none"> • Current and proposed shareholding pattern of the intermediary • Details of any such application filed in the past by the intermediary • Details of action, if any, initiated / taken against the intermediary under the Securities Contracts (Regulation) Act, 1956 / SEBI Act, 1992 • Details of any investor complaints pending to be resolved • Details of litigation, if any • Confirmation that all the outstanding fee / dues to SEBI have been paid • Declaration cum undertaking from both the intermediary and the proposed acquirer / person who shall have the control in the said Intermediary • In case the concerned Intermediary is a stock broker / clearing member / depository participant, No Objection Certificate (NOC) shall also be required from the stock exchange / clearing corporation / depositories, of which they are members • Any other documents / information which may be sought by the SEBI
3	Documents to be submitted in case the intermediary is undertaking scheme of merger / arrangement	<ul style="list-style-type: none"> • In cases where the concerned Intermediary is proposing to undertake scheme of merger / arrangement, application for obtaining in-principle approval of SEBI shall be submitted online through the SI portal • After obtaining the in-principle approval, intermediary shall submit its petition for merger with the National Company Law Tribunal (NCLT) within 3 months from the date of obtaining approval from SEBI • Once the final order for merger is issued by NCLT, the intermediary shall submit online application with SEBI for obtaining final approval along with the following documents: <ul style="list-style-type: none"> ✓ Copy of the order of NCLT approving the scheme ✓ Copy of the approved scheme ✓ Statement explaining modifications, if any, in the approved scheme viz-a-viz draft scheme of merger and reasons for the same ✓ Details of compliance with the conditions / observations, if any, mentioned in the in-principle approval provided by SEBI
4	Validity of SEBI's approval	The approval granted by SEBI shall be valid for 6 months. The concerned intermediary must within the said period, submit fresh application for new registration with SEBI pursuant to change in control.

Compliance Calendar

Compliance calendar for the month of January 2023

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th January	December 2022	TDC/TCS deposit	Non-Government Deductors.
		Equalization Levy deposit	All Deductors
10 th January	December 2022	a) GSTR-7 (TDS return under GST)	a) Persons required to deduct TDS under GST
		b) GSTR-8 (TCS return under GST)	b) Persons required to collect TCS under GST
11 th January	December 2022	GSTR-1 (Outward supply return)	a) Taxpayers having annual turnover > Rs. 5 crore in FY 2021-22 b) Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2021-22 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13 th January		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
13 th January	Oct-Dec 2022	GSTR-1 (Outward supply return)	Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2021-22 and opted for QRMP scheme
15 th January	December 2022	Form 27EQ – TCS return	All Collectors
20 th January		Deposit of PF & ESI contribution	All Deductors
20 th January	December 2022	GSTR-3B (Summary return)	a) Taxpayers having annual turnover > Rs. 5 crore in FY 2021-22 b) Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2021-22 and not opted for QRMP scheme
		a) GSTR-5 (Return by Non-resident) b) GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	a) Non-resident taxpayers b) OIDAR services provider
22 nd January	Oct-Dec 2022	GSTR-3B (Summary return)	Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2021-22 and opted for QRMP scheme and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands. Lakshadweep
24 th January			Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2021-22 and opted for QRMP scheme and having principal place of business in any other state
31 st January.	Oct-Dec 2022.	TDS Return	All Deductors

About KrayMan

KrayMan Consultants LLP is an Accounting and multi-disciplinary Advisory Firm founded in 2012 by professionals with Big-4 Consulting and Industry experience. Our forte lies in handholding foreign companies establishing presence in India by demystifying the complex Indian regulatory environment making it easy for them to do business in India. Since inception, we have been delivering value to a mix of multinational Clients from across the globe

The Leadership team comes with rich experience and is supported by a capable & efficient team of professionals including Chartered Accountants, Company Secretaries, Cost Accountants, Advocates and MBAs who are committed in providing timely, professional and quality services to our Clients

We believe that in today's dynamic and ever changing business environment, it is important for accounting, tax & legal professionals to operate with a global approach and mind set. In pursuit of extending global footprints, we have a Japan Desk and an EU Desk to support investments from these countries into India.

In addition, we are members of various associations and forums both at national as well as international levels viz. JCCII, IICCI, IFCCI, CBA, PAN, CII and TiE Delhi

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