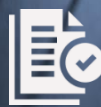




TAX EDGE

Monthly Tax & Regulatory Updates



Audit



Tax



Regulatory



M&A

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Goods & Services Tax (`GST`)

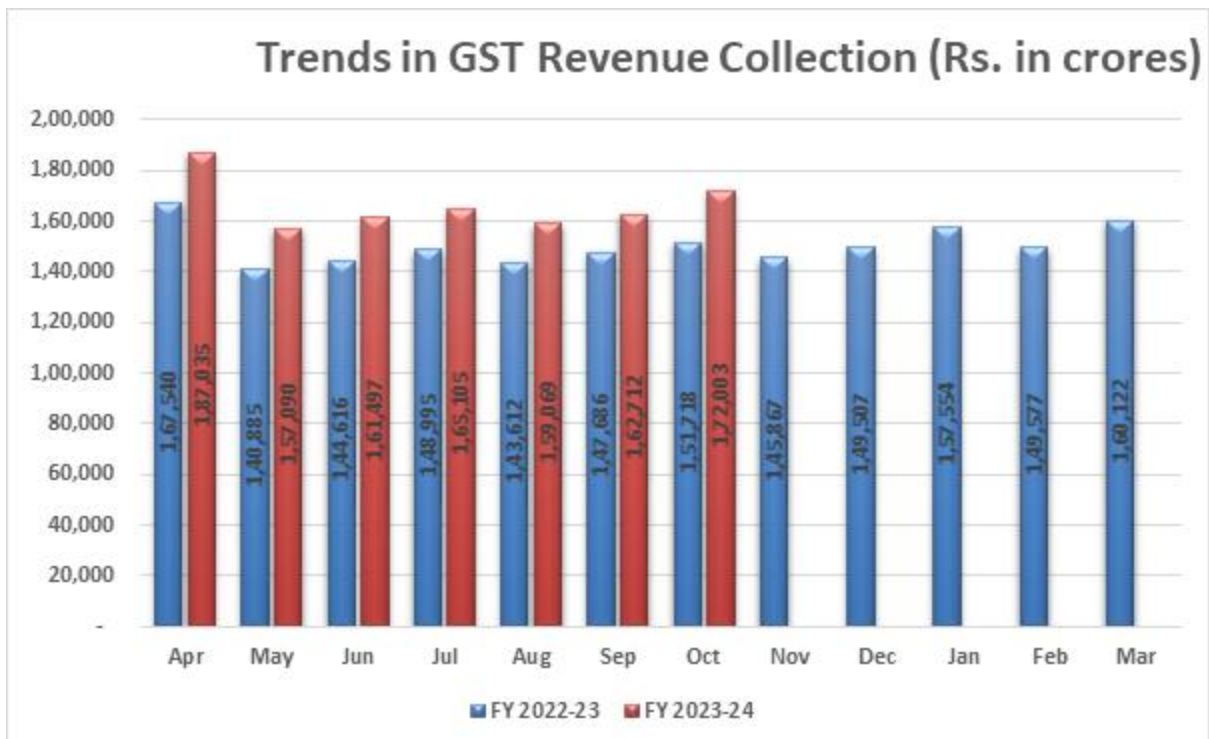


GST revenue collection for October 2023 Rs. 1,72,003 Crore (13% higher than GST revenue in October 2022)

The gross GST collected in the month of October 2023 is Rs. 1,72,003 Crore as below:

IGST (Integrated Goods and Services Tax)	Rs. 91,315 Crore
CGST (Central Goods and Services Tax)	Rs. 30,061 Crore
SGST (State Goods and Services Tax)	Rs. 38,171 Crore
Compensation cess	Rs. 12,456 Crore
Total	Rs. 1,72,003 Crore

The revenues for the month of October 2023 are 13% higher than the GST revenues in the same month last year. During the month, the revenues from domestic transactions (including import of services) are also 13% higher than the revenues during the same month last year.



Please [Click Here](#) to read Press Release dated 1 November 2023.

Amendments giving effect to the recommendations of the 52nd GST Council Meeting

The 52nd Meeting of the GST Council was held on 7 October 2023 at New Delhi under the chairpersonship of the Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman.

Please [Click Here](#) to read our detailed Alert on the key recommendations.

To give effect to the above recommendations, the Central Board of Indirect Taxes & Customs (CBIC) has issued a series of Notifications & Circulars summarised below:

Sl. No.	Notifications & Circulars (Please click to read)	Particulars
1	Notification no. 52/2023 – Central Tax dated 26 Oct 2023 Amendment in CGST Rules	<ul style="list-style-type: none"> The value of supply of services by a supplier to a related person for providing corporate guarantee to any banking company or financial institution, shall be deemed to be higher of: <ul style="list-style-type: none"> ✓ 1% of the amount of such guarantee offered, or ✓ the actual consideration The taxpayer shall pay tax and interest pursuant to specified proceedings within the prescribed time in Form GST DRC-03. The GST officer shall issue an intimation (instead of order) in Form GST DRC-05 concluding the proceedings The Revenue / Transport / other authority who has placed encumbrance on any movable or immovable property shall remove such encumbrance on written instructions from the Commissioner or on expiry of 1 year from the date of issuance of order, whichever is earlier, in amended Form GST DRC-22 The category of 'One Person Company' added in GST Registration application Form REG-01 Order of cancellation of registration as Tax Deductor / Collector at Source classified in Form REG-08 Amendments in Form GSTR-8 - Statement for Tax Collection at Source Amendments in Form PCT-01 - Application for Enrolment as GST Practitioner
2	Notification no. 05/2023 – Integrated Tax dated 26 Oct 2023 Supplies and class of registered persons eligible for refund under IGST (Amendment in Notification No. 01 / 2023 - IT dated 3 July 2023)	<ul style="list-style-type: none"> All notified goods or services (except pan-masala and tobacco) may be exported on payment of IGST and refund may be claimed of tax so paid All suppliers to notified Developer / Unit in Special Economic Zone (SEZ) may supply goods or services (except pan-masala and tobacco) on payment of IGST and claim refund of tax so paid The terms 'Authorized Operations', 'Developer', 'Special Economic Zone' and 'Unit' have been defined



Sl. No.	Notifications & Circulars (Please click to read)	Particulars
3	Circular no. 202/14/2023 – GST dated 27 Oct 2023 Clarification relating to export of services	Indian exporter of services receiving export proceeds in INR from the Special Rupee Vostro Accounts of correspondent bank of partner trading country opened by Authorised Dealer (AD) banks qualify as 'export of services' subject to conditions / restrictions in Foreign Trade Policy, 2023 and extant RBI Circulars and the relevant permissions / approvals, if any
4	Circular no. 203/15/2023 – GST dated 27 Oct 2023 (a) Place of supply of service of transportation of goods, including through mail and courier (b) Place of supply in respect of advertising sector (c) Place of supply in case of 'co-location services'	(a) Place of supply shall be the location of: <ul style="list-style-type: none"> • Recipient of services – if available • Supplier of services - where location of recipient of services is not available in the ordinary course of business (b) Place of supply in case of: <ul style="list-style-type: none"> • Sale of space / rights to use the space on the hoarding / structure (immovable property) belonging to vendor to the client / advertising company, shall be the location of immovable property • Where the vendor himself owns the structure / takes it on rent / rights to use from another person and displays advertisement, such services to be treated as advertisement services subject to default place of supply provisions i.e. location of the recipient u/s 12(2) of the IGST Act (c) Place of supply of colocation services shall be determined as per the default place of supply provision i.e. location of recipient of co-location service However, if the agreement is for providing physical space on rent along with basic infrastructure without components of Hosting and IT Infrastructure provisioning services, place of supply shall be the location of immovable property
5	Circular no. 204/16/2023 – GST dated 27 Oct 2023 Issues relating to taxability of personal guarantee and corporate guarantee	No GST payable by the Director for providing personal guarantee to the bank / financial institutions for sanctioning of credit facilities without any consideration since the taxable value of such supply may be treated as zero However, where such Director is no longer connected with the management but continues his guarantee due to specified reasons, the taxable value shall be the remuneration / consideration provided to the specified persons, directly or indirectly. Corporate guarantee provided by a person on behalf of another related person, or by the holding company for sanction of credit facilities to its subsidiary company, to the bank / financial institutions, even without any consideration will be treated as a supply of service and tax will be applicable as per Notification no. 52/2023 – Central Tax dated 26 Oct 2023 above.

1 Co-location is a data center facility in which a business / company can rent space for its own servers and other computing hardware along with various other bundled services related to Hosting and information technology (IT) infrastructure (S. No. 3 of Explanatory notes of SAC-998315)



Sl. No.	Notifications & Circulars (Please click to read)	Particulars
6	Circular no. 205/17/2023 –GST dated 31 Oct 2023 GST rate on imitation zari thread or yarn	GST @ 5% shall apply on imitation zari thread or yarn made from metallised polyester film / plastic film (under HS 5605) Further, no refund permitted on polyester film (metallised) /plastic film on account of inversion of tax rate. Requisite amendments made vide Notification no. 20/2023-Central Tax (Rate) dated 19 Oct 2023
7	Notification no. 53/2023 – Central Tax dated 2 Nov 2023 Amnesty Scheme for filing appeals	Taxpayers who could not file appeal against orders u/s 73 or 74 of CGST Act determining tax liability in case of error / fraud passed by 31 March 2023 can now file an appeal in Form GST APL-01 on the GST portal by 31 January 2024 on payment of: <ul style="list-style-type: none"> Admitted tax, interest, penalty, fee in full; and 12.5% of the remaining tax in dispute subject to a maximum of Rs. 25 crore out of which minimum 20% to be paid from Electronic Cash Ledger No appeal will be admissible for a demand not involving tax. Further, no refund will be processed until the appeal is disposed off

Clarifications regarding applicability of GST on certain services

Sl	Circulars (Please click to read)	Particulars
1	Circular no. 206/18/2023 –GST dated 31 Oct 2023	<ul style="list-style-type: none"> Input services in the 'same line of business' include transport of passengers (SAC 9964) or renting of motor vehicle with operator (SAC 9966) and not leasing of motor vehicles without operator (SAC 9973) which attracts GST at the same rate as supply of motor vehicles by way of sale Electricity supplied bundled with renting of immovable property and / or maintenance, constitutes composite supply, even if billed separately, and hence taxed at the rate applicable to the principal supply However, electricity supplied by the real estate owners, resident welfare associations, real estate developers etc. as a pure agent does not form part of the value of their supply Job work for processing of 'barley' into 'malted barley' attracts GST@ 5% as applicable to 'job work in relation to food and food products' District Mineral Foundations Trusts (DMFT) set up by the State Governments eligible for GST exemptions similar to other Government authorities Supply of 'pure services' and composite supplies for horticulture work (value of goods < 25% of total value of supply) made to Central Public Works Department (CPWD) eligible for GST exemption under Notification no. 12 / 2017-CTR dated 28 June 2017

Direct Tax



Direct Tax

Direct tax collection for Financial Year (FY) 2023-24 (upto 9 November 2023) Rs. 12.37 Lakh Crore, 17.59 % higher than gross collection for corresponding period last year

The Central Board of Direct Taxes has released the following statistics on 10 November 2023.

For the period 1 April 2023 till 9 November 2023	Amount	Remarks	
Gross direct tax collection	Rs. 12.37 lakh crore	17.59 % higher than gross collection for corresponding period last year	
Net direct tax collection (after adjustment of refunds)	Rs. 10.60 lakh crore	<ul style="list-style-type: none">• 21.82 % higher than net collection for corresponding period last year• The collection represents 58.15% of the total direct tax budget estimate for FY 2023-24	
Growth Rate	Particulars	Gross Growth Rate	Growth Rate (Net of refunds)
	Corporate Income Tax (CIT)	7.13%	12.48%
	Personal Income Tax (PIT)	28.29%	31.77%
	PIT including STT	27.98%	31.26%
Refunds issued	Rs. 1.77 lakh crore		

Please [Click Here](#) to read Press Release dated 10 November 2023.

Direct Tax

Central Board of Direct Taxes (CBDT) amends guidelines for submission of Statement of Financial Transactions (SFT) for depository transactions & mutual fund transactions by registrar & share transfer agent

Background

The Income-tax Act requires certain specified taxpayers including government agencies, banks and other institutions to submit SFT to tax authority containing certain financial transactions undertaken during the year. This reporting acts as a valuable source of information for the tax authority to be utilized for widening the tax base, prefilling of return of income and detection of revenue leakage.

In April 2021, CBDT vide Notification nos. 3 and 4 had specified the format, procedure and guidelines for submission of SFT for depository transactions and mutual fund transactions by registrar and share transfer agent.

As per the notification(s), the reporting entities are required to prepare the data file from their internal system and submit them using SFTP server. A separate control statement is required to be signed, verified and furnished by the designated director.

Corrigendum to the above notifications, issued on 15 November 2023

CBDT has issued corrigendum to the above notifications, amending the norms relating to filing of SFTs as below:

- With effect from 1 April 2023 onwards, SFT will be required to be submitted half-yearly instead of quarterly. In other words, data for half-year ended 30 September will be required to be submitted by 31 October; data for half-year ended 31 March will be required to be submitted by 30 April
- Holding period for Unit Trust of India (UTI) units has been set at 12 months if over 35% of the proceeds are in domestic equity shares. For business trust and other units, the holding period is 36 months under the same conditions
- Effective from 1 April 2023 onwards, if UTI unit, business trust and other units invest 35% or less of its total proceeds in the equity shares of domestic companies, it will always be classified as short-term capital asset
- The corrigendum includes market linked debentures in the classification of short-term capital assets starting from 1 April 2024 onwards
- Regarding SFT in depository transactions, the corrigendum specifies that for each debit transaction, the matching credit should be identified using the First in First Out (FIFO) method. The estimated acquisition cost for the credit should be calculated using the weighted average price of the asset. This involves considering the actual transaction value if the purchase was made after 1 February 2018, or the end-of-day price if the purchase was made before that date, as available with the depository
- Corrigendum further clarifies that the estimated acquisition cost is considered NIL for off-market purchases, corporate actions, or any transactions outside the Exchange. Additionally, IPO credits will be regarded as market credits, with the acquisition cost calculated using the formula 'number of allotted shares x per unit price at the time of allocation'

Please [Click Here](#) to read Corrigendum to Notification no. 3 of 2021, dated 15 November 2023.

Please [Click Here](#) to read Corrigendum to Notification No. 4 of 2021, dated 15 November 2023.

Direct Tax

Withholding of refund claimed by taxpayer in case assessment / reassessment proceedings are pending – CBDT introduces threshold monetary limit of Rs. 10 lakh & the procedure to withhold refund in such cases

Background

Section 245(2) of the Income-tax Act, 1961 empowers a tax officer to withhold refund claimed by a taxpayer, if the proceedings for assessment or reassessment are pending in the case of such taxpayer. The refund may be withheld if the tax officer believes that the grant of refund is likely to adversely affect the revenue. The tax officer would be required to pass an order in writing to withhold the refund up to the date on which such assessment or reassessment is made.

Instruction no. 02/2023 dated 10 November 2023 issued by CBDT

The CBDT has prescribed a monetary limit (of refund) of Rs. 10 lakh for invoking the said provision. Further, it has prescribed the following procedure to withhold refund.

- On receipt of communication from Centralized Processing Centre (CPC), the Faceless Assessing Officer (FAO) shall inform the Jurisdictional Assessing Officer (JAO) of the demand likely to be raised in the pending assessments
- Based on such information, the JAO shall record in writing and seek approval of the jurisdictional Principal Commissioner of Income-tax
- The reasons recorded should reflect the factual analysis of the case by the JAO. The JAO will communicate the final decision regarding withholding or releasing the refund to the CPC

To complete the above process, the time limit is 20 days for the Faceless Assessment Unit and 30 days for JAO.

Income-tax return in Form ITR 7 – CBDT introduces changes to accommodate the taxable income of individuals under the tax rates applicable to Association of Persons (AOP)

Form ITR-7 is required to be submitted annually by taxpayers such as charitable trusts and institutions, political parties, scientific research institutions, universities, colleges, etc. CBDT vide Notification no. 94/2023 dated 31 October 2023 has introduced certain changes in Form ITR-7, to accommodate the taxable income of individuals under the tax rates applicable to AOP, which aligns with the slab rates applicable to individuals. The amendment is applicable from Assessment Year (AY) 2023-24 onwards.

Direct Tax

Changes in Part B- TI: Sl No. 16 to be substituted as below:

“16	Specified income chargeable u/s 115BBI, included in 13, to be taxed @ 30% (Sl. No 7 of Schedule 115BBI)	16	
17	Aggregate income to be taxed at normal rates (13-14-15-16) (including income other than specified income under section 115BBI)	17”;	

Changes in Part B- TTI: Against Serial No. 1, for item a, following entry shall be substituted:

“a	Tax at normal rates on [Sl. No. 17 of Part B1 of Part B-TI] OR [Sl. No. (13-14) of Part B2 of Part B-TI] OR [Sl. No. 13 of Part B3 of Part B-TI]	1a”.	
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Please [Click Here](#) to read Notification no. 94/2023 dated 31 October 2023.

Please [Click Here](#) to read Frequently Asked Questions (FAQs) on ITR-7 issued by the Income-tax department.

Supreme Court’s decision (in case of Bharti Hexacom Ltd) on treatment of one-time entry fee & variable annual license fee paid by telecom operators as capital expenditure

Background

Telecom operators at the time of set-up of telecom infrastructure incur two types of license fees – Fixed and Variable. Fixed license fee is a one-time fees paid to acquire the right to operate the telecommunication services. Variable license fees is paid annually as a percentage of gross revenue.

As per section 35ABB of the Income-tax Act, payments made for acquiring any right to operate telecommunication services (whether such payment is made before the commencement of the business to operate or thereafter at any time during the year) will be allowed as tax-deduction in amortized manner.

Direct Tax

Issue before Supreme Court

Whether variable license fees should be treated as capital expenditure or revenue expenditure?

Ruling by Supreme Court

- Supreme Court invoked the test of 'nature of original obligation' to determine the nature of the variable annual license fee, and held that while classifying the nature of the expense, it is important to analyse whether the subsequent payment made in instalments has direct nexus with the original obligation or not
- In the instant case, the successive payment of variable annual license fee has nexus with the original obligation, i.e. consideration for the right to establish, maintain and operate telecommunications services
- Nature of payment that was made for the same purpose cannot have different characterisation merely because of change in the manner of payment
- In view of the above, the one-time entry fee as well as the variable annual license fee paid by the taxpayer are capital in nature and will be amortised in accordance with section 35ABB of the Act.

Please [Click Here](#) to read the complete ruling dated 16 October 2023 pronounced by Supreme Court.



International Tax

Agreement between India & Saint Vincent & the Grenadines for exchange of information & collection of taxes

Agreement for exchange of information was signed between Government of India and Saint Vincet & the Grenadines on 19 May 2022. The said agreement was entered into force on 14 February 2023 and notified by the Central Government on 1 November 2023. The agreement's layout is as below:

Article No.	Provision
1-4	Object and scope of agreement, jurisdiction, taxes covered, definition
5 - 8	<ul style="list-style-type: none">• Exchange of information upon request• Tax examinations abroad• Possibility of declining a request for information• Assistance in collection of tax claims
9 - 13	Confidentiality, implementation legislation, mutual agreement procedure, entry into force, termination

Please [Click Here](#) to read Notification no. 96/2023 dated 1 November 2023.



Corporate Law & Regulatory



Corporate Law & Regulatory

Significant Beneficial Owner (SBO) rules made applicable for Limited Liability Partnerships (LLPs)

Background

Till date, SBO rules were applicable to companies only. However, vide Notification dated 9 November 2023, Government has extended the same to cover LLPs also.

What is SBO?

An individual possessing the following right(s) in an LLP:

- 10% or more of the contribution in the LLP
- 10% or more of the voting rights in respect of management or policy decisions of the LLP
- 10% or more of the distributable profits of the LLP
- Right to exercise significant influence or control in the LLP

Ascertainment of SBO in certain situations

To determine SBO in specific cases, an individual must qualify under the criteria mentioned below:

Where the partner of the LLP is a:	Criteria
Body Corporate	An individual holding: <ul style="list-style-type: none">• 'Majority stake' in the LLP, or• 'Majority stake' in the ultimate holding company <p>'Majority stake' means:</p> <ul style="list-style-type: none">• More than half of the equity share capital in the body corporate, or• More than half of the contribution in an LLP, or• More than half of the voting rights in the body corporate, or• Right to receive more than half of the distributable profits
Hindu Undivided Family (HUF)	The 'karta' (individual) of the HUF
Partnership firm	An individual: <ul style="list-style-type: none">• Being partner of the partnership firm, or• Holding 'majority stake' in the body corporate, which is a partner of the partnership firm, or• Holding 'majority stake' in the ultimate holding company of the body corporate, which is a partner of the partnership firm
Trust	An individual being a: <ul style="list-style-type: none">• Trustee (in case of discretionary trust or charitable trust)• Beneficiary (in case of specific trust)• Author or Settlor (in case of revocable trust)

Corporate Law & Regulatory

Legal obligation on the LLPs

- Step 1 - LLP would be required to identify its SBO and cause such individuals to make a declaration in Form LLP BEN-1
- Step 2 - LLP would be required to give notice in Form LLP BEN-4 (seeking information pertaining to SBO) to every non-individual partner holding 10% or more of its contribution or voting rights or rights to receive distributable profits
- Step 3 - Upon identification of SBO, LLP would be required to file return in Form LLP BEN-2 with the Registrar of Companies (ROC) within 30 days from date of receipt of declaration
- Step 4 - LLP would be required to maintain register of SBOs in Form LLP BEN-3

Legal obligation on the SBOs

- Every individual who is an SBO in an LLP will file a declaration in Form LLP BEN-1 within 90 days from the commencement of SBO rules (the SBO rules have commenced from 9 November 2023 onwards)
- Every individual who subsequently becomes an SBO or his beneficial ownership undergoes change, shall file a declaration in Form LLP BEN-1 to the LLP under consideration, within 30 days of acquisition of such beneficial ownership or change therein

Exclusions from SBO rules

SBO rules are not applicable to contributions received by an LLP from:

- Government authorities (directly or indirectly)
- Investment vehicles registered with Securities Exchange Board of India (such as mutual funds, alternative investment funds, etc.)
- Investment vehicles regulated by Reserve Bank of India or Insurance Regulatory and Development Authority or Pension Fund Regulatory and Development Authority

Please [Click Here](#) to read Notification dated 9 November 2023.

Corporate Law & Regulatory

Listing of securities of certain public companies on permitted foreign stock exchanges

Ministry of Corporate Affairs (MCA) has notified the provisions of section 5 of the Companies (Amendment) Act, 2020 to be effective from 30 October 2023 onwards. This amendment was introduced in September 2020, allowing certain specified public companies to issue designated securities for listing on permitted foreign stock exchanges.

Even though the effective date has been notified as 30 October 2023, Government is yet to notify the prescribed class of public companies, names of the securities and list of the permitted foreign stock exchanges for this purpose.

Please [Click Here](#) to read Notification dated 30 October 2023.

LLPs – Amendments relating to maintenance of register of partners, declaration for disclosure of beneficial interest, etc.

MCA has issued LLP (Third Amendment) Rules, 2023 focussing on maintenance of comprehensive partner registers, declaration of beneficial interests and appointment of designated partners responsible for furnishing information relating to beneficial interests in contributions. The rules are effective from 27 October 2023 onwards and are aimed to enhance transparency and regulatory compliance.

Highlights of the Rules

- LLPs to maintain Register of Partners in *Form 4A* at its registered office, containing details such as names of partners, information regarding assets and other forms of contribution, beneficial ownership and other details
- If a person with no beneficial interest in contribution is named in the register of partners, he has to furnish details to the LLP of the person who actually holds the beneficial interest, in the form of a declaration in *Form 4B*, within 30 days from the date on which his name was entered in the register
- Persons whose names are not entered in the register but who hold or acquire a beneficial interest in contribution of the LLP, are required to disclose to the LLP the beneficial interest vide *Form 4C* within 30 days of acquiring the beneficial interest
- When an LLP receives a declaration in *Form 4B* or *Form 4C*, it has to be recorded in the Register of Partners. Further, the LLP has to file a return in *Form 4D* with the ROC within 30 days from date of receipt of declaration
- Existing *Form 4*, wherein an LLP is mandated to specify with ROC a designated partner for sharing information regarding beneficial interest in contribution, has been amended accordingly

Please [Click Here](#) to read the Notification dated 27 October 2023.

Corporate Law & Regulatory

Dematerialization of securities for private companies

Background

To tackle benami transactions and enhance transparency in shareholding patterns, the MCA has introduced the Companies (Prospectus and Allotment of Securities) 2nd Amendment Rules 2023, on 27 October 2023.

These rules mandate that all private companies (excluding small and government companies), must necessarily issue / transfer securities (shares, debentures) in dematerialized form *after 30 September 2024*. It is important to note that every unlisted public company has already been mandated for dematerialization of its securities, effective from October 2018 onwards.

Applicability

The newly introduced Rule 9B in the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 applies to all private companies (except small and government companies).

According to Rule 9B, private companies are required to dematerialize their existing securities within 18 months from 1 April 2023, i.e, on or before 30 September 2024.

Exemptions

Small Companies and Government Companies have been exempted from the dematerialization requirement.

- 'Small Company' is a private company which has paid-up share capital \leq Rs.4 crore and turnover \leq Rs.40 crore in the immediately preceding financial year (other than a holding or subsidiary company)
- 'Government Company' means a company in which any Government (Central or State or both) holds \geq 51% of the paid-up share capital

Legal requirement

Going forward, private companies must convert their existing physical securities in dematerialized form on or before *30 September 2024*.

Impact on Companies

After 30 September 2024, no private company (except exempted companies) can:

- Issue new securities (including right or bonus issue) in physical form
- Transfer securities in physical form
- Buy-back securities in physical form

Corporate Law & Regulatory

Impact on Shareholders

After 30 September 2024, a security holder of a private company can neither subscribe for new securities nor apply for transfer of securities in physical form.

Compliances

- To obtain International Security Identification Number (ISIN): Private companies must obtain an ISIN from National Securities Depository Limited (NSDL) / Central Depository Services Limited (CDSL) on or before 30 September 2024
- Dematerialization of securities: All private companies should facilitate dematerialization of existing securities
- Issue / Transfer of securities: All private companies should issue / transfer its securities only in dematerialized form after 30 September 2024
- Issue of New Securities: All private companies should issue new securities only in dematerialized form after 30 September 2024
- Filing of PAS-6: Within 60 days from the date of completion of above compliances, the private company has to report to ROC in form PAS – 6

Consequences of violation

In case of default, the company and every officer in default is punishable with penalty up to Rs. 10000. If the contravention continues, an additional fine of up to Rs. 1000 per day may be imposed by the Government.

Please [Click Here](#) to read Notification dated 27 October 2023.

Designation of responsible person by companies for sharing information on beneficial interest with Registrar of Companies (ROC)

MCA has issued the Companies (Management and Administration) 2nd Amendment Rules 2023, effective from 27 October 2023 onwards, for designation of responsible person by companies for sharing information on beneficial interest with ROC.

Highlights of the Rules

- Every company is required to designate a person responsible for providing information on beneficial interests in shares to ROC
- The designated person can be a company secretary, key managerial personnel or director
- Until a person is designated, certain individuals are considered to be designated, including company secretary, managing director or manager, or every director based on the company's structure

Compliances

Companies must inform details of the designated person in their annual return every year. In case of a change in designated person, company must promptly inform the ROC using e-form GNL-2.

Please [Click Here](#) to read Notification dated 27 October 2023.

Corporate Law & Regulatory

Reserve Bank of India (RBI) issues norms for regulation of cross border payment aggregators

On 31 October 2023, RBI has issued norms for regulation of Cross Border Payment Aggregators, being entities involved in facilitation of cross-border payment transactions for import and export of permissible goods and services in online mode. These norms aim to establish a framework for accountability in cross-border payment transactions, ensuring adherence to standards issued by RBI and foster financial stability.

Highlights of the regulations

- Entities Covered - Authorized dealers and payment aggregators that facilitate cross-border payments for import and export of goods and services in online mode. Such entities have been required to ensure compliance with governance standards by 31 January 2024
- Entities may seek authorization for export-only, import-only, or both export and import activities. Banks have been exempted from the requirement of obtaining separate approval from RBI. Non-banking institutions providing cross-border payment transactions for import / export services, must apply to RBI authorization by 30 April 2024, and can continue services until the approval is received
- Non-banking institutions must meet threshold criteria of net worth Rs. 15 crore at the time of application (increasing to Rs. 25 crore by 31 March 2026). Existing non-banking institutions failing to comply with net worth criteria or apply for authorization by 31 July 2024, must wind up the activity of providing cross-border payment transactions for import / export services

Please [Click Here](#) to read Notification dated 31 October 2023.



Corporate Law & Regulatory

Amendment of Legal Metrology (Packaged Commodities) Rules, 2011, by the Ministry of Consumer Affairs, Food & Public Distribution

The Ministry of Consumer Affairs, Food & Public Distribution, has on 6 October 2023 issued a notification amending the Legal Metrology (Packaged Commodities) Rules, 2011. The amendment is applicable from 1 January 2024 onwards and aimed to ensure informed consumer experience through more accurate measurement and labeling of packaged goods in India.

Highlights of the amendment

- Certain terms defined, such as 'combination package', 'group package' and 'multi-piece package'
- Declaration of unit sale price is not required for combination packages, group packages or multi-piece packages. For packages containing food articles, the provisions of Food Safety and Standards Act, 2006 shall apply
- Spare parts and accessories used for servicing with a warranty and not intended for sale to end customers, are exempt from declaration of the month and year of manufacture
- For electronic products, declaration of month and year of manufacture must be clearly visible on the retail package
- Further, necessary amendments have been made to ensure that consumers ordering loose commodities through e-commerce have access to essential information about the product, its source, price and quantity, which helps in making informed decision

Please [Click Here](#) to read Notification dated 31 October 2023.

Corporate Law & Regulatory

Amendment of Battery Waste Management Rules 2022 by the Ministry of Environment, Forest & Climate Change

The Ministry of Environment, Forest & Climate Change has amended the Battery Waste Management Rules, 2022 with an aim to promote responsible and sustainable practices in battery waste management, aligning with environmental protection goals. These rules apply to producers, dealers and consumers involved in various stages of battery life cycle, covering all types of batteries except for military-use and space equipment batteries.

Highlights of the amendment

- 'Battery' has been clearly defined and includes new or refurbished cells and accumulators
- Producers have been mandated to follow Extended Producer Responsibility (EPR) guidelines, including obtaining registration with Central Pollution Control Board (CPCB) and filing of annual returns
- By 31 March 2025, all batteries or battery packs produced must be appropriately marked with the EPR registration number
- EPR certificates for recyclers and refurbishers will be based on the weight of processed waste batteries, and a trading platform for these certificates may be established
- Central Government may relax timeline for filing returns by producers, recyclers and refurbishers by up to 9 months
- A committee will meet at least once every 6 months, submitting a report to the Central Government.

Please [Click Here](#) to read Notification dated 25 October 2023.

Industrial & Labour Law



Industrial & Labour Law

Employees' State Insurance Corporation (ESIC) allows insured persons & beneficiaries to avail medical services from any hospital across India

To ensure easy access to medical services for insured persons and beneficiaries, ESIC has allowed them to visit any hospital, be it private or public, across India for consultation and medicines under the Dhanwanti module. This is applicable regardless of whether the hospital is specifically mentioned in the beneficiary card or not.

Please [Click Here](#) to read Circular dated 13 November 2023.

Employee Provident Fund Organization (EPFO) allows deposit of PF contribution through Airtel / Paytm

Going forward, employers would have the option to deposit provident fund contribution through airtel / paytm, like other commercial banks. EPFO has included Airtel Payments Bank Limited and Paytm Payments Bank Limited in the 2nd schedule to the Reserve Bank of India Act, 1934.

Please [Click Here](#) to read Circular dated 1 November 2023.



Industrial & Labour Law

Revision in Delhi Minimum Wages effective from 1 October 2023 onwards

The Labour Department, Government of National Capital Territory of Delhi notifies revision in the minimum wages for workers twice a year, effective from 1st day of April / Oct. The adjustments in the minimum wages are made in accordance with changes in the Consumer Price Index (CPI).

As per the latest notification issued on 23 October 2023, the minimum wages have been revised for the state of Delhi as below, effective from **1 October 2023** onwards.

Class of Worker / Employment	Category	Basic Per Month (Rs.) (A)	Dearness Allowance (Rs.) (B)	Total Per Month (Rs.) (C = A+B)	Total Per Day (Rs.)
Unskilled	Not applicable	14,842	2,652	17,494	673
		16,341	2,938	19,279	742
Semi Skilled		17,991	3,224	21,215	816
Skilled					
Clerical And Supervisory Staff	Non matriculates	16,341	2,938	19,279	742
	Matriculates but not graduates.	17,991	3,224	21,215	816
	Graduates and above	19,572	3,510	23,082	888

Please [Click Here](#) to read the Notification dated 23 October 2023.

Compliance Calendar

Compliance calendar for the month of December 2023

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th December	November 2023	TDS / TCS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
10 th December		a) GSTR-7 (TDS return under GST)	a) Person required to deduct TDS under GST
		b) GSTR-8 (TCS return under GST)	b) Person required to collect TCS under GST
11 th December		GSTR-1 (Outward supply return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2022-23 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
13 th December		GSTR-5 (Return by Non-resident)	Non-resident taxable person (NRTP)
		Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and opted for QRMP Scheme
		15 th December	Deposit of PF & ESI contribution
Oct - Dec 2023			Deposit of 75% (3 rd Instalment) of Advance Tax for FY 2023-24.
20 th December	November 2023	GSTR-3B (Summary return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2022-23 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and not opted for QRMP scheme
		GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	OIDAR services provider
25 th December		Form GST PMT-06 (Payment of tax for Quarterly filers)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and opted for QRMP scheme
31 st December	FY 2022-23	Belated / Revised Income-tax Return	All assesses (provided assessment has not been completed before 31st December 2023)
		a) GSTR-9 (Annual GST Return)	a) Taxable persons having aggregate annual turnover > Rs 2 crore in FY 2022-23
		b) GSTR-9C (Annual Reconciliation Statement)	b) Taxable persons having aggregate annual turnover > Rs 5 crore in FY 2022-23

About KrayMan

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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 and CII

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