

THE BUZZ

JANUARY 2023

ACUPRO CONSULTING

NEWSLETTER CONTRIBUTORS

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Balwan Bansal

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NOTIFICATIONS

CBIC Seeks to make fifth amendment (2022) to The CGST Rules,2017

CBIC seeks to make the following changes in the CGST rules,2017

Type	Particulars	Explanation
Registration	a)OTP	a) In reference to any amendment/ new registration, now OTP will be sent to mobile number and E – mail address linked to PAN rather on registered with the GST portal.
	b)Authentication of Application for registration	b) Physical verification of the premises of the applicant is required, if the application is selected for physical verification on the basis of risk parameters even if Aadhaar authentication is completed.
	c)Cancellation of Registration of persons required to deduct Tax at source or collect Tax at Source.	c) The registered person can request for Cancellation of Registration also. Earlier, only proper officer is allowed to cancel the same.
Input Tax Credit	Verification of furnishing of GSTR 3B by Corresponding Supplier (Rule 37A inserted)	(i) A recipient shall verify that the supplier has filed the GSTR-3B in respect of Invoice or Debit Note on which ITC is availed, maximum by 30th September following the end of the FY. (ii) Where supplier has not filed GSTR 3B within above mentioned period, ITC on these invoices shall be reversed by the recipient on or before the 30th November following the end of such FY. (iii) If the ITC is not reversed on or before 30th November, such amount shall be payable by the said person with interest thereon under section 50. However, he can reclaim the ITC after filing of GSTR-3B by the supplier for the said tax period.



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Type	Particulars	Explanation
Payment	Manner of dealing with difference in liability reported in GSTR-1 and that reported in GSTR-3B (Rule 88C inserted).	If the tax payable as per GSTR 1 exceed GSTR 3B by such amount and percentage, as may be recommended by the Council, intimation of such differences will be sent in Part A of Form GST DRC – 01B on the common portal and a copy shall also be sent to his E-mail address directing him to – • Pay the differential tax liability, along with interest through DRC-03 or explain the reason for difference within a period of 7 days. • If registered person not paid differential tax or not furnish the reason with 7 days. Then the said amount shall be recoverable in accordance with the provisions of section 79
Tax Invoice, Debit Notes and Credit Notes	Rule 46(f) Proviso	A tax invoice issued by the person supplied services through electronic commerce operator or by a supplier of OIDAR services shall contain the name, address ,state and PIN code of the unregistered recipient irrespective of the value of taxable supply.
Returns	Rule 59(6)(d) inserte	A registered person, to whom the intimation has been issued as per Rule 88C shall not be allowed to furnish the details in Form GSTR 1 or using IFF for a subsequent tax period unless he has either deposited the amount specified or has furnished a reply explaining the reasons for difference

(Notification No. 26/2022)

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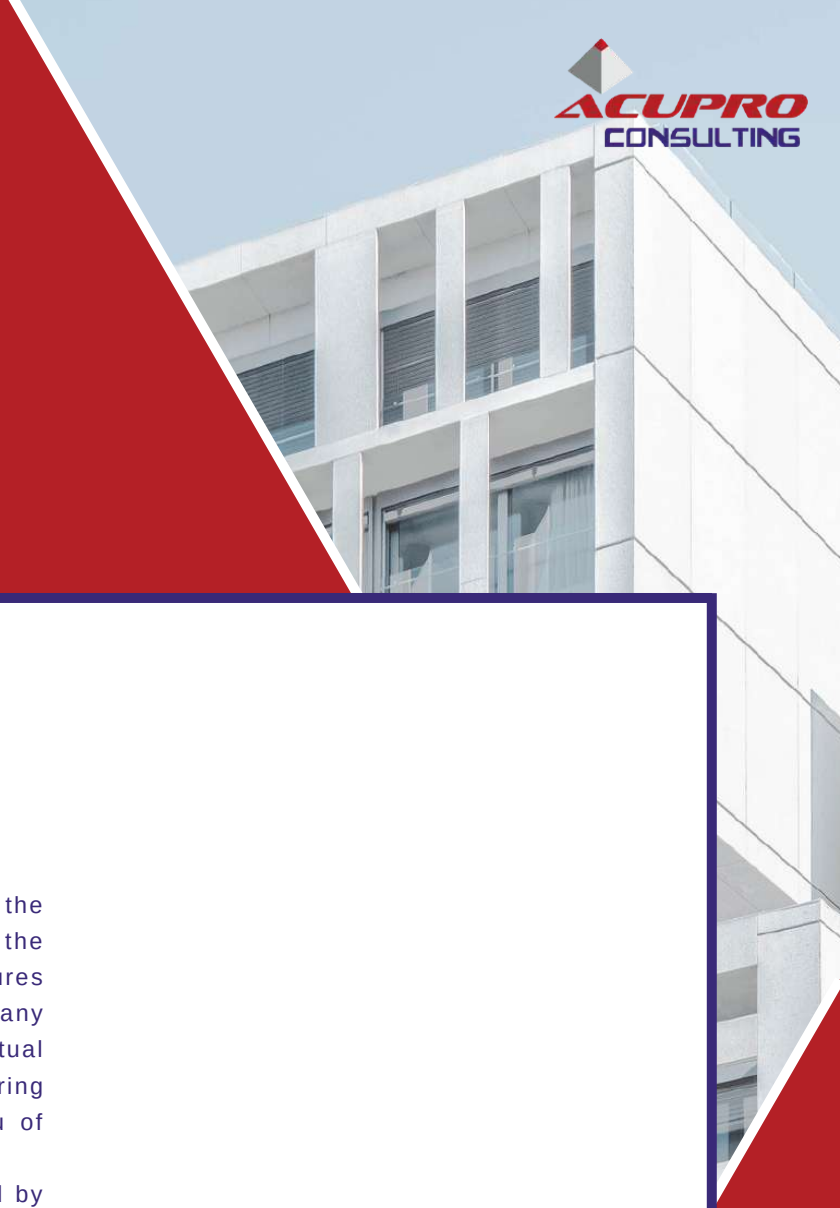

CIRCULAR

CBIC seeks to clarify the GST applicability on "No Claim Bonus".

This circular has been issued to clarify the taxability of "No Claim Bonus" offered by the insurance companies. The person procures insurance policy to indemnify himself from any loss and it is not under any contractual obligation for not to claim insurance claim during any period covered under the policy, in lieu of "No Claim Bonus"

It is clarified that there is no supply provided by the insured person to the insurance company , in form of agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s). Hence, "No Claim Bonus" cannot be considered as a consideration for any supply. It will be considered as an admissible discount as per section 15(3)(a). if such discount has been duly recorded in the invoice and alsoprovide the details of the no claim bonus in the invoices also.

(Circular No. 186/18/2022)

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UPDATES



GSTN issued advisory on facility of 'Initiating Drop Proceedings' of Suspended GSTINs due to Non-filing of Returns:

If the taxpayers have filed their pending returns i.e. 6 monthly or 2 Quarterly returns. The system will automatically revoke the suspension.

If the status of the GSTIN does not automatically turn 'ACTIVE', then taxpayers are advised to revoke the suspension once the due returns have been filed, by clicking on 'Initiate Drop Proceeding' for which navigation is as follows:

"Log on to GST Portal > Services > User Services > View Notices and Orders > Initiate Drop Proceeding"

Note: This functionality is applicable to the taxpayers whose GSTINs have been suspended after December 01, 2022.

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NEWS

Pharma companies seek clarity from the Bombay High Court on free samples to be considered as a genuine expense under GST

Pharma companies feel that the free samples and gifts provided by them to promote sales are part of marketing activities, and are considered as genuine business expenses. They are entitled for input tax credit refund when they file their GST returns. Notices have been issued to the Union of India, Finance Ministry, CBIC, and GST authorities to defend their stand.

International Road Federation seeks removal of GST on helmets

International Road Federation (IRF), said that it has made a request to the government for removal of GST on helmets. At present, a GST on helmets is18%. Finance minister Nirmala Sitharaman is scheduled to present the Union Budget on February 1.

Auto component industry demands uniform GST on all products

The Auto component industry has urged the government to levy a uniform 18% GST on all the auto components. Currently, there are two GST rates 18% and 28%

GST Council may consider relief to steel companies on metal scrap in next meeting

Next meeting of GST council may announce relief to Steel companies on metal scrap. Steel Ministry has sent its proposal to the finance ministry and also recommended GST under RCM Steel companies are asking for lower GST on metal scraps from 18% to 5%.

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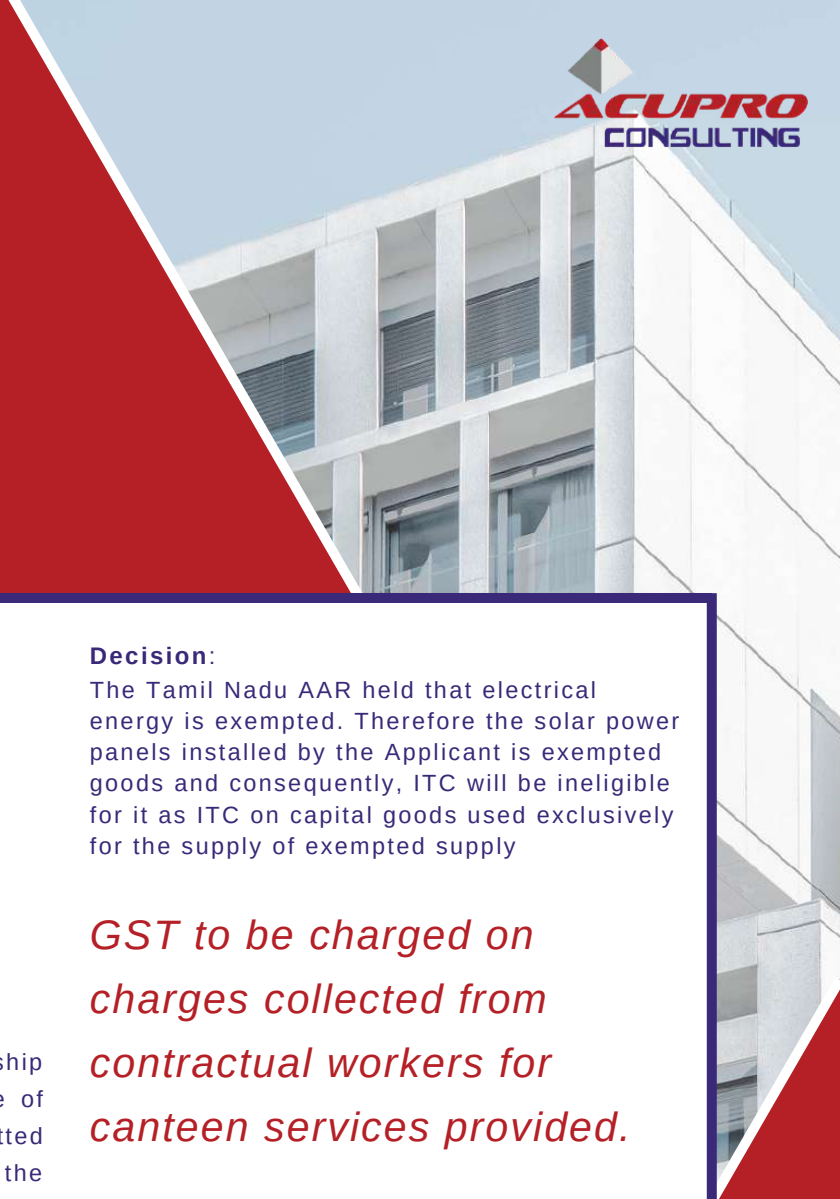

CASE LAWS

ITC on Solar Panels used as plant and machinery is not eligible as the supply of electricity exempted under GST.

Facts:

VBC Associates ("the Applicant") is a partnership firm engaged in the business of maintenance of the immovable property. The Applicant submitted that for the service of maintenance of the immovable property, they raise an invoice to the tenants, with applicable GST. A maintenance agreement was executed between the Applicant and "M/s Tamil Nadu Generation and Distribution Corporation Limited" for the wheeling of a solar power plant through a transmission and distribution network. The applicant is to provide maintenance services using the infrastructure available to him.

Issues:

The Applicant sought an advance ruling on whether ITC can be claimed on solar power plants used for providing such services. The Applicant submitted that solar power plants are not covered under the definition of immovable property as panels are not attached to the earth and are covered under the definition of 'plant and machinery', and thus, ITC can be claimed on it.

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Decision:

The Tamil Nadu AAR held that electrical energy is exempted. Therefore the solar power panels installed by the Applicant is exempted goods and consequently, ITC will be ineligible for it as ITC on capital goods used exclusively for the supply of exempted supply

GST to be charged on charges collected from contractual workers for canteen services provided.

Facts:

M/s Troikaa Pharmaceuticals Ltd. ("the Applicant") provides canteen facility to its employees and contractual workers, as mandated under the Factories Act, 1948. The canteen service is provided by a third party, to the Applicant, who raises an invoice by charging 5% GST. The applicant borne 50% value of the invoice and balance 50% is recovered from the employee's salary pay out.

Issues:

The Applicant submitted that, the recoveries for providing canteen facility is not supply as per Section 7 of the CGST Act. It is nor a 'business' of the Applicant neither had any intent to make profit from the amount recovered. Hence, no GST should be levied on such recovery of charges. Moreover, the Applicant should be allowed to claim ITC on the GST paid for such canteen service to the contractor as the same is mandatory under the Factories Act.

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CASE LAWS

Decision:

The AAR Gujarat held that, the GST is not leviable in the hands of the Applicant on the amount recovered from the employees as it is mandatory to provide canteen services to its employees under the Factories Act. However, GST would be leviable on the portion collected from the contractual workers, as it is not mandate for them under the Factories Act. Further, ITC on GST paid on canteen facility provided to employees shall be allowed to the Applicant subject to the condition that burden of GST have not been passed on to the employees.

Further, ITC on GST paid on canteen facility provided to employees shall be allowed to the Applicant subject to the condition that burden of GST have not been passed on to the employees. However, the applicant is not eligible to the ITC on food supplied by canteen service provider to the contractual worker under Section 17(5)(b) of the CGST Act.

GST @12% applicable on unbranded pre-packaged namkeens and salted/flavored potato chips.

Facts:

M/s Prajapati Keval Dineshbhai ("the Applicant") is an unregistered person and wanted to set up a manufacturing unit of various unbranded food products like potato chips. The Applicant intends to be producing 'dry potato starch powder' as a by-product of the manufacture of potato-based products.

Issues:

The Applicant professed that the unbranded products fall under the category of 'Namkeens' and should be classified under Sl. No. 101A of Schedule – I of the Goods Rate Notification and Customs Tariff Heading ("CTH") 2106 90 99 irrespective of their ingredients and shall be liable to be taxed at 5%. Further, the dry potato starch powder shall be classified under Sl. No. 18 of Schedule – II of the Goods Rate Notification and under CTH 1108 13 00 and shall be liable to be taxed at 12% GST.

Decision:

The Gujarat AAR held that the Applicant intends to supply pre-packaged and labeled food products. Further, w.e.f. July 18, 2022, Sl. No. 101A of the Schedule-I of the Goods Rate Notification is applicable to the goods that are not pre-packaged and labeled, which was earlier applicable to un-branded packages which do not contain any brand name. Thus, the Applicant is not eligible for a tax rate of 5% GST. The Products will be classified under Sl. No. 46 of Schedule II of the Goods Rate Notification which attracts GST at 12%.

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CASE LAWS



Seller cannot be penalized for mentioning the quantity of goods in pieces instead of weight.

Facts:

M/s. Ganpati Battery Traders ("the Petitioner") is involved in the business of sale and purchase of old batteries. The Petitioner sold large and small damaged batteries to M/s Shanti Prakash Power Private Limited. The truck, through which the batteries were transported, was detained for verification under Section 20 of the IGST Act, 2017. The Petitioner was served with a notice by the Assistant Commissioner ("the Respondent") on the basis that the goods were sold based on number of pieces and not by weight. The respondent imposed the penalty of INR 9,70,542/-.

Issues:

The Petitioner filed an appeal against the order of the Assistant Commissioner contending that it had purchased the goods by piece and further sold it by piece and all the correct details were furnished by the Petitioner in the invoice differentiating the goods.

Decision:

The Hon'ble Allahabad High court observed that, the respondent has failed to record any finding as to how it has arrived to the conclusion that the trade practice required the goods to be sold is according to the weight and not per piece. The Petitioner had purchased and sold the goods on the basis of per piece and issued the invoices as per the rule 46 of the CGST rules, 2017. The Department was wrong in detaining the goods and imposing the penalty of INR 9,70,542/-.

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INCOME TAX

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CIRCULARS/ NOTIFICATIONS

Extension of time limit for compliance to be made for claiming any exemption under section 54 to 54GB of the Income Tax Act, 1961.

CBDT provided relaxation in respect of certain compliances to be made by the taxpayers such as investment, deposit, payment, acquisition, purchase, construction or such other action for claiming the exemption, the last date has been extended to March 31, 2023 for which the last date of such compliance falls between April 1, 2021 to February 28, 2022 (both days inclusive).

(Source: Circular No. 1 of 2023 dated January 6, 2023)

CBDT approves 'IISER, Tirupati' under section 35 of the Income Tax Act, 1961.

The CG hereby approves 'Indian Institute of Science Education and Research, Tirupati' under the category of 'University, College or Other Institution' for 'Scientific Research' for the purposes of clause (ii) of sub-section (1) of Section 35 of the Income-tax Act, 1961 read with Rules 5C and 5E of the Income-tax Rules, 1962.

The above notification shall be applicable from AY 2023-24 to AY 2027-28.

(Source: Notification dated January 16, 2023)

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CBDT notifies Pension Fund '1000242244 Ontario Inc' u/s 10(23FE)

CBDT notifies the '1000242244 Ontario Inc.' as the specified person for the purposes of Section 10(23FE) in respect of the investment made by it in India on or after December 28, 2022 but on or before March 31, 2024.

(Source: Notification dated December 28, 2022)

CBDT notifies 'California Public Employees Retirement System' for Sec.10(23FE) exemption

- CBDT, vide Notification No. 2/2023, notifies the US-based pension fund 'California Public Employees Retirement System' as the specified person for the purposes of Section 10(23FE) in respect of the investment made by it in India on or after Jan 25, 2023 but on or before Mar 31, 2024;
- The exemption is subject to fulfilment of conditions specified in the notification and the violation of any conditions stipulated in Section 10(23FE) and the notification shall render the assessee ineligible for the tax exemption.

(Source: Notification dated January 25, 2023)

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LITIGATIONS

Rs.10,000 Cr. addition on Azim Premji Trust rattles tax world; Karnataka HC grants interim stay

- Karnataka HC granted interim stay on tax demand of Rs.5,258.14 Cr. raised under Section 143(1) intimation as against Rs.282.48 Cr. offered to tax in ITR for AY 2021-22;
- The writ petition was preferred against the intimation arising from processing of ITR filed by Azim Premji Trustee Company Pvt. Ltd., a sole trustee of Azim Premji Trust which is a private discretionary trust;
- Assessee filed the ITR with Nil income under the head 'Profits and Gains of Business or Profession' and Rs.660.29 Cr. under the head 'Income from Other Sources' which was raised to Rs.10,409.56 Cr. by addition under both these heads of income;
- Assessee assailed the huge tax demand as unsustainable, ex-facie impermissible in law, unconstitutional, and arbitrary for being violative of Article 14, 19, 21 and 265 of the Constitution;
- HC granted stay until the next date of hearing with a liberty to the Revenue to seek modification or vacation of the interim order;
- Assessee argued that the intimation under Section 143(1) is in utter violation of the principle of natural justice as no show cause notice was issued to the Assessee in terms of the first proviso to Section 143(1) pursuant to which the Assessee would have furnished its reply as per the second proviso on the contentious addition;
- Assessee also submitted that the alternate appellate remedy is entirely inefficacious as the Assessee would be required to pay 20% of the demand to seek stay on recovery;
- Assessee underscored that Azim Premji Trust has been established only for the purpose of carrying out charitable and philanthropic activities through the beneficiary companies under an irrevocable institutional framework which benefits millions of Indians belonging to the weakest economic segment of the society;
- Accordingly, the Assessee prayed for quashing of the intimation, restraint on adjustment of pending refunds against the impugned demand and stay on the impugned demand.

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Delhi HC to examine validity of Genpact India's reassessment proceedings; Revenue alleges tax-evasion

- Delhi HC issued notice on Genpact India's writ petition against reassessment proceedings for AY 2015-16;
- HC directed for continuation of the proceedings but without giving effect to any order that is adverse to the Assessee's interest, until HC's further directions;
- The reassessment proceedings involved (i) foreign remittance of Rs.107.56 Cr. which was not subjected to withholding tax and (ii) interest expense of Rs.8.33 Cr. on non-convertible debentures alleged as fictitious liability;
- The Revenue contended that the funds which were never utilised by the Assessee were shown as liability which inflated the business expenditure and reduced profitability, leading to tax evasion in India;
- HC took note of the fact that: (i) the Assessee was already subjected to scrutiny assessment for the current year and (ii) the reassessment proceedings for two prior years were dropped on the issue of foreign remittance without TDS;
- Assessee submitted that the rationale for prior AYs shall also apply in the present case;
- HC observed that the matter requires examination, thus, granted time for completion of pleadings and lists the matter on Jul 28, 2023.

Delhi HC entertains Irish Aviation Co.'s writ against reassessment proceedings; Revenue alleges DTAA abuse

- Delhi HC granted interim stay on the reassessment proceedings for AY 2018-19 against aviation company holding an Irish Tax Residency Certificate, over taxability of transactions involving operating lease with Air Asia;
- Assessee submitted that the profits arising to it, as per the TRC, shall be subject to Irish Corporation Tax;
- Assessee relied on SC ruling in Azadi Bachao Andolan and argued that the Revenue cannot side-step TRC;
- Revenue submitted that the Assessee entered into back-to-back arrangement with Air Asia Berhad, Malaysia and therefore it is a conduit to evade tax and it is a case of abuse of DTAA provisions;
- Revenue also submitted that it is mandatory for the Assessee to file its return of income and failure thereof would constitute deemed escapement of income;
- HC observed that the matter requires examination; Thus, issued notice, granted time for completion of pleadings and listed the matter on Jul 24, 2023

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SC: Non-searched persons liable for interest on belated return filing; Follows Vatika Township on Surcharge applicability.

- SC held that interest under Section 158BFA is liable to be paid even for the cases falling in the period prior to Jun 1, 1999 by the persons other than the searched persons who are assessed as per Section 158BD;
- SC took into account the Notes to Clauses, Memorandum Explaining the Finance Bill, 1999 to interpret the intention of the legislature with respect to interest on belated filing of return and decides the issue against the Assessees;
- On applicability of surcharge under Section 113, SC followed the Constitution Bench ruling in Vatika Township and holds that surcharge is not applicable to the period prior to the insertion of proviso to Section 113;
- Thus, modifies Karnataka HC ruling in the batch comprising Khoday India Ltd. and others where both the issues were decided against the Assessees in the context of block assessment regime applicable to search operations initiated prior to Jun 1, 2003.

Delhi HC to decide allowability of interest on refund of Advance Tax/ TDS under Sec.244A- Maruti Suzuki India Ltd.

- Delhi HC admitted the appeal preferred by Maruti Suzuki India Ltd. against the ITAT ruling disallowing interest on refund of advance tax or TDS;
- ITAT held that by virtue of Section 244A(1)(a), the legislature clearly laid down that in case the refund arising out of the prepaid taxes such as TDS or advance tax is less than 10% of the tax then no interest is allowable on refund;
- ITAT also expounded that the statute is to be read as a whole in its content and found it to be unambiguous, straight, effective and workable;
- HC framed the following substantial question of law: “Whether the Tribunal erred in law and on facts in denying interest to the appellant/assessee on refund of advance tax and tax deducted at source by taking recourse to the proviso appended to Section 244A(1)(a) of the Income Tax Act, 1961;
- The matter is listed for hearing on Aug 28, 2023.

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Delhi HC to decide scope of Rule 28AA for newly incorporated companies- Gokwik Commerce solutions.

- Delhi HC issued notice in writ petition challenging denial of lower withholding certificate for FY 2022-23;
- Assessee-Company submitted that the order denying lower tax withholding certificate to be ex facie contrary to Rule 28AA;
- Assessee contended that it could not have complied with the requirement of furnishing financial statements of FYs 2018-19 and 2019-20 since it was incorporated only in FY 2020-21;
- HC observed that the Assessee is prima facie right in contending that the provisions of Rule 28AA(2)(ii) would apply only where the certificate seeking company had been in existence for four previous years or more;
- Thus, issued notice to the Revenue and lists the matter for hearing on Feb 1, 2023.

SC to hear banks, insurance & electricity companies on MAT applicability- Kotak Mahindra Bank Ltd.

- SC to decide the issue of applicability of MAT provisions on banks, insurance and electricity companies;
- Directs for listing of the batch of appeals on Feb 1, 2023;
- Also directs the counsels appearing for the parties to identify all the issues, if any, other than applicability of Section 115JB;
- By the same order, SC disposed of Indian Overseas Bank's appeal without expressing any view on allowability of loss on revaluation of securities as the appeal is pending on the question of validity of reassessment proceedings before the High Court;
- SC observed that if the Revenue succeeds before the High Court then it can revive the SLP on merits.

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Another Revenue's Review Petition on software taxation, SC agrees for open hearing - ZTE CORPORATION.

- SC ordered for hearing of Revenue's Review Petition against SLP dismissal order in the open court having regard to the "subject-matter" and the "grounds sought to be urged" by the Revenue;
- SC, thus, listed the matter in the second week of Feb'23;
- SC bench comprising Justice Rohinton Nariman and Justice B.R. Gavai had dismissed Revenue's SLP against Delhi HC ruling in ZTE's cases where Delhi HC followed its coordinate bench ruling in Ericsson to hold that the receipts from supply of software embedded in the telecom equipment is not taxable as royalty.

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AUDITING AND ASSURANCE

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UPDATES

ICAI issued exposure drafts on the amendments to Ind AS 1 and Ind AS 116

The Ind AS are based on the IFRS Standards issued by the International Accounting Standards Board (IASB). As part of the convergence with the IFRS standards, in case IASB issues any amendments to IFRS Standards, the Accounting Standards Board (ASB) of the ICAI considers those amendments and other related aspects for amending the corresponding Ind AS.

In this regard, on 30 December 2022 the ASB issued Exposure Drafts (EDs) on the amendments to Ind AS 1, Presentation of Financial Statements and Ind AS 116, Leases, as follows:

- **Ind AS 1**: The ED has proposed amendments with respect to the classification of current and non-current liabilities. The key amendments proposed are as follows:

1. The only covenants with which an entity is required to comply on or before the reporting date would affect the classification of a liability as current or noncurrent. Therefore, covenants which are to be complied with after the reporting date, do not affect the classification of debt as current or non-current at the reporting date, however, disclosures should be provided to enable the users of financial statements to understand the risk that such non-current liabilities with covenants could become repayable within 12 months.
2. At present, a carve out exists under Ind AS 1 from IAS 1, Presentation of Financial Statements. The carve out provides that in case of a long-term arrangement where there has been a breach of a material provision on or before the end of the reporting period but the lender has agreed to not demand payment after the reporting period, such a long-term arrangement would be classified as noncurrent as on the reporting date.
It has been proposed to remove this carve out as it is not conceptually aligned with the above mentioned proposed amendment. Post the mentioned amendment, Ind AS 1 would be aligned with IAS 1.

- **Ind AS 116**: The proposed amendment prescribes the subsequent measurement requirements for sale and leaseback transactions particularly in a leaseback that includes variable lease payments that do not depend on an index or rate. The amendments require a seller lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains.

(Source: ICAI announcement on 'Exposure Drafts of Amendments to Ind AS 1 and Ind AS 116 for comments' dated 30 December 2022)

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Implementation guide to SA 230, Audit Documentation issued by ICAI

Standard on Auditing (SA) 230 prescribes the basic principles of audit documentation. These principles are required to be complied by the auditors with respect to the documentation requirements. In December 2022, ICAI published an implementation guide on SA 230 which provides practical implementation guidance to auditors. The implementation guide contains summary of the standard, introduction to the standard, Frequently Asked Questions (FAQs) on SA 230, checklist and an illustrative working paper format. The guide aims to provide clarify on various aspects of SA 230 thereby enabling the auditors to effectively comply with the requirements of the standard.

(Source: ICAI announcement dated 15 December 2022)

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COMPANIES ACT, 2013, FCRA, 2010 AND FEMA,1999

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COMPANIES ACT, 2013

The Ministry of Corporate Affairs (MCA) vide Notification dated 20thJanuary, 2023 ("Notification") has amended Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014 w.e.f. January 23, 2023.

Further, e-Form DIR-3, e-Form DIR-3C, e-Form DIR-5, e-Form DIR-6, e-Form DIR-8, e-Form DIR-9, e-Form DIR-10, e-Form DIR-11 and e-Form DIR-12 have been updated and made available on V3 portal of MCA.

The official notification of MCA is attached here for reference:

https://www.mca.gov.in/bin/dms/getdocument?mds=5gAUSA0m%252FLmgaQtCZdCS2Q%253D%253D&type=open

The Ministry of Corporate Affairs (MCA) vide Notification dated 21stJanuary, 2023 ("Notification") has update and made available e-Form MGT 3 and MGT 14 on V3 portal of MCA w.e.f. January 23, 2023.

The official notification of MCA is attached here for reference:

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

The Ministry of Corporate Affairs (MCA) vide Notification dated 20thJanuary, 2023 ("Notification") has amended Companies (Miscellaneous) Rules, 2014 w.e.f. January 23, 2023.

Further, e-Form MSC-1, e-Form MSC-3, and e-Form MSC-4, have been updated and made available on V3 portal of MCA.

The official notification of MCA is attached here for reference:

https://www.mca.gov.in/bin/dms/getdocument?mds=3oMsDCPMBjXN4d0IQCj%252BDw%253D%253D&type=open

The Ministry of Corporate Affairs (MCA) vide Notification dated 20thJanuary, 2023 ("Notification") has updated and made available e-Form AOC-5 on V3 portal of MCA w.e.f. January 23, 2023.

The official notification of MCA is attached here for reference:

https://www.mca.gov.in/bin/dms/getdocument?mds=URBkg0OQEvExHY9sWlCZbQ%253D%253D&type=open

COMPANIES ACT, 2013,
LLP ACT, 2008,
SEBI ACT, 1992,
AND
FCRA, 2010



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The Ministry of Corporate Affairs (MCA) vide Notification dated 19thJanuary, 2023 ("Notification") has amended Rule 3 of the Companies (Authorized to Register) Rules, 2014, and has update e-Form URC-1 w.e.f. January 23, 2023.

Pursuant to the amendment:

- Any Limited Liability Partnership, Partnership Firm, Society or Trust seeking registration under section 366 of Companies Act, 2013, shall compulsorily attach a No Objection Certificate from secured creditor along with charge holder, if applicable, with e-Form URC-1. Earlier option was available to attach either a written consent or a No Objection Certificate from secured creditors;
- Requirement to attach written consent of majority members or to conduct general meeting has been removed; and
- No undertaking is required from the proposed directors to comply with Indian Stamp Act, 1899;

The official notification of MCA is attached here for reference:

https://www.mca.gov.in/bin/dms/getdocument?mds=XkFRyiRIeiGKtDK0myJS9w%253D%253D&type=open

The Ministry of Corporate Affairs (MCA) vide Notification dated 20thJanuary, 2023 ("Notification") has made following amendments to the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Rules") w.e.f. January 23, 2023:

- In case of bonus shares, requirement to attach copy of resolution passed at general meeting has been removed;
- e-Form-PAS-2, e-Form-PAS-3 and e-Form-PAS-6 has been update and made available on V3 porta of MCA.

The official notification of MCA is attached here for reference:

https://www.mca.gov.in/bin/dms/getdocument?mds=a4r89hvUpe4unaFIE9fhBw%253D%253D&type=open

The Ministry of Corporate Affairs (MCA) vide Notification dated 20thJanuary, 2023 ("Notification") has updated and made available e-Form FC-1, e-Form FC-2, e-Form FC-3 and e-Form FC-4 on V3 portal of MCA w.e.f. January 23, 2023.

The official notification of MCA is attached here for reference:

https://www.mca.gov.in/bin/dms/getdocument?mds=AUcAKkFj6qD9VsQT1arCcQ%253D%253D&type=open

COMPANIES ACT, 2013,
LLP ACT, 2008,
SEBI ACT, 1992,
AND
FCRA, 2010



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The Ministry of Corporate Affairs (MCA) vide Notification dated 19thJanuary, 2023 ("Notification") has amended Companies (Incorporation) Rules, 2014 by making following changes w.e.f. January 23, 2023:

- Requirement to provide consent by the nominee in INC-3 has been removed. Such consent has been made a part of e-Form INC-32 (SPICe+);
- Forms INC-3 has been replaced with Form INC-4;
- The prescribed forms of providing declarations in Form INC-14 and INC-15 have been removed; and
- Facility of e-MOA and AOA has been introduced for incorporation of Section 8 companies.

The Ministry of Corporate Affairs (MCA) vide Notification dated 19thJanuary, 2023 ("Notification") has updated and made available e-Form MR.1 and e-Form MR.2 on V3 portal of MCA w.e.f. January 23, 2023.

The official notification of MCA is attached here for reference:

https://www.mca.gov.in/bin/dms/getdocument?mds=KOPgOjylxvDtUW18%252BOESSA%253D%253D&type=open

The Ministry of Corporate Affairs (MCA) vide Notification dated 21stJanuary, 2023 ("Notification") has amended the Companies (Share Capital and Debentures) Rules, 2014 w.e.f. January 23, 2023. Pursuant to amendment Form SH-15 has been removed.

Further, e-Form SH-7, e-Form SH-8 and e-Form SH-9 has been update and made available on V3 portal of MCA.

The official notification of MCA is attached here for reference:

https://www.mca.gov.in/bin/dms/getdocument?mds=p7DFz8PggzipaCKcHi8DEg%253D%253D&type=open

The Ministry of Corporate Affairs (MCA) vide Notification dated 20thJanuary, 2023 ("Notification") has amended Companies (Registration Offices and Fees) Rules, 2014 w.e.f. January 23, 2023 by inserting new Rule 8A.

Further, e-Form GNL-2, e-Form GNL-3 and e-Form GNL-4 has been update and made available on V3 portal of MCA.

The official notification of MCA is attached here for reference:

https://www.mca.gov.in/bin/dms/getdocument?mds=XLgcI1xHIs9Sjmhyk6ogqg%253D%253D&type=open

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FCRA, 2010

Extension of the validity of FCRA registration certificates.

Securities Exchange Board of India ("SEBI") vide its circular dated 12thJanuary, 2023, has amended SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations") to allow AIFs to participate in Credit Default Swaps ('CDS')as protection buyers and sellers.

The official notification is attached here for reference:

https://www.sebi.gov.in/legal/circulars/jan-2023/participation-of-aifs-in-credit-default-swaps_67264.html

COMPANIES ACT, 2013,
LLP ACT, 2008,
SEBI ACT, 1992,
AND
FCRA, 2010

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FEMA,1999



Rationalisation of reporting in Single Master Form (SMF) on FIRMS Portal

Reserve Bank of India ('RBI') vide its Circular dated January 4, 2023 has streamlined the process of filing of Single Master Form (SMF) on Firms Portal.

According to the circular, any delay in filing of SMF form beyond the due date but if it is filed within a period of 3 years, then Authorised Dealer (AD) Bank will approve the form, subject to payment of LSF. However, if the said form is filed beyond the due date and after 3 years of such due dates, then the compounding of contravention would need to be followed.

The official notification is attached here for reference:

https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12433&fn=5&Mode=0



APENDIX

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ACRONYMS

Used	Meaning
GST	Goods and Services Tax
CGST	Central Goods & Services
CBIC	Central Board of Indirect Taxes & Customs
GTA	Goods Transport Agency
IAS	International Accounting Standards
CBDT	Central Board of Direct Taxes
AY	Assessment Year
AAR	Authority of Advance Rulings
HC	High Court
SC	Supreme Court
PCIT	Principal Commissioner of Income Tax
CCIT	Chief Commissioner of Income Tax
FCRA	Foreign Contribution Regulations Act
CARO	Companies Auditor's Report Order
GOM	Group of Ministers
ITAT	Income Tax Appellate Tribunal
DTAA	Double Taxation Avoidance Agreement
FEMA	Foreign Exchange Management Act
CARO	Companies Auditor's Report Order

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Thank You!

ALOK VASANT
PARTNER
TEL: + 91 9811008421
ALOK.VASANT@ACUPROCONSULTING.COM

BALWAN BANSAL
PARTNER
TEL: + 91 9871767277
BALWAN.BANSAL@ACUPROCONSULTING.COM

ANKIT JAIN
PARTNER
TEL: + 91 9811665549
ANKIT.JAIN@ACUPROCONSULTING.COM



COMMUNICATION ADDRESSES:
DELHI/NCR

ACUPRO CONSULTING
2ND FLOOR, 108, UDYOG VIHAR,
PHASE I,
GURGAON - 122016
HARYANA, INDIA
PH: +91 124-4ACUPRO(228776)

FOR MORE INFO VISIT
WWW.ACUPROCONSULTING.COM

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