

# REGULATORY RADAR

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## FEB'24

11<sup>th</sup> EDITION



# KEY HIGHLIGHTS

- In this Publication we have included major regulatory amendments by governing bodies, few of them given below:
- ✓ **INCOME TAX:** The Ministry of Finance's Notification No. 22/2024 (corrigendum) brings significant changes to the Income-tax (Amendment) Rules, 2024, affecting Forms ITR-2, ITR-3, and ITR-5. Taxpayers and professionals should stay updated on these alterations to ensure a seamless tax filing process.
- ✓ **GST:** Under Rule 9 of the Central Goods and Services Tax (CGST) Rules, if a person undergoes Aadhaar authentication but is flagged for detailed verification due to a risk profile, their registration application will be processed within 30 days of submission. Updates will be made in the online tracking system to reflect these changes.
- ✓ **RBI:** The RBI has introduced guidelines for Draft Disclosure framework on Climate-related Financial Risks, 2024.
- ✓ **IRDAI:** The updated Circular (V02) focuses on unclaimed policyholder amounts, requiring insurers to transfer them to the Senior Citizens' Welfare Fund annually by March 1. This involves following accounting procedures, adhering to SCWF Rules 2016, and ensuring monitoring, reporting, and certification. Stakeholders should study it for clarity.

We would like to express our gratitude to **Mr. Huzefa Mala** for being our Expert Advisor of the month. He has given his update on **GST Departmental Audits and Assessments**

Do Register for Our Upcoming Excellencia series on ESG Sustainability and Implementation by our expert faculties.  
On 26<sup>th</sup> Mar'24.(Tues)  
<https://forms.gle/fQin9z1hkv9d5ZiMA>

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# 01 INCOME TAX

Topic Name	Dated on	Circular/ Notification number	Brief summary
<u>Amend certain provisions under Section 118 of the Income Tax Act</u>	6 <sup>th</sup> February, 2024	20/2024	Ministry of Finance, through the Central Board of Direct Taxes, has issued Notification No. 20/2024-Income Tax, dated 6th February 2024, to amend certain provisions under Section 118 of the Income Tax Act, 1961. This notification introduces amendments aimed at refining administrative processes and clarifying hierarchical structures within the income tax department.
<u>The tax information exchange agreement between India and Samoa</u>	7 <sup>th</sup> February, 2024	21/2024	The tax information exchange agreement between India and Samoa, signed in March 2020, establishes a framework for the seamless sharing of information crucial to tax administration. It outlines the scope of exchanged information, the jurisdictional aspects, and specific definitions. The agreement emphasizes confidentiality, sets forth provisions for handling costs, and includes mechanisms for dispute resolution. With an efficient process for exchanging tax-related information, the agreement promotes transparency and cooperation between the two nations, contributing to the effective enforcement of domestic tax laws while safeguarding sensitive information
<u>Statement on Developmental and Regulatory Policies</u>	8 <sup>th</sup> February, 2024		This Statement outlines developmental and regulatory policies for (i) Financial Markets, (ii) Regulations, and (iii) Payment Systems and Fintech. In Financial Markets, the Reserve Bank reviews the ETP regulatory framework, allows hedging gold price risk in the OTC market in IFSC, and mandates KFS for all retail and MSME loans. In Regulations, it focuses on enhancing AePS security and introduces a principle-based framework for digital payment transaction authentication. In Payment Systems and Fintech, CBDC pilot will enable programmability and offline functionality, offering more use cases and better access in areas with limited internet connectivity.

# 01 INCOME TAX

Topic Name	Dated on	Circular/ notification number	Brief summary
Interim Budget Session of Parliament	-	-	The Ministry of Parliamentary Affairs has exhibited notable efficiency and effectiveness in streamlining the legislative process during the Interim Budget Session 2024. Through the seamless passage of bills, fostering substantive discussions, and championing legislative reforms, the Ministry has played a crucial role in fortifying India's parliamentary democracy. The ongoing emphasis on digital transformation and the repeal of obsolete laws underscores the Ministry's proactive commitment to modernizing India's legislative framework.
<a href="#"><u>Corrigendum through Notification No. 22/2024</u></a>	21 <sup>th</sup> February, 2024	22/2024	The Ministry of Finance's Notification No. 22/2024 (corrigendum) introduces significant changes to the Income-tax (Amendment) Rules, 2024. professionals must stay updated on these alterations, particularly in Forms ITR-2, ITR-3, and ITR-5. The recent corrigendum by the Ministry of Finance introduces several changes, such as: impacting Forms ITR-2, ITR-3, and ITR-5. Key changes include renaming the rules as "Income-tax (Second Amendment) Rules, 2024," adding "Amount (Rs.)" columns for disability-related deductions, revising Form ITR-3 Schedule 80U, and modifying Form ITR-5 Schedule CG. These updates aim to enhance the tax filing process and provide better clarity for taxpayers and professionals.

# 01 INCOME TAX

Topic name:- Panjab University, Chandigarh under the category of 'University, college or other institution' for 'Scientific Research'

Dated on:-28<sup>th</sup> February, 2024

Brief Summary:- The Central Government approves 'Panjab University, Chandigarh' under the 'University, college or other institution' category for 'Scientific Research' as per Income-tax Act and Rules. This approval applies from the Previous Year 2023-24 (assessment years 2024-2025 to 2028-2029).

Read more at:- [notification\\_23-2024.pdf \(incometaxindia.gov.in\)](#)

## 02 GST

**Topic name:- GSTN Issues Advisory On Enhanced E-Invoicing Initiatives And Launches Enhanced E-Invoice Portal**

**Dated on:- 21<sup>th</sup> February-2024**

**Brief Summary:-**The GSTN celebrates one year of successful e-invoice implementation by launching an upgraded portal. New features include PAN-based search, automatic exemption lists, and improved accessibility. Over 1.6 crore e-invoices reported in the past year showcase system efficiency. The GSTN now operates six IRP portals, enabling free e-invoicing reporting through various channels. Enhanced features include hourly auto-population of e-invoices, e-invoice download, and the E-invoice QR Code Verifier app for online verification. An improved e-invoice verifier app with new features will be launched soon. GSTN remains committed to excellent taxpayer services.

Read more at:-<https://www.gst.gov.in/newsandupdates/read/624>

**Topic name:-Seeks to notify “Public Tech Platform for Frictionless Credit**

**Dated on:-22<sup>th</sup> February-2024**

**Brief Summary:-**The "Public Tech Platform for Frictionless Credit" is a technology platform created by the Reserve Bank of India and developed by its subsidiary, Reserve Bank Innovation Hub. It aims to facilitate digital access to information from diverse sources within a large credit ecosystem. The platform employs standard protocols, an open architecture, and shared APIs to bring together financial service providers and data service providers.

Read more at:-<https://taxinformation.cbic.gov.in/>

## 02 GST

Topic name:- Instances of Delay in registration reported by some taxpayers despite successful aadhar authentication in accordance with Rule 8 and 9 CGST, Rules, 2017-reg  
Dated on:-28<sup>th</sup> February-2024

Brief Summary:-In accordance with Rule 9 of the Central Goods and Services Tax (CGST) Rules, 2017, pertaining to the verification and approval of registration applications, following is informed:

1. Where a person has undergone aadhaar authentication as per sub-rule (4A) of rule 8 but has been identified in terms of Rule 9(aa) by the common portal for detailed verification based on risk profile, your application for registration would be processed within 30 days of application submission.
2. Necessary changes would also be made to reflect the same in the online tracking module vis-à-vis processing of registration application.

Read more at:- [Goods & Services Tax \(GST\) | News and Updates](#)



## 03 RBI

Topic Name	Dated on	Notification/ Press Release	Brief summary
<u>Directions under Section 35A read with Section 56 of the Banking Regulation Act, 1949 – Sri Guru Raghavendra Sahakara Bank Niyamitha, Bengaluru, Karnataka – Extension of Period</u>	6 <sup>th</sup> Feb'24	2023-2024/1814	The RBI has extended the Directions issued to Sri Guru Raghavendra Sahakara Bank Niyamitha, Bengaluru, Karnataka, under the Banking Regulation Act, 1949. Initially issued on January 02, 2020, and last extended until February 10, 2024, the directive is further extended for three months until May 10, 2024, subject to review, in the public interest.
<u>RBI releases data on ECB / FCCB / RDB for December 2023</u>	7 <sup>th</sup> Feb'24	2023-2024/1823	The Reserve Bank of India has released the data on <u>External Commercial Borrowings (ECB)</u> , <u>Foreign Currency Convertible Bonds (FCCB)</u> and <u>Rupee Denominated Bonds (RDB)</u> both, through Automatic Route and Approval Route, for the month of December 2023.
<u>Review of Fixed Remuneration granted to Non-Executive Directors (NEDs)</u>	9 <sup>th</sup> Feb'24	RBI/2023-24/121	The regulatory authority has increased the maximum NED remuneration in banks to ₹ 30 lakh. Banks must create criteria for NED remuneration, considering size, experience, and other factors. Board approval is needed, and they can set a lower limit. Private sector banks need approval for Part-time Chairmen's remuneration. All banks must disclose directors' remuneration annually. Effective immediately, these rules follow Section 35B of the Banking Regulation Act, 1949.

## 03 RBI

Topic Name	Dated on	Notification/ Press Release	Brief summary
<a href="#"><u>RBI cancels Certificate of Registration of Three NBFCs</u></a>	9 <sup>th</sup> Feb'24	2023 - 2024/1848	The Reserve Bank of India, in exercise of powers conferred on it under Section 45-IA (6) of the Reserve Bank of India Act, 1934, has cancelled the Certificate of Registration of the following companies. 1) Bharathu Investment & Finance India Limited 2) Cox & Kings Financial Service Limited 3) PSPR Enterprises Private Limited As such, the above companies shall not transact the business of a Non-Banking Financial Institution, as defined in clause (a) of Section 45-I of the RBI Act, 1934
<a href="#"><u>Honorable Prime Minister of India, Honorable Prime Minister of Mauritius and Honorable President of Sri Lanka witnessed the launch of India's RuPay / UPI connectivity with Mauritius and Sri Lanka</u></a>	12 <sup>th</sup> Feb'24	2023-2024/1858	Indian PM Narendra Modi, Mauritian PM Pravind Jugnauth, and Sri Lankan President Ranil Wickremesinghe virtually launched RuPay cards and UPI connectivity between India-Mauritius and UPI connectivity between India-Sri Lanka. The move allows cross-border digital payments, with Mauritius becoming the first country outside Asia to issue RuPay cards. The collaboration, facilitated by NPCI International Payments Limited, enhances financial integration and strengthens historical, cultural, and economic ties between India, Mauritius, and Sri Lanka.
<a href="#"><u>Finance Minister addresses the Central Board of Directors of Reserve Bank of India</u></a>	12 <sup>th</sup> Feb'24	2023-2024/1864	RBI's 606th meeting in New Delhi, chaired by Governor Shaktikanta Das, included an address by Finance Minister Nirmala Sitharaman. She discussed the key areas in the interim Union Budget 2024-25 and financial sector expectations. The board praised the Finance Minister, and the meeting covered global and domestic economic situations, considering geopolitical challenges and market volatility

## 03 RBI

Topic Name	Dated on	Notification/ Press Release	Brief summary
<u>Terms of Reference signed between Reserve Bank of India and Nepal Rastra Bank on Integration of Unified Payments Interface (UPI) of India</u>	12 <sup>th</sup> Feb'24	2023-2024/1882	The Reserve Bank of India (RBI) and Nepal Rastra Bank have signed an agreement to integrate fast payment systems, UPI and NPI, enabling instant, cost-effective cross-border remittances between India and Nepal. The formal launch will occur after implementing the necessary systems, deepening financial ties between the two countries.
<u>Exclusion of "Rupee Co-operative Bank Limited" from the Second Schedule to the Reserve Bank of India Act, 1934</u>	15 <sup>th</sup> Feb'24	RBI/2023-24/122	It is advised that "Rupee Co-operative Bank Limited" has been excluded from the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DoR.REG/LIC.No.S4847/07.12.000/2023-24 dated November 29, 2023, which is published in the Gazette of India (Part III - Section 4) dated December 26, 2023.
<u>Payment Intermediary by Card Network – Restraining of Unauthorized Payment System</u>	15 <sup>th</sup> Feb'24	2023-2024/1885	The Reserve Bank of India (RBI) has discovered a Card Network arrangement allowing businesses to make card payments through intermediaries to entities not accepting cards, constituting an unauthorized payment system. Concerns include fund pooling in a non-designated account and non-compliance with information requirements. Only one card network has implemented this, and the RBI has advised suspending such arrangements. There are no restrictions on normal business credit card usage.

## 03 RBI

Topic Name	Dated on	Notification/ Press Release	Brief summary
<u>Directions under Section 35A read with Section 56 of the Banking Regulation Act, 1949 – Palmistry Dr. Vithalrao Vikhe Patil Co-operative Bank Limited, Nashik, Maharashtra – Extension of Period</u>	16 <sup>th</sup> Feb'24	2023-2024/1890	The Reserve Bank of India has extended the Directions issued to Padmashri Dr. Vithalrao Vikhe Patil Co-operative Bank Limited, Nashik, Maharashtra, under the Banking Regulation Act, 1949. The initial directive was issued on May 18, 2018, for six months and was last extended until February 17, 2024. Due to the public interest, the RBI has decided to further extend the directive for three months until May 17, 2024, with a possibility of review. All other terms and conditions of the directive remain unchanged.
<u>Action against Paytm Payments Bank Ltd under Section 35A of the Banking Regulation Act, 1949</u>	16 <sup>th</sup> Feb'24	2023-2024/1895	The RBI has imposed restrictions on Paytm Payments Bank, extending the deadline to March 15, 2024. After this date, no further deposits or credit transactions are allowed, except for specific transactions like interest and cashbacks. Withdrawals from various accounts are permitted without restrictions, but the bank must stop most banking services, except withdrawals, after March 15, 2024. Nodal accounts must be terminated by February 29, 2024, and pipeline transactions settled by March 15, 2024. The bank is also assisting with seamless customer withdrawals and providing FAQs for clarity.
<u>Formation of new district in the State of Assam – Assignment of Lead Bank Responsibility</u>	20 <sup>th</sup> Feb'24	RBI/2023-24/123	The Government of Assam has officially formed a new district named Hojai, according to Gazette Notification ECF.No.367433/28 dated September 07, 2023. The Lead Bank responsibility for Hojai district has been assigned to the State Bank of India, with the District Working Code allotted as 409. It's important to note that there are no changes in the Lead Banks for the other districts in the state of Assam.

## 03 RBI

Topic Name	Dated on	Notification/ Press Release	Brief summary
<u>Extension of validity of Directions under Section 35A read with section 56 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) - HCBL Co-operative Bank Ltd., Lucknow (U.P.)</u>	16th Feb'24	2023-2024/1894	The Reserve Bank of India (RBI) has decided to keep certain directions in place for HCBL Co-operative Bank Ltd., Lucknow. These directions, initially given on February 23, 2023, and extended a few times, will continue from February 24, 2024, to May 24, 2024, according to a new directive dated February 14, 2024. The RBI may review and make changes based on the situation. It's important to note that these directions don't mean the cancellation of the bank's license, and the RBI can make adjustments as needed. The details of this extension are available for members and the public to see at the bank's premises.
<u>Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit</u>	22 <sup>nd</sup> Feb'24	RBI/2023-24/125	The Interest Equalisation Scheme (IES) provides a rebate on interest for eligible exporters, including MSMEs, introduced in 2015 for 5 years. Initially for Manufacturer exporters and specific tariff lines, it expanded in 2019 to include Merchant exporters under identified tariff lines. Eligible exporters claim the rebate through auditor-certified documents submitted to banks, which can seek reimbursement from RBI.

## 03 RBI

Topic Name	Dated on	Notification/ Press Release	Brief summary
<a href="#">Amendment to Master Direction on Prepaid Payment Instruments</a>	23 <sup>rd</sup> Feb'24	RBI/2023-24/126	RBI has allowed banks and non-banking financial institutions to issue prepaid payment instruments (PPIs) for use in public transport systems. This move aims to enhance digital payments in public transportation and promote cashless transactions. The decision is part of RBI's efforts to bolster the adoption of digital payment methods and modernize payment systems in India's transportation sector. It is expected to streamline payment processes and provide commuters with more convenient and efficient payment options.
<a href="#">Enabling Framework for Regulatory Sandbox</a>	28 <sup>th</sup> Feb'24	2023-2024/1956	Reserve Bank of India today placed on its website the updated ' <a href="#">Enabling Framework for Regulatory Sandbox</a> '. The framework has been revised based on the experience gained over the last four and half years in running four cohorts and feedback received from FinTechs, banking partners and other stakeholders. Among others, the timelines of the various stages of the Regulatory Sandbox process have been revised from seven months to nine months. The updated framework also requires sandbox entities to ensure compliance with provisions of the Digital Personal Data Protection Act, 2023

## 03 RBI

Topic Name	Dated on	Notification/ Press Release	Brief summary
<u>Directions under Section 35A read with Section 56 of the Banking Regulation Act, 1949 – Uravakonda Co-operative Town Bank Ltd., Uravakonda (Anantapur District) – Extension of Period</u>	20 <sup>th</sup> Feb'24	2023-2024/1904	The Reserve Bank of India has extended the Directions issued to Uravakonda Co-operative Town Bank Ltd., Uravakonda, under the Banking Regulation Act, 1949. The initial directive, effective from February 23, 2023, for six months until August 24, 2023, was later extended to February 24, 2024. Now, in the public interest, the RBI further extends the directive for an additional three months until May 24, 2024, subject to review. All other terms and conditions of the directive remain unchanged.
<u>Extension of validity of Directions under Section 35A read with section 56 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) - Purvanchal Co-operative Bank Limited, Ghazipur (U.P.)</u>	26 <sup>th</sup> Feb'24	2023-2024/1937	The Reserve Bank of India has extended the Directions placed on Purvanchal Co-operative Bank Ltd., Ghazipur until May 29, 2024. This does not mean the bank's license has been canceled, and the RBI may make modifications to the Directions as needed. The full details of the extension can be viewed at the bank's premises.
<u>Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions - 2024</u>	27 <sup>th</sup> Feb'24	RBI/DoS.DSG/2023-24/110	The RBI has issued a Master Direction to consolidate and rationalize supervisory return requirements for Supervised Entities, aiming to create a unified system and harmonize filing timelines. This action is based on powers from multiple acts and is deemed necessary for public interest.

## 03 RBI

Topic Name	Dated on	Notitification/ Press Release	Brief summary
<u>Appointment/re-appointment of Director, Managing Director or Chief Executive Officer in Asset Reconstruction Companies</u>	27 <sup>th</sup> Feb'24	RBI/2023-24/127	These guidelines emphasize transparency and due diligence in the appointment/re-appointment of key positions in ARCs. The RBI's move aims to strengthen the governance framework and ensure that individuals holding significant roles meet the necessary criteria. ARCs are urged to adhere to these guidelines for a smoother approval process.
<u>RBI invites comments on the "Draft Disclosure framework on Climate-related Financial Risks, 2024"</u>	28 <sup>th</sup> Feb'24	2023-2024/1958	In Pursuance of the announcement made in the <u>Statement on Developmental and Regulatory Policies</u> released along with the <u>Monetary Policy Statement on February 08, 2023</u> , the Reserve Bank of India has today placed on its website the <u>Draft guidelines on Disclosure framework on Climate-related Financial Risks, 2024</u> . These guidelines shall be applicable to all Scheduled Commercial Banks (excluding Local Area Banks, Payments Banks and Regional Rural Banks), All Tier-IV Primary (Urban) Co-operative Banks, All All-India Financial Institutions (viz. EXIM Bank, NABARD, NaBFID, NHB and SIDBI) and All Top and Upper Layer Non-Banking Financial Companies (NBFCs).
<u>Directions under Section 35A read with Section 56 of the Banking Regulation Act, 1949 – Ajantha Urban Co-operative Bank Maryadit, Aurangabad, Maharashtra – Extension of Period</u>	29 <sup>th</sup> Feb'24	2023-2024/1964	The Reserve Bank of India issued Directions to Ajantha Urban Co-operative Bank for six months starting August 28, 2023. Due to public interest, the period was extended beyond February 29, 2024. The bank's operations are now extended for an additional three months, from February 29, 2024, to May 29, 2024, subject to review. All other terms and conditions remain unchanged.



## 03 RBI

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
➤ <u>Shirpur Peoples Cooperative Bank</u>	₹ 2.00 lakh	The RBI fined The Shirpur Peoples Co-operative Bank ₹ 2.00 lakh on January 18, 2024, for non-compliance with UCB and Board of Directors directives, involving loans to directors' relatives. No judgment on customer transactions.
➤ <u>Nashik Zilha Sarkari &amp; Parishad Karmachari Sahakari Bank</u>	₹ 1.00 lakh	On January 18, 2024, the RBI fined Nashik Zilha Sarkari & Parishad Karmachari Sahakari Bank Niyamit, Maharashtra, ₹ 1.00 lakh for not following RBI's guidelines on Know Your Customer (KYC). This penalty was imposed under the Banking Regulation Act, 1949.
➤ <u>Nagrik Sahakari Bank</u>	₹ 1.00 lakh	On January 25, 2024, the RBI imposed a ₹ 1.00 lakh penalty on Nagrik Sahakari Bank Maryadit, Shivpuri (Madhya Pradesh) for failing to comply with RBI directives on Exposure Norms, Statutory/Other Restrictions on UCBs, and Know Your Customer (KYC). The penalty was enforced under the Banking Regulation Act, 1949, sections 47A (1)(c), 46(4)(i), and 56.
➤ <u>Janata Sahakari Bank</u>	₹ 50,000	On January 19, 2024, RBI imposed a ₹ 50,000 penalty on Janata Sahakari Bank Limited, Amravati, for contravening sections 26A and 56 of the Banking Regulation Act, 1949, using powers granted under sections 47A(1)(c) and 46(4)(i) of the same Act.

## 03 RBI

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
➤ <u>Bajaj Housing Finance Limited, Pune</u>	₹ 5.00 lakh	On January 29, 2024, RBI fined Bajaj Housing Finance Limited, Pune, ₹5.00 lakh for not complying with specified provisions of the 'Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021,' using powers under the National Housing Bank Act, 1987.
➤ <u>Power Finance Corporation Limited</u>	₹ 8.80 lakh	On February 6, 2024, the Reserve Bank of India imposed a ₹ 8.80 lakh penalty on Power Finance Corporation Limited, New Delhi, for not complying with RBI's directions on 'Liquidity Risk Management Framework.' The penalty was imposed under the Reserve Bank of India Act, 1934..
➤ <u>Nakodar Hindu Urban Cooperative Bank Ltd</u>	₹ 6.00 lakh	The Reserve Bank of India (RBI) has fined The Nakodar Hindu Urban Cooperative Bank Ltd. ₹ 6.00 lakh for not following RBI's guidelines on Income Recognition, Asset Classification, Provisioning, and other related matters (IRAC Norms). The penalty is imposed under the Banking Regulation Act, 1949, due to non-compliance with specific directions issued by RBI under the Supervisory Action Framework.

## 03 RBI

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
➤ <u>Zoroastrian Co-operative Bank Ltd</u>	₹ 43.30 lakh	The RBI, through an order dated February 6, 2024, has levied a ₹43.30 lakh penalty on Zoroastrian Co-operative Bank Ltd. for failing to comply with RBI's directives on 'Maintenance of Deposit Accounts,' 'Interest Rate on Deposits,' and 'Frauds in UCBs: Changes in Monitoring and Reporting mechanism.' The penalty is imposed under the authority of the Banking Regulation Act, 1949, reflecting regulatory non-compliance.
➤ <u>Bombay Mercantile Co-operative Bank Ltd</u>	₹ 63.30 lakh	the RBI has fined Bombay Mercantile Co-operative Bank Ltd. ₹63.30 lakh for not adhering to RBI's directives on 'Exposure Norms and Statutory/Other Restrictions – UCBs,' 'Gold Loan – Bullet Repayment - UCBs,' and 'Unclaimed Deposits and Inoperative/Dormant Accounts in UCBs.' The penalty is a result of non-compliance and is issued under the Banking Regulation Act, 1949.
➤ <u>State Bank of India</u>	₹ 2.00 crore	: The RBI has imposed a monetary penalty of ₹2.00 crore on State Bank of India for contravention of certain provisions of the Banking Regulation Act. The penalty is based on deficiencies in regulatory compliance and does not question the validity of any transactions or agreements with customers.

## 03 RBI

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
➤ <u>Navnirman Co-operative Bank Ltd</u>	₹ 1.00 lakh	the RBI, through an order dated January 19, 2024, has levied a monetary penalty of ₹1.00 lakh on The Navnirman Co-operative Bank Ltd., Ahmedabad, Gujarat. The penalty is imposed due to the bank's non-compliance with RBI's directives on 'Loans and Advances to directors, relatives, and firms/concerns in which they are interested,' as outlined in relevant regulations.
➤ <u>Anjangaon Surji Nagari Sahakari Bank Limited</u>	₹ 0.50 lakh	The RBI has imposed a monetary penalty of ₹0.50 lakh on The Anjangaon Surji Nagari Sahakari Bank Limited, Maharashtra, for contravention of directives and specific directions under the Banking Regulation Act. The penalty is based on regulatory compliance deficiencies and doesn't question the validity of any transactions or agreements with customers
➤ <u>Sri Satya Sai Nagrik Sahakari Bank</u>	₹ 0.75 lakh	The RBI has imposed a monetary penalty of ₹0.75 lakh on Sri Satya Sai Nagrik Sahakari Bank Maryadit, Bhopal, for non-compliance with RBI directions on 'Exposure Norms & Statutory/Other Restrictions - UCBs'. The penalty, based on regulatory compliance deficiencies, does not question the validity of transactions or agreements with customers.

## 03 RBI

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
➤ <u>Pusad Urban Co-operative Bank Ltd.</u>	₹ 2.50 lakh	The RBI has imposed a monetary penalty of ₹ 2.50 lakh on Pusad Urban Co-operative Bank Ltd., Maharashtra, for non-compliance with RBI directions on 'Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs'. The penalty, based on regulatory compliance deficiencies, does not question the validity of transactions or agreements with customers.
➤ <u>Shillong Co-operative Urban Bank Limited,</u>	₹ 1.00 lakh	The RBI has imposed a ₹ 1.00 lakh monetary penalty on Shillong Co-operative Urban Bank Limited, Meghalaya, for non-compliance with RBI directions on 'Know Your Customer (KYC) Directions, 2016'. The penalty is imposed under the Banking Regulation Act, 1949.
➤ <u>Ocean Capital Market Limited</u>	₹ 16.00 lakh.	The penalty has been imposed for non-compliance with certain provisions of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company Directions, 2016 and specific directions issued by RBI to the company on submission of returns on XBRL platform. The monetary penalty amounts to ₹ 16 lakh.

## 03 RBI

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
➤ <u>Adarsh Mahila Co-operative Bank Limited</u>	₹ 5.00 lakh	The Reserve Bank of India (RBI) imposed a ₹ 5 lakh penalty on Adarsh Mahila Co-operative Bank for non-compliance with RBI directions on loans to directors and their relatives. This action addresses regulatory compliance issues, without judging specific transactions or agreements.
➤ <u>RBI imposes monetary penalty on Noble Co-operative Bank Limited, Noida, Uttar Pradesh</u>	₹ 5.00 lakh	The RBI imposed a ₹ 5 lakh penalty on Noble Co-operative Bank for non-compliance with specific RBI directions under the Supervisory Action Framework. This action addresses regulatory compliance issues without judging the validity of transactions or agreements with the bank's customers.

## 03 RBI

### Topic Name: License cancelled by RBI on following NBFC

Bank Name	Reason for license cancellation
<ul style="list-style-type: none"><li><input type="checkbox"/> S.M.I.L.E. Microfinance Limited</li><li><input type="checkbox"/> JFC Impex Pvt. Ltd</li><li><input type="checkbox"/> Cauvery Trade fin Private Limited</li><li><input type="checkbox"/> Ginni Tradefin Limited</li></ul>	<p>The following Nine Non-Banking Financial Companies (NBFC) have surrendered the Certificate of Registration (CoR) granted to them by the Reserve Bank of India (RBI). The RBI, in exercise of powers conferred on it under Section 45-IA (6) of the Reserve Bank of India Act, 1934, has therefore cancelled their CoR.</p> <p>i) Due to exit from Non-Banking Financial Institution (NBFI) business.</p>
<ul style="list-style-type: none"><li><input type="checkbox"/> J G Trading &amp; Investment Pvt Ltd</li><li><input type="checkbox"/> S. K. Finserve Private Limited</li><li><input type="checkbox"/> Microfirm Capital Private Limited</li><li><input type="checkbox"/> Bohra &amp; Co Pvt Ltd</li><li><input type="checkbox"/> Mahyco Grow Finance Private Limited</li></ul>	<p>Due to NBFC ceasing to be a legal entity after amalgamation/ merger/dissolution/ voluntary strike-off, etc.:</p>
<ul style="list-style-type: none"><li><input type="checkbox"/> Reliance Home Finance Limited</li></ul>	<p>The following Housing Finance Company (HFC) has surrendered the Certificate of Registration (CoR) granted by National Housing Bank. The RBI, in exercise of powers conferred on it under Section 29A of National Housing Bank Act, 1987, has therefore cancelled its CoR :-</p> <p>i) Due to exit from Housing Finance Institution business:</p>

## 03 RBI

### Topic Name: License cancelled by RBI on following NBFC

Bank Name	Reason for license cancellation
<ul style="list-style-type: none"><li><input type="checkbox"/> Bharathu Investment &amp; Finance India Limited.\</li><li><input type="checkbox"/> Cox &amp; Kings Financial Service Limited</li><li><input type="checkbox"/> PSPR Enterprises Private Limited</li></ul>	The Reserve Bank of India, in exercise of powers conferred on it under Section 45-IA (6) of the Reserve Bank of India Act, 1934, has cancelled the Certificate of Registration
<ul style="list-style-type: none"><li><input type="checkbox"/> <u>Jai Prakash Narayan Nagari Sahakari Bank Ltd</u></li></ul>	The Reserve Bank of India (RBI) has cancelled the license of Jai Prakash Narayan Nagari Sahakari Bank Ltd., Basmathnagar, Maharashtra, effective from the close of business on February 6, 2024. As a result, the bank is no longer authorized to conduct banking operations. The Commissioner for Co-operation and Registrar of Cooperative Societies, Maharashtra, has been requested to issue an order for winding up the bank and appoint a liquidator.
<ul style="list-style-type: none"><li><input type="checkbox"/> <u>City Union Bank Limited</u></li></ul>	RBI has imposed a penalty of ₹66.00 lakh on City Union Bank Limited for not complying with certain directives on income recognition, asset classification, provisioning pertaining to advances and KYC norms. The penalty has been imposed under the Banking Regulation Act, 1949.



## 04 SEBI AND CORPORATE LAWS

Topic Name:- Guidelines for returning of draft offer document and its resubmission

Dated on:- 06<sup>th</sup> February-2024

Circular No:- SEBI/HO/CFD/PoD-1/P/CIR/2024/009

**Brief Summary:-** SEBI has mandated that draft offer documents must be redrafted in a simple language, incorporating visual representations of data for clarity. The aim is to enhance the ease of doing business. The circular emphasizes compliance with Schedule VI of the ICDR Regulations, ensuring that information in the draft offer documents is presented in a clear, concise, and intelligible manner.

Read more at:- [https://www.sebi.gov.in/legal/circulars/feb-2024/guidelines-for-returning-of-draft-offer-document-and-its-resubmission\\_81146.html](https://www.sebi.gov.in/legal/circulars/feb-2024/guidelines-for-returning-of-draft-offer-document-and-its-resubmission_81146.html)

Topic Name: - Revised Pricing Methodology for Institutional Placements of Privately Placed Infrastructure Investment Trust.

Dated on:- 08<sup>th</sup> February-2024

Circular No:- SEBI/HO/DDHS/DDHS-PoD/P/CIR/2024/10

**Brief Summary:-** Regulation 14(4) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') provides that any subsequent issue of units after initial public offer may be by way of institutional placement, in addition to other mechanisms provided in the regulations. Paragraph 7.9 of the SEBI Master Circular for InvITs dated July 06, 2023, provides the pricing guidelines for institutional placement of InvIT, which state that the institutional placement by InvIT shall be made at a price not less than the average of the weekly high and low of the closing prices of the units of the same class quoted on the stock exchange during the two weeks preceding the relevant date.

Read more at:- [https://www.sebi.gov.in/legal/circulars/feb-2024/revised-pricing-methodology-for-institutional-placements-of-privately-placed-infrastructure-investment-trust-inv-it-\\_81268.html](https://www.sebi.gov.in/legal/circulars/feb-2024/revised-pricing-methodology-for-institutional-placements-of-privately-placed-infrastructure-investment-trust-inv-it-_81268.html)

## 04 SEBI AND CORPORATE LAWS

Topic Name:- Centralization of certifications under Foreign Account Tax Compliance Act (FATCA ) and Common Reporting Standard(CRS) at KYC Registration Agencies (KRAs)

Dated on:- 20<sup>th</sup> February-2024

Circular No:- SEBI/HO/MIRSD/SECFATF/P/CIR/2024/12

Brief Summary:- SEBI's circular reflects a proactive stance towards improving compliance and regulatory oversight in the securities market by centralizing FATCA and CRS certifications at KYC registration agencies his initiative aims to streamline processes, minimize redundancies, and uphold international tax compliance standards. The move is anticipated to enhance investor confidence, foster integrity, and boost transparency in India's securities markets. The analysis provides a detailed overview of SEBI's circular, covering regulatory context, intermediary duties, and the impact on compliance and market dynamics.

Read more at:- [SEBI | Centralization of certifications under Foreign Account Tax Compliance Act \(FATCA\) and Common Reporting Standard \(CRS\) at KYC Registration Agencies \(KRAs\)](#)

## 05 CUSTOM DUTIES

**Topic Name:-** Authorization of Booking Post Offices and their corresponding Foreign Post Offices in terms of the Postal Export

**Dated on:-** 01<sup>st</sup> February-2024

**Notification No:-** 01/2024

**Brief Summary:-** This circular announces a significant update in customs and postal regulations by expanding the network of authorized Booking Post Offices. Businesses and individuals engaged in international mail and exports should be aware of these authorizations to ensure compliance. Stay informed for smooth export processes through the designated Booking Post Offices.

Read more at:- <https://taxinformation.cbic.gov.in/>

**Topic Name:-** Seeks to amend Notification 11/2021-Cus dated 01.02.2021 in order to exempt AIDC on goods falling under tariff item 5201 00 25.

**Dated on:-** 19<sup>th</sup> February-2024

**Notification No:-** 11/2024-Customs

**Brief Summary:-** The Ministry of Finance updates Customs Notification on 20th Feb, 2024, changing tariff rates for goods in 5201 category. New duty rate is 5%. This is the government's step to adjust customs policies as per changing economy. Industries impacted should analyze the effects to act wisely with the new tariff structure

Read more at:- <https://taxinformation.cbic.gov.in/>

## 05 CUSTOM DUTIES

Topic Name:-Seeks to amend notification No. 50/2017- Customs dated 30.06.2017

Dated on:- 19<sup>th</sup> February-2024

Nnotification No:- 10/2024-Customs

Brief Summary:- :-Notification 10/2024-Customs signifies a substantial alteration in tariff rates for diverse commodities. It is crucial for stakeholders, particularly importers and exporters, to meticulously assess and understand these modifications to maintain compliance. The amendments aim to align with public interest and foster improved trade dynamics. To ensure a smooth transition into the new regulatory framework, Not and foster improved trade dynamics. To ensure a smooth transition into the new regulatory framework

Read more at: <https://taxinformation.cbic.gov.in/>

Topic Name:- CBIC notified “Public Tech Platform for Frictionless Credit” for Enhanced Credit Ecosystem Sharing

Dated on:- 22<sup>th</sup> February-2024

Notification No:- 06/2024-Central Tax

Brief Summary:-A "Public Tech Platform for Frictionless Credit" refers to an advanced IT system developed by the Reserve Bank of India's subsidiary, Reserve Bank Innovation Hub. This platform aims to create a large credit ecosystem, enabling seamless data access from various sources, and connecting financial and data service providers through standardized, open API frameworks.

Read more at :- <https://taxinformation.cbic.gov.in/view-pdf/1010019/ENG/Notifications>

## 06 DGFT

**Topic Name:-** Implementation of the Track and Trace system for export of Pharmaceuticals and drug consignments along with maintaining the Parent-Child relationship in the levels of packaging and their movement supply chain- Extension of date of implementation regarding

**Dated on:-**02<sup>nd</sup> February-2024

**Public Notice No:-**39/2023

**Brief Summary:-** Public Notice No. 39/2023- DGFT announces a crucial update for the pharmaceutical export sector, extending the implementation date for the Track and Trace system. This provides businesses more time to ensure compliance. The notice reflects DGFT's commitment to facilitating smooth exports while maintaining pharmaceutical supply chain integrity. Stakeholders are advised to review processes and make necessary adjustments to align with the revised deadline of 01.02.2025.

Read more at- <https://content.dgft.gov.in/Website/dgftprod/ff18138e-eddd-4c88-ba7d-72f86e842179/>

**Topic Name:-** Corrigendum to Public Notice no. 28/2023 dated 18.08.2023-reg

**Dated on:-**09<sup>th</sup> February-2024

**Public Notice :-** Corrigendum

**Brief Summary:-** The issuance of the corrigendum to Public Notice No. 28/2023 is a testament to the DGFT's commitment to maintaining clarity and precision in India's foreign trade policies. By revising the headings of Table A and Table B, the DGFT ensures that authorized banks and their stakeholders have a clear understanding of the validity period for importing gold and silver. This move not only facilitates smoother operations in the import sector but also upholds the integrity of India's foreign trade framework for the fiscal year 2023-24.

Read more at:-<https://content.dgft.gov.in/Website/dgftprod/83a2a75c-5538-48cc-9e46-372915959286/Corrigendum%20English.pdf>

## 06 DGFT

Topic Name:- Amendments in Para 4.36 of the Handbook of Procedures, 2023.

Dated on:- 12<sup>th</sup>February-2024

Notification No:- 40/2023

Brief Summary: The DGFT vide Public Notice No. 40/2023 dated February 12, 2024 has amended Para 4.36 of the Handbook of Procedures 2023. The changes allow for the clubbing of authorizations issued within 24 months, easing conditions for the Advance Authorization Scheme. Only imports within 30 months and exports within 48 months of the earliest authorization will be considered for clubbing. This amendment aims to facilitate ease of doing business.

Read more at:- <https://content.dgft.gov.in/Website/dgftprod/53975997-bd73-4d0e-b57b-3b27754ea0d3/Public%20Notice%20eng.pdf>

Topic Name:-Addition of Mundra Port and ICD Garhi Harsaru for Import of new Vehicles - reg.

Dated on:- 12<sup>th</sup>February-2024

Notification No:- 59/2023

Brief Summary:-The DGFT's recent notification aims to improve India's vehicle import infrastructure, adding more authorized ports and ICDs. This move simplifies imports, fosters automotive industry growth, and requires importers to adapt logistics strategies. Mundra Port and ICD Garhi Harsaru are expected to enhance efficiency, benefiting the supply chain from manufacturers to consumers.

Read more at:- <https://content.dgft.gov.in/Website/dgftprod/9dfca620-f749-44de-b511-6fe3b8dcac41/notification%20No.%2059.pdf>

## 06 DGFT

Topic Name:- Notification of 'Indian Trade Classification (Harmonised System) of Export Items, 2023  
[Chapter 01-39 of Schedule 2, Export Policy of ITC (HS), 2023

Dated on:- 13<sup>th</sup> February-2024

Public Notice :- 60/2023

Brief Summary:-Notification No. 60/2023-DGFT represents a significant milestone in India's foreign trade regulation, particularly focusing on export policies for Chapter 01-39 of Schedule 2. Stakeholders, exporters, and policymakers should thoroughly examine and comply with the outlined regulations. The prompt enforcement reflects the government's dedication to robust trade governance. For a comprehensive understanding, interested parties are advised to visit the official DGFT website for full details on the ITC (HS) based Export Policy.

Read more at:- <https://content.dgft.gov.in/Website/FinalU%20DGFT%20Notification%20No.%2060-2023-English.pdf>

Topic Name:- Import of Watermelon Seeds under ITC(HS) 12077090 of ITC(HS) 2022 for the period up to 31.08.2024 -reg

Dated on:- 14<sup>th</sup> February-2024

Notification:- 41/2023

Brief Summary:- The Directorate General of Foreign Trade, under the Foreign Trade Policy 2023, has issued a public notice outlining the procedure for importing Watermelon Seeds (ITC(HS) 12077090) until August 31, 2024. Key points include a total import limit of 33,800 Metric Tonnes, applications accepted until February 22, 2024, for Actual Users (Processors) with specified criteria, and a detailed evaluation process by the Exim Facilitation Committee. All applications must be submitted online, and successful applicants must ensure consignments are delivered to Indian ports by August 31, 2024. Misdeclaration may result in disqualification and a two-year debarment from future allocations

Read more at: <https://content.dgft.gov.in/Website/dgftprod/b9a0894d-50c5-4637-a402ae6f09259378/PN%20English%20Watermelon%20final.pdf>

## 06 DGFT

Topic Name:- Amendment in Para 2.51 of Handbook of Procedures, 2023-reg

Dated on:- 14<sup>th</sup> February-2024

Notification No:-43/2023

Brief Summary:- The DGFT has amended Para 2.51 of the Handbook of Procedures 2023, adding Adani Gangavaram Port to the list of designated sea ports for importing scrap. The amendment also includes Adani Gangavaram Port in the list of sea ports where Pre-Shipment Inspection Certificate (PSIC) is exempted for metallic waste and scrap from safe countries/regions. The amendment increases the total number of designated sea ports for scrap import from 18 to 19 and PSIC-exempted sea ports from 10 to 11, facilitating imports from six safe countries without PSIC.

Read more at:- <https://content.dgft.gov.in/Website/dgftprod/61ad6185-cf36-4ca5-8152-565a6c1542d5/PN%2043%20-%20Para%202.51-%20%20Eng.pdf>

Topic Name:- Extension in Import Period for Yellow Peas under ITC (HS) Code 07131010 of Chapter 07 of ITC (HS), 2022, Schedule –I (Import Policy)

Dated on:-23<sup>th</sup> February-2024

Notification No:- 61/2023

Brief Summary:-The amendment for Yellow Peas import promotes a liberalized trade environment. Traders should adapt to the new conditions and use the "Free" status till March 2024. The Import Monitoring System highlights the need for a regulated trade ecosystem. This move, approved by the Minister of Commerce & Industry, shows the government's dedication to supporting international trade.

Read more at:-[noitificatoin 61/2023](#)



## 07 IFRS

Topic Name:-IFRS Foundation publishes summary of national accounting standard-setters' research on materiality judgement guidance

Dated on:- 27<sup>th</sup> February-2024

Brief Summary:-The IFRS Foundation has published a summary of evidence on the impact of materiality guidance in IFRS Accounting Standards. Companies need to determine if information is material when preparing financial statements. The IASB clarified the definition of material and provided guidance in 2017 and 2018. National standard-setters conducted research on the effects of these initiatives, revealing good understanding of materiality and varying usage of the guidance. It suggested raising awareness among stakeholders could be beneficial. The findings will inform the IASB's future support in applying materiality judgments, including in projects like Climate-related and Other Uncertainties in the Financial Statements. Participating national standard-setters included those from Australia, Botswana, China, Malaysia, Mexico, and New Zealand.

Read More at:-<https://www.ifrs.org/news-and-events/news/2024/02/ifrs-foundation-publishes-summary-of-national-accounting-standard-setters-research>

## 08 IRDAI

Topic Name:- Modifications to the Master Circular to Unclaimed Amounts of Policyholders

Dated on:- 16<sup>th</sup> February-2024

Reference No:- IRDAI/Life/CIR/Misc/41/2/2024

Brief Summary:- The Authority has issued a Master Circular (Version 02) consolidating directions on unclaimed amounts of policyholders. Insurers must transfer such amounts to the Senior Citizens' Welfare Fund by March 1 each year if unclaimed for over 10 years as of September 30. The circular details the accounting procedure and mandates compliance with the SCWF Rules, 2016. The updated Master Circular emphasizes monitoring, reporting, and certification of unclaimed amounts, aiming for convergence in compliance with various circulars, the SCWF Act, and its Rules. Stakeholders are advised to review the circular for a comprehensive understanding of the updated guidelines.

Read more at:- <https://irdai.gov.in/circulars>

## 09 PFRDA

**Topic Name:- Securing NPS transactions through Aadhaar-based access of CRA system under the Government sector**

**Dated on:- 20-02-2024**

**Reference No:- PFRDA/2024/05/Sup-CRA/02**

**Brief Summary:-** To enhance security in accessing the Central Recordkeeping Agency (CRA) for NPS transactions, a decision has been made to integrate Aadhaar-based authentication with the existing user ID and password-based login process. This will create a secure environment for all NPS activities carried out by government offices and autonomous bodies. The new system with enhanced features is expected to go live on 1st April 2024, and CRAs will provide a detailed Standard Operating Procedure (SOP) for implementation. All government offices and autonomous bodies are advised to prepare for the addition of Aadhaar-based login and authentication in the CRA system.

Read more at:-<https://www.pfrda.org.in/myauth/admin/showimg.cshtml?ID=2903>

**Topic Name:- Risk Management Framework for the Central Recordkeeping Agencies (CRAs) under NPS architecture**

**Dated on:- 21-02- 2024**

**Circular No:-PFRDA/2024/04/Sup-CRA/01**

**Brief Summary:-** The PFRDA's new Risk Management Framework signifies a significant step towards enhancing the operational integrity and security of Central Recordkeeping Agencies within the NPS ecosystem. By mandating comprehensive risk management practices, the framework aims to protect subscriber interests, ensuring a transparent, efficient, and secure pension infrastructure. As CRAs embark on implementing these guidelines, the emphasis on diligent risk management, continuous improvement, and adherence to best practices will be crucial for maintaining the resilience and reliability of the pension system

Read more at:-<https://www.pfrda.org.in/myauth/admin/showimg.cshtml?ID=2906>

## 09 PFRDA

Topic Name:- PFRDA (Redressal of Subscriber Grievance) (Second Amendment) Regulations, 2023

Dated on:- 21-02-2024

Notification :- PFRDA/12/RGL/139/1

Brief Summary:- The Pension Fund Regulatory and Development Authority (PFRDA) has introduced significant changes through its Second Amendment, which aims to improve the grievance redressal mechanism in the pension sector. This overhaul focuses on increasing transparency, accountability, and efficiency in handling subscriber complaints. By strengthening the grievance redressal system, the PFRDA ensures better protection for pension subscribers and creates a robust framework to address their concerns effectively. It is essential for subscribers to understand and familiarize themselves with these updated guidelines to make well-informed decisions and safeguard their interests within the pension sector.

Read more at:- <https://www.pfrda.org.in/myauth/admin/showimg.cshtml?ID=2133>

# 10 EXPERT ADVISORY CORNER – GST Departmental Audits and Assessments



**Huzefa Mala**

**TAX ADVISORY, ACCOUNTING &  
TAXATION EXPERT**

PROFESSIONAL STANDING OF 15 YEARS.  
SPECIALIST PARTNER IN THE FIELD OF  
DIRECT AND INDIRECT TAXATION

## **GST Departmental Audits and Assessments**

**GST departmental audits and assessments can be stressful, but with proper preparation, you can navigate them efficiently as follows:**

### **1) Timely preparation is the Key:**

- **Maintaining Timely & Updated Records:** Maintain proper records of invoices, purchase bills and e-way bills and ensure they're easily accessible for verification.
- **Accurate GST Returns:** Double-check your GSTR filings for any discrepancies. Identify and rectify errors well before the audit. Ensure proper maker-checker policy is in place and functional.
- **Regular Staff Training:** Train your staff on GST regulations and processes. This ensures everyone understands their role in compliance.

# 10 EXPERT ADVISORY CORNER – GST Departmental Audits and Assessments

## 2) During the course of Audit / Assessment:

- **Understand reasons for GST Audit / Assessment:** There could be certain specific non-compliances or reasons which could have lead to your organization for being selected in GST Audit/Assessment. Understand you handle them well.
- **Prompt Response:** Respond promptly to audit notices (Form GST ADT-01) and provide all requested documents within the stipulated timeframe.
- **Cooperation is Key:** Cooperate with the department and clarify any questions they may have. Timely resolutions lead to a smoother audit process and assessment proceedings.
- **Seek Clarification:** If uncertain about any audit points, seek clarification from the department auditors to avoid potential misunderstandings.

## 3) Post-Audit:

- **Address Discrepancies:** If discrepancies are found, provide proper justifications and replies or ensure immediate rectification. Discharge any potential tax liabilities immediately.

- **Maintain Records:** Continue good record-keeping practices. This helps in case of future audits or assessments.

## 4) Additional Points:

- **Consider services of a GST Expert:** A qualified GST professional can guide you through the audit process/assessment proceedings and ensure smooth compliance.
- **Stay Updated:** Keep abreast of changes in GST laws and regulations to avoid any unintentional non-compliance.

**By following these steps, you can approach GST departmental audits and assessments with confidence. Remember, transparency and timely action are key to a smooth experience.**

# 11 MCA – RULE 9B: DEMAT OF SHARES FOR PRIVATE COMPANIES

- **The Ministry of Corporate Affairs has issued Notification dated 27/10/2023 and introduced the Companies (prospectus and Allotment of Securities) Second Amendment Rules, 2023. (vide Rule 9B).**

## • **A ) Applicability**

The new Rule 9B is applicable to all private companies which are non- small.

Non small company means –

- Private Companies which have Turnover of Rs.40 crores or more or paid up capital Rs.4.00 cores or more or
- Private Companies which are either holding or subsidiary company (Turnover or paid up capital criteria not applicable) Even private company with one lakh paid up capital without any Turnover is also covered for demat of shares)
- Private Companies registered under Section 8 with share capital.

## **B ) Non-Applicability**

This Rule does not apply to Government Companies. Wholly owned subsidiary is exempt from the demat requirements under Rule 9A. However, similar exemption does not extend

To a private company under Rule 9B. Therefore, a wholly-owned subsidiary which is private company is not exempt from the demat requirements.

## • **C ) COMPLIANCE REQUIRED**

- Non-Small Private Companies are required to do following compliance. (Rule 9B)
- Appointment of Registrar & Transfer Agent
- Obtain ISIN number for equity shares
- Alteration of Articles of Association to include provision of demat shares
- Shares of Directors, Promoters and KMP to be converted into demat
- Intimate ISIN number to the shareholders
- Shares can be issued only in demat form. Right share/ bonus shares cannot be issued in physical form. Buyback of shares only in demat form
- Shares can be transferred only in demat form.

# 11 MCA – RULE 9B: DEMAT OF SHARES FOR PRIVATE COMPANIES

- **D ) FILING REQUIREMENTS**

- At the end of every half year within 60 days, it is mandatory to File Reconciliation of Share Capital Audit Report in Form PAS-6 mentioning ISIN number, detail of physical and demat holding, holding of Promoters, Directors etc. certified by the Practicing Company Secretary.

- **E ) LAST DATE**

- 30th September, 2024 is the last date to complete above compliance. Before this date transfer of shares in physical mode is possible.
- Whether shareholders want to transfer their shares or not, it is mandatory to apply for ISIN number to comply with the provisions of Rule 9B. It is mandatory to provide dematerialization facility to shareholders.

- **If Company becomes non-small after notification during FY 2023-24**

- In case a company becomes non-small company after 31st March, 2023, the timeline of 18 months triggers from the close of the financial year in which it ceases to be a small company. Therefore, if a company ceases to be a small company at any time during FY 2023-24, the timeline of 18 months will trigger from 31st March, 2024 and therefore, shall comply before 30th September 2025.



## CONTENT CONTRIBUTOR



**MIRZA SAHIL**  
Knowledge Executive



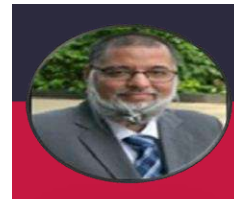
Article shared on RULE 9B



**JANKI BRAHMBHATT**



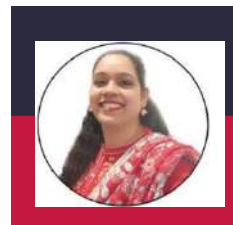
**Strategic Guide**



**HUZEIFA UNWALA**



**Overall Co-ordinator & Reviewer for this Activity**



**ZENAB TOPIWALA**

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Insights to help you sharpen your Governance, Risk and Compliance Knowledge Issued by Knowledge Management team of

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**Below are the links for previous months Regulatory Radar**

November'23 :- [https://drive.google.com/file/d/1ncLoPgt4fP2PqZ8\\_p8RGHV80jFjtSA4A/view?usp=sharing](https://drive.google.com/file/d/1ncLoPgt4fP2PqZ8_p8RGHV80jFjtSA4A/view?usp=sharing)

December'23 :- <https://drive.google.com/file/d/1iqsfylFWaze7UyG34HdutlsyoLpPgKjy/view?usp=sharing>

January'24:- [https://drive.google.com/file/d/1tmECrXy0ybA30G-HMXKtWhEeY\\_Qgo0Hn/view?usp=sharing](https://drive.google.com/file/d/1tmECrXy0ybA30G-HMXKtWhEeY_Qgo0Hn/view?usp=sharing)



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New Delhi - 110 048

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Kolkata ,West Bengal – 700 016

## Mumbai Office

B Wing, 4<sup>th</sup> floor, Unit No. B-406 to 410,  
Navkar Chambers, Metro Marol Naka,  
Andheri East. Mumbai, Maharashtra –  
400 095

## Bengaluru Office

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Ft. Main Road,  
AECS Layout, Kundalahalli, Bengaluru,  
Karnataka-560 037

## Kalyan Office

Shop No. 11 & 12, Regency  
Avenue, Syndicate, Murbad  
Road, Kalyan(W), Maharashtra -  
421 301

## Mazgaon Office

Ground Floor, Shop No. 11A, 345, New  
Sai Niketan CHS Ltd., Dr. Mascarenhas  
Road, Mazgaon, Mumbai, Maharashtra -  
400 010

## Vadodara Office

4<sup>th</sup> Floor, Lila Chambers, Notus Pride  
IT Park Part “C” , Block “E”, Sarabhai  
Compound, Vadiwadi, Vadodara ,  
Gujrat – 390 023.

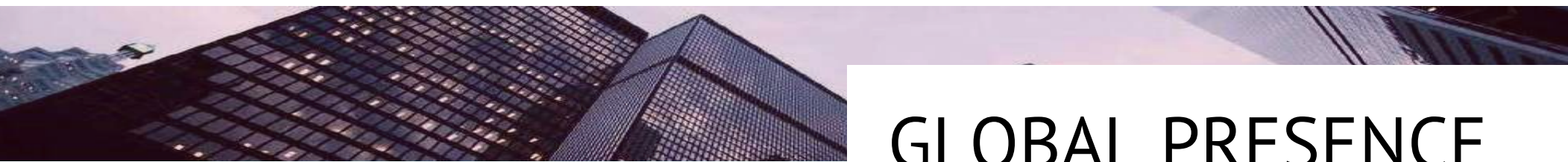
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