

# REGULATORY RADAR

13<sup>th</sup> EDITION

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APRIL'24 EDITION



## KEY HIGHLIGHTS

JHS

### ❖ Summary of major regulatory amendments for the month of April 2024:

#### ➤ Income Tax:

- With effect from FY 2023-24 (AY 2024-25) under the new tax regime the basic tax exemption limit is hiked to **Rs 3 lakh which previously was Rs 2.5 lakh** and the rebate under Section 87A has been **increased to Rs 7 lakh**.
- The income tax slabs for individuals under the new tax regime for FY 2023-24 (AY 2024-25):
- Up to Rs. 3,00,000: NIL
- Rs. 300,001 to Rs. 6,00,000: 5% (*Tax Rebate u/s 87A*)
- Rs. 6,00,001 to Rs. 900,000: 10% (*Tax Rebate u/s 87A up to Rs 7 lakh*)
- Rs. 9,00,001 to Rs. 12,00,000: 15%
- Rs. 12,00,001 to Rs. 15,00,000: 20%
- Above Rs. 15,00,000: 30%
- Under the revised new tax regime, the surcharge rate has been reduced from **37% to 25%** for taxpayers earning income more than **Rs 5 crores**.

#### ➤ SEBI:

- SEBI has revised regulations for appointing dedicated fund managers for commodity-based funds and overseas investments in mutual funds. The emphasis is on ensuring that appointed fund managers possess sufficient expertise and experience to manage these specialized investments effectively.
- SEBI's directive to halt investments in overseas exchange-traded funds (ETFs) because the total investment in these ETFs is approaching the \$1 billion limit set by the RBI.
- AIFs are mandated to undergo an annual audit to verify compliance with their PPM. To facilitate this process, a standardized reporting format has been introduced, with AIF associations offering guidance to ensure AIFs understand and fulfill these obligations.

#### ➤ GST:

- The GST portal underwent a major upgrade on May 3, 2024, focusing on improving user experience. Key enhancements include a dedicated section for news and updates with improved search functionality, minor tweaks to the homepage for better usability, and updates to the website policy, including details about web managers. .

#### ➤ RBI:

- The RBI decided to keep the key policy repo rate unchanged at **6.5%**.
- The RBI discovered Talk Charge Technologies Pvt. Ltd. issuing prepaid payment instruments without authorization.
- For the period from April 04, 2024, to October 03, 2024, the interest rate on The Government of India Floating Rate Bond 2028 (GOI FRB 2028) will be **7.72%** per year.

# INDEX

Sr.no	Topic	Page no.
1	<a href="#">Income Tax</a>	04
2	<a href="#">GST</a>	07
3	<a href="#">RBI</a>	09
4	<a href="#">SEBI</a>	19
5	<a href="#">Custom Duty</a>	25
6	<a href="#">DGFT</a>	27
7	<a href="#">FASB</a>	29

Sr.no	Topic	Page no.
8	<a href="#">IFRS</a>	30
9	<a href="#">AUTHORITY UNDER MCA</a>	31
10	<a href="#">Content Contributor</a>	32
11	<a href="#">Disclaimer</a>	34
12	<a href="#">Contact Us</a>	35

Topic Name	Dated on	Circular/ notification number	Brief summary
<a href="#">"Exploring the Benefits of the New Tax Regime: Simplifying Tax Filing and Lowering Rates for Taxpayers"</a>	1 <sup>st</sup> April, 2024	-	<p>The default adoption of the new tax regime simplifies filing and promotes wider adoption by providing lower tax rates with fewer deductions. Taxpayers can still choose the old regime if it's more beneficial. Effective April 1, 2023, the basic exemption limit under the new regime is raised to Rs 3 lakh, and the rebate under Section 87A is increased to Rs 7 lakh. This means individuals with taxable income up to Rs 7 lakh in the new regime receive a full tax rebate, exempting them from paying income tax.</p>
<a href="#">Time limit for verification of return of income after uploading</a>	4 <sup>th</sup> April, 2024	02/2024	<p>Effective from April 1st, 2024, the Director General of Income Tax (Systems) has established the time limit for verifying Income Tax Returns (ITRs) as 30 days from the date of electronically transmitting the ITR data.</p> <p>Failure to verify the return of income within 30 days from the date of uploading or by the due date for furnishing the return of income, whichever is later, will result in the return being deemed invalid due to non-verification.</p>

Topic Name	Dated on	Circular/ notification number	Brief summary
<a href="#">Legal Implications of Gujarat High Court Orders on Amul Research and Development Association.</a>	9 <sup>th</sup> April, 2024	38/2024 [F. No. 203/10/2021/ITA-II]	This notification approves the 'Amul Research and Development Association' in Gujarat as a 'Research Association' for scientific research purposes under certain sections of the Income-tax Act. It's retroactively applied from Assessment Years 2008-09 to 2021-22 based on Gujrat High court orders. It has been certified that no individual is negatively impacted by the retrospective effect of this notification.
<a href="#">Recognition and Renovation of Shree Ramanuj Kot Laxmi Venkatesh Mandir in Indore</a>	23 <sup>rd</sup> April, 2024	40/2024 [F. No. 176/2/2023-ITA-I]	The Central Government has officially recognized the "Shree Ramanuj Kot Laxmi Venkatesh Mandir" in Indore, Madhya Pradesh as a place of historic importance and public worship. This notification allows for renovation or repair of the temple up to the amount of Rs. 1,63,06,311.
<a href="#">Income tax slab under New Tax Regime u/s 115BAC</a>	23 <sup>rd</sup> April, 2024	-	<p>The income tax slabs for individuals under the new tax regime for FY 2023-24 (AY 2024-25):</p> <p>Up to Rs. 3,00,000: NIL                      Rs. 300,001 to Rs. 6,00,000: 5% (<i>Tax Rebate u/s 87A</i>)                      Rs. 6,00,001 to Rs. 9,00,000: 10% (<i>Tax Rebate u/s 87A up to Rs 7 lakh</i>)                      Rs. 9,00,001 to Rs. 12,00,000: 15%                      Rs. 12,00,001 to Rs. 15,00,000: 20%                      Above Rs. 15,00,000: 30%</p> <p>Under the revised new tax regime, the surcharge rate has been reduced from <b>37% to 25%</b> for taxpayers earning income more than <b>Rs 5 crores</b>.</p>

# 01 INCOME TAX

Topic Name	Dated on	Circular/ notification number	Brief summary
<a href="#">Impact of Inoperative PAN Status on TDS/TCS Rates and Compliance.</a>	24 <sup>th</sup> April, 2024	06/202	<p>If a deductee or collectee possesses an inoperative PAN status, higher TDS/TCS rates may be applicable. However, for transactions conducted until March 31, 2024, with inoperative PANs, deductors or collectors will not be obligated to deduct TDS/TCS at a higher rate provided the PAN becomes operative by May 31, 2024.</p> <p>Higher TCS rates are determined as follows:</p> <ol style="list-style-type: none"> <li>1. At the rate specified in the relevant provision of this Act.</li> <li>2. At the rate or rates currently in force.</li> <li>3. At the rate of 20%, unless the tax is required to be deducted under section 194-O or 194-Q, in which case the rate of 5% applies.</li> </ol> <p>For TCS, the higher rates are:</p> <ol style="list-style-type: none"> <li>1. Twice the rate specified in the relevant provision of this Act.</li> <li>2. At the rate of 5%.</li> </ol>
<a href="#">Tax Exemption Notification for Kerala Autorickshaw Workers Welfare Fund Scheme, Kollam</a>	24 <sup>th</sup> April, 2024	41/2024 [F.No.300196/44 /2019-ITA-I]	<p>The CG has notified the 'Kerala Autorickshaw Workers Welfare Fund Scheme, Kollam' for tax exemption under section 10(46) of the IT Act, 1961. The specified income includes grants from the State Government, contributions from registered workers, self-employed individuals, and employers, registration fees, and interest from bank deposits. Provided that it must not engage in commercial activities, maintain the nature of income activities unchanged, and file income returns as per the specified provisions.</p>
<a href="#">Extension of Due Dates for Filing Form 10A and Form 10AB</a>	26 <sup>th</sup> April, 2024	07/2024	<p>CBDT has extended the due date for filing Form 10A and Form 10AB to 30th June 2024 for specify category of applicants as mentioned in the circular. Refer CBDT Circular No. 7/2024 dated 25th April 2024 for more details.</p>

## 02 GST

Topic name:- Self Enablement For e-Invoicing

Dated on:- 3rd April, 2024

**Brief Summary:-** Effective from April 1, 2024, if your turnover exceeds INR 5 crores this financial year or any preceding years, you must begin e-Invoicing from the following financial year.

Those who meet the notification criteria but have not yet been enabled on the portal, you can self-enable for e-Invoicing by visiting <https://einvoice.gst.gov.in> and choose from the four new Invoice Registration Portals (IRPs): e-Invoice IRP 3 to e-Invoice IRP 6 or use NIC IRP 1 & 2. For assistance, contact the GST Helpdesk at 1800-103-4786 or log a ticket at [Goods and Services Tax \(gsts.system.in\)](https://gsts.system.in) Grievance Redressal Portal.

Read more at:- <https://www.gst.gov.in/newsandupdates/read/490>

Topic name:-Auto populate the HSN-wise summary from e-invoices into tables 12 of GSTR-1

Dated on:-9<sup>th</sup> April, 2024

**Brief Summary:** A new feature has been added to the GST portal that automatically fills in the summary of goods and services based on e-invoices into Table 12 of the GSTR-1 form. This means that businesses can now directly transfer data from e-invoices into Table 12 without manual input. It simplifies the process of reporting goods and services in the GST return form, making it easier for businesses to comply with GST regulations.

Read more at:- <https://www.gst.gov.in/newsandupdates/read/492>

## 02 GST

Topic name:-Enhancement in GST portal

Dated on:- 26<sup>th</sup> April, 2024

**Brief Summary:-** An enhanced version of the GST portal have been launched on 3rd May 2024. The effort is to improve user experience and ensure that the information you need is accessible and easy to navigate.

### Key Enhancements Include:

- i. **News and Updates Section:** We have introduced a dedicated tab for all news and updates. This section now includes a beta search functionality, module wise drop downs and access to archived advisories dating back to 2017.
- ii. **User Interface Improvements:** Minor tweaks have been made to the homepage to enhance usability and aesthetics especially to make it convenient to use.
- iii. **Updated Website Policy:** We have updated our website policy, including the data archival policy. Details regarding web managers have also been included.

Below is a screenshot displaying some upcoming modifications:

[https://tutorial.gst.gov.in/downloads/news/screenshots\\_of\\_gst\\_revamped\\_fo\\_portal.pdf](https://tutorial.gst.gov.in/downloads/news/screenshots_of_gst_revamped_fo_portal.pdf)

Read more at:- <https://www.gst.gov.in/newsandupdates/read/495>



Topic Name	Dated on	Press Release	Brief summary
<a href="#">Finances of Non-Government Non-Financial Public Limited Companies, 2022-23</a>	2 <sup>nd</sup> April, 2024	2024-2025/17	The Reserve Bank has released financial performance data for non-government non-financial public limited companies for the fiscal year 2022-23. The data, based on audited annual accounts of 7,238 companies, follows the Ind-AS format. These figures were sourced from the Ministry of Corporate Affairs, GOI.
<a href="#">Rate of interest on Government of India Floating Rate Bond 2028</a>	3 <sup>rd</sup> April, 2024	2024-2025/27	For the period from April 04, 2024, to October 03, 2024, the rate of interest on The Government of India Floating Rate Bond 2028 (GOI FRB 2028) will be 7.72% per year. It's a type of bond issued by the Indian government where the interest rate can change periodically, typically based on certain benchmarks or market conditions. It's a way for the government to encourage people to invest in these bonds by offering a decent interest rate.

Topic Name	Dated on	Press Release	Brief summary
<a href="#">Statement on Developmental and Regulatory Policies</a>	5 <sup>th</sup> April, 2024	2024-2025/43	<ol style="list-style-type: none"> <li>1. IFSC Green Bonds:- Foreign investors can buy green bonds.</li> <li>2. RBI Retail Direct App:- New app for government securities.</li> <li>3. LCR Framework Review:- Banks are revising cash management rules.</li> <li>4. Rupee Derivatives for Small Banks:- New financial tools for small banks.</li> <li>5. UPI Cash Deposits:- Cash deposits via UPI coming soon.</li> <li>6. UPI for PPIs:- PPI users to access UPI payments</li> <li>7. CBDCs via Non-bank Apps:- Digital currency distribution via non-bank platforms.</li> </ol>
<a href="#">What RBI governor said on repo rate, inflation, GDP growth: Top points - Hindustan =Times</a>	5 <sup>th</sup> April, 2024	-	<p>RBI April Policy Highlights:</p> <ul style="list-style-type: none"> <li>- Repo rate unchanged at 6.5%</li> <li>- Policy stance remains 'withdrawal of accommodation'</li> <li>- GDP growth forecast for FY25: 7%</li> <li>- CPI inflation forecast for FY25: 4.5%</li> <li>- Quarterly projections provided for both GDP growth and CPI inflation</li> </ul>

Topic Name	Dated on	Press Release	Brief summary
<a href="#">Directions under Section 35A read with Section 56 of the Banking Regulation Act– Extension of Period</a>	10 <sup>th</sup> April, 2024	2024-2025/81	The Mahabhairab Co-operative Urban Bank in Tezpur, Assam, has been under special rules from the RBI since October 2023. These rules will now continue until July 2024. It doesn't mean the bank is shut down, but it has to follow certain restrictions until it gets financially better.
<a href="#">RBI announces Decision on two applications received under Guidelines for 'on tap' Licensing of Small Finance Banks</a>	12 <sup>th</sup> April, 2024	2024-2025/90	The RBI received 13 applications for establishing banks under its 'on-tap' licensing guidelines. Decisions on nine applications were made in May 2022 and July 2023. Two more applications for small finance banks were reviewed, with Dvara Kshetriya Gramin Financial Services Private Limited and Tally Solutions Private Limited not approved. Two applications are still being assessed.

Topic Name	Dated on	Press Release	Brief summary
<a href="#">Premature redemption under Sovereign Gold Bond (SGB) Scheme</a>	15 <sup>th</sup> April, 2024	2024-2025/105	The GOI allows premature redemption of Sovereign Gold Bonds after five years from the issue date. For SGB 2017-18 Series III, issued on October 16, 2017, premature redemption is permitted starting April 16, 2024. The redemption price, based on the average gold price for the three previous business days, as per India Bullion and Jewelers Association Ltd, is Rs 7260 per unit for redemption due on April 16, 2024.
<a href="#">Directions under Section 35A read with section 56 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies)</a>	15 <sup>th</sup> April, 2024	2024-2025/106	RBI has issued certain Directions to National Urban Co-operative Bank Ltd., Pratapgarh, whereby, as from the close of business on April 15, 2024, the bank shall not, without prior approval of RBI in writing grant or renew any loans and advances, make any investment, incur any liability including borrowable of funds and acceptance of fresh deposits.

## 03 RBI

Topic Name	Dated on	Press Release	Brief summary
<a href="#">Supervisory Action against Kotak Mahindra Bank Limited under Section 35A of the Banking Regulation Act, 1949</a>	24 <sup>th</sup> April, 2024	2024-2025/172	<ul style="list-style-type: none"> <li>- RBI directed Kotak Mahindra Bank Limited to halt:               <ol style="list-style-type: none"> <li>1. Onboarding new customers via online and mobile banking channels.</li> <li>2. Issuing fresh credit cards.</li> </ol> </li> <li>- Existing customers, including credit card holders, will continue to receive services.</li> <li>- Action taken under Section 35A of the Banking Regulation Act, 1949.</li> </ul>
<a href="#">RBI cautions public against Prepaid Payment Instruments issued by unauthorized entities</a>	25 <sup>th</sup> April, 2024	2024-2025/186	<p>The RBI discovered TalkCharge Technologies Pvt. Ltd. issuing prepaid payment instruments without authorization. The RBI directed the entity to cease operations and refund wallet balances within 45 days. However, the entity misled customers by demanding cashback repayment, falsely citing RBI's directive. The RBI clarified it only instructed refunding prepaid amounts, not cashback. The public is urged to verify entity authorization on the RBI website before transacting.</p>
<a href="#">Lending and Deposit Rates of Scheduled Commercial Banks – April 2024</a>	30 <sup>th</sup> April, 2024	2024-2025/222	<ul style="list-style-type: none"> <li>- Bank lending rates held steady in April 2024.</li> <li>- The 1-Year median MCLR increased marginally to 8.85%.</li> <li>- Deposit rates, affecting savings returns, slightly rose.</li> <li>- The WADTDR for new deposits reached 6.62%.</li> <li>- Savers may expect a slightly better return if depositing money in banks.</li> </ul>

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
<input type="checkbox"/> Ambarnath Jai Hind Co-operative Bank Limited	Rs. 3.00 lakhs	The RBI fined Ambarnath Jai Hind Co-operative Bank Limited for not following rules on how they handle customers' accounts. They charged fees without telling customers about minimum balance rules and for not using accounts, which isn't fair. This penalty is because the bank didn't follow the rules, but it doesn't mean their transactions are invalid.
<input type="checkbox"/> The Panvel Co-operative Urban Bank Ltd	Rs.1.00 lakhs	RBI has fined The Panvel Co-operative Urban Bank Ltd. in Maharashtra with a penalty for failing to comply with directions under the 'Supervisory Action Framework' for Urban Co-operative Banks. This penalty is imposed under the authority vested in RBI by the Banking Regulation Act, 1949.
<input type="checkbox"/> Tirumangalam Co-operative Urban Bank Ltd.	Rs.25000	The RBI fined Tirumangalam Co-operative Urban Bank Ltd., Tamil Nadu, for not following directives regarding its board composition and granting loans to directors, their relatives, and associated firms. The penalty, issued on February 28, 2024, followed a review of the bank's financial position as of March 31, 2022. The bank was given an opportunity to respond before the penalty was imposed.

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
<input type="checkbox"/> Tirupattur Urban Co-operative Bank Ltd., Tirupattur	Rs.25000	<ul style="list-style-type: none"> <li>- RBI fined The Tirupattur Urban Co-operative Bank Ltd. for exceeding lending limits.</li> <li>- Bank responded to RBI's notice, but fine upheld after hearing.</li> <li>- Penalty doesn't question legality of bank's transactions.</li> <li>- More regulatory actions possible by RBI.</li> </ul>
<input type="checkbox"/> Nakodar Hindu Urban Co-operative Bank Limited	Rs.5.00 Lakh	RBI fined The Nakodar Hindu Urban Co-operative Bank Limited with a penalty for not complying with RBI's directive on 'Investments by Primary (Urban) Co-operative Banks', under the Banking Regulation Act, 1949.
<input type="checkbox"/> NABFINS Limited, Bengaluru	Rs.10.00 lakh	The RBI fined NABFINS Limited for not complying with NBFC regulations, particularly for mandating customers to use a specific insurance provider for financed assets. The penalty follows an inspection of the company's finances as of March 31, 2022. It doesn't challenge customer agreements but signals RBI's commitment to enforcing regulatory compliance.

## 03 RBI

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
<input type="checkbox"/> Jogindra Central Co-operative Bank Ltd	Rs.3.50 lakh	RBI has fined Jogindra Central Co-operative Bank Ltd., Solan, Himachal Pradesh, with a penalty for not complying with NABARD's directions on 'Frauds - Guidelines for Classification, Reporting, and Monitoring'.
<input type="checkbox"/> Dr. Jaiprakash Mundada Urban Co-operative Bank Limited <input type="checkbox"/> The Bishnupur Town Cooperative Bank Ltd	Rs 1.00 lakhs	These penalties were imposed for non-compliance with RBI directives on 'Management of Advances-UCBs' and 'Exposure Norms & Statutory/Other Restrictions' for the former, and for non-compliance with general RBI directions for the latter.



Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
<input type="checkbox"/> Sadbhav Nagarik Sahakari Bank Maryadit, Chhatarpur	Rs.1.00 lakh	The RBI fined a bank in Chhatarpur, called Sadbhav Nagarik Sahakari Bank Maryadit, because they didn't follow certain rules about how they handle their money. Specifically, they didn't reduce the amount of money they lend to a single borrower, as they were supposed to. Even though they got fined, it doesn't mean the deals they made with customers are incorrect, and the RBI might take more actions later.
<input type="checkbox"/> The Vaish Co-operative Adarsh Bank Limited, New Delhi	Rs.1.00 lakh	The RBI has, by an order dated April 17, 2024, imposed a monetary penalty on The Vaish Co-operative Adarsh Bank Limited, New Delhi (the bank) for non-compliance with the directions issued by RBI on KYC Directions, 2016.
<input type="checkbox"/> The Central Co-operative Bank Limited, Bikaner, Rajasthan	Rs.2.00 lakh	The RBI fined The Central Co-operative Bank Limited in Bikaner, Rajasthan, for not promptly reporting fraud incidents as instructed by NABARD. This penalty, imposed, highlights the bank's failure to comply with fraud reporting guidelines. While the penalty doesn't affect customer transactions, it emphasizes the need for regulatory adherence and indicates potential additional actions by the RBI.

## 03 RBI

Topic Name: Penalties imposed by RBI on following banks.

Bank Name	Penalty Amount	Nature of Penalty
<input type="checkbox"/> Samarth Sahakari Bank Limited, Solapur, Maharashtra	Rs.50,000	The RBI imposed a monetary penalty for non-compliance with RBI directives on exposure norms and statutory restrictions applicable to Urban Co-operative Banks (UCBs). The bank was found to have sanctioned unsecured advances exceeding the permissible limit set by the RBI.
<input type="checkbox"/> The Chitradurga District Co-operative Central Bank Limited, Chitradurga, Karnataka	Rs.50,000	RBI has fined The Chitradurga District Co-operative Central Bank Limited in Karnataka with a penalty of Rs. 50,000 for not following directions issued by NABARD regarding 'Frauds - Guidelines for Classification, Reporting, and Monitoring'.
<input type="checkbox"/> Indira Mahila Sahakari Bank Limited, Malegaon, Maharashtra	Rs.75000	RBI imposed a monetary penalty. This penalty was for non-compliance with certain provisions of RBI Directions regarding 'Policy and Practice regarding Nominal Membership' and 'Exposure Norms & Statutory/Other Restrictions'.

## 04 SEBI AND CORPORATE LAWS

Topic Name:-SEBI's directive to halt investments in overseas exchange-traded funds (ETFs)

Dated on:- 1<sup>st</sup> April, 2024

**Brief Summary :-** SEBI has put a stop to mutual funds making new investments in overseas exchange-traded funds (ETFs), starting from April 1, 2024. This action was taken because the total investment in these ETFs is approaching the \$1 billion limit set by the RBI. This measure aims to ensure that the investment limit is not exceeded and to manage potential risks associated with such investments.

Read more at:- [Sebi asks mutual funds to stop fresh subscriptions in overseas ETFs from April - The Economic Times \(indiatimes.com\)](https://www.indiatimes.com/finance/sebi-asks-mutual-funds-to-stop-fresh-subscriptions-in-overseas-etfs-from-april-2024)

Topic Name:- Entities allowed to use e-KYC Aadhaar authentication services of UIDAI in securities market as a sub-KUA

Dated on:- 5<sup>th</sup> April, 2024

Circular No:- SEBI/HO/MIRSD/SECFATF/P/CIR/2024/21

**Brief Summary:-** The Master Circular on (KYC) norms for the securities market, dated October 12, 2023, outlines the use of Aadhaar-based e-KYC processes and authentication for Resident Investors under PML Act, 2002.

The Department of Revenue, Ministry of Finance, has notified 24 entities permitted to use Aadhaar authentication services. These entities must follow the process detailed in the SEBI circular and as prescribed by UIDAI. This circular aims to protect investors' interests and regulate the securities market, issued under the SEBI Act, 1992.

Read more at:- [https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi\\_data/attachdocs/apr-2024/1712558634848.pdf#page=2&zoom=page-width,-15,850](https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/apr-2024/1712558634848.pdf#page=2&zoom=page-width,-15,850)

## 04 SEBI AND CORPORATE LAWS

Topic Name:- Standardization of the Private Placement Memorandum (PPM) Audit Report

Dated on:- 18<sup>th</sup> April, 2024

Circular No.: SEBI/HO/AFD/SEC-1/P/CIR/2024/22

**Brief Summary:-** AIFs (Alternative Investment Funds) are required to conduct an annual audit to ensure compliance with the terms of their PPM. The audit reports need to be submitted to the relevant authorities within 6 months after the end of the financial year. A standard reporting format has been created to streamline this process, and the AIF associations will provide guidance to help AIFs understand and meet these requirements.

Read more at:- [SEBI | Standardization of the Private Placement Memorandum \(PPM\) Audit Report](#)

Topic Name:- SEBI's Consultation Paper on Framework for Price Discovery of Shares of listed Investment Companies(IC) & listed Investment Holding Companies.

Dated on:- 19th April, 2024

**Brief Summary:-** SEBI **propose** to introduce a special call-auction mechanism for listed ICs and IHCs trading at a disparity between their market price and book value. This includes no price bands and is recommended annual for qualified companies. To be eligible for participation in the special call-auction, must have over 50% of their assets invested in other listed firms and a six-month Volume Weighted Average Price (VWAP) that is less than 50% of their book value.

The mechanism will aim to determine share prices more accurately, enhancing market efficiency and boosting investor confidence.

Read more at:- [SEBI | Consultation Paper on Framework for Price Discovery of Shares of listed Investment Companies & listed Investment Holding Companies](#)

## 04 SEBI AND CORPORATE LAWS

**Topic Name:-** SEBI's Relaxation of 'Fit and Proper' Requirement on Contract Notes.

**Dated on:-** 24<sup>th</sup> April, 2024 .

**Circular No.:** CSEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/25

**Brief Summary:-** SEBI, the Securities and Exchange Board of India, has eased the requirement for including 'fit and proper' text on contract notes for market participants. Instead of including the full text, market participants can now simply reference the applicable regulations (Regulation 19 and 20 of SCR (SECC) Regulations, 2018) with a URL/link. This change aims to simplify operations for businesses in the securities market while ensuring the protection of investor interests.

Read more at;- [https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi\\_data/attachdocs/apr-2024/1714022326545.pdf#page=1&zoom=page-width,-15,850](https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/apr-2024/1714022326545.pdf#page=1&zoom=page-width,-15,850)

**Topic Name:-** Flexibility to Alternative Investment Funds (AIFs) and their investors to deal with unliquidated investments of their schemes

**Dated on:-** 26<sup>th</sup> April, 2024

**Circular No.:** SEBI/HO/AFD/PoD1/CIR/2024/026

**Brief Summary:-** The SEBI circular issued in April 2024 provides flexibility to AIFs and their investors to handle unliquidated investments of their schemes. This allows AIFs and investors more freedom in managing illiquid assets within their portfolios, potentially enhancing efficiency and risk management within the alternative investment landscape.

Read more at:- [SEBI | Flexibility to Alternative Investment Funds \(AIFs\) and their investors to deal with unliquidated investments of their schemes](#)

## 04 SEBI AND CORPORATE LAWS

Topic Name:- Framework for Category I and II Alternative Investment Funds (AIFs) to create encumbrance on their holding of equity of investee companies

Dated on:- 26<sup>th</sup> April, 2024

Circular No.: SEBI/HO/AFD/PoD1/CIR/2024/027

Brief Summary:- SEBI introduces a framework for Category I and II AIFs to establish encumbrances on their equity holdings in investee companies. SEBI has amended the regulations for Category I and II Alternative Investment Funds (AIFs) to make it easier for them to create encumbrances (like mortgages or liens) on their equity holdings in infrastructure projects.

- Existing AIF scheme can use this option if they haven't brought in investors before April 25, 2024, with proper disclosure.
- Any previous collateral arrangements must be disclosed to investors, who must agree to them by October 24, 2024.
- Borrowed money must be used solely for the infrastructure projects.
- AIFs with significant foreign involvement must follow RBI guidelines.
- AIFs won't be liable beyond the collateralized investments if projects fail to repay borrowed funds.
- AIFs cannot offer guarantees for projects or use investments in foreign companies as collateral.
- Specific rules will ensure collateral is used only for infrastructure project debt.
- Encumbrance duration cannot exceed the residual tenure of the AIF scheme.
- Trustees, manager or sponsors of AIFs must ensure compliance.

The changes are effective immediately and are made to protect investors and regulate the securities market.

Read more at:- [SEBI | Framework for Category I and II Alternative Investment Funds \(AIFs\) to create encumbrance on their holding of equity of investee companies](#)

## 04 SEBI AND CORPORATE LAWS

Topic Name:- Securities and Exchange Board of India (Investment Advisers) (Amendment) Regulations, 2024

Dated on:- 26<sup>th</sup> April, 2024

Circular No:- SEBI/LAD-NRO/GN/2024/169

Brief Summary:- The SEBI has introduced amendments to the Investment Advisers Regulations, 2013. These amendments focus on the recognition of bodies or corporations for the administration and supervision of investment advisers. Existing investment advisers will be considered enlisted with recognized bodies from the date of recognition. The Board may specify that individuals must be enlisted with recognized bodies to act as investment advisers. Additionally, a new regulation, Savings 30A, ensures that actions related to the membership of recognized bodies will be governed by the corresponding provisions of the regulations.

Read more at:- [SEBI | Securities and Exchange Board of India \(Investment Advisers\) \(Amendment\) Regulations, 2024](#)

Topic Name:- Relaxation in requirement of intimation of changes in the terms of Private Placement Memorandum(PPM) of Alternative Investment Funds(AIFs) through Merchant Banker

Dated on:- 29<sup>th</sup> April, 2024

Orders : SEBI/HO/AFD/PoD/CIR/2024/028

Brief Summary:- SEBI has addresses changes in the requirements for AIFs regarding the submission of updates to the PPM. Previously, any changes to the PPM terms required submission through a merchant banker to SEBI, along with a due diligence certificate. Now, certain changes listed in Annexure A can be directly filed with SEBI, skipping the merchant banker requirement. Large Value Funds for Accredited Investors (LVFs) are exempt from merchant banker submission; changes can be directly filed with SEBI, accompanied by a specific undertaking format (Annexure B) signed by CEO and Compliance Officer.

Read more at:- [Relaxation in requirement of intimation of changes in the terms of Private Placement Memorandum of Alternative Investment Funds through Merchant Banker](#)

## 04 SEBI AND CORPORATE LAWS

Topic Name:-Ease of doing business- Fund manager for Mutual fund schemes investing in commodities and overseas securities.

Dated on:- 30th April, 2024

Circular No.: SEBI/HO/IMD/IMD-PoD-2/P/CIR/2024/30

Brief Summary:- SEBI constituted various Working Groups to recommend measures to simplify and ease compliances under various SEBI Regulations. It has made modifications to the regulations regarding the **appointment of dedicated fund managers** for commodity-based fund such as Gold ETFs, Silver ETFs, other funds participating in commodities market and overseas investments in mutual funds. However, the fund manager appointed for such funds must have sufficient expertise and experience to handle such investments.

Read more at:- [SEBI | Ease of doing business- Fund manager for Mutual fund schemes investing in commodities and overseas securities.](#)

Topic Name:-SEBI Eases Mutual Fund Nomination Rules: What You Need to Know

Dated on:- 30th April, 2024

Circular No.: SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/29

Brief Summary:- This circular from SEBI talks about changes regarding the nomination process for mutual fund unit holders. Originally all individual unit holders, whether holding units solely or jointly, must nominate someone by June 30, 2024, or face freezing of their folios for debits. Following public consultation, SEBI decided to make the nomination process optional for jointly held mutual fund folios. All other provisions related to nomination remain unchanged as per previous circulars.

Read more at:- [SEBI | Nomination for Mutual Fund unitholders – exemption for jointly held folios](#)



## 05 CUSTOM DUTIES

Topic Name:-Authorized Officers under Section 25 read with Section 47 (5) of Food Safety Standards (FSS) Act, 006 and Regulation 13 (1) of FSS Import) Regulation, 2017 -reg

Dated on:-1<sup>ST</sup> April, 2024

Instruction No. 07/2024-Customs

Brief Summary:-It is stated that, FSSAI has reviewed the Points of entry notified for food imports taking into the account the trend/volume of food import, testing facilities, and logistics infrastructure etc. and notified Authorized Officers (FSSAI officials and Customs officials) from 01 .04.2024 at 155 specified Points of Entry for food import, as detailed in Annexure-I of FSSAI.

Read more at:- [Explore \(cbic.gov.in\)](https://cbic.gov.in)

Topic Name:-Export of kala namak rice

Dated on:-2<sup>nd</sup> April, 2024

Notification No:-22/2024-Customs

Brief Summary:-The Central Government, under the Customs Act, 1962, exempts Kala namak rice from customs duty when exported from India. This exemption applies to goods exported through specific customs stations, including Varanasi Air Cargo, JNCH, CH Kandla, LCS Nepalgunj Road, LCS Sonauli, or LCS Barhni. However, the total quantity of goods exported through these stations collectively must not exceed 1000 metric tonnes. Additionally, exporters must furnish a certificate from the Director of Agriculture Marketing & Foreign Trade in Lucknow, Uttar Pradesh, specifying the item and quantity of Kala namak rice to be exported to avail this exemption.

Read more at:- [Explore \(cbic.gov.in\)](https://cbic.gov.in)

## 05 CUSTOM DUTIES

Topic Name:- Extension period for 3months to ortho-phosphoric acid which is used for manufacturing of fertilizers

Dated on:-13<sup>th</sup> April, 2024

Notification S. No:-1709 (E)

Brief Summary:- Ortho-phosphoric acid when used as raw material in production of fertilizers, has been exempted from BIS Standard IS 798: 2020 for a period of 90 days from the date of publication of this notification, that is 13<sup>th</sup> April, 2024.

Read more at :- [Explore \(cbic.gov.in\)](https://cbic.gov.in)

Topic Name:-Seeks to amend Notification No. 30/2024-Customs dated18th Apr 2024

Dated on:- 18th April, 2024

Notification No:-30/2024-Customs

Brief Summary:- The CBIC, exercising powers under section 14 of the Customs Act, 1962, has determined new exchange rates for converting specified foreign currencies into Indian currency or vice versa. These rates, effective from April 19, 2024, are listed in Schedule I and Schedule II. This replaces the previous notification, except for actions taken before this change. These rates will be effective from April 19, 2024, for the purpose of imported and exported goods.

For rate of exchange, you can refer the below link.

Read more at:- [Explore \(cbic.gov.in\)](https://cbic.gov.in)

## 06 DGFT

**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).

**Date:-** 05<sup>th</sup> April, 2024

**Brief Summary:-** The central government has amended import policy conditions for yellow peas, allowing imports without Minimum Import Price (MIP) and port restrictions until June 30, 2024. However, yellow pea imports with bill of landing dates on or before June 30, 2024, must be registered under the online import monitoring system. This aims to regulate imports while offering pricing and port selection flexibility until the specified date.

Read more at:- [file:///C:/Users/admin/Downloads/Noti%2004%20E%20%20dated%2004.04.2024%20-%20Yellow%20Peas%20\(2\).pdf](file:///C:/Users/admin/Downloads/Noti%2004%20E%20%20dated%2004.04.2024%20-%20Yellow%20Peas%20(2).pdf)

**Topic Name:-** Implementation of melon seeds import monitoring system (MS-IMS)-reg

**Date:-** 09<sup>th</sup> April, 2024

**Brief summary:-** The Director General of Foreign Trade has introduced new procedures for registering imported melon seeds. This is done under the Melon Seeds Monitoring System (MS-IMS), as part of the Foreign Trade Policy. These procedures outline the steps importers need to take to register their melon seed imports. For more details, one should refer to Notification 05/23 issued on April 5, 2024.

Read more at:- <https://www.dgft.gov.in/CP/>

## 06 DGFT

Topic Name:- Export of Onions (under HS Code 07031019)

Date:- 15<sup>th</sup> April, 2024

Brief Summary:- The ministry of commerce of industry permits the export of 10,000 MT of Onions to Sri Lanka through National Cooperative Exports Limited (NCEL) ,and the export of additional 10,000 MT quantity of Onions to UAE through NCEL.

Read more at:- [file:///C:/Users/admin/Downloads/Notification%20No%2007-2023-English%20\(3\).pdf](file:///C:/Users/admin/Downloads/Notification%20No%2007-2023-English%20(3).pdf)

Topic Name:- Imposition of Port restrictions on supply of Prohibited/Restricted essential commodities to the Republic of Maldives during 2024-25.

Date:- 15<sup>th</sup> April, 2024

Brief Summary:- Exporting essential commodities to Maldives is now included in the bilateral trade agreement between India and Maldives. Designated customs stations for this purpose include Mundra Sea Port, Tuticorin Sea Port, Nhava Sheva Sea Port, and IDC Tughlakabad. This move aims to bolster economic ties and facilitate smoother trade operations between the two countries.

Read more at:- <https://content.dgft.gov.in/Website/dgftprod/07deda09-fcd2-470e-b4e3-8893925f60ae/Notification%20No%2006-2023-English.pdf>

## 07 FASB

**Topic Name:- FASB Announces Emerging Issues Task Force (EITF) Membership and Procedures Revision for Improved Financial Reporting**

**Dated on:- 3<sup>rd</sup> April, 2024**

**Brief Summary:-** FASB has announced the members of its newly reconstituted EITF. The EITF's mission is to help the FASB improve financial reporting by promptly identifying and developing proposed solutions for specific financial accounting issues within the FASB Accounting Standards.

As a result, the EITF's membership and procedures have been revised to achieve these goals while maintaining transparency in the group's process.

Read More at:- [FASB Announces Members of Reconstituted Emerging Issues Task Force](#)

**Topic Name:- FASB conduct meeting with Private Company Council (PCC)**

**Dated on:- 18<sup>th</sup> April, 2024**

**Brief Summary:-** PCC members discussed research priorities, including debt modifications, credit losses, lease accounting simplifications, and presentation of conditional retainage and overbillings.

Read More at:- [PCC Meeting Recap - April 18, 2024 \(fasb.org\)](#)

## 08 IFRS

Topic Name:- New IFRS accounting standard will aid investor analysis of companies' financial performance

Dated on:- 9<sup>th</sup> April, 2024

Brief Summary:- IFRS 18, represents a significant update to accounting standards, marking the most substantial change in over 20 years. It aims to enhance financial performance presentation by providing clearer guidelines for recognizing revenue from customer contracts. This improves transparency and comparability in financial statements, benefiting both companies and investors.

Read More at:- [IFRS - New IFRS Accounting Standard will aid investor analysis of companies' financial performance](#)

## 09 AUTHORITY UNDER MCA

### AUTHORITY/ CENTER UNDER MCA

Sr. No.	Authority/Centre	Functions
1	Central Registration Centre (CRC)	Incorporation-related matters.
2	Central Scrutiny Centre (CSC)	Scrutiny of Straight Through Process (STP) forms
3	(Central Processing Centre (CPC)	For processing of various e-forms.
4	Centralized Processing for Accelerated Companies Exit (C-PACE)	Closure/strike off of companies
5	Registrar of Companies (ROC)	inquiries, inspection and investigation for ensuring robust corporate governance. (After the establishment of CPC)

**Note:** *It is worth noting that the forms to be processed at the Regional Director level or the LLP forms(excluding incorporation and conversion forms) are still being processed at their respective jurisdictions where the companies or the LLPs are situated.*

# 10 CONTENT CONTRIBUTORS

- Goods & Service Tax
- Securities Exchange Board of India
- DGFT
- Financial Accounting Standards Board
- Income Tax
- Reserve Bank of India
- Custom Duties
- IRDAI



**IKRA SHAIKH**



**JANKI BRAHMBHATT**



**ZAVERIA BAIG**

## ➤ Strategic Guide



**HUZEIFA UNWALA**

## ➤ Overall Co-ordinator & Reviewer for this Activity



**ZENAB TOPIWALA**





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

**January:-** [https://drive.google.com/file/d/1tmECrXy0ybA30G-HMXKtWhEeY\\_Qgo0Hn/view](https://drive.google.com/file/d/1tmECrXy0ybA30G-HMXKtWhEeY_Qgo0Hn/view)

**February :-** <https://drive.google.com/file/d/1a0UB6Y9OeYeHD8cpjxh0te2o-9KXI5uz/view>

**MARCH :-** [https://drive.google.com/file/d/14-jGzsG\\_ffZcOhy\\_5lq4xxsN2V11Eg2j/view?usp=sharing](https://drive.google.com/file/d/14-jGzsG_ffZcOhy_5lq4xxsN2V11Eg2j/view?usp=sharing)

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## Global Presence

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