# R.C. JAIN AND ASSOCIATES LLP

## NEWSLETTER

## August 2023

*"Opportunities don't happen, you create them."*

# INDEX

- **Notification No. Notification No. 64/2023/F.No. 370142/27/2023-TPL**

**Rate of exchange for the purpose of deduction of tax at source on income payable in foreign currency:**

For the purpose of deduction of tax at source on any income payable in foreign currency, the rate of exchange for the calculation of the value in rupees of such income payable—

(i) to an assessee outside India;

(ii) to a Unit located in an International Financial Services Centre;

(iii) by a Unit located in an International Financial Services Centre to an assessee in India;
shall be the telegraphic transfer buying rate of such currency as on the date on which the tax is required to be deducted at source under the provisions of Chapter XVIIB by the person responsible for paying such income.

**Explanation:**

*(i)* "International Financial Services Centre" shall have the meaning assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005);

*(ii)* "telegraphic transfer buying rate", in relation to a foreign currency, means the rate or rates of exchange adopted by the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955), for buying such currency, having regard to the guidelines specified from time to time by the Reserve Bank of India for buying such currency, where such currency is made available to that bank through a telegraphic Transfer

- **Notification No. 65/2023/F. No. 370142/21/2023-TPL Part (1)]**

**The value of residential accommodation provided by the employer:**

The value of residential accommodation provided by the employer during the previous year shall be determined on the basis provided in the table I given below;

# TABLE-I

| Sl. No. | Circumstances | Where accommodation is unfurnished | Where accommodation is furnished |
|---|---|---|---|
| (1) | (2) | (3) | (4) |
| (1) | Where the accommodation is Provided by the Central Government or any State Government to the employees either holding office or post in connection with the affairs of the Union or of such State. | License fee determined by the Central Government or any State Government in respect of accommodation in accordance with the rules framed by such Government as reduced by the rent actually paid by the employee. | The value of perquisite as determined under column (3) and increased by 10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air-conditioning plant or equipment) or if such furniture is hired from a third party, same as reduced by any charges paid or payable for the same by the employee during the previous year. |
| (2) | Where the accommodation is provided by any other employer and— | | |
| | (a) where the accommodation is owned by the employer, or | (i) 10% of salary in cities having population exceeding 40 lakhs as per 2011 census; | The value of perquisite as determined under column (3) and increased by 10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air-conditioning plant or equipment or other similar appliances or gadgets) or if such furniture is hired from a third party, by the actual hire charges payable for the same as reduced by any charges paid or payable for the same by the employee during the previous year. |
| | | (ii) 7.5% of salary in cities having population exceeding 15 lakhs but not exceeding 40 lakhs as per 2011 census; | |
| | | (iii) 5% of salary in other areas, in respect of the per10D during which the said accommodation was occupied by the employee during the previous year as reduced by the rent, if any, actually paid by the employee. | |
| | (b) Where the accommodation is taken on lease or rent by the employer. | Actual amount of lease rental paid or payable by the employer or 10% of salary, whichever is lower, as reduced by the rent, if any, actually paid by the employee. | The value of perquisite as determined under column (3) and increased by 10% per annum of the cost of furniture (including television sets, radio other household appliances) or if such furniture is hired from a third party, by the actual hire charges payable for the same as reduced by |

| | | | |
|---|---|---|---|
| | | | any charges paid or payable for the same by the employee during the previous year |
| (3) | Where the accommodation is provided by the employer specified in serial number (1) or (2) in a hotel (except where the employee is provided such accommodation for a per10D not exceeding in aggregate fifteen days on his transfer from one place to another). | Not applicable | 24% of salary paid or payable for the previous year or the actual charges paid or payable to such hotel, which is lower, for the per10D during which such accommodation is provided as reduced by the rent, if any, actually paid or payable by the employee: |

**Provided** that nothing contained in this sub-rule shall apply to any accommodation temporarily provided to an employee working at a mining site or an on-shore oil exploration site or a project execution site, or a dam site or a power generation site or an off-shore site—

(i) which, having plinth area **not exceeding 1000 square feet**, is located not less than eight kilometres away from the local limits of any municipality or a cantonment board; or

(ii) which is located in a **remote area**:

**Provided further** that where on account of his transfer from one place to another, the employee is provided with accommodation at the new place of posting while retaining the accommodation at the other place, the value of perquisite shall be determined with reference to only one such accommodation which has the lower value with reference to the Table above for a per 10D **not exceeding ninety days** and thereafter the value of perquisite shall be charged for both such accommodations in accordance with the Table:

**Provided** also that where the accommodation is owned by the employer and the same accommodation is continued to be provided to the same employee for more than one previous year, the amount calculated in accordance with SL. No.2(a) or 2(b) shall not exceed the amount so calculated for the first previous year, as multiplied by the amount which is a ratio of the **Cost Inflation Index for the previous year** for which the amount is calculated and the Cost Inflation Index for the previous year in which the accommodation was initially provided to the employee.

- **Circular No. 15 of 2023/F. NO.370142/28/2023-TPL**

**<u>Guidelines under clause (10D) of section 10 of be Income-tax Act. 1961</u>**

Clause (10D) of section 10 of the Income-tax Act, 1961 (the Act) provides for income-tax exemption on any sum received under a life insurance policy, including the sum allocated by way of bonus on such policy subject to certain exclusions.

The Finance Act, 2023 (Finance Act), inter-alia,-

l. **Amended clause (10D) of section 10 of the Act by substituting the existing sixth proviso with the new sixth, seventh and eighth provisos to, inter-alia, provide that**:

(i) with effect from assessment year 2024-25, the sum received under a life insurance policy, other than a unit linked insurance policy, issued on or after the 1st day of April, 2023, shall not

be exempt under the said clause if the amount of premium payable for any of the previous years during the term of such policy exceeds Rs 5,00,000 [sixth proviso];

(ii) if premium is payable for more than one life insurance policy, other than a unit linked insurance policy, issued on or after 01.04.2023, the exemption under the said clause shall be available only with respect to such policies where the aggregate premium does not exceed Rs 5,00,000 for any of the previous years during the term of any of those policies [seventh proviso];

(iii) the sixth and seventh provisos shall not apply in case of any sum received on the death of a person [eighth proviso]

II. **Inserted a new clause (xiii) in sub-section (2) of section 56 to provide that where any sum is received, including the amount allocated by way of bonus, at any time during a previous year, under a life insurance policy, other than the sum,-**

**a**. received under a unit linked insurance policy, or

**b**. being the income referred to in clause (iv) of sub-section 2,

which is not to be excluded from the total income of the previous year in accordance with the provisions of clause (10D) of section 10, the sum so received as exceeds the aggregate of the premium paid, during the term of such life insurance policy, and not claimed as deduction in any other provision of the Act, computed in the manner as may be prescribed shall be chargeable to income-tax under the head "Income from other sources";

It may be noted that Finance Act, 2021 had earlier inserted, fourth to seventh provisos in clause (10D) of section 10 to provide that the sum received under any unit linked insurance policy [ULIP] (except any such sum received on the death of a person), issued on or after the 01.02.2021 shall not be exempt under said clause, if the amount of premium payable for any of the previous years during the term of such policy exceeds Rs 2,50,000 (fourth proviso). It was also provided that if the premium is payable for more than one ULIPs, issued on or after the 01.02.2021, the exemption under the said clause shall be available only with respect to such policies where the aggregate premium does not exceed Rs 2,50,000 for any of the previous years during the term of any of the policies (fifth proviso).

**Guidelines**

In these guidelines:-

(i) "eligible life insurance policy" means any life insurance policy (other than unit linked insurance policy) issued on or after 01.04.2023;

**The above guidelines are explained with the help of the following examples:**

**Example 1:**

The assessee has the following policy which satisfies all the conditions laid down in clause (10D) of section 10 of the Act (other than the conditions provided under the sixth and seventh proviso of the said clause, applicability whereof is being explained in the example)

| Life Insurance Policy | A |
|---|---|
| Date of issue | 01.04.2013 |
| Annual premium (Rs) | 6,00,000 |
| Sum assured (Rs) | 60,00,00 |
| Consideration received as on 01.11.2023 on maturity | 70,00,000 |

**Taxability as per sixth proviso to clause (10D) of section 10 of the Act**:

The sum received on maturity will be exempt under clause (10D) of section 10 of the Act as the policy has been issued before 01.04.2023 and accordingly not covered by the 6th to 8th provisos to the said clause (10) of section 10 of the Act, as substituted by Finance Act, 2023

**Example 2:**

The assessee has the following policy which satisfies all the conditions laid down in clause (10D) of section 10 of the Act. The assesse did not receive any consideration under any other eligible life insurance policy in earlier previous years preceding the previous year 2033-34

| Life Insurance Policy | A |
|---|---|
| Date of issue | 01.04.2023 |
| Annual premium (Rs) | 6,00,000 |
| Sum assured (Rs) | 60,00,000 |
| Consideration received as on 01.11.33 maturity | 70,00,000 |

**Taxability as per sixth proviso to clause (10D) of section 10 of the Act**:

The consideration received will not be exempt under clause (10D) of section 10 of the Act as per the provisions of sixth proviso since the annual premium payable on the policy exceeded Rs 5,00,000.

**Example 3:**

The assessee has the following policies all of which satisfy all the conditions laid down in clause (10D) of section 10 of the Act (other than the conditions provided under the sixth and seventh proviso of the said clause, applicability whereof is being explained in the example). The assessee did not receive any consideration under any other eligible life insurance policy in earlier previous years preceding the previous year 2033-34.

| Life Insurance Policy | A | B |
|---|---|---|
| Date of issue | 01.04.2023 | 01.04.2023 |
| Annual premium (Rs) | 4,50,000 | 5,50,000 |
| Sum assured (Rs) | 45,00,000 | 55,00,000 |
| Consideration received as on 01.11.2033 on maturity | 52,00,000 | 60,00,000 |

**Taxability as per seventh proviso to clause (10D) of section 10 of the Act:**

The consideration received under life insurance policy "B" will not be exempt under clause (10D) of section 10 of the Act as per the provisions of seventh proviso, since aggregate of the annual premium payable for life insurance policy "A" and life insurance policy " B " exceeds Rs 5,00,000 during the term of these policies. However, the consideration received under life insurance policy "A" shall be exempt under clause (10D) of section 10 of the Act since its annual premium does not exceed Rs 5,00,000 in any of the previous years during the term of the policy.

**Example 4:**

The assessee has the following policies all of which satisfy all the conditions laid down in clause (10D) of section 10 of the Act (other than the conditions provided under the sixth and seventh proviso of the said clause, applicability whereof is being explained in the example). The assessee did not receive any consideration under any other eligible life insurance policy in earlier previous years preceding the previous year 2033-34.

| Life Insurance Policy | X | A | B | C |
|---|---|---|---|---|
| Date of issue | 01.04.2022 | 01.04.2023 | 01.04.2023 | 01.04.2023 |
| Annual premium (Rs) | 5,00,000 | 1,00,000 | 3,50,000 | 6,00,000 |
| Sum assured (Rs) | 50,00,000 | 10,00,000 | 35,00,000 | 60,00,000 |
| Consideration received as on 01.11.2032 on maturity | 60,00,000 | | | |
| Consideration received as on 01.11.2033 on maturity | | 12,00,000 | 40,00,000 | 70,00,000 |

**Taxability as per seventh proviso to clause (10D) of section 10 of the Act:**

• The consideration under life insurance policy "X" will be exempt under clause (10D) of section 10 of the Act as the policy has been issued before 01.04.2023 and it is not covered by recently introduced provisions.

• The consideration received under life insurance policy "C" will not be exempt under clause (10D) of section 10 of the Act as per the provisions of seventh proviso since aggregate of the annual premium payable for life insurance policy "A", life insurance policy "B ' and life insurance policy "C" exceeds Rs 5,00,000 during the term of these policies.

• However, the consideration received under life insurance policy "A" and "B" shall be exempt under clause (10D) of section 10 of the Act, since aggregate of annual premium payable for these two policies does not exceed Rs 5,00,000 for any previous year during the term of these two policies.

**Example 5:**

The assessee has the following life insurance policies and unit linked insurance policies (ULIPs) all of which satisfy all the conditions laid down in clause (10D) of section 10 of the Act (other than the conditions provided under the fourth, fifth, sixth and seventh provisos of the said clause, applicability whereof is being explained in the example). The assessee did not receive any consideration under any other eligible life insurance policies or unit liked insurance policies in earlier previous years preceding the previous year 2033-34 other than under unit liked insurance policy "X" and under life insurance policy "A".

| **Life Insurance Policy** | | | **A** | **B** | **C** |
|---|---|---|---|---|---|
| Unit Linked Insurance Policy | **X** | **Y** | | | |
| Date of issue | 01.04.2021 | 01.04.2023 | 01.04.2023 | 01.04.2023 | 01.04.2024 |
| Annual premium (Rs) | 1,00,000 | 1,00,000 | 1,00,000 | 1,50,000 | 3,00,000 |
| Sum assured | 10,00,000 | 10,00,000 | 10,00,000 | 15,00,000 | 30,00,000 |
| Consideration received on surrender as on 01.07.2033 | 6,00,000 | | 6,00,000 | | |
| Consideration received on | | 12,00,000 | | 18,00,000 | 34,00,000 |

| | | | | | |
|---|---|---|---|---|---|
| maturity as on 01.1 1.2034 | | | | | |

**Taxability as per fifth and seventh proviso to clause (10D) of section 10 of the Act**:

• As per the fifth proviso, the surrender value of unit linked insurance policy "X" and consideration received under unit linked insurance policy "Y" on maturity will be exempt under clause (10D) of section 10 of the Act since the annual premium does not exceed Rs 2,50,000 during the term of these policies.

• Further, the consideration received under the life insurance policy "A" during the previous year 2033-34 shall be exempt under clause (10D) of section 10 of the Act and will become old eligible life insurance policy for which exemption has been claimed. Then, for the previous year 2034-35, the consideration for life insurance policy "C" only shall be exempt under clause (10D) of section 10 of the Act as the sum of premium of life insurance policies "A" and "C" does not exceed Rs 5,00,000 in any of the previous years during the term of these policies. The consideration for life insurance policy "B " is not exempt since sum of premium of life insurance policies "A", "B" and "C" exceeds Rs 5,00,000 during the term of these policies. Life insurance policy "C" is preferred over life insurance policy "B" being more beneficial to the assessee. However, if the consideration from life insurance policy "A" was not claimed as exempt in previous year 2033-34, then the consideration from both the life insurance policies "B" and "C" shall be exempt under clause (10D) of section 10 of the Act

**Clarification on GST Component**

In addition to the above, it is also clarified that the premium payable/ aggregate premium payable for a life insurance policy/ policies, other than a unit linked insurance policy, issued on or after the 1st day of April, 2023, for any previous year, shall be exclusive of the amount of the Goods and Service Tax payable on such premium. This can be explained by the following example:

| **Life Insurance Policy** | **A** |
|---|---|
| Date of issue | 01.04.2023 |
| Annual premium (Rs) | 5,00,000 |
| GST (@4.5% of premium) | 22,500 |
| Total Premium Payable | 5,22,500 |
| Sum assured (Rs) | 60,00,000 |
| Consideration received as on 01.11.2033 on maturity | 70,00,000 |

**Clarity on premium of Term life insurance policy**

It is further clarified that the provision of the sixth and seventh proviso of clause (10D) of section 10 shall not be applicable in case of a term life insurance policy i.e. where sum under a life insurance policy is only paid to the nominee in case of the death of the person insured during the term of the policy and no amount is paid to anyone if the insured person survives the policy tenure.

Hence, any sum received under a term insurance policy shall continue to be exempt under clause (10D) of section 10 of the Act, irrespective of the amount of the premium payable in respect of such policy. Further the premium paid for such policies shall not be counted for checking Rs 5,00,000 limit for the purposes of sixth and seventh proviso.

**~ Compiled By Mihir Gohil**

**CASE LAW**

**A.**

**HIGH COURT OF DELHI**

**Principal Commissioner of Income-tax-1**

***v.***

**Eltek SGS (P.) Ltd.**

YASHWANT VARMA AND DHARMESH SHARMA, JJ.
IT APPEAL 475 AND 476 OF 2022
AUGUST 1, 2023

**Issue Involved:**

Where assessee claimed depreciation on goodwill that was created as a result of amalgamation, since section 47 in express terms excludes transfer of capital assets in terms of scheme of amalgamation, cost of acquisition of goodwill could not be considered nil as per section 55(2) and provisions of section 49(1)(e) would not apply in instant case, and thus, goodwill would be an intangible asset on which depreciation was to be allowed in terms of section 32.

**Gist of the Case:**

In the stated Case Law, Assessing Officer added certain sum in hands of assessee on account of disallowance of depreciation on goodwill that was created as a result of amalgamation on ground that no amount was actually paid on account of goodwill - Commissioner (Appeals) held that goodwill had come to be created by virtue of merger in terms of scheme approved by Court and thus, depreciation on goodwill to extent was correctly claimed by assessee – The Assessing Officer, however, contended that provisions of section 49(1)(e) would apply and cost of acquisition of goodwill was to be considered nil as per section 55(2) - Whether section 47 in express terms excludes transfer of capital assets in terms of scheme of amalgamation and scheme of amalgamation is sanctioned is accomplished by operations of law as opposed to an act of parties, goodwill in instant case would be an intangible asset on which depreciation was to be allowed in terms of section 32.

**Held:**

1. On facts, it is not disputed that the respondent had amalgamated with M/s Valere Power India Limited in terms of a Scheme of Amalgamation which came to be sanctioned by this Court on 05 February 2014.
2. The Assessment Officer had added a sum of Rs. 6,17,30,352/- on account of disallowance of depreciation on goodwill that was created as a result of amalgamation. Aggrieved by the aforesaid, the respondent had preferred an appeal

before the CIT (Appeals). The CIT (Appeals) found that since goodwill had come to be created by virtue of the merger in terms of the Scheme approved by the Court, depreciation on goodwill to the extent of Rs. 6,17,30,352/- was correctly claimed by the assessee. It was this decision of the CIT (Appeals) which was assailed by the appellants.

3. The ITAT while dealing with the aforesaid challenge has held as follows: -
    a. "As per the scheme of amalgamation, where value of liabilities and amount of equity capital allotted/payment to the equity shareholders exceeds the value of assets of the transferor company taken over, such excess shall debited to the goodwill account." Accordingly, the assessee claimed depreciation on goodwill which claim was denied by the AO.
4. Assessee assailed the addition before the CIT(A) and reiterated its claim of depreciation, strongly contended that the goodwill has enumerated from the decision of the Hon'ble High Court and not out of accounting principles. It was brought to the notice of the CIT(A) that goodwill being an intangible assets is eligible for depreciation u/s. 32 of the Act."
    a. As per *Explanation 3* to Section 32(1) of the Act:

    Goodwill would fall under the expression "any other business or commercial right of a similar nature".
5. It was in the aforesaid backdrop that it ultimately upheld the depreciation claimed in terms of Section 32.
6. Accordingly and for all the aforesaid reasons, we find no merit in the instant appeals. They shall consequently stand dismissed.

**B.**

**Guwahati bench of the Income Tax Appellate Tribunal**

**Assistant Commissioner of Income-tax,**

**V**

**Shillong V Dhar Construction Company**

**Issues Involved:**

No TDS on salary/commission paid to the partners.

**Gist of the Case:**

The assessee is a partnership firm, engaged in construction business. The Ld. Commissioner of Income Tax (Appeals) erred in deducting that the assessee rightfully claimed commission of Rs. 1.15 Cr. which is undisputedly with the permissible limit u/s. 40(b) (v) of the Income Tax Act, 1961. That the Ld. Commissioner of Income-tax (Appeals) while noting that the profit sharing ratio of the three partners being 38:1:1 allowed commission to the 1st partner @ 89.09% which was way excess by 51.08% as noted by the Assessing Officer

**Held:**

Held by the Guwahati bench of the Income Tax Appellate Tribunal in the case of Assistant Commissioner of Income-tax, Cir. – Shillong V Dhar Construction Company, No TDS on salary/commission paid to the partners. The Hon'ble bench held that the contention of the Assessing Officer that Tax is to be deducted u/s 194H on the commission paid by the Partnership firm to the partner is not tenable as per the law. The bench further stated that ''any commission, salary, bonus etc. will be collectively termed as ''Remuneration'' as per Section 40b(i) for the purpose of calculating the limits of allowances u/s 40(b)(v) of the Act. Since, commission paid to the partners is termed as ''remuneration'' & allowed as business expenditure in the hands of firm within the prescribed limits u/s 40(b)(v) read with Section 28(v) hence, no TDS u/s 194H is applicable. Moving forward TDS u/s 192 is also not applicable on the salary paid by the firm to its partners due to specific exclusion in the definition of salary as per Explanation 2 to Section 15 of the Income Tax Act, 1961.

**~ Compiled by Komal Lund**

- **Notification No. 36/2023 – Central Tax**

***Special Procedure to be applied by Ecommerce Operators For Composition Taxpayers***

Ecommerce Operators, who are required to collect TCS u/s 52, are now required to follow the following special procedure in respect of supply of goods made through it by Composition Taxpayers-

(i) The electronic commerce operator shall not allow any inter-State supply of goods through it by the said person;

(ii) The electronic commerce operator shall collect tax at source under sub-section (1) of section 52 of the said Act in respect of supply of goods made through it by the said person and pay to the Government as per provisions of sub-section (3) of section 52 of the said Act;

(iii) The electronic commerce operator shall furnish the details of supplies of goods made through it by the said person in the statement in FORM GSTR-8 electronically on the common portal.

This notification shall come into force with effect from the 1st October, 2023.

- **Notification No. 37/2023 – Central Tax**

***Special Procedure to be applied by Ecommerce Operators For Unregistered Persons***

Ecommerce Operators, who are required to collect TCS u/s 52, are now required to follow the following special procedure in respect of supply of goods made through it by Unregistered Persons -

(i) The electronic commerce operator shall allow the supply of goods through it by the said person only if enrolment number has been allotted on the common portal to the said person;

(ii) The electronic commerce operator shall not allow any inter-State supply of goods through it by the said person;

(iii) The electronic commerce operator shall not collect tax at source under sub-section (1) of section 52 in respect of supply of goods made through it by the said person; and

(iv) The electronic commerce operator shall furnish the details of supplies of goods made through it by the said person in the statement in FORM GSTR-8 electronically on the common portal.

2. Where multiple electronic commerce operators are involved in a single supply of goods through electronic commerce operator platform,

"the electronic commerce operator" shall mean the electronic commerce operator who finally releases the payment to the said person for the said supply made by the said person through him.

3. This notification shall come into force with effect from the 1st day of October, 2023

- **Notification No. 38/2023 – Central Tax**

***Introduction of "CGST (2nd Amendment) Rules, 2023"***

**1. Short title and commencement**

The Central Government has introduced the "Central Goods and Service Tax (Second Amendment) Rules, 2023 via this notification. It shall come into force on the date of their publication in the Official Gazette.

**2. Physical Verification For Granting Registration**

With respect to granting registration after physical verification, the rules now allow the Proper Officer to carry out the physical verification of place of business of the person even in the absence of the said person.

**3. Furnishing of Bank A/c Details**:-

| Earlier | Now |
|---|---|
| Not later than 45 days from earlier of:-<br>a) Date of grant of registration<br>b) Due date of GSTR 1/IFF | Not later than 30 days from earlier of:-<br>a) Date of grant of registration<br>b) Due date of GSTR 1/IFF |

**4. Suspension of Registration**

The Central Government has the power to suspend the registration of a person or issue a SCN in this regard allowing a reply period of 30 days for contravention of rule 10A (Furnishing of Bank A/c Details, Refer Point 3) in addition to any anomalies observed in a registered person's GSTR 1 or GSTR 2B.

**5. Application for Revocation of cancellation of registration**

| Particulars | Earlier | Now |
|---|---|---|
| Application for revocation of cancellation or registration | 30 days | 90 days |
| Additional time period by | 30 days | - |

| | | |
|---|---|---|
| approaching AC/JC | | |
| Additional time period by approaching Commissioner | 30 days | 180 days |

**6. Physical verification of business premises in certain cases (Rule 25)**

Where the physical verification of the place of business of a person is required (either for not opting for/failure of Aadhar Authentication or for any other reason) before the grant of registration for verifying the registration application, the proper officer shall get such verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal at least **five** working days prior to the completion of the time period specified in the said proviso.

**7. Details required to be mentioned on a Tax invoice by an Electronic Commerce Operator or Supplier of Online information and database access or retrieval services**

The tax invoice issued by such parties will be deemed valid even though it does not contain name and address of the unregistered recipient and his PIN code. However, the name of the state of the recipient needs to be mentioned.

**8. Insertion of Rule 88D**

A new Rule 88D has been inserted which deals with ITC claimed in excess of GSTR 2B in GSTR 3B. The rule inserted is as given below-

**88D. Manner of dealing with difference in input tax credit available in auto-generated statement containing the details of input tax credit and that availed in return.-**

(1) Where the amount of input tax credit availed by a registered person in the return for a tax period or periods furnished by him in FORM GSTR-3B exceeds the input tax credit available to such person in accordance with the auto-generated statement containing the details of input tax credit in FORM GSTR-2B in respect of the said tax period or periods, as the case may be, by such amount and such percentage, as may be recommended by the Council, the said registered person shall be intimated of such difference in Part A of FORM GST DRC-01C, electronically on the common portal, and a copy of such intimation shall also be sent to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said difference and directing him to—

(a) pay an amount equal to the excess input tax credit availed in the said FORM GSTR-3B, along with interest payable under section 50, through FORM GST DRC-03, or

(b) explain the reasons for the aforesaid difference in input tax credit on the common portal, within a period of seven days.

(2) The registered person referred to sub-rule (1) shall, upon receipt of the

intimation referred to in the said sub-rule, either,

(a) pay an amount equal to the excess input tax credit, as specified in Part A of FORM GST DRC-01C, fully or partially, along with interest payable under section 50, through FORM GST DRC-03 and furnish the details thereof in Part B of FORM GST DRC-01C, electronically on the common portal, or

(b) furnish a reply, electronically on the common portal, incorporating reasons in respect of the amount of excess input tax credit that has still remained to be paid, if any, in Part B of FORM GST DRC-01C, within the period specified in the said sub-rule.

(3) Where any amount specified in the intimation referred to in sub-rule (1) remains to be paid within the period specified in the said sub-rule and where no explanation or reason is furnished by the registered person in default or where the explanation or reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be liable to be demanded in accordance with the provisions of section 73 or section 74, as the case may be.

*Interpretation-*

Taxpayers will now be intimated in Part A of FORM GST DRC-01C for claiming excess ITC in GSTR 3B than in GSTR 2B by such amount and such percentage, as may be recommended by the Council. The Part A of the said form shall contain:

i) a direction to the taxpayers to pay the excess ITC claimed along with interest u/s 50 through FORM GST DRC-03 or,

ii) explain the reasons for the aforesaid difference in ITC within 7 days

The said taxpayer will be required to pay the excess ITC as directed in Part A of FORM GST DRC-01C along with interest u/s 50 through FORM GST DRC-03 and furnish the details thereof in Part B of FORM GST DRC-01C. Where he fails to make such payment or reply or his reply is not acceptable to the proper officer, the said amount shall be demanded as per Section 73 or 74.

**9. Insertion of Rule 59(6)(e) and 59(6)(f)**

The rule disallows the filing of GSTR 1 for not replying to FORM GST DRC-01C or non-payment of intimated amount or not furnishing the details of the bank account as per the provisions of rule 10A. The rules inserted are as given below-

(e) a registered person, to whom an intimation has been issued on the common portal under the provisions of sub-rule (1) of rule 88D in respect of a tax period or periods, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility for a subsequent tax period, unless he has either paid the amount equal to the excess input tax credit as specified in the said intimation or has furnished a reply explaining the reasons in respect of the amount of excess input tax credit that still remains to be paid, as required under the provisions of sub-rule (2) of rule 88D;

(f) a registered person shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility, if he has not furnished the details of the bank account as

per the provisions of rule 10A.

**10. Applicability for filing GSTR 5A**

Now, a non-taxable online recipient as well as a registered person shall be required to file GSTR 5A.

**11. Refund Application**

a) Casual Taxable Person/Non-Resident taxable person may apply for refund for amount lying in e-cash ledger after adjusting any tax payable **only after** the last return required to be furnished by him has been so furnished. Earlier, CTP/NRTP were allowed to claim refund in their last return.
b) Taxpayers now can also claim refund of interest amounts lying in the e-cash ledger (after satisfying all the liabilities and demands) as opposed to tax amounts only.

**12. Rule 94- Order sanctioning interest on delayed refunds**

The above mentioned rule has been renumbered as "Rule 94(1)". Further Rule 94 sub-rule (2) has been inserted which restricts the interest due to delay on account of furnishing a reply/submit additional documents in response to receipt of notice in FORM GST RFD-08 and for furnishing/validating correct bank A/c details. The newly inserted Rule 94(2) goes as below:-

"(2) The following periods shall not be included in the period of delay under sub-rule (1), namely:-

(a) any period of time beyond fifteen days of receipt of notice in FORM GST RFD-08 under sub-rule (3) of rule 92, that the applicant takes to-

(i) furnish a reply in FORM GST RFD-09, or

(ii) submit additional documents or reply; and

(b) any period of time taken either by the applicant for furnishing the correct details of the bank account to which the refund is to be credited or for validating the details of the bank account so furnished, where the amount of refund sanctioned could not be credited to the bank account furnished by the applicant."

**13. Filing of GSTR 1 for claiming refund of IGST on account of exports**

Earlier it was permitted to file GSTR 1 containing export invoices details after filing GSTR 3B, where the due date of such GSTR 1 was extended by the Gov., in order to be eligible for claiming refund on such export invoices. But now filing GSTR 1 prior to filing of GSTR 3B has been made mandatory.

**14. Rule 108- Appeal to the Appellate Authority**

The new rules allow any taxpayer to file an appeal (in FORM GST APL-01) u/s 107(1) to the Appellate Authority only electronically. For filing a manual application, the following proviso has been newly inserted-

"Provided that an appeal to the Appellate Authority may be filed manually in FORM GST APL-01, along with the relevant documents, only if-

(i) the Commissioner has so notified, or

(ii) the same cannot be filed electronically due to non-availability of the decision or order to be appealed against on the common portal, and in such case, a provisional acknowledgement shall be issued to the appellant immediately."

**15. Rule 109- Application to the Appellate Authority**

The new rules allow any taxpayer to file an appeal (in FORM GST APL-03) u/s 107(2) to the Appellate Authority only electronically. For filing a manual application, the following proviso has been newly inserted-

"Provided that an appeal to the Appellate Authority may be filed manually in FORM GST APL-03, along with the relevant documents, only if-

(i) the Commissioner has so notified, or

(ii) the same cannot be filed electronically due to non-availability of the decision or order to be appealed against on the common portal, and in such case, a provisional acknowledgement shall be issued to the appellant immediately."

**16. Insertion of a new "Rule 138F"**

Rule 138F has been newly inserted which requires generation of e-way bills for transportation of following items:-

a) Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)

b) Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71) (except Imitation Jewellery)

E-way bill generation is mandatory in respect of above items where the value of such goods exceed Rs. 2 lakhs. The exceptions to this rule has been mentioned in the sub-rule (5) of the said rule. The newly inserted Rule 138F goes as below:-

"**138F. Information to be furnished in case of intra-State movement of gold, precious stones, etc. and generation of e-way bills thereof**.-

(1) Where-

(a) a Commissioner of State tax or Union territory tax mandates furnishing of information regarding intra-State movement of goods specified against serial numbers 4 and 5 in the Annexure appended to sub-rule (14) of rule 138, in accordance with sub-rule (1) of rule 138F of the State or Union territory Goods and Services Tax Rules, and

(b) the consignment value of such goods exceeds such amount, not below rupees two lakhs, as may be notified by the Commissioner of State tax or Union territory tax, in consultation with the jurisdictional Principal Chief Commissioner or Chief

Commissioner of Central Tax, or any Commissioner of Central Tax authorised by him, notwithstanding anything contained in Rule 138, every registered person who causes intra-State movement of such goods, -

(i) in relation to a supply; or

(ii) for reasons other than supply; or

(iii) due to inward supply from an un-registered person, shall, before the commencement of such movement within that State or Union territory, furnish information relating to such goods electronically, as specified in Part A of FORM GST EWB-01, against which a unique number shall be generated: Provided that where the goods to be transported are supplied through an e-commerce operator or a courier agency, the information in Part A of FORM GST EWB-01 may be furnished by such e-commerce operator or courier agency.

(2) The information as specified in PART B of FORM GST EWB-01 shall not be required to be furnished in respect of movement of goods referred to in the sub-rule (1) and after furnishing information in Part-A of FORM GST EWB-01 as specified in sub-rule (1), the e-way bill shall be generated in FORM GST EWB-01, electronically on the common portal.

(3) The information furnished in Part A of FORM GST EWB-01 shall be made available to the registered supplier on the common portal who may utilize the same for furnishing the details in FORM GSTR-1.

(4) Where an e-way bill has been generated under this rule, but goods are either not transported or are not transported as per the details furnished in the e-waybill, the e-way bill may be cancelled, electronically on the common portal, within twenty-four hours of generation of the e-way bill: Provided that an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B.

(5) Notwithstanding anything contained in this rule, no e-way bill is required to be generated- (a) where the goods are being transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs; (b) where the goods are being transported- (i) under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or (ii) under customs supervision or under customs seal.

(6) The provisions of sub-rule (10), sub-rule (11) and sub-rule (12) of rule 138, rule

138A, rule 138B, rule 138C, rule 138D and rule 138E shall, mutatis mutandis, apply to an e-way bill generated under this rule.

Explanation.- For the purposes of this rule, the consignment value of goods shall be the value, determined in accordance with the provisions of section 15, declared in an invoice, a bill of supply or a delivery challan, as the case may be, issued in respect of the said consignment and also includes the central tax, State tax or Union territory tax charged in the document and shall exclude the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.".

**17. Insertion of new "Rule 142B"**

Rule 142B has been newly inserted which deals with intimation of amounts liable u/s 79. The new rule goes as below-

**142B. Intimation of certain amounts liable to be recovered under section 79 of the Act.-**

(1) Where, in accordance with section 75 read with rule 88C, or otherwise, any amount of tax or interest has become recoverable under section 79 and the same has remained unpaid, the proper officer shall intimate, electronically on the common portal, the details of the said amount in FORM GST DRC-01D, directing the person in default to pay the said amount, along with applicable interest, or, as the case may the amount of interest, within seven days of the date of the said intimation and the said amount shall be posted in Part-II of Electronic Liability Register in FORM GST PMT-01.

(2) The intimation referred to in sub-rule (1) shall be treated as the notice for recovery.

(3) Where any amount of tax or interest specified in the intimation referred to in sub-rule (1) remains unpaid on the expiry of the period specified in the said intimation, the proper officer shall proceed to recover the amount that remains unpaid in accordance with the provisions of rule 143 or rule 144 or rule 145 or rule 146 or rule 147 or rule 155 or rule 156 or rule 157 or rule 160."

**18. Insertion of new Rule 162(3A)**

Rule 162(3A) has been newly inserted which specifies the compounding amounts under various situations. This sub-rule is inserted as below-

| **S.No** | **Offence** | **Compounding amount if offence is punishable under clause (i) of sub-section (1) of section 132** | **Compounding amount if offence is punishable under clause (ii) of sub-section (1) of section 132** |
|---|---|---|---|
| **(1)** | **(2)** | **(3)** | **(4)** |
| 1 | Offence specified in clause (a) of sub-section (1) of section 132 of the | Up to seventy-five per cent of the amount of tax evaded | Up to sixty per cent of the amount of tax evaded or the |

| | | | |
|---|---|---|---|
| | Act | or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken, subject to minimum of fifty per cent of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken. | amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken, subject to minimum of forty per cent of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken. |
| 2 | Offence specified in clause (c) of sub-section (1) of section 132 of the Act | | |
| 3 | Offence specified in clause (d) of sub-section (1) of section 132 of the Act | | |
| 4 | Offence specified in clause (e) of sub-section (1) of section 132 of the Act | | |
| 5 | Offence specified in clause (f) of sub-section (1) of section 132 of the Act | Amount equivalent to twenty-five per cent of tax evaded | Amount equivalent to twenty-five per cent of tax evaded. |
| 6 | Offence specified in clause (h) of sub-section (1) of section 132 of the Act | | |
| 7 | Offence specified in clause (i) of sub-section (1) of section 132 of the Act | | |
| 8 | Attempt to commit the offences or abets the commission of offences mentioned in clause (a), (c) to (f) and clauses (h) and (i) of sub-section (1) of section 132 of the Act | Amount equivalent to twenty-five per cent of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken. | Amount equivalent to twenty-five per cent of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken. |

**Provided** that where the offence committed by the person falls under more than one category specified in the Table above, the compounding amount, in such case, shall be the amount determined for the offence for which higher compounding amount has been prescribed.".

This rule shall come into force with effect from the 1st day of October, 2023

**19. Rule 163- Sharing of Information in GSTR 1, GSTR 3B and GST REG 01 based on consent of taxpayers and his recipient with the GST Portal**

"Rule 163" has been newly inserted as follows:-

"**163. Consent based sharing of information.-**

(1) Where a registered person opts to share the information furnished in—

(a) FORM GST REG-01 as amended from time to time;

(b) return in FORM GSTR-3B for certain tax periods;

(c) FORM GSTR-1 for certain tax periods, pertaining to invoices, debit notes and credit notes issued by him, as amended from time to time, with a system referred to in sub-section (1) of section 158A (hereinafter referred to as "requesting system"), the requesting system shall obtain the consent of the said registered person for sharing of such information and shall communicate the consent along with the details of the tax periods, where applicable, to the common portal.

(2) The registered person shall give his consent for sharing of information under clause (c) of sub-rule (1) only after he has obtained the consent of all the recipients, to whom he has issued the invoice, credit notes and debit notes during the said tax periods, for sharing such information with the requesting system and where he provides his consent, the consent of such recipients shall be deemed to have been obtained.

(3) The common portal shall communicate the information referred to in sub-rule (1) with the requesting system on receipt from the said system-

(a) the consent of the said registered person, and

(b) the details of the tax periods or the recipients, as the case may be, in respect of which the information is required."

**20. FORM GSTR 3A**

The new rules have updated FORM GSTR 3A to include notice to non-filers of annual return. In FORM GSTR-3A, the following shall be inserted at the end, namely:-

**Or**

**Notice to return defaulter u/s 46 for not filing annual return**

Financial year- Type of Return –GSTR-9/GSTR-9A

Being a registered taxpayer, you are required to furnish annual return for the supplies made or received and/or to include self-certified reconciliation statement for the aforesaid financial year by due date. The due date specified for filing annual return for the said financial year is over and it has been noticed that you have not filed the said return till date.

2. You are, therefore, requested to furnish the said return within 15 days failing which appropriate action including imposition of penalty as per law will be taken.

3. This notice shall be deemed to have been withdrawn in case the return referred above, is filed by you before issue of the show cause notice of penalty proceeding.

4. This is a system generated notice and does not require signature.".

**21. FORM GSTR 5A**

GSTR 5A (for Suppliers of online information and database access or retrieval services by

a person located outside India made to non-taxable persons in India) has been updated as follows:

(i) in the heading, for the words "persons in India", the words, brackets and figure "online recipient (as defined in Integrated Goods and Services Tax Act, 2017) and to registered persons in India" shall be substituted;

(ii) for serial number 4 and the entries relating thereto, the following serial number and entries shall be substituted, namely:- "4. Period: Month - _____ Year – 4(a) ARN: 4(b) Date of ARN:";

(iii) in serial number 5, for the word "consumers", the words "non-taxable online recipient" shall be substituted;

(iv) in serial number 5A, for the word "persons", the words "online recipient" shall be substituted;

(v) after serial number 5A and the entries relating thereto, the following serial numbers and entries shall be inserted, namely: "5B. Taxable outward supplies made to registered persons in India, other than non-taxable online recipient, on which tax is to be paid by the said registered persons on reverse charge basis

*(Amount in Rupees)*

| *GSTIN* | *Taxable Value* |
|---|---|
| *1* | *2* |
| | |

5C. Amendments to the taxable outward supplies made to registered persons in India, other than non-taxable online recipient, on which tax is to be paid by the said registered persons on reverse charge basis

*(Amount in Rupees)*

| *Month* | *Original GSTIN* | *Revised GSTIN* | *Taxable Value* |
|---|---|---|---|
| *1* | *2* | *3* | *4* |
| | | | |

**22. FORM GSTR 8**

GSTR 8 (for Suppliers who are required to collect tax at source) has been updated as follows:

(a) after serial number 3 and the entries relating thereto, the following serial number and entries, shall be inserted, namely;-

**3.1. Details of supplies made through e-commerce operator by un-registered suppliers**

| **Enrolment no. of supplier** | **Gross value of supplies made** | **Value of supplies returned** | **Net value of the supplies** |
|---|---|---|---|
| **1** | **2** | **3** | **4** |
| | | | |

(b) after serial number 4 and the entries relating thereto, the following serial number

and entries, shall be inserted, namely;-

**4.1. Amendments to details of supplies made through e-commerce operator by unregistered suppliers**

| Original details | | | Revised details | | |
|---|---|---|---|---|---|
| **Month** | **Enrolment no. of supplier** | **Enrolment no. of supplier** | **Gross value of supplies made** | **Value of supply returned** | **Net value of the supplies** |
| **1** | **2** | **3** | **4** | **5** | **6** |
| | | | | | |

- **Circular No. 201/13/2023-GST**

The circular deals with following two issues:-

1. Whether services supplied by director of a company in his personal capacity such as renting of immovable property to the company or body corporate are subject to Reverse Charge mechanism;
2. Whether supply of food or beverages in cinema hall is taxable as restaurant service.

- ✓ It is hereby clarified that services supplied by a director of a company or body corporate to the company or body corporate in his private or personal capacity such as services supplied by way of renting of immovable property to the company or body corporate are not taxable under RCM. Only those services supplied by director of company or body corporate, which are supplied by him as or in the capacity of director of that company or body corporate shall be taxable under RCM in the hands of the company or body corporate.
- ✓ It is hereby clarified that supply of food or beverages in a cinema hall is taxable as 'restaurant service' as long as:
  a) The food or beverages are supplied by way of or as part of a service, and
  b) Supplied independent of the cinema exhibition service.

It is further clarified that where the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of composite supply, the entire supply will attract GST at the rate applicable to service of exhibition of cinema, the principal supply.

**~ Complied by Aditya Bhoir**

**1.RBI/2023-24/57**

**CO.DPSS.POLC.No.S526/02-14-003/2023-22**

**August 24, 2023**

**Enhancing transaction limits for Small Value Digital Payments in Offline Mode**

As announced in the Statement on Development and Regulatory Policies dated August 10, 2023, the upper limit of an offline payment transaction is increased to 500. Other instructions mentioned in the framework shall continue to remain applicable as before.

**2.RBI/2023-24/55**

**DOR.MCS.REC.32/01.01.003/2023-24**

**August 18, 2023**

**Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans**

At the time of sanction of EMI based floating rate personal loans, Regulated Entities (REs) are required to take into account the repayment capacity of borrowers to ensure that adequate headroom/ margin is available for elongation of tenor and/ or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan.

The REs are advised to put in place an appropriate policy framework meeting the following requirements for implementation and compliance:

At the time of sanction, REs shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.

At the time of reset of interest rates, REs shall provide the option to the borrowers to switch over to a fixed rate as per their Board approved policy. The policy, inter alia, may also specify the number of times a borrower will be allowed to switch during the tenor of the loan.

The borrowers shall also be given the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options; and, (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be subject to extant instructions.

All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/ costs by the REs from time to time.

REs shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.

REs shall share / make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan. The REs shall ensure that the statements are understood by the borrower.

Apart from the equated monthly installment loans, these instructions would also apply, mutatis mutandis, to all equated installment based loans of different periodicities. In case of loans linked to an external benchmark under the External Benchmark Lending Rate (EBLR) regime, the banks should follow extant instructions and also put in place adequate information systems to monitor transmission of changes in the benchmark rate to the lending rate.

**3. RBI/2023-24/53**

**DoR.MCS.REC.28/01.01.001/2023-24**

**August 18, 2023**

**Fair Lending Practice - Penal Charges in Loan Accounts**

(i) Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalization of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.

(ii)The REs (regulated entities) shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.

(iii)The REs shall formulate a Board approved policy on penal charges or similar charges on loans, by whatever name called.

(iv)The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.

(v)The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business' shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.

(vi)The quantum and reason for penal charges shall be clearly disclosed by REs to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable, in addition to being displayed on REs website under Interest rates and Service Charges.

(vii) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

(viii) These instructions shall come into effect from January 1, 2024. REs may carry out appropriate revisions in their policy framework and ensure implementation of the instructions in respect of all the fresh loans availed/ renewed from the effective date. In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date or six months from the effective date of this circular, whichever is earlier.

**4. RBI/2023-24/52**

**DOR.RET.REC.29/12.01.001/2023-24**

**August 10, 2023**

**Requirement for maintaining additional CRR**

Under Section 42(1) of the Reserve Bank of India Act, 1934, all Scheduled Banks are required to maintain with Reserve Bank of India a Cash Reserve Ratio (CRR) of 4.50 per cent of Net Demand and Time Liabilities (NDTL).

On a review of the current liquidity conditions, it has been decided to issue a directive under Section 42(1A) of the Reserve Bank of India Act, 1934 requiring all Scheduled Commercial Banks / Regional Rural Banks / all Scheduled Primary (Urban) Co-operative Banks / all Scheduled State Co-operative Banks to maintain with the Reserve Bank of India, effective from the fortnight beginning August 12, 2023, an incremental CRR (I-CRR) of 10 per cent on the increase in NDTL between May 19, 2023 and July 28, 2023. The I-CRR will be reviewed on September 8, 2023 or earlier.

**~ Complied by Ruchi Bhanushali**

**CONDONATION OF DELAY IN FILING OF FORM-3, FORM-4 AND FORM-11 OF LIMITED LIABILITY PARTNERSHIP ACT, 2008.**

The Form-3 and Form-4 shall be now processed under Straight Through Process (STP) mode for all purposes except for change in business activities.

The said Forms shall be filed in sequential manner i.e., the filing for old events date may be filed first and so on so as to update the master data in proper manner.

While filing these forms, the pre-filled data as per existing master data of the LLP will be provided in each of above mentioned forms but the same may be edited. The onus of filing correct data would be on the stakeholders. In case of mis-representation, the Designated Partner and the professional certifying the form may be liable for adverse action as per provisions of the law.

**FILING OF FORM 3 AND FORM 4:**

- The filing of Form-3 and Form-4 may be filed without additional fee for the event dates **01/01/2021 and onwards**. For events dated prior to 01.01.2021, these forms can be filed with 02 times and 04 times of normal filing fees as additional fee for small LLPs and Other than small LLPs respectively.

**FILING OF FORM 11:**

- The filing of Form-11 may be filed without additional fees for the **Financial Year 2021-22** and onwards. Form-11 for previous years (prior to financial year 2021-22) can be filed with 02 times and 04 times of normal filing fee as additional fee for small LLPs and Other than small LLPs respectively.

  The Form 3, Form 4 and Form 11 shall be available for **filing from 01/09/2023 onwards till 30/11/2023** (both dates inclusive)

**~ Compiled By Samrudhi Gawade**

**~ By Priya Suthar**

**Allow us to tell you more!**

## R.C. JAIN & ASSOCIATES LLP
## Chartered Accountants
## Website: www.rcjainca.com

**Head Office:**

**Mumbai -**

622-624, The Corporate Centre,
Nirmal Lifestyles, L.B.S. Marg,
Mulund (W),
Mumbai – 400080.
Email: info@rcjainca.com
Phone: **25628290/91, 67700107**

**Branch Offices:**

**Bhopal -**

M-272, Near Arya Samaj Bhawan,
Gautam Nagar, Bhopal,
Madhya Pradesh– 462 023
Email: hmjainca@rediffmail.com
Phone: **0755-2600646**

**Aurangabad -**

Su-Shobha, Plot No.7,
Mitranagar, Behind Akashwani,
Near Maratha Darbar Hotel,
Aurangabad - 431001.
Email: sskasliwal@gmail.com
Phone: **0240-2357556**