



**Edition 32**  
**From Dec 1, 2023 to Dec 31, 2023**



## **The Scoop**

Positive trends in India's GST revenue for December 2023, with a 10% YoY increase to Rs 1,67,929 crore, indicate a favourable growth trajectory in tax collections. The consistent crossing of the 1.60 lakh crore mark 7th time in the year suggests stability in revenue generation, supported by contributions from CGST, SGST, IGST (including Rs 39,198 crore from imported goods), and Cess. The government has settled Rs 40,057 crore to CGST and Rs 33,652 crore to SGST from IGST.

### **INSIDE THIS ISSUE**

**Income Tax Updates...**  
2,3

**GST Updates.....**  
5,6

**RBI Updates**  
.....8to 10

**Other News Up-  
dates .....**11

**International News**  
.....12

**Expert  
Speak.....**13

## INCOME TAX UPDATES



### **1. CBDT amends Rule 10TA, Rule 10TD and Explanation Inserted in Rule 10TD under Income Tax 29th Amendment Rules**

(i) for clause (f), the following clause shall be substituted, namely:-

‘(f) “intra-group loan” means loan advanced to an associated enterprise being a non-resident, where the loan—

(i) is not advanced by an enterprise, being a financial company including a bank or a financial institution or an enterprise engaged in lending or borrowing in the normal course of business; and

(ii) does not include credit line or any other loan facility which has no fixed term for repayment;’;

**It shall come into force from the 1st day of April, 2024.**

Read More: <https://incometaxindia.gov.in/communications/notification/notification-104-2023.pdf>



## INCOME TAX UPDATES

### 2.CBDT issues guidelines on TDS under section 194-O of Income-tax Act, 1961

This circular addresses key aspects of tax deduction for e-commerce operators (ECOs) and e-commerce participants.

**Guidelines for Multiple E-commerce Operators:** Section 194-O mandates tax deduction by ECOs in transactions facilitated through their digital platforms. In cases involving multiple ECOs, the responsibility for compliance depends on whether the seller-side ECO is the actual seller or not. The guidelines outline the scenarios and the respective ECOs responsible for TDS.

**Treatment of Fees and Charges:** The circular addresses the inclusion of convenience fees, commission charges, and logistics/delivery fees in the “gross amount” for TDS calculation. Additionally, it clarifies that payments to platform providers for facilitating transactions are part of the gross amount if linked to the transaction. Practical examples illustrate these scenarios.

Read more at: <https://incometaxindia.gov.in/communications/circular/circular-20-2023.pdf>

**3.The provisional figures of Direct Tax collections for the Financial Year 2023-24 (as on 17.12.2023)** show that Net collections are at Rs. 13,70,388 crore, compared to Rs. 11,35,754 crore in the corresponding period of the preceding Financial Year (i.e. FY 2022-23), representing an increase of 20.66%.

The Net Direct Tax collection of Rs. 13,70,388 crore (as on 17.12.2023) includes Corporation Tax (CIT) at Rs. 6,94,798 crore (net of refund) and Personal Income Tax (PIT) including Securities Transaction Tax (STT) at Rs. 6,72,962 crore (net of refund).

The provisional figures of Gross collection of Direct Taxes (before adjusting for refunds) for the Financial Year 2023-24 stand at Rs. 15,95,639 crore compared to Rs. 13,63,649 crore in the corresponding period of the preceding financial year, showing a growth of 17.01% over the collections of FY 2022-23.

Read More: <https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1170/Press-Release-Gross-Direct-Tax-collections-for-the-FY-2023-24-register-a-growth-of-17.01.pdf>



## GST UPDATES



### 1. Two-factor Authentication for Taxpayers:

- ◆ GSTN introduced two-factor authentication (2FA) for taxpayers to strengthen the login security in GST portal. The pilot rollout has been done for a state of Haryana and working seamlessly.
- ◆ Taxpayers would need to provide one-time password (OTP) post entering user id and password, the OTP will be delivered to their Primary Authorized Signatory "Mobile number and E-mail id".
- ◆ Tax-payers are requested to keep their email and mobile number of authorized signatory updated on the GST Portal for receiving the OTP communication.
- ◆ The solution would be rolled out **from 1st of December'2023**.

Currently, 2FA will be rolled out for Punjab, Chandigarh, Uttarakhand, Rajasthan and Delhi in 1st phase. In 2nd phase, it is planned to be rolled out all states across India.

Read More: <https://www.gst.gov.in/newsandupdates/read/618>



# GST UPDATES

## 2. Date extension for reporting opening balance for ITC reversal

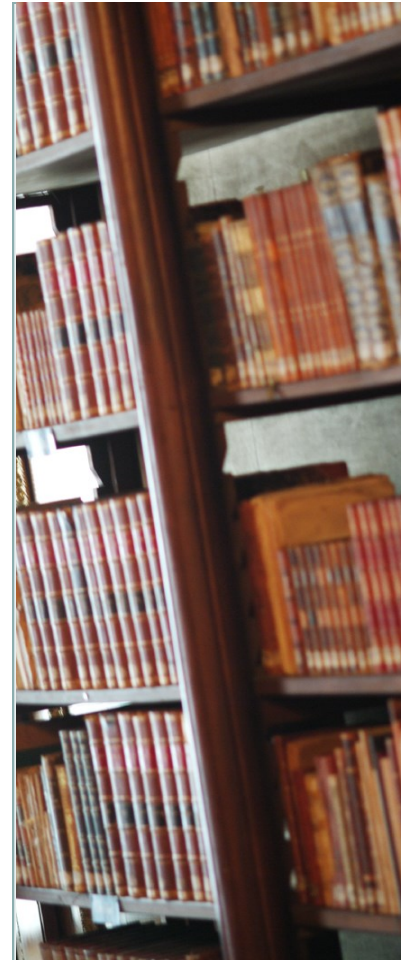
In order to facilitate the taxpayers in correct and accurate reporting of ITC reversal and reclaim thereof and to avoid clerical mistakes, a new ledger namely Electronic Credit and Re-claimed Statement was introduced .

- ◆ This statement was made available to help the taxpayers in tracking their ITC that has been reversed in Table 4B(2) and thereafter re-claimed in Table 4D(1) and 4A(5).
- ◆ Now to facilitate taxpayers further, opportunity to declare opening balance for ITC reversal in the statement has been extended till **31st January, 2024**.
- ◆ Kindly note that after declaring the opening balance for ITC reversal, only **three** amendment opportunities post the declaration will be provided to correct declared opening balance in case of any mistakes or inaccuracies in reporting.
- ◆ Facility to amend declared opening balance for ITC reversal will be available till **29th February, 2024**.

Read More: <https://www.gst.gov.in/newsandupdates/read/619>

## 3. GST collections rise 10% to Rs 1.64 lakh crore in December 2023

"The gross GST revenue collected in the month of December, 2023 is Rs 1,64,882 crore out of which CGST is Rs 30,443 crore, SGST is Rs 37,935 crore, IGST is Rs 84,255 crore (including Rs 41,534 crore collected on import of goods) and cess is Rs 12,249 crore (including Rs 1,079 crore collected on import of goods)



## Reserve Ratios

CRR: 4.50%

SLR: 18.00%

## Exchange Rate (As on Sep'30, 2023)

INR / 1 USD : 83.36

INR / 1 GBP : 105.36

INR / 1 EUR : 90.94

INR / 100 JPY : 56.27

## RBI UPDATES



These Directions incorporate, consolidate and update the guidelines, instructions and circulars on IT Governance, Risk, Controls, Assurance Practices and Business Continuity/ Disaster Recovery Management.

In these Directions, the context states :

- ◆ Cyber- Relating to, within, or through the medium of the interconnected information infrastructure of interactions among persons, processes, data, and information systems.
- ◆ Cyber event – Any observable occurrence in an information system. Cyber events sometimes provide indication that a cyber incident is occurring.
- ◆ Cyber security - Preservation of confidentiality, integrity and availability of information and/or information systems through the cyber medium. In addition, other properties, such as authenticity, accountability, non-repudiation and reliability can also be involved.
- ◆ Cyber incident - shall mean a cyber event that adversely affects the cyber security of an information asset whether resulting from malicious activity or not.

Continued to next page..

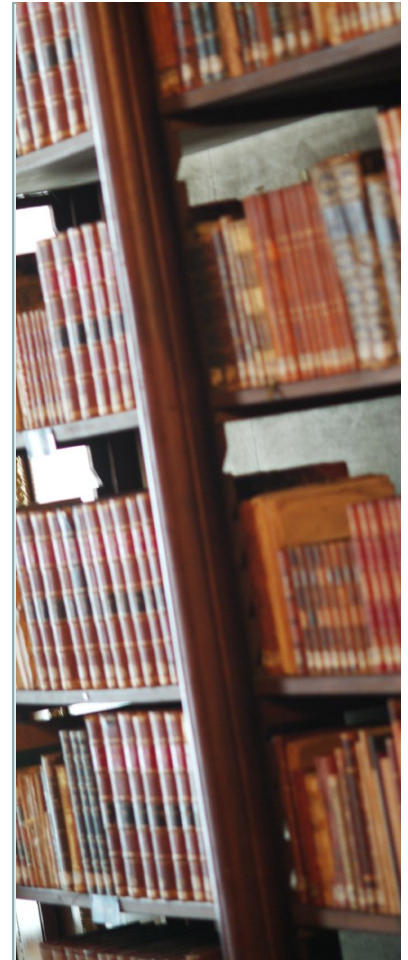
## RBI UPDATES

- ◆ 'Cyber-attack' - Malicious attempt(s) to exploit vulnerabilities through the cyber medium to damage, disrupt or gain unauthorized access to assets.
- ◆ 'De-militarized Zone' or 'DMZ' is a perimeter network segment that is logically between internal and external networks.
- ◆ 'Information Asset' - Any piece of data, device or other component of the environment that supports information-related activities. Information Assets include information system, data, hardware and software.
- ◆ 'Information System' - Set of applications, services, information technology assets or other information-handling components, which includes the operating environment and networks.
- ◆ 'IT Risk' - The business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise.
- ◆ 'Privileged user' refers to user who, by virtue of function, and/or role, has been allocated powers within an information system, which are significantly greater than those available to the majority of users.

### The key focus areas of IT Governance

- ◆ specifies the governance structure and processes necessary to meet the RE's business/ strategic objectives;
- ◆ specifies the roles (including authority) and responsibilities of the Board of Directors (Board) / Board level Committee and Senior Management; and
- ◆ includes adequate oversight mechanisms to ensure accountability and mitigation of IT and cyber/ information security risks.

Read More: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12562&Mode=0>





## RBI UPDATES

### 3.RBI Imposes Monetary Penalty On Four Co-operative Banks And One NBFC

- ◆ **Shree Lodra Nagarik Sahakari Bank**, located in Gandhinagar, Gujarat, has been slapped with a monetary penalty of ₹4.00 lakh by the RBI.
- ◆ The penalty was imposed for non-compliance with RBI's directives on 'Loans and advances to directors, relatives, and firms/concerns in which they are interested' and 'Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)'.
- ◆ **Malpur Nagarik Sahakari Bank**, located in Aravalli, Gujarat, incurred a monetary penalty of ₹3.50 lakh from the RBI.
- ◆ This penalty was imposed due to non-compliance with the RBI's directives on 'Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)'.
- ◆ **The Jolarpet Co-operative Urban Bank**, situated in Vellore, Tamil Nadu, faced a monetary penalty of ₹50,000 by the RBI.
- ◆ The penalty was imposed for non-compliance with the RBI's directions on 'Board of Directors – UCBs' in conjunction with the directives on 'Loans and advances to directors, their relatives, and firms/concerns in which they are interested'.
- ◆ Limbasi Urban Co-operative Bank, located in Kheda, Gujarat, received a monetary penalty of ₹25,000 from the RBI.
- ◆ The penalty was imposed for non-compliance with the RBI's directives on 'Loans and advances to directors, relatives, and firms/concerns in which they are interested' along with the directions on 'Loans and Advances to Directors etc. – Directors as surety/guarantors – Clarification'.





## OTHER NEWS UPDATES

- ◆ **India's Total Debt Hits Rs 205 Trillion in Q3:** The central government's debt holds the lion's share at 46.04%, underscoring its significant role in the country's debt landscape. State governments contribute 24.4% to the total debt, equivalent to USD 604 billion (Rs 50.18 lakh crore).
- ◆ **IMF Reclassifies India's Exchange Rate Regime:** The International Monetary Fund (IMF) has reclassified India's de facto exchange rate regime from "floating" to "stabilized arrangement". Projected real GDP growth is at 6.3% in FY2023/24 and FY2024/25, supported by macroeconomic and financial stability.
- ◆ **NPS Assets Surge to ₹10.7 Lakh Crore:** India's National Pension System (NPS) has witnessed a substantial growth in assets, reaching a new milestone of ₹10.7 lakh crore as of December 9, 25.95% higher than the previous year. Bolstered by a robust equity market
- ◆ **HCCB Signs MoU with Gujarat government for ₹3,000-cr Juice & Aerated Beverages facility in Rajkot:** Hindustan Coca-Cola Beverages (HCCB) has inked a significant Memorandum of Understanding (MoU) with the Government of Gujarat, indicating a massive investment of Rs.3000 crore.
- ◆ **UPI recorded 11.24 billion transactions worth Rs 17.40 lakh crore:** UPI transactions reached a staggering ₹17.40 lakh crore, surpassing the previous high of ₹17.16 lakh crore in October. This amounted to a 1.4% increase in the value of transactions on a monthly basis and an impressive 46% year-on-year growth.
- ◆ **RBI inks pact with Bank of England on bond clearing settlement:** The Reserve Bank of India (RBI) and the Bank of England (BoE) are the primary regulatory bodies involved in this agreement. The MoU not only serves as a blueprint for regulatory regimes grappling with oversight issues related to CCIL but also establishes a robust framework.
- ◆ **IndiGo Becomes First Indian Airline to Carry 100 Million Passengers a Year:** IndiGo, India's leading carrier, has achieved a historic milestone by becoming the first Indian airline to transport 100 million passengers in a single calendar year.



## INTERNATIONAL NEWS UPDATES

◆ **Israel Grants Intel \$3.2 Billion for \$25 Billion Chip Plant Amid Ongoing Conflict:** Israel's government has approved a substantial \$3.2 billion grant for Intel Corp.'s ambitious plan to construct a \$25 billion chip plant in southern Israel.

◆ **India Provides \$250 Million Line of Credit to Kenya for Agricultural Modernization:** India has extended a \$250 million Line of Credit to Kenya for the modernization of its agricultural sector. The announcement was made by Prime Minister Narendra Modi during the visit of Kenyan President William Samoei Ruto, where both countries expressed their commitment to strengthening bilateral ties not only in agricultural but also in defense, counter-terrorism and technology.

◆ **China reports fastest industrial expansion in nearly 2 years:** China's industrial output grew 6.6% in 2023. Fixed asset investment in urban areas cumulatively grew 2.9% in the first 11 months of the year, compared with expectations for 3% growth.

◆ **French inflation will be high in coming months:** French economy would contract slightly this quarter due to refinery strikes and nuclear reactor outages before activity recovered in the first half of next year.

◆ **UK economy was G7 growth laggard in Q3 as dismal 2023 beckons:** Britain's economy contracted more than first thought in the third quarter of this year, putting it bottom among the Group of Seven major advanced nations ahead of what is shaping up to be a dismal 2023

◆ **Argentina Rejects BRICS Membership:** Argentine President Javier Milei has officially declined the invitation to join the BRICS (Brazil, Russia, India, China, South Africa) grouping of major emerging economies.

◆ **Foxconn Boosts Investment in Karnataka:** Foxconn, the Taiwan-based giant responsible for assembling around 70% of iPhones globally, is set to invest an additional 139.11 billion rupees (\$1.67 billion) in the state of Karnataka. This decision underscores Foxconn's ongoing efforts to diversify production away from China

◆



CA SANJAY SINGH  
(B.com, FCA)



## EXPERT SPEAK

### Understanding Section 194-O of the Income Tax Act

#### Background

As the number of e-commerce companies in India continued to grow, the government felt a need to bring them under the formal TDS structure. That is why, it proposed the inclusion of section 194O in the Income Tax Act during the presentation of the Union Budget of 2020.

The primary goal of the 194O TDS section was to ensure that all companies offering e-commerce platforms in India withhold a TDS on the sale of goods and services through their apps or websites, thus ensuring tax compliance by the sellers.

Section 194-O was formally passed in the Parliament and came into effect on 1st October 2020.

#### Applicability

The Section 194O TDS rules apply to all e-commerce operators in India, which can be broadly described as any person or entity who owns, operates, and manages a digital or electronic platform for an ecommerce business. It covers a wide range of marketplaces, ranging from e-commerce websites to smartphone apps.

Section 194-O of the Income Tax Act involves two parties – e-commerce participants and e-commerce operators. They can be defined as follows:

##### ◆ E-commerce Participants

An e-commerce participant refers to an individual or entity who is engaged in the sale of their goods or services (or both) through an e-commerce platform. They do not operate an e-commerce platform but only sell their products through it.

They need to register themselves as sellers to offer their products on specific e-commerce websites or apps. One participant can even register with multiple e-commerce platforms.

##### ◆ E-commerce Operators

As mentioned above, e-commerce operators refer to individuals or entities that can own, run, and manage digital or electronic platforms for the sale of goods or services (or both). Their main objective is to create platforms that can act as an interface between buyers and sellers.

They are responsible for collecting payments from consumers and distributing them to online retailers and merchants (known as e-commerce participants).



## EXPERT PANEL



CA Naveesh Nagpal

Ph: 9582289938

LinkedIn: <https://www.linkedin.com/in/naveesh-nagpal-a02b6539/>



CA Sanjay Singh

Ph: 9711205178

LinkedIn: <https://www.linkedin.com/in/sanjay-singh-12aa3122/>

## GIVE YOUR VALUABLE FEEDBACK

<https://forms.gle/m4yU4QmhzkFjHeL6>

### BIBLIOGRAPHY.....

[www.financialexpress.com](http://www.financialexpress.com)

[incometaxindia.gov.in](http://incometaxindia.gov.in)

[www.gst.gov.in](http://www.gst.gov.in)

[www.rbi.org.in](http://www.rbi.org.in)

### Disclaimer

The views expressed are solely of the author and the content of this document is solely for information purpose and not to be constructed as a professional advice.

In cases where the reader has any legal issues, he/she must in all cases seek independent legal advice.

