



COMPLIANCE UPDATE

February 2023 | Part 2 of 2

Reserve Bank of India (RBI)

▪ Master directions on Pre-paid Instruments (PPI)

RBI issued Master Directions on February 10, 2023 on Pre-paid Instruments (PPIs). The directions provide that:

- Banks/ non-banks permitted to issue PPIs can issue INR determined full-KYC PPIs to foreign nationals/NRIs visiting India.
- The PPIs shall be issued after physical verification of Passport & Visa of the customers at the point of issuance.
- The PPIs can be issued in the form of wallets linked to UPI and can be used for merchant payments only.
- The conversion to Indian rupees shall be carried out only by entities authorized to deal in foreign exchange in FEMA.

(To view the Master Directions, please click [here](#))

▪ Extension of market trading hours

RBI issued a Press Release on February 13, 2023 to extend market hours in respect of government securities from 9:00AM-3:30PM to 9:00AM-5:00PM with effect from February 13, 2023. The revised trading hours for markets regulated by the RBI are in the table attached to the notification.

(To view the Press Release, please click [here](#))

▪ Issuance of statement on Developmental & Regulatory Policies

The RBI issued a Press Release on Developmental & Regulatory Policies on February, 08, 2023, under 4 heads:

- **Financial markets:** It explains securities lending and borrowing in government securities.
- **Regulation:** It explains recovery of penal charges on loans.
- **Payment and settlement systems:** It describes about extending UPI for inbound travelers to India.
- **Currency management:** It explains QR code-based coin vending machine pilot project.

(To view the Press Release, please click [here](#))

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- **RBI framework for invoicing and payments for international trade in Indian Rupee**

The Ministry of Finance on February 06, 2023 issued a Circular describing an RBI framework for invoicing and payments for international trade in Indian Rupee. The Circular mentions that all exports and imports under the arrangement may be denominated and invoiced in Rupee (INR) and the settlement of trade transactions under the arrangement shall take place in INR.

(To view the Circular, please click [here](#))

Securities and Exchange Board of India (SEBI)

- **Clarification in respect of compliance by first-time issuers of debt securities under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with Regulation 23(6)**

SEBI vide its Circular dated February 09, 2023 issued a clarification in respect of the compliance by the first-time issuers of debt securities under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with Regulation 23(6). The Stock Exchanges are advised to:

- Take an undertaking from such first-time issuers that they will ensure that their Articles of Association (AOA) are amended within a period of 6 months from the date of the listing of the debt securities.
- This undertaking may be obtained at the time of granting the in-principle approval.
- The issuer shall, within such time, comply and report compliance to Stock Exchanges, which shall periodically monitor/ remind such issuers on doing the needful.

(To view the Circular, please click [here](#))

- **Introduction of Issue Summary Document (ISD) and dissemination of issue advertisements**

SEBI on February, 15, 2023 issued a Circular introducing the issue summary document for filing papers pertaining to IPO and for further issue of securities in XBRL format.

(To view the Circular, please click [here](#))

- **Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023**

SEBI on February 02, 2023 issued a Regulation that the issuer shall send a notice regarding recall or redemption of non-convertible securities, prior to maturity, to all the eligible holders of such securities and the debenture trustee(s), at least 21 days before the date from which such right is exercisable and the notice to the eligible holders through hard or soft copy.

(To view the Regulations, please click [here](#))

- **Enhanced obligations and responsibilities of Qualified Stockbrokers (QSBs)**

SEBI on February 06, 2023 issued a Circular regarding the enhanced obligations and responsibilities of Qualified Stockbrokers (QSBs). It has laid down the parameters for designating a stockbroker as QSB and the procedure for assigning a score to a stockbroker. The provisions of this Circular shall come into effect from July 01, 2023.

(To view the Circular, please click [here](#))

- **Securities and Exchange Board of India (Buy-Back of Securities) (Amendment) Regulations, 2023**

On February 07, 2023, SEBI introduced the Securities and Exchange Board of India (Buy-Back of Securities) (Amendment) Regulations, 2023. The amendment stipulates that any letter of offer for a buyback that a company prepares in compliance with these regulations must include a specific disclosure of the consent that the company has obtained from its lender(s). Moreover, for buybacks carried out through a tender offer, the company's Board of Directors is permitted to adjust the maximum buyback price and decrease the number of securities proposed for repurchase until one working day prior to the record date, if there is no change in the overall size of the buyback.

(To view the Notification, please click [here](#))

Central Board of Direct Taxes (CBDT)

- **Centralized Processing of Equalization Levy Statement Scheme, 2023**

On February 7, 2023, the CBDT announced the introduction of the Centralized Processing of Equalization Levy Statement Scheme, 2023. This scheme pertains to processing of Equalization Levy Statements and outlines the requirements for submitting such statements, as well as the procedures for dealing with invalid statements and processing valid ones. Under this scheme, individuals subject to the Equalization Levy are not required to appear in person or through an authorized representative before the Centralized Processing Centre (CPC) for any related proceedings. Instead, written or electronic communication in the format specified by the CPC will be sufficient for responding to any queries or clarifications received from the CPC.

(To view the Notification, please click [here](#))

Central Board of Indirect Taxes & Customs (CBIC)

▪ Instruction on the import of high-risk food products at specific ports

The CBIC issued an instruction dated February, 11, 2023 that the import of certain high-risk products shall be carried out only through designated 79 ports as specified in the notification. This order shall be implemented from March 01, 2023. The list of such high-risk food products is as specified below:

- Milk and milk products
- Egg powder
- Meat and meat products including poultry, fish and their products
- Foods for infant nutrition/infant foods
- Nutraceuticals
- Health supplements
- Foods for dietary uses
- Probiotic and prebiotic foods. foods for special medical purposes

(To view the Instructions, please click [here](#))

Ministry of Corporate Affairs (MCA)

▪ Extension of time for filing e- forms & PAS- 03

The MCA issued a General Circular, dated February 07, 2023, that the deadline for filing 45 e-forms and PAS-03 in MCA 21 version 3.0 has been extended by an additional 15 days, without incurring any extra fees (Version 2 is a portal of Ministry of Corporate Affairs which was used to file various forms relating to Companies and LLP's; LLP Services have been discontinued on V2 portal and have been migrated to V3 portal). In addition, Form PAS-03 (whenever a company makes any allotment of shares or securities, it is required to file a return of allotment in eForm PAS-3) has closed for filing in Version 2 on January 20, 2023 but was relaunched in Version 3 on January 23, 2023. If the due dates for filing this form fall between January 20, 2023, and February 6, 2023, it can now be filed without payment of any additional fees during the 15-day period.

(To view the General Circular, please click [here](#))

Industry-wise updates

Agriculture & other rural sectors

- **Ministry of Agriculture and Farmers Welfare (MoA&FW) issues a Press Release on its Ban of Certain Pesticides**

The Ministry of Agriculture and Farmers Welfare (**MoA&FW**) issued a Press Release regarding the banning of pesticides on February, 03, 2023. The MoA&FW has banned or phased out 46 pesticides and 4 pesticide formulations for import, manufacture, or use in the country. Additionally, 8 other pesticide registrations have also been withdrawn. And further, the use of 9 pesticides has been restricted. The list of banned pesticides & which have a restricted use are attached in Annexure of the Press release.

(To view the Press Release, please click [here](#))

Commerce and industries

- **Changes to the rate of high-speed diesel oil**

The Ministry of Finance on February, 03, 2023 issued a Notification about price of high-speed diesel oil. The revised rates will be applicable with effect from February 04, 2023.

(To view the Notification, please click [here](#))

Food & beverages

- **Revised fee for initial application for FSSAI license**

The Food Safety and Standards Authority of India (**FSSAI**) vide Order dated February 10, 2023 has reduced the initial application fee to be submitted by Food Business Operators (FBOs) to obtain the Food Safety and Standards Authority of India license. The revised application fee to be submitted by FBOs to obtain the Food Safety and Standards Authority of India license shall be INR 1000 + GST.

(To view the Order, please click [here](#))

Healthcare

- **Guidelines for international arrivals in supersession of guidelines issued on the subject on December 29, 2022**

The Ministry of Health and Family Welfare issued Guidelines dated February, 10, 2023 for international arrivals in supersession of guidelines issued on the subject on December 29, 2022. The Guidelines provide protocols to be complied by international travelers as well as points of entry (airports, seaports and land border) and shall be valid w.e.f. February, 13, 2023 (11.00 AM IST) till further orders.

(To view the Guidelines, please click [here](#))

Mining

- **Proposal for amendment of the Mines & Minerals (Development & Regulation) Act, 1957**

On February 07, 2023, the Ministry of Mines released a public consultation notice regarding proposed amendments to the Mines & Minerals (Development & Regulation) Act, 1957. The objective of these changes is to implement reforms in the mineral sector and to introduce exploration licenses for deep-seated minerals and critical minerals. The Ministry is soliciting suggestions on the proposed amendments from a variety of stakeholders, including members of the general public, state and Union Territory governments, and industry associations. All interested parties are encouraged to submit their feedback before February 22, 2023.

(To view the Notification, please click [here](#))

State-wise updates

Andhra Pradesh

▪ **Amendment in the rate of the Andhra Pradesh Commercial Taxes**

The Government of Andhra Pradesh on February 10, 2023 issued certain amendments to Commercial Taxes under Andhra Pradesh GST Act, 2017. The revised rates are as follows:

- Ethyl alcohol will be supplied to Oil Marketing Companies & petroleum refineries for blending with motor spirit (petrol) at SGST Rate of 2.5%.
- Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or another working of cereals or of leguminous plants (other than aquatic feed including shrimp feed and prawn feed), poultry feed and cattle feed, including grass, hay and straw, supplement and additives, husk of pulses including chilka, concentrates including chuni or churi, khanda, wheat bran, de-oiled cake at SGST Rate of 2.5%.
- Carbonated beverages of fruit drink or carbonated beverages with fruit juice will not attract SGST Rate of 6%.
- Only mathematical boxes, geometry boxes and color boxes will attract the SGST rate of 6% & not pencil sharpeners.
- Ethyl alcohol and other spirits, denatured, of any strength other than ethyl alcohol will be supplied to Oil Marketing Companies & petroleum refineries for blending with motor spirit (petrol) at the SGST rate of 9%.

(To view the Notification, please click [here](#))

Assam

▪ **Assam Motor Vehicles Aggregator Rules, 2022**

On February 08, 2023, the Assam government issued the Assam Motor Vehicle Aggregator Rules, 2022 through an official order. These rules cover a variety of topics, including the application process for license renewal and related matters, the eligibility requirements for becoming an aggregator, the conditions for granting licenses to aggregators, and the requirements for ensuring driver compliance.

(To view the Order, please click [here](#))

Goa

▪ **Draft notification of the Goa Ports (Amendment) Rules, 2023**

The Government of Goa vide notification dated February 07, 2023, published draft rules to amend the provision on use of Government riverine land and applicable charges under the Goa Ports Rules, 1983. The objection and suggestion are to be forwarded to the Captain of Ports and ex officio Joint Secretary to the Government of Goa, Captain of Ports Department, Panaji, before expiry of 15 days from the date of publication of this Notification in the Official Gazette.

(To view the Notification, please click [here](#))

NCT of Delhi

▪ **Prescribed manner for filing an application for refund by unregistered person**

The Government of Delhi issued a Notification dated February, 02, 2023 prescribing the manner of filling an application for refund by unregistered persons.

(To view the Notification, please click [here](#))

▪ **Renewal of License and Permits for the year 2023 –24**

The Government of National Capital Territory of Delhi on February, 14, 2023 issued a Circular directing the applicants applying for excise license to send their applications for renewal of license & permits for year 2023-24 along with permit fees to the office the Deputy Commissioner before February 28, 2023.

(To view the Circular, please click [here](#))

Kerala

▪ **Categorization of industries into Red, Orange, Green and White categories based on pollution potential**

The Kerala State Pollution Control Board, Government of Kerala, vide Circular dated February 06, 2023 issued categorization of activities/industries, as follows:

- Laboratory chemical repacking unit – Green Category

- Thumpozmozhi/Napkin incinerator/RRF – Orange Category
- White and Green category establishments with sewage generation (commercial/industrial establishments) > 5000 l/day ≤ 20,000 l/d > - Green Category
- 20,000 l/day - Orange Category
- Facial hair removal facility/hair transplant facility- Green Category

The application for consent to operate/registration shall be processed based on this categorization.

(To view the Notification, please click [here](#))

Ladakh

▪ **Enhancement of wages of daily wage earners**

The Finance Department of Ladakh vide Notification dated February 03, 2023 ordered enhancement of wages of daily wage earners. The Order notifies an additional 10% of wages to be given to daily wage earners (daily wagers) including casual workers/casual laborers/daily rated workers under category 'unskilled' and 'skilled', who are duly engaged and working in all Government Departments and local bodies on daily wage basis in the tehsils of Zanskar, Durbuk and Nyoma.

(To view the Notification, please click [here](#))

▪ **Consent validity period issued under EHS Acts**

The Government of Kerala on January 21, 2023 revised the Consumer Price Index (Cost of Living Index) numbers, updating the rate of variable dearness allowance for all the industries in the State of Kerala, with effect from November 01, 2022. On February 08, 2023, the Ladakh Pollution Control Committee of UT of Ladakh made a decision to adopt the Uniform Consent Mechanism issued by the Central Pollution Control Board (CPCB) in its letter no. B-29012/ESS(CPA)/2015-2016 dated March 7, 2016. This decision established the validity period for consent issued under Section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974 and/or Section 21 of the Air (Prevention and Control of Pollution) Act, 1981, effective from February 1, 2023, as follows:

- For 'Red' category industries, the validity period of consent is one year if it is fresh, and it can be renewed for up to five years.
- For 'Orange' category industries, the validity period of consent is 10 years for renewal.
- For 'Green' category industries, the validity period of consent is 15 years for renewal.

Moreover, any occupier applying for consent to operate must deposit the annual consent fees for the entire duration of five, ten, or fifteen years, depending on the category of the industry.

(To view the Order, please click [here](#))

Madhya Pradesh

▪ **The Madhya Pradesh Peya Jal Parirakshan (Sanshodhan) Adhiniyam, 2022**

The Government of Madhya Pradesh vide Notification dated February 03, 2023 amended the Madhya Pradesh Peya Jal Parirakshan (Sanshodhan) Adhiniyam, 1986 by increasing the penalty to INR 5,000 for first offence and INR 10,000 with imprisonment extending to 2 years for each subsequent offence, for contravening 3 provisions of Madhya Pradesh Peya Jal Parirakshan (Sanshodhan) Adhiniyam, 1986:

- Prohibition of digging of tube wells without permission.
- Prohibition to take water for irrigation or industrial or any other purpose from water source in water city scarcity without permission.
- Declaration of water scarcity area.

(To view the Notification, please click [here](#))

Maharashtra

▪ **Increase in the Special Allowance/Dearness Allowance & HRA**

The Security Guard Board for Brihan & Thane district released a Notification on February 01, 2023 to revise the rates of Special/ Dearness Allowance for the period of January 01, 2023 to June 30, 2023, payable to Registered Security Guards/Officers of the Board. The revised rate is INR 2,444 per month. Additionally, House Rent Allowance (HRA) at 20% on minimum wages will also be given.

(To view the Notification, please click [here](#))

Puducherry

▪ **Enforcement of provisions of ESI Act in Aizawl district**

The government of Puducherry on February 04, 2022 notified that Government Offices/Departments, Government Undertakings/Societies/Corporations/Agencies and Local Authorities employing 20 or more contract workers come within the ambit of Contract Labour

(Regulation and Abolition) Act, 1970 and since several such establishments have not registered themselves under the Act resulting in non-payment of wages to contract workers in timely manner, the Notification directs all establishments employing 20 or more contract workers to:

- Apply for Principal Employer registration
- Intimate changes in the particulars of Registration Certificate within 30 days of any change
- Ensure contractors obtain Labour License
- Ensure timely payment of wages not less than the defined minimum wages

(To view the Notification, please click [here](#))

Rajasthan

▪ **Stamp duty on the orders of the amalgamation etc. of the 100% subsidiary company or having same shareholders**

The Finance department, Government of Rajasthan on February, 10, 2023 issued a Notification that the Stamp Duty chargeable on the conveyance deed relating to order of amalgamation, de-merger or reconstruction shall be reduced and charged at the rate of 3% where:

- The transferor company is 100 percent subsidiary company of the transferee company.
- The shareholders are same in both transferor and transferee company.

(To view the Notification, please click [here](#))

▪ **Amendment of Entry No. 67 of Schedule-II of the Rajasthan Value Added Tax Act, 2003**

The Finance Department, Government of Rajasthan on February, 10, 2023 issued a Notification wherein registered dealers can sell Aviation Turbine Fuel to any airline which operates commercial flights in and/or from the state of Rajasthan.

(To view the Notification, please click [here](#))

▪ **Reduction of Electricity Duty from INR 0.60 per unit to INR 0.40 per unit on the consumption of energy generated by Captive Solar Power Plants**

The Finance department, government of Rajasthan on February, 10, 2023 issued a notification fixing the rate of electricity duty, with immediate effect, if the type of captive power generating plant is:

- Solar power plant set up for one's own use.
- Solar power plant set up under the Rajasthan Electricity Regulatory Commission (Connectivity and Net Metering for Rooftop and Small Solar Grid Interactive Systems) Regulations, 2015 then rate of electricity duty will be INR 0.40 per unit (KWH).
- Captive power generating plant other than plants mentioned above, then it will be INR 0.60 per unit (KWH).

(To view the Notification, please click [here](#))

West Bengal

▪ **Notification regarding service of Trade License through the e-District portal**

The Government of West Bengal issued a Notification on February, 01, 2023 replacing the Silpasathi portal to e-District portal for obtaining Certificate of Enlistment (Trade License) with effect from February, 02, 2023 till further orders.

(To view the Notification, please click [here](#))

ABOUT US

UnComplycate is an end-to-end compliance and contract management solutions provider that integrates domain experience with IT-enabled implementation, monitoring and management protocols.

With more than thirty years' experience in helping clients discharge their compliance obligations, we have developed a repository of significant knowledge and practical experience in advising and assisting businesses on their regulatory compliance, litigation management, notice and contract management and other attendant requirements. We create bespoke products for clients that include, among other things, an audit of the functions of the company, offering technology-enabled platforms that provide solutions for effective control over the compliance and contract management functions. These services are not limited by geography and can be seamlessly extended to all operating sites of the client.

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