Nangia Andersen LLP

Newsletter

Tax & Regulatory

Aug, 2023

What's *Inside?*

Direct Tax — 03

- Deployment of same sub-contractor and personnel does not imply that independent contracts are integrated
- Protocol to DTAA is integral and indispensable; does not require any unilateral action/ issuance of notification by the Government
- Offshore supply not taxable absent PE in India; Contract with DMRC divisible

Indirect Tax — 13

- Judgements and Rulings (Customs)
- Advance Rulings & Judgements
- GST Update

Transfer pricing — 26

- Delhi High Court upholds retrospective application of MAM adopted in subsequent year APA, provided the FAR remains constant YoY

Regulatory — 29

- Updates under companies act, 2013 ("act")
- Updates under Reserve Bank of India (RBI)
- Updates under Securities and Exchange Board of India ('SEBI')
- Updates under Competition Commission of India ('CCI')
- Updates under Production Linked Incentive scheme ('PLI')
- Updates under food safety and standards of india (FSSAI)
- Other regulatory updates
- General law updates
- Orders/judgements

Compliance Calendar — 45

- Direct Tax
- Indirect Tax
- Regulatory

01 | Direct Tax

Deployment of same sub-contractor and personnel does not imply that independent contracts are integrated

Planetcast International Pte. Ltd., vs ACIT, International Taxation, Delhi

ITA Nos. 1831, 1832/Del/2022 & 451/Del/2023

Issue(s)	Outcome
Integration of different independent projects for PE examination	In Favour of Assessee

Background

In a recent verdict, Income Tax Appellate Tribunal, Delhi Bench ('Hon'ble ITAT') examined the determination of existence of a PE and held that merely because the installation and commissioning services were provided by the same sub-contractor or some of the personnel engaged in both the projects are common, it cannot be concluded that both the projects are one and single project.

ITAT further observes that a reading of Article 5(3) and 5(4) indicate that the language used refers to 'A' building site or construction, installation or assembly project continuing for a period of more than 183 days in any fiscal years. 'A' denotes singular form.

Brief Facts and Contentions

- The Assessee, a Singapore based corporation, engaged in satellite telecommunication network operations and distribution of electronic and telecommunication equipment and parts, was subjected to an addition as business profits attributable to the alleged PE in India;
- Revenue's contention was that in addition to sale of equipment to Accenture in India, the Assessee had carried out installation and commissioning of such equipment through sub-contractors;
- The revenue contended that activities of the Assessee in India exceeded the threshold limit of 183 days as per Article 5(3) and 5(4) of India-Singapore DTAA as cumulatively for the two projects, the activities of supervisory/installation work began on Jun 14, 2017 and ended on Feb 2, 2018, which worked out to 233 days;
- Assessee furnished material evidences to demonstrate that the installation & commissioning services for the Bengaluru project of Accenture commenced on Jun 14, 2017 and ended on Jul 29, 2017, aggregating to 46 days, whereas the same for Gurugram project commenced on Nov 8, 2017 and ended on Feb 2, 2018 i.e. for an aggregate period of 87 days.
- Further, the project at Bangaluru and Gurugram were in relation to distinct purchase orders and different assignments.

ITAT Judgement

- ITAT acknowledges that Assessee itself is not the manufacturer of the equipment but has sub-contracted the manufacturing of the required equipment to the OEM identified by the customer. Therefore, until the manufacturing of the specified equipment are complete and have been delivered to the customer, the installation/commissioning services could not have commenced.
- The first date of raising of invoice for supply of equipment cannot be taken to be the date of commencement of installation and commissioning services at the project site.

- There is material evidences to demonstrate that the installation and commissioning services for the Bengaluru project commenced on 14.06.2017 and ended on 29.07.2017, aggregating to 46 days. Whereas, installation and commissioning services for the Gurugram project commenced on 08.11.2017 and ended on 02.02.2018 for an aggregate period of 87 days. Thus, it is quite evident in both the instances the threshold period of 183 days as provided in Article 5(3) and 5(4) of India-Singapore DTAA was not breached.
- The materials on record indicate that the two projects are independent of each other and have no connection. Merely because the installation and commissioning services were provided by the same sub-contractor or some of the personnel engaged in both the projects are common, it cannot be concluded that both the projects are one and single project. The departmental authorities did not brought any material on record to demonstrate such fact. On the contrary, the evidences brought on record by the Assessee do indicate that these were different projects.

Nangia Andersen LLP's take

In the above judgement, ITAT has protected the interest of Assessee and simultaneously disapproved the action of revenue of basing their decision on presumptions and not going into the merits of the case and evidences placed on record by the Assessee. Further, both in terms of solar and man days, the threshold of creating a PE did not breach in the instant case.

Protocol to DTAA is integral and indispensable; does not require any unilateral action/ issuance of notification by the Government

TDK India Private Limited vs Deputy Commissioner of Income Tax - CPC, TDS

I.T.A. No. 393, 394, 395, 396, 397, 398 & 399/Kol/2023

Issue(s)	Outcome
Applicability of unilateral action viz. CBDT Circular No. 3/2022 dated Feb 3, 2022 on importing the provisions of protocol in the DTAA	In Favour of Assessee

Background

In a recent verdict, Income Tax Appellate Tribunal, Kolkata ('Hon'ble ITAT') examined the significance of protocol to DTAA. TDK India Private Limited ('Assessee') made payment to TDK Electronics Components S.A., Spain (TDK Malaga) for services towards procurement, controlling, logistic coordination, quality management, HR, environment protection and industrial safety, organization, etc.

Assessee withheld tax at source as FTS at the rate of 10 percent as per Article 13 read with Protocol appended below the Indo-Spain tax treaty (hereinafter referred to as the 'Tax Treaty') which forms an integral part of the tax treaty from financial year. ITAT categorically holds that no separate notification is required to be issued by the Government of India in order to make a Protocol applicable.

Brief Facts and Contentions

- Assessee is an Indian Company engaged in manufacture and supply of capacitors and soft ferrite cores. Assessee received services from TDK Malaga, deducted tax at source at the rate of 10% as against 20% provided in Article 13 of India-Spain DTAA on the basis that MFN Clause in the Protocol to the DTAA allowed lower rate of tax if allowed to any other OECD member after Jan 1, 1990 as per a DTAA with India. Assessee resorted to India's DTAA with Portugal which provided for 10% tax on FTS and deducted the tax at source accordingly.
- Assessee received intimations under Section 200A for short deduction of tax at source highlighting the rate of 10.608% (inclusive of surcharge and cess) instead of 10%, thus, raised the demand along with interest under Section 201(1A). The Assessee filed rectification petition, TRACES processed the said rectification petition and passed the order raising the demand on the assesse based on the provisions of the Act ignoring the provisions of the Tax Treaty.
- Aggrieved, the Assessee preferred an appeal before the ld. CIT(A). However, the ld. CIT(A) held that the appellant is not entitled to get benefit of the protocol appended below the Tax Treaty, as no notification under section 90 of the Act has been issued by the CBDT with respect to the aforesaid Tax Treaty specifying lower rate of tax to be deducted at source under Article 13 of the Tax Treaty by following the Circular No. 3/2022 dated 3rd February, 2022.
- Further, the aforesaid Circular has retrospective effect, and it would be applicable to the years prior to the date of issuance of the Circular.
- Aggrieved with the aforesaid order, the Assessee filed appeal before Hon'ble ITAT.

ITAT Judgement

- ITAT holds that the protocol to the DTAA is an integral and indispensable part of the tax treaty and further, the benefit of lower rate as prescribed in the protocol for fees for technical services under the relevant tax Treaty is not dependent on any further unilateral action or issuance of notification by the respective Governments. It is also held by this Tribunal that no separate notification is required to be issued by the Government of India in order to make a protocol applicable.

- ITAT is of the considered view that in case the rate of taxes are adopted as per the DTAA, then no surcharge and education cess is to be applied over and above the tax rate since the tax rate as per the DTAA is held to be all-inclusive of such surcharge and education cess. Therefore, the rate of tax applicable in the case of the Assessee is 10% and not 10.608% and since the Assessee has rightly deducted the tax at source @ 10%, it cannot be treated as an Assessee in default.

Nangia Andersen LLP's take

This has been held time and again that protocol is an integral and indispensable part of the tax treaty and the benefit of lower rate as prescribed in the protocol for FTS under the relevant tax Treaty is not dependent on any further unilateral action or issuance of notification by the respective Governments to make it applicable. The ruling by Hon'ble Apex Court on this aspect is much awaited.

Offshore supply not taxable absent PE in India; Contract with DMRC divisible

Bombardier transportation gmbh vs the deputy commissioner of income tax

ITA. No. 1390/del/2015

Issue(s)	Outcome
project office of the assessee and indian entity would not constitute fixed place permanent establishment (PE) in india	In Favour of Assessee

Background

In a recent verdict, Delhi Income Tax Appellate Tribunal ('Hon'ble ITAT') upheld that the burden is entirely on the Revenue to establish the existence of a PE.

Brief Facts and Contentions

- The Assessee is a non-resident corporate entity incorporated under the laws of Germany and a tax resident of Germany. The Assessee is engaged in the business of integration and manufacturing of complete rolling stocks and railway applications.
- For the Assessment year ('AY') 2010-11, the Assessee entered into a Memorandum of Understanding (MoU) with Bombardier Transportation India Limited ('BTIL') to execute the contract 'RS2' with Delhi Metro Rail Corporation ('DMRC'). As per the terms of the MoU, the participation ratio between the Assessee and BTIL for Contract RS2 was 70% and 30% respectively.
- The Assessee made onshore supply of 58 train sets to DMRC, which were manufactured by BTIL in India. In addition to above, the Assessee made offshore supply of 8 more train sets to DMRC.

- Consequently, BTIL offered income to tax from the onshore supply of trains set whereas the Assessee did not offer income from such sales as the train sets were sold on cost to cost basis.
- As regards to offshore supply of 8 number of train sets, the Assessee did not offer income from such sales to tax in India contending that the transfer of title over the goods took place outside India and the sale consideration was also received outside India. In addition to above, the Assessee submitted that the project office had no role to play in offshore supply of train set.
- During the assessment proceedings, the Assessing Officer ('AO') was not convinced with the submissions of the Assessee and held the contract as a composite contract. Further, the AO held that there was active involvement of the project office, both, in relation to onshore and offshore supplies.
- As a result, the AO held that the project office of the Assessee in India constitutes a fixed place PE in India in terms of Article 5(1) of India-Germany DTAA and attributed profit, both, in respect of offshore and onshore supplies and services to the alleged PE of the Assessee in India in the form of project office.
- Aggrieved by the Draft Assessment order, the Assessee filed objections before the Dispute Resolution Panel (DRP). The DRP granted substantial relief to the Assessee qua the attribution of profit in relation to onshore supply and services.
- Further, the DRP accepted the contention of the Assessee that the project office had no involvement with offshore supply, hence, no profit attribution can be made to the PE. However, DRP held that the Assessee had a fixed place PE in the form of BTIL and thereby, directed the AO to attribute profit to the PE in respect of income earned from offshore supply at 35%.
- Consequently, aggrieved by the final Assessment order, the Assessee filed an appeal before the Hon'ble ITAT.

ITAT's Judgement

After going through the clauses of contract RS2 and consortium agreement, though DMRC executed a single contract with the Consortium partners, yet the scope of work to be performed by each of Consortium partner has been well defined and demarcated. Therefore, the Hon'ble ITAT held that the contract is a divisible Contract.

In addition to above, the Hon'ble ITAT observed that the transactions between BTIL and the Assessee were subjected to transfer pricing analysis by the Transfer Pricing Officer (TPO) and adjustment was suggested to the Arm's Length Price (ALP). As a result, the Hon'ble ITAT held that the receipts from offshore supply of rolling stock cannot be taxable in India as the transfer of title over the goods has taken place outside India.

Further, Hon'ble ITAT referred to the rulings of Hon'ble Supreme Court in case of **ADIT Vs. E-Funds IT Solutions Inc.** & **Formula One World Championship Ltd. Vs. CIT** and held that the burden is entirely on the Revenue to establish the existence of PE. Moreover, Revenue brought on record nothing which states that the premises of BTIL was used by the Assessee to carry out its business and that the premises of BTIL was at the disposal of the Assessee.

Hon'ble ITAT also observed that "in Assessee's own case in AY 2012-13, learned Commissioner (Appeals), being conscious of the observations of DRP with regard to BTIL constitutes a fixed place PE of the Assessee in India, has held that BTIL is not the PE of the Assessee."

In conclusion, the Hon'ble ITAT held that the attribution of profit qua the receipts from offshore supplies to the alleged fixed place PE in the form of BTIL is unsustainable as BTIL cannot be construed as PE of the Assessee in India.

Nangia Andersen LLP's take

The burden of determining that the Assessee has a PE in India lies with the Revenue itself and the issue of offshore supply not taxable in India is a well-settled issue now.

02 | Indirect Tax

Judgements and Rulings (Customs)

Supreme Court- Extended period not invokable where tax position taken basis judgement that got subsequently over-ruled

Brief Facts

The demand for differential duty of excise was raised on the allegation that the assessee had incorrectly determined the assessable value of its finished goods by not including therein the monetary value of the duty benefits obtained from its customers as a result of the transfer of the advance licenses. Further, SCN was issued beyond the normal limitation period of one year prescribed in Section 11A(1) of the Central Excise Act, 1944 and it was also alleged therein that the noticee had deliberately suppressed relevant facts and had made wilful misstatements withholding material information and documents from the departmental officers.

The CESTAT had allowed the Assessee's appeal, stating that the dispute was revenue neutral as the customers could avail CENVAT credit for duties paid.

Observations

The Supreme Court reviewed the case concerning the time bar issue and referred to CESTAT's findings. Upon examining the ER-1/RT-12 return format, which the assessee filed monthly to report clearances and duties paid, the court found no separate column for declaring deemed export clearances to holders of advance licenses. As a result, the court rejected the Revenue's claim of suppression of facts, stating that there was no requirement for such separate disclosure.

Furthermore, the Supreme Court has upheld the Tribunal's findings that, during the period in dispute, the Assessee genuinely believed it was fulfilling its duty and tax liability correctly by following CESTAT’s view in case of IFGL Refractories Ltd that got ultimately reversed. However, it does not imply any malicious intent on the part of the Assessee, especially considering that the belief was based on a division bench's viewpoint from the Tribunal.

The supreme court observed that neither the SCN nor the civil appeal filed by the revenue mentioned the allegation of wrongful clubbing of deemed export clearances with domestic clearances. The oral arguments supported by the adjudicating authority's findings were not sufficient to resurrect a point that was not pressed before the tribunal or included in the appeal memo before the supreme court.

The supreme court limited the present arguments to the limitation aspect of the matter, as the merits were already decided in favor of reliance by a 2-1 majority.

Decision

The Supreme Court decided the appeal on the issue of time bar, referring to CESTAT's findings. It observed that in absence of separate column in return the Assessee was not required to separately disclose the value of deemed export clearances in the monthly returns.

The Revenue's claim of suppression of facts was rejected, as there was no obligation to disclose such information. The Revenue's inconsistent arguments and failure to justify their claims led the Court to affirm the Assessee's bonafide belief in following CESTAT's view.

The Court dismissed the appeal filed by the revenue, stating that the demands were time-barred, and no opinion expressed on the merits of the matter including the aspects of revenue neutrality.

[Reliance Industries Ltd (TS-331-SC-2023-CUST)]

Hon’ble Bombay High Court directs for release of IGST refund along with interest since no double benefit found in the form of higher duty drawback

Brief Facts

The assessee filed a GST return in form no. GSTR-1 for august 2017 where inadvertently mentioned incorrect invoice number and port code for an export transaction and its corresponding shipping bill.

Realizing the error, the assessee filed an amended/corrected return for january 2018 and also submitted an annexure establishing the concordance between the tax invoices and shipping bill as per department of revenue circulars.

Assessee then applied for the refund of igst amount paid on the export of insulated cables to a party in myanmar. However, the refund was denied on the grounds that the assessee had claimed a higher duty drawback on its exports. In response, the assessee filed a writ petition to challenge the denial of IGST refund.

Observations

Hon’ble High Court observed that the current situation involves the Petitioner's case being classified as a zero-rated supply under Section 16(3) of the IGST act. Consequently, Rule 96 of the CGST rules, which pertains to the refund of integrated tax paid on exported goods or services, becomes applicable.

The sole question that needs to be resolved is whether the Respondent’s claim is valid, suggesting that the Petitioner availed a higher duty drawback while seeking the IGST refund. Further, it was observed that the conclusion drawn by the Respondents contradicts factual evidence as the official notification of October 31, 2016, sets a uniform duty rate of 2% for the relevant goods.

Hon’ble High Court also observed that a comparable situation was upheld by the Gujarat High Court in Awadkrupa Plastomech indicating Petitioner has a legitimate right to claim a refund of the IGST paid on the mentioned exports since there is no instance of the Petitioner seeking a dual benefit by obtaining both the IGST refund and a higher duty drawback.

Decision

Accordingly, the Hon'ble High Court allowed the appeal of Petitioner and issued a directive to the Revenue to refund the IGST paid by the assessee for the zero-rated supply. The refund to be accompanied by simple interest at an annual rate of 7%, effective from 22nd February 2018, and must be processed within a period of two weeks.

[Sunlight Cable Industries vs Commissioner of Customs (TS-290-HC (BOM)-2023-GST)]

Advance Rulings & Judgements

I. Hon’ble High Court of Andhra Pradesh upheld Validity of Time Limit for claiming Input Tax Credit (ITC) under Central Goods and Services Tax Act, 2017 (CGST Act, 2017).

Brief Facts

- The Andhra Pradesh High Court (HC) recently upheld the validity of the time limit prescribed under Section 16(4) of the CGST Act, 2017 for claiming ITC.
- In the given case, an assessee who started business in March 2020 filed their GSTR 3B for that month on 27 November 2020 along with payment of late filing fees. The ITC claimed in the GSTR 3B as per above was disallowed by the GST Authorities due to its filing beyond the statutory time limit.
- The aggrieved assessee challenged the Constitutional validity of Section 16(4) of CGST Act, 2017, arguing that Section 16(2) of CGST Act, 2017 should prevail.

Observations

- ITC is not Statutory or a Constitutional Right – The HC emphasized that ITC is a concession provided under the law and imposing a time limit on availing the same does not violate the Constitution or any Statute.
- There is no inconsistency between Section 16(2) and Section 16(4) of CGST Act, 2017. The non obstante clause in Section 16(2) does not override the conditions to be satisfied as per Section 16(4) for availment of ITC, as both of them are restricting provisions of different nature.
- Mere acceptance of GSTR 3B return filed along with payment of late fees does not excuse the delay in claiming the ITC beyond the specified period as per Section 16(4) of CGST Act, 2017.

Decision

- The High Court of Andhra Pradesh explicitly held that ITC under GST law is a concession/benefit and not a Statutory right which reaffirms the legislative authority's discretion to impose restriction on availment of ITC.

[Thirumalakonda Plywoods vs Assistant Commissioner of State Tax (W.P. No. 24235 of 2022 – Andhra Pradesh HC) dated 18 July 2023]

II. Gujarat High Court held that rejection of refund claim of unutilized ITC used in making zero-rated supply of goods merely on the ground of technicality unjustified as all the substantive conditions are satisfied.

Brief Facts

- M/s Shree Renuka Sugars Limited (Petitioner) is engaged in manufacturing, trading and supplying/ selling sugar and allied products. The petitioner has been selling and supplying such goods within the country and exporting substantial quantities to foreign countries.

- The petitioner was claiming refund of the unutilized ITC of inputs and input services used in making zero rated supplies as per above by the virtue of Section 54(3) of CGST Act, 2017 read along with Section 16(3) of Integrated Goods and Services Tax Act, 2017 (IGST Act, 2017) and Rule 89(4) of Central Goods and Services Tax Rules, 2017 (CGST Rules, 2017).
- The petitioner had filed refund claims of unutilized ITC used in making zero-rated supply of goods during the period of 11 months in Financial Year 2020- 2021 and 2021-2022. However, due to an inadvertent arithmetical error committed by their employee, the refund claim was filed for Rs.1,00,47,38,439/- instead of Rs.1,10,67,67,172/-. Therefore, the GST Authorities sanctioned and paid refund aggregating to Rs.1,00,47,38,439/-.
- The petitioner realized the error and lodged supplementary refund claims for the left-out amount of refund being Rs.10,20,28,733/- in "Any Other" category of Refunds, as the refund application for such 11 months were filed under "Accumulated ITC on Export of Goods and Services without payment of tax". However, the GST Authorities had refused to sanction and pay such a refund on a specious basis that the category under which such supplementary claims were lodged was not applicable in the case of the petitioner.

Observations

- Gujarat High Court referred to the provisions prescribed in Section 54 of CGST Act, 2017 read along with Section 16 of IGST Act, 2017 and Rule 89(4) of CGST Rules, 2017 and concluded that the petitioner had duly complied with all the above-mentioned provision while filing the refund application.
- It concluded that the petitioner had no option to rectify the inadvertent error committed by their employee while filing refund application under the category "Accumulated ITC on Export of Goods and Services without payment of tax", but to file the refund application of balance amount under the category "Any Other".
- It also concluded that the given case is nothing, but a technical error and the refund application filed by the petitioner cannot be rejected by the GST Authorities without examining the same on its own merits and in accordance with law.

Decision

- The High Court of Gujarat explicitly held that the benefit which a person is otherwise entitled to once the substantive conditions are satisfied cannot be denied due to technical error or the lacunae in the electronic system of GST portal.

[Shree Renuka Sugars Limited vs State of Gujarat (R/Special Civil Application No. 22339 of 2022 – Gujarat HC) dated 13 July 2023]

GST Update

Goods Transport Agency (GTA) opting to pay tax under forward charge mechanism for FY 2023-24 will remain in effect for future financial years until the GTA files a declaration in Annexure VI to revert under reverse charge mechanism.

- If GTA have exercised its option to pay tax under Forward Charge Mechanism for a particular financial year by filing Annexure-V, that option will remain in effect for future financial years until the GTA files a declaration in Annexure VI to revert under reverse charge mechanism. The Form in Annexure VI is provided in the notification.

- The last date to exercise the option for any financial year shall be exercised on or after 1st January of the preceding Financial Year but not later than 31st March of the preceding Financial Year. Earlier, the option could be exercised on or before 15th March of the preceding Financial Year.
- GTA would no longer be required to file declaration every year to exercise its option for paying tax under Forward Charge.

[Notification No. 06/2023 - Central Tax (Rate) dated 26 July 2023 and Notification No. 08/2023 - Central Tax (Rate) dated 26 July 2023]

GST Exemption extended to Satellite Launch Services supplied by private sector organizations.

- CBIC has issued a notification whereby GST exemption on satellite launch services supplied by ISRO, Antrix Corporation Limited and New Space India Limited (NSIL) has been extended to such services supplied by organizations in private sector to encourage start ups based on the recommendations of the 50th GST Council Meeting.

[Notification No. 07/2023 - Central Tax (Rate) dated 26 July 2023]

Extended the due date for filing form GSTR 1 for the registered persons whose principle place of business is in Manipur

- CBIC has extended the due date for filing of Form GSTR 1 for registered persons whose principle place of business is in the state of Manipur for tax period April, May and June 2023.
- Earlier, the due date was 30 June 2023 for filing of GSTR 1 for tax period April and May 2023, but the same has now been extended to 31 July 2023 for the tax period April, May and June 2023.

[Notification No. 18/2023 - Central Tax dated 17 July 2023]

Extended the due date for filing monthly Form GSTR 3B for the registered persons whose principle place of business is in Manipur

- CBIC has extended the due date for filing of Form GSTR 3B for registered persons whose principle place of business is in the state of Manipur for tax period April, May and June 2023.
- Earlier, the due date was 30 June 2023 for filing of GSTR 3B for tax period April and May 2023, but the same has now been extended to 31 July 2023 for the tax period April, May and June 2023.

[Notification No. 19/2023 - Central Tax dated 17 July 2023]

Provisions for Zero Rated Supply as per Section 16 of IGST Act, 2017 amended w.e.f. 01 October 2023.

- As per amended Section 16(3) of IGST Act, 2017, if the sale proceeds for zero-rated supply of goods made by registered taxpayer is not received within 30 days after the time limit prescribed under the Foreign Exchange Management Act, 1999, then the registered taxpayer is liable to deposit the refund so claimed and received as per Section 54 of CGST Act, 2017 along with the applicable interest as per Section 50 of CGST Act, 2017.
- Vide this notification, the Government also reserves the right to notify:
  - the class of persons who may make such zero-rated supplies on payment of Integrated Tax and claim the refund of such tax paid.
  - the class of goods or services which may be exported on payment of integrated Tax and the supplier of such goods or services may claim the refund of such tax paid.

[Notification No. 27/2023 - Central Tax dated 31 July 2023]

Clarification issued to deal with difference in ITC availed in 3B viz-a-viz available in 2A for the period April 2019 to March 2021

- Rule 36(4) of CGST Rules, 2017 allowed additional credit to the tune of 20%, 10% and 5%, as the case may be, during the period from 09.10.2019 to 31.12.2019, 01.01.2020 to 31.12.2020 and 01.01.2021 to 31.12.2021 respectively, in respect of invoices/supplies that were not reported by the concerned suppliers in their FORM GSTR-1 or IFF, leading to discrepancies between the amount of ITC availed by the registered persons in their returns in FORM GSTR-3B and the amount as available in their FORM GSTR-2A.
- Circular No. 183/15/2022 dated 27th December 2022 was issued for dealing with ITC difference between GSTR 3B & GSTR 2A for FY 2017-18 & FY 2018-19.
- It has now been clarified that the guidelines provided in the Circular No. 183/15/2022 dated 27 December 2022 shall be applicable to the period 01.04.2019 to 31.12.2021, however the circular restricts the allowable ITC to the extent of the percentage provided in Rule 36(4) as amended from time to time.
- These instructions will apply only to the ongoing proceedings for the period 01.04.2019 to 31.12.2021 and not to the completed proceedings.

[Circular No. 193/05/2023 - GST dated 17 July 2023]

Clarification issued for Taxability of services provided between distinct persons.

- It is clarified that under the existing law the mechanism of ISD is not mandatory for distributing the common ITC received by Head Office (HO) on behalf of its Branch Office (BO) from Third Party Vendors. Therefore, there are 2 option available to the HO –

- HO can distribute ITC to BOs in respect of those common input services, which are attributable to the said BO or have been provided to the said BO, through the ISD mechanism by getting itself registered mandatorily as an ISD in accordance with Section 24(viii) of the CGST Act,2017.
- HO can issue tax invoices under section 31 of CGST Act to the concerned BOs, only if the said services are attributable to or have been provided to the concerned BOs. The BOs can then avail such distributed ITC from HO subject to the provisions of section 16 and 17 of CGST Act,2017.

- As per the press release, the law shall be amended to make the mechanism of ISD mandatory prospectively.
- For Internally generated services, it is clarified that as per the second proviso to rule 28 of CGST Rules, read with sub-section (4) of section 15 of CGST Act, where the BO is eligible for full ITC, the value of supply shall be the open market value.
  - The value in the invoice issued by HO to BO shall be deemed to be the open market value of the goods or services, irrespective of the fact whether cost of any component of such services, like employee cost etc., has been included or not in the value of the services in the invoice.
  - However, if HO has not issued a tax invoice to the BO, the value of such services may be deemed to be declared as Nil by HO to BO.
- In respect of internally generated services provided by the HO to BOs where full ITC is not available to the concerned BO. Such transactions are not governed by second proviso of rule 28 hence it is clarified that is not mandatorily required to be included the cost of salary of employees of the HO, while computing the taxable value of the supply of such services.

[Circular No. 199/11/2023 – GST dated 17 July 2023]

03
Transfer Pricing

Delhi High Court upholds retrospective application of MAM adopted in subsequent year APA, provided the FAR remains constant YoY

Outcome: In favour of taxpayer

Category: Selection of Most Appropriate Method; FAR Analysis; Resolution under APA

Facts of the Case

- The case holds reference to the order passed by the ITAT in favour of Springer India Pvt Ltd ("the taxpayer") in relation to the appeal filed by the taxpayer against the order of relevant tax authorities for AY 2012-13.
- The subject matter of the appeal was related to the selection of "Other Method" as the Most Appropriate Method ("MAM") by the taxpayer during the benchmarking of international transactions in AY 2012-13.
- The taxpayer executed an Advance Pricing Agreement ("APA") with the Central Board of Direct Taxes ("CBDT") during the Financial Year 2019-20. The Agreement covered eighteen (18) transactions and a period spanning between AY 2013-14 and 2021-22, and does not cover AY 2012-13.
- As per the APA entered into, the taxpayer can benchmark sixteen (16) transactions by "Other Method" and remaining two (2) transactions by "Transaction Net Margin Method (TNMM)" and "Resale Price Method (RPM)".
- Initially when the case was contended before the ITAT, the tribunal remanded the matter back to the Transfer Pricing Officer ("TPO") for reconsideration.
- In relation thereof, the TPO upheld the contention of the relevant tax authorities for disregarding "Other Method" as the MAM.
- However, in denial of TPO's contentions, ITAT passed the judgement in favour of the taxpayer directing that APA should form the basis for benchmarking for the said Assessment Year.
- Aggrieved by the order of ITAT, TPO filed an appeal before Delhi High Court.

Delhi HC's Ruling

Following observations were drawn by Delhi High Court:

- Delhi High Court held that the taxpayer could have entered into the APA with the CBDT only from AY 2013-14 since APA was brought onto the statute only from 1 July 2012 i.e. AY 2013-14.
- Delhi High Court, in pursuance to the contentions of the taxpayer, held that the taxpayer was adopting TNMM prior to the AY 2012-13.
- This was due to the reason that the leeway to adopt "Other Method" for benchmarking was brought into the statute from AY 2012-13.
- Further, relying upon the several judgements of the various other benches of Tribunal, Delhi High Court upheld the caveat put in place by the Tribunal which highlighted that the APA entered into by the taxpayer could form the basis of benchmarking for the uncovered year i.e. AY 2012-13 provided that the Functions, Assets and Risks (FAR) remain the same.

Source: Springer India Pvt Ltd [TS-403-HC-2023(DEL)-TP]

Nangia Andersen LLP's Take

The Delhi High Court in the instant ruling upheld the retrospective application of method adopted in the subsequent year's APA, for forming the basis of benchmarking analysis. The judgement emphasizes that such application of APA should be ring-fenced with the caveat of analyzing the FAR and ensuring its similarity with FAR of the periods covered under such APA.

This judgment shall act as a guiding light for applicability of the methodology adopted in the years preceding the years covered under APA, wherein the transaction and the surrounding factors are similar to the years covered under APA.

Further, this judgement along with the plethora of other rulings, highlights the importance of FAR analysis in determining the consistency of the methodology to be adopted for benchmarking international transactions.

04
Regulatory

Updates under companies act, 2013 ("act")

Merger of multiple user ids of V-2 portal with new user id in V-3 and deactivation of old user id in V-2 portal

While conducting transactions on the existing MCA21 V2 portal., members of the Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI), and Institute of Cost Accountants of India (ICWAI) had to create multiple user IDs

To address this matter, the Ministry of Corporate Affairs (MCA) *vide* General Circular No. 07/2023 dated 12th July 2023, has advised all such members to approach their respective institutes with their credentials for merging multiple existing user IDs with the ID created in V3 portal or for deactivation of the old user IDs in V2 thereby allowing them to create a new ID in the V3 portal.

The MCA highlights that some members are facing difficulties in creating a user ID in the new MCA21 V3 Portal due to the existence of an old ID, about which they may be unaware or have forgotten. To handle such cases, MCA has stated that it will make the necessary changes in the user ID in V3 Portal based on recommendations forwarded by the President or Vice President of the institute to ddegov@mca.gov.in.

MCA approves withdrawal of 7,338 prosecutions pending before various courts

In a strong commitment to promote Ease of Doing Business and in line with the effort to decriminalize compoundable offences under the Companies Act, 2013, the Central Government, through MCA, has made a significant decision as part of its Special Arrears Clearance Drive-II. The decision involves withdrawing 7,338 prosecutions that were pending before various courts.

This move will result in a noteworthy reduction in the number of pending prosecutions pursued by the Central Government by 21.86%. In the past, the Government's 'Action Plan for Special Arrears Clearance Drives' successfully led to the withdrawal of 14,247 prosecutions during the Special Drive-I in 2017.

To achieve this, the MCA formed a committee to conduct a comprehensive review of all pending litigations. The focus was on identifying and withdrawing long-pending prosecutions related to compoundable offences. However, prosecutions linked to serious non-compoundable offences such as cheating, fraud, acceptance of deposits, pending charges, etc., have not been considered for withdrawal. This strategic step will not only ease the burden on the courts but also contribute to the growth of the corporate sector in India, all while maintaining a robust corporate governance framework.

The cases being withdrawn under the Special Drive-II are a direct outcome of the amendment introduced by the Government through the Companies (Amendment) Act, 2020, which aims to decriminalize offences under the Companies Act, 2013. The objective is to facilitate smoother business operations and minimize lengthy litigations before the courts.

Moreover, these clearance drives are part of the principle that the Central Government should avoid being an unnecessary litigant in legal proceedings.

Updates under Reserve Bank of India (RBI)

Draft circular – arrangements with card networks for issue of debit, credit and prepaid cards

The RBI vide press release dated 5th July, 2023 notified the draft circular on arrangements with card networks for issue of debit, credit and prepaid cards. The draft circular intends to provide a greater option to the customers for choosing their card networks. Accordingly, the draft circular suggests the following:

- Card issuers shall not enter into any arrangement or agreement with card networks that restrain them from availing the services of other card networks.
- Card issuers shall issue cards across more than one card network.
- Card issuers shall provide an option to their eligible customers to choose any one among the multiple card networks. This option may be exercised by customers either at the time of issue or at any subsequent time.

The stakeholders may submit their comments by 4th August, 2023.

Updates under Securities and Exchange Board of India ('SEBI')

SEBI issues master circular for issue, listing of non-convertible securities, securitised debt instruments, security receipts and commercial paper

SEBI has issued a Master Circular dated 7th July, 2023 concerning the issuance and listing of various financial instruments such as Non-Convertible Securities (NCS), securitized debt instruments, security receipts, municipal debt securities, and Commercial Paper (CP). The circular includes specific guidelines for cases where the issuer is an NBFC, Housing Finance Company (HFC), or Public Financial Institution (PFI), and when the public issue involves loans to a 'Group Company'.

SEBI has specified that the face value of a listed debt security or non-convertible redeemable preference share, issued on a private placement basis and traded on a stock exchange or over the counter (OTC), should be Rs. 1 lakh. It allows issuers to access the EBP platform for private placement of municipal debt securities, CPs, or Certificate of Deposits (CDs) if they desire to do so.

Regarding green debt securities, SEBI requires issuers to maintain a transparent decision-making process to determine the ongoing eligibility of projects and/or assets. They must also ensure that all projects and/or assets funded by the proceeds of green debt securities align with the documented objectives of such securities.

It is highlighted that debt securities that do not guarantee the return of the principal amount in full at the end of the tenor, i.e., 'principal non-protected,' will not be considered as debt securities under Regulation 2(k) of NCS Regulations. Consequently, such securities will not be eligible for issue and listing under the said Regulations.

Finally, the circular emphasizes that if the issuer fails to inform the status of payment of debt securities within the specified timelines, debenture trustees are required to seek the status of payment from the issuer and may conduct independent assessments from banks, investors, rating agencies, etc., to ascertain the same.

SEBI releases regulatory framework for sponsors of mutual fund

SEBI vide circular dated 7th July, 2023 has introduced a regulatory framework for the sponsors of Mutual Funds. According to the framework, if any sponsor becomes dissatisfied with an Asset Management Company (AMC), all the shareholders of that AMC will be categorized as "financial investors," and there will be no further sponsor for that AMC.

Among pooled investment vehicles, only Private Equity (PEs) funds are eligible to act as sponsors for a Mutual Fund. SEBI has established the criteria that a PE must meet in order to qualify as a Mutual Fund sponsor. Additionally, the regulator has outlined extra safeguards that apply to PEs acting as MF sponsors. These safeguards prevent off-market transactions between the MF's schemes and the sponsor PE, schemes/funds managed by the manager of the sponsor PE, or investee companies of schemes/funds of the sponsor PE if the PE holds more than 10% stake, or has board representation or a right to nominate board representation.

SEBI releases regulatory framework for sponsors of mutual fund

Considering the evolution of the Mutual Fund industry and the changing roles and responsibilities of AMCs over the years, most AMCs are deemed capable of functioning independently and earning the trust of their investors. Hence, SEBI allows sponsors to voluntarily reduce their stake in an AMC under certain conditions.

Furthermore, SEBI permits an AMC to become a 'self-sponsored AMC' if it fulfils certain conditions. However, a self-sponsored AMC must maintain the minimum net worth requirement as per SEBI MF Regulations on a continuous basis.

Updates under Competition Commission of India (‘CCI’)

CCI approves acquisition of marnix lux by concentrix corporation and shareholding in combined company by shareholders of Marnix Lux

The Competition Commission of India has granted approval for Concentrix Corporation to acquire Marnix Lux and for the shareholders of Marnix Lux to hold approximately 22% shareholding in the resulting combined company.

Under the proposed combination, Concentrix Corporation, a publicly listed company based in the USA, will indirectly acquire Marnix Lux SA (Marnix Lux). Marnix Lux, in turn, is the parent company of Webhelp S.A.S. (Webhelp), which is involved in providing business process outsourcing services and specialized services.

Concentrix Corporation primarily operates in the customer experience services segment of Information Technology and Information Technology-enabled Services.

Updates under Production Linked Incentive scheme ('PLI')

PLI – Textile

Re-opening of PLI Scheme for Textiles for MMF apparel, MMF Fabrics and products of Technical Textiles for inviting fresh applications

In response to requests from industry stakeholders, the Ministry of Textiles has decided to reopen the PLI Portal until 31st August, 2023. The purpose is to invite applications from interested companies for the PLI scheme of Textiles, specifically focusing on MMF (Man-Made Fibre) Apparel, MMF Fabrics, and Technical Textile products.

The government launched the PLI Scheme with a budget of Rs. 10,683 crore to encourage the production within the country. The scheme aims to help the Textiles Industry attain a substantial size, scale, and competitiveness.

The application process for the PLI Scheme for Textiles initially took place through the web portal from 1st January, 2022 to 28th February 2022. During this period, a total of 67 applications were received. A Selection Committee, chaired by the Secretary (Textiles), assessed these applications and selected 64 applicants under the scheme. Out of these selected applicants, 56 have met the mandatory criteria for forming a new company, and approval letters have been issued to them. Approximately Rs. 1536 crore has been invested so far.

All the terms and conditions that were previously notified through notifications and guidelines will remain applicable during this reopened application period.

IT Hardware

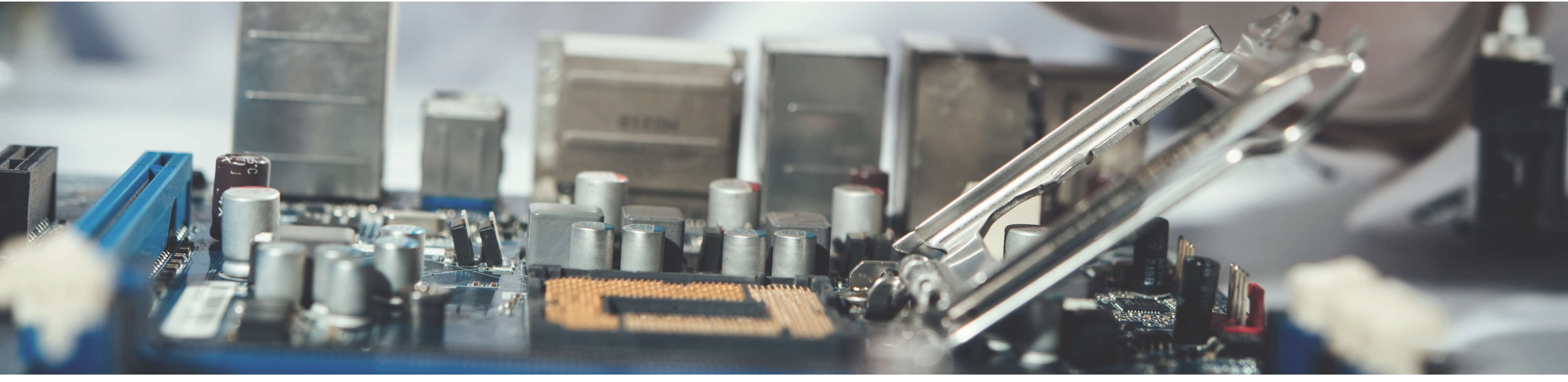
Guidelines for operationalisation of production linked incentive scheme 2.0 for IT hardware approved

The Production Linked Incentive (PLI) Scheme 2.0 for IT Hardware was officially announced through notification No. CG-DL-E-30052023-246165 on 29th May, 2023. The scheme has been allocated a budget of Rs. 17,000 crore and aims to strengthen and expand the IT hardware manufacturing ecosystem in the country.

In this context, the Operational Guidelines for the Production Linked Incentive Scheme 2.0 for IT Hardware have been finalized and can be found at the following URL:

https://www.meity.gov.in/esdm/production-linked-incentive-scheme-pli-20-it-hardware

The application window for receiving applications under PLI Scheme 2.0 for IT Hardware has been extended until 31st August, 2023. The portal for submitting applications from eligible companies is accessible at: https://pliithw.com/



Updates under food safety and standards of india (FSSAI)

Directions issued by the fSSAI in furtherance to food safety and standards (advertising and claims) second amendment regulations, 2022

The FSSAI released certain directions vide notification dated 05th July 2023 in furtherance to Food Safety and Standards (Advertising and Claims) Second Amendment Regulations, 2022 dated 13th December 2022 and direction issued by FSSAI dated 27th February 2023 in this regard.

As per the amendment, Regulation 4(7) of Food Safety and Standards (Advertising and Claims) Regulations, 2018 was substituted as follows:

In cases where the meaning of a trade mark, brand name or fancy name contains adjectives such as “natural", “fresh", “pure", “original", “traditional", “authentic", “genuine", “real" and such adjectives appears in the labelling, presentation or advertising of a food in such a manner that it is likely to mislead the consumer as to the nature of the food, the following disclaimer is required to be mentioned prominently on the front of the pack of the label-

“*This is only a brand name or trademark, or fancy name and does not represent its true nature*”

Also, the font size of the aforesaid disclaimer shall not be less than 1.5 mm for principal display panel upto 100 cm^2, not less than 2 mm for principal display panel between 100-200 cm^2 and not less 3 mm in case of principal display panel above 200 cm^2.

As per earlier direction dated 27th February 2023, extension of six months was provided for enforcement of aforesaid amendment (from the date of notification). However as per the latest direction dated 05th July 2023 released by FSSAI, the enforcement of the amendment has been granted an additional six-month extension from 13th June 2023. The extension is in response to representations received from stakeholders, who requested more time to deplete their existing stock of old packaging materials.

Other regulatory updates

Telecom Regulatory Authority of India (TRAI)

TRAI releases consultation paper on regulatory mechanism for over-the top (OTT) communication services, and selective banning of OTT services

The TRAI through its notification dated 7th july, 2023, released a consultation paper on regulatory mechanism for OTT communication services, and selective banning of OTT services ("consultation paper").

The consultation paper is released in regard to a letter dated 7th September, 2022 issued by the Department of Telecommunications ("DoT") wherein a request was made to TRAI to re-consider the recommendations on the Regulatory Framework for OTT Communication Services which was released in September 2020 ("2020 Recommendations").

The 2020 Recommendations broadly captured that no regulatory interventions were required in respect of issues pertaining to privacy and security of OTT services.

DoT, while reasoning out the request to reconsider the 2020 Recommendations, mentioned that OTT services, having witnessed a humongous growth in the recent past, needed to be holistically viewed and that it was essential to take into consideration the regulatory, economic, security, privacy, and safety aspects.

In this regard, consultation paper seeking inputs from stakeholders, has been placed on TRAI's website (www.trai.gov.in). Written comments on the issues raised in the Consultation Paper are invited from stakeholders by 4th August, 2023 and counter comments by 18th August, 2023.

Extension of Last Date to receive Comments/Counter-Comments On TRAI's Consultation Paper on "Encouraging Innovative Technologies, Services, Use Cases, and Business Models through Regulatory Sandbox in Digital Communication Sector"

On 19th June, 2023, the TRAI published a Consultation Paper titled "Encouraging Innovative Technologies, Services, Use Cases, and Business Models through Regulatory Sandbox in Digital Communication Sector." Stakeholders were invited to submit their written comments on the matters raised in the Consultation Paper until 17th July, 2023. Additionally, the deadline for counter-comments was set for 1st August, 2023.

In response to the requests from stakeholders for an extension of the comment submission deadline, it has been decided to prolong the period for providing written comments and counter-comments until 31st July, 2023, and 16th August, 2023, respectively.

TRAI releases draft telecommunication consumers education and protection fund (sixth amendment) regulation, 2023 for comments

The TRAI through its notification dated 24th July, 2023, released draft on Telecommunication Consumers Education and Protection Fund (Sixth Amendment) Regulation, 2023 for comments.

Back in June, 2007, TRAI had introduced the Telecommunication Consumers Education and Protection Fund Regulations, 2007 ("principal regulations"). Under these regulations, a fund named "Telecommunication Consumers Education and Protection Fund" (TCEPF) was established. The income generated from TCEPF is utilized for various activities, including organizing Consumer Outreach Programmes, seminars, workshops, and developing educational and awareness materials, all aimed at disseminating information to consumers. The planning of these activities is carried out by the Committee for Utilisation of Telecommunication Consumers Education and Protection Fund (CUTCEF) established as per the Principal Regulations.

The Authority has noted that expenses related to the preparation, maintenance, and audit of accounts, as well as the participation of consumer group representatives in CUTCEF meetings, need to be funded from TCEPF. Therefore, amendments to regulations 6 and 13 of the principal regulations have been proposed to address these provisions.

In this regard, consultation paper seeking inputs from stakeholders, has been placed on TRAI's website (www.trai.gov.in) and the same is open for comments of stakeholders up to 14th August 2023.

General law updates

Jan vishwas (amendment of provisions) bill, 2023

TRAI releases consultation paper on regulatory mechanism for over-the top (OTT) communication services, and selective banning of OTT services

Through The Jan Vishwas (Amendment of Provisions) Bill, 2023, a total of 183 provisions are being proposed to be decriminalized in 42 Central Acts administered by 19 Ministries/Departments. De-criminalization is proposed to be achieved in the following manner: -

- Both imprisonment and/or fine are proposed to be removed in some provisions.
- Imprisonment is proposed to be removed and fine retained in few provisions.
- Imprisonment is proposed to be removed and fine enhanced in few provisions.
- Imprisonment and fine are proposed to be converted to penalty in some provisions.
- Compounding of offences is proposed to be introduced in few provisions.

For effective implementation of the above, the bill proposes measures such as

- Pragmatic revision of fines and penalties commensurate to the offence committed;
- Establishment of Adjudicating Officers;
- Establishment of Appellate Authorities; and
- Periodic increase in quantum of fine and penalties

The benefits of the Bill are as under:

- Rationalisation of criminal provisions and ensuring that citizens, businesses and the government departments operate without fear of imprisonment for minor, technical or procedural defaults.
- The nature of penal consequence of an offence committed should be commensurate with the seriousness of the offence. The proposed amendments ensure the adherence to law by businesses and citizens, without losing the rigor of the law.
- The criminal consequences prescribed for technical/procedural lapses and minor defaults, clog the justice delivery system and puts adjudication of serious offences on the back burner.
- The enactment of this legislation would be a landmark in the journey of rationalizing laws, eliminating barriers and bolstering growth of businesses. The same shall serve as a guiding principle for future laws.

Orders/judgements

Registrar of Companies (ROC)

Order of penalty for the violation of Section 135(6) of the Companies Act, 2013

ROC, Tamil Nadu issued an order dated 11th July, 2023 under Section 454 read with Companies (Adjudication of Penalties) Rules, 2014 for violation of Provisions of Section 135(6) of Companies Act, 2013 in the matter of **M/s Takraf India Private Limited.**

As per Section 135(6), any amount remaining unspent under sub- section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of 30 days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to called the Unspent Corporate Social Responsibility Account and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility.

Further Section 135(7) of the Companies Act, 2013 states that if a company is in default in complying with section 135(5) or (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or 1 crore rupees, whichever is less and every officer in default shall be liable to the penalty of 1/10th of the amount required to be transferred by the company to such Fund specified in the Schedule VII or the Unspent Corporate Social Responsibility Account or 2 lakh rupees, whichever is less.

- The company was required to spend Rs. 16,33,276/- in the year 2020-21. However, the company had spent only Rs. 1,83,276/- on an ongoing project and could not spend the balance amount of Rs. 14,50,000/-
- Also, it had failed to comply with the requirements of Section 135(6) of Opening a special bank account and transfer the unspent CSR obligation Account within a period of 30 days from the end of Financial Year.
- ROC issued adjudication Hearing Notice on 15th June, 2023 to the company and its directors fixing the hearing date as 23rd June, 2023 on the basis of suo moto application submitted by the company and its officers on 28th February, 2023.

- The Authorized representative appeared on behalf of the company & its directors and admitted the violation of Section 135(6) of the Act.
- Penalty imposed under Section 135(7):
    - Company: 2*14,50,000 = 29,00,000/-
    - Directors: 14,50,000/10 = 1,45,000/- each.

05 | Compliance Calendar

Due dates	Particulars
7th August 2023	Due date for deposit of Tax deducted/collected for the month of July, 2023.
	Due date for payment of Equalisation Levy on online advertisement and other specified services, referred to in Section 165 of Finance Act, 2016 for the month of July 2023.
14th August 2023	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of June 2023.
	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of June, 2023
	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of June, 2023
	Due date for issue of TDS Certificate for tax deducted under section 194S in the month of June, 2023 (in case of specified person)
15th August 2023	Quarterly TDS certificate in respect of tax deducted for payments other than salary for the quarter ending June 30, 2023 (Revised due date for furnishing TDS certificate shall be October 15, 2023 vide circular no. 9/2023, dated 28-06-2023)
30th August 2023	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA for the month of July, 2023
	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB for the month of July, 2023
	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M for the month of July, 2023
	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194S for the month of July 2023 (in case of specified person)

S. No.	Compliance Category	Compliance Description	Frequency	Due Date	Due Date falling in August 2023
1	Form GSTR-1 (Details of outward supplies)	Registered person having aggregate turnover more than INR 5 crores and registered person having aggregate turnover up to INR 5 crores who have not opted for Quarterly Returns Monthly Payment ('QRMP') Scheme	Monthly	11th day of succeeding month	For Tax Period July 2023 - 11 August 2023
2	Form GSTR-3B (Monthly return)	Registered person having aggregate turnover more than INR 5 crores and registered person having aggregate turnover up to INR 5 crores who have not opted for Quarterly Returns Monthly Payment ('QRMP') Scheme	Monthly	20th day of succeeding month	For Tax Period July 2023 - 20 August 2023
3	QRMP Scheme				
	Invoice furnishing facility ('IFF')	Optional facility to furnish the details of outward supplies under QRMP Scheme	Monthly	1st day to 13th day of succeeding month	For Tax Period July 2023 –1 to 13 August 2023
	Form GST PMT-06 (Monthly payment of tax)	Payment of tax in each of the first two months of the quarter under QRMP Scheme	Monthly	25th of the succeeding month	For Tax Period July 2023 –25 August 2023

S. No.	Compliance Category	Compliance Description	Frequency	Due Date	Due Date falling in August 2023
4	Form GSTR-6 (Return for Input Service distributor)	Return for input service distributor	Monthly	13th of succeeding month	For Tax Period July 2023 - 13 August 2023
5	Form GSTR-7 (Return Return for Tax Deducted at Source)	Return filed by individuals who deduct tax at source.	Monthly	10th of succeeding month	For Tax Period July 2023 - 10 August 2023
6	Form GSTR-8 (Statement of Tax collection at source)	Return to be filed by e-commerce operators who are required to collect tax at source under GST.	Monthly	10th of succeeding month	For Tax Period July 2023- 10 August 2023

Regulatory

Segment	Particulars	Due Dates
ECB Borrowers	ECB Return (ECB-2)	7th August, 2023
Quarterly Report under Regulation 32 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015	Financial Results & Statement of deviation	14th August, 2023

NOIDA
(Delhi NCR - Corporate Office) A-109, Sector - 136, Noida - 201304, India
T: +91 120 2598000

DELHI
(Registered Office) B-27, Soami Nagar, New Delhi - 110017, India T: +91 120 2598000

GURUGRAM
001-005, Emaar Digital Greens Tower-A 10th Floor, Golf Course Extension Road, Sector 61, Gurgaon-122102
T: +91 0124 430 1551

MUMBAI
4th Floor, Iconic Tower, URMI Estate, Ganpat Rao Kadam Marg, Lower Parel, Mumbai - 400013, India
T : +91 22 6173 7000

CHENNAI
Prestige Palladium Bayan,
Level 5, 129-140, Greams Road, Thousand Lights, Chennai - 600006 T: +91 44 46549201

BENGALURU
Prestige Obelisk, Level 4, No 3 Kasturba Road, Bengaluru - 560 001, Karnataka, India
T: +91 80 2248 4555

PUNE
3rd Floor, Park Plaza, CTS 1085, Ganeshkhind Road, Next to Pune Central Mall, Shivajinagar, Pune - 411005, India

DEHRADUN
1st Floor, "IDA" 46 E.C. Road, Dehradun - 248001, Uttarakhand, India T: +91 135 271 6300

www.nangia-andersen.com | query@nangia-andersen.com

Copyright © 2023, Nangia Andersen LLP All rights reserved. The Information provided in this document is provided for information purpose only, and should not be constructed as legal advice on any subject matter. No recipients of content from this document, client or otherwise, should act or refrain from acting on the basis of any content included in the document without seeking the appropriate legal or professional advice on the particular facts and circumstances at issue. The Firm expressly disclaims all liability in respect to actions taken or not taken based on any or all the contents of this document.