

NEWS LETTER

AJAY RATTAN & CO Chartered Accountants

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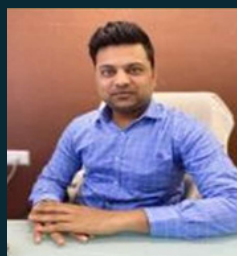


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COMPLIANCE



DUE DATES | DECEMBER 2023

GST

Due Date	Compliance Detail	Applicable To
10 th	a) GSTR-7 (TDS return under GST) b) GSTR-8 (TCS return under GST)	a) Person required to deduct TDS under GST b) Person required to collect TCS under GST
11 th	GSTR – 1 (Outward supply return)	<ul style="list-style-type: none">• Taxable persons having annual turnover > Rs. 5 crore in FY 2022-23• Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13 th	a) GSTR-6 [Return by input service distributor (ISD)] b) GSTR-5 (Return by Non- resident) c) Invoice Furnishing Facility- IFF (Details of outward supplies of goods or services)	a) Person registered as ISD b) Non-resident taxable person (NRTP) c) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and opted for QRMP scheme
20 th	a) GSTR-3B (Summary return) b) GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	a) .Taxpayers having annual turnover > Rs. 5 crore in FY 2022-23 . .Taxpayers having annual turnover ≤ Rs.5 crore in FY 2022-23 and not opted for QRMP Scheme . b) OIDAR services provider
25 th	Form GST PMT-06 (Payment of tax for Quarterly filers)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and opted for QRMP scheme
31 th	a) GSTR-9 (Annual GST Return) b) GSTR-9C (Annual Reconciliation Statement)	a) Taxable persons having aggregate annual turnover > Rs 2 crore in FY 2022-23 b) Taxable persons having aggregate annual turnover > Rs 5 crore in FY 2022-23

INCOME TAX

Due Date	Compliance Detail	Applicable To
7 th	a) TDS/TCS deposit b) Equalization Levy deposit	a) Non-Government deductors b) All dedutors
15 th	<ul style="list-style-type: none">• Deposit of 75% (3rd Instalment) of Advance Tax for FY 2023-24.	<ul style="list-style-type: none">• Taxpayers liable to pay advancetax
31 th	<ul style="list-style-type: none">• Belated / Revised Income-tax Return	<ul style="list-style-type: none">• All assesses (provided assessment has not been completed before 31stDecember 2023)

other

Due Date	Compliance Detail	Applicable To
15 th	Deposit of PF & ESI contribution	All Deductors



DIRECT TAX

Central Board of Direct Taxes (CBDT) amends guidelines for submission of Statement of Financial Transactions (SFT) for depository transactions & mutual fund transactions by registrar & share transfer agent

Background

The Income-tax Act requires certain specified taxpayers including government agencies, banks and other institutions to submit SFT to tax authority containing certain financial transactions undertaken during the year. This reporting acts as a valuable source of information for the tax authority to be utilized for widening the tax base, prefilling of return of income and detection of revenue leakage.

In April 2021, CBDT vide Notification nos. 3 and 4 had specified the format, procedure and guidelines for submission of SFT for depository transactions and mutual fund transactions by registrar and share transfer agent.

As per the notification(s), the reporting entities are required to prepare the data file from their internal system and submit them using SFTP server. A separate control statement is required to be signed, verified and furnished by the designated director.

Corrigendum to the above notifications, issued on 15 November 2023

CBDT has issued corrigendum to the above notifications, amending the norms relating to filing of SFTs as below:

- With effect from 1 April 2023 onwards, SFT will be required to be submitted half-yearly instead of quarterly. In other words, data for half-year ended 30 September will be required to be submitted by 31 October; data for half-year ended 31 March will be required to be submitted by 30 April.**
- Holding period for Unit Trust of India (UTI) units has been set at 12 months if over 35% of the proceeds are in domestic equity shares. For business trust and other units, the holding period is 36 months under the same conditions.**
- Effective from 1 April 2023 onwards, if UTI unit, business trust and other units invest 35% or less of its total proceeds in the equity shares of domestic companies, it will always be classified as short-term capital asset.**
- The corrigendum includes market linked debentures in the classification of short-term capital assets starting from 1 April 2024 onwards.**
- Regarding SFT in depository transactions, the corrigendum specifies that for each debit transaction, the matching credit should be identified using the First in First Out (FIFO) method. The estimated acquisition cost for the credit should be calculated using the weighted average price of the asset. This involves considering the actual transaction value if the purchase was made after 1 February 2018, or the end-of-day price if the purchase was made before that date, as available with the depository.**
- Corrigendum further clarifies that the estimated acquisition cost is considered NIL for off-market purchases, corporate actions, or any transactions outside the Exchange. Additionally, IPO credits will be regarded as market credits, with the acquisition cost calculated using the formula 'number of allotted shares x per unit price at the time of allocation'.**

Withholding of refund claimed by taxpayer in case assessment/ reassessment proceedings are pending – CBDT introduces threshold monetary limit of Rs. 10 lakh & the procedure to withhold refund in such cases

Background

Section 245(2) of the Income-tax Act, 1961 empowers a tax officer to withhold refund claimed by a taxpayer, if the proceedings for assessment or reassessment are pending in the case of such taxpayer. The refund may be withheld if the tax officer believes that the grant of refund is likely to adversely affect the revenue. The tax officer would be required to pass an order in writing to withhold the refund up to the date on which such assessment or reassessment is made.

Instruction no. 02/2023 dated 10 November 2023 issued by CBDT

The CBDT has prescribed a monetary limit (of refund) of Rs. 10 lakh for invoking the said provision. Further, it has prescribed the following procedure to withhold refund.

- On receipt of communication from Centralized Processing Centre (CPC), the Faceless Assessing Officer (FAO) shall inform the Jurisdictional Assessing Officer (JAO) of the demand likely to be raised in the pending assessments.
- Based on such information, the JAO shall record in writing and seek approval of the jurisdictional Principal Commissioner of Income-tax
- The reasons recorded should reflect the factual analysis of the case by the JAO. The JAO will communicate the final decision regarding withholding or releasing the refund to the CPC.

To complete the above process, the time limit is 20 days for the Faceless Assessment Unit and 30 days for JAO.

Income-tax return in Form ITR 7 – CBDT introduces changes to accommodate the taxable income of individuals under the tax rates applicable to Association of Persons (AOP)

Form ITR-7 is required to be submitted annually by taxpayers such as charitable trusts and institutions, political parties, scientific research institutions, universities, colleges, etc. CBDT vide Notification no. 94/2023 dated 31 October 2023 has introduced certain changes in Form ITR-7, to accommodate the taxable income of individuals under the tax rates applicable to AOP, which aligns with the slab rates applicable to individuals. The amendment is applicable from Assessment Year (AY) 2023-24 onwards.

Changes in Part B- TI: Sl No. 16 to be substituted as below:

“16	Specified income chargeable u/s 115BBI, included in 13, to be taxed @ 30%(Sl. No 7 of Schedule 115BBI)	16
17	Aggregate income to be taxed at normal rates (13-14-15-16) (including income other than specified income under section 115BBI)	17”

Changes in Part B-TTI: Against Serial No. 1, for item a, following entry shall be substituted:

”a	Tax at normal rates on [Sl. No. 17 of Part B1 of part B-TI] OR [Sl. No. (13-14) of Part B2 of Part B-TI] OR [Sl. No. 13 of Part B3 of Part B-TI]	1a”
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GOODS

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SERVICE

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TAX

Notification No. 53/2023- Central Tax, Dated – 02.11.2023.

This notification introduces an amnesty scheme for appeal filing, providing relief to eligible taxable persons who missed the appeal filing deadlines.

1. Eligibility:

The following class of persons is eligible for the amnesty scheme for appeal filing

- i. Taxable persons who could not file an appeal against the order passed by the proper officer on or before the 31st day of March 2023 under section 73 or 74 of the GST Act within the time period specified in section 107(1) read with section 107(4) of the said Act.
- ii. Taxable persons whose appeal against the said order was rejected solely on the grounds that the said appeal was not filed within the time period specified in section 107.

2. Timeline:

The said person shall file an appeal against the said order in **FORM GST APL-01 in accordance with Section 107(1) of the said Act, on or before the 31st day of January 2024.**

3. Conditions to be eligible for the amnesty scheme for appeal filing:

- i. The amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by the appellant is paid by the appellant in full.
- ii. A sum equal to 12.50% of the remaining amount of tax in dispute arising from the said order, subject to a maximum of 25 crore rupees, in relation to which the appeal has been filed, out of which at least 20% should have been paid by debiting from the Electronic Cash Ledger.

The following order is not eligible for the amnesty scheme.

- i.** Where order has been passed on or after 01.04.2023
- ii.** An order where there is no demand of tax involved.
- iii.** An order only for a penalty.
- iv.** An order only for interest.
- v.** An order for rejection of refund.
- vi.** An order for a reduction in Input Tax Credit, where no tax demand
- vii.** Order for rejection of registration number.

4. Other provisions of this notification

- i.** No refund shall be granted on account of this notification till the disposal of the appeal, in respect of any amount paid by the appellant, either on their own or on the directions of any authority (or) court, in excess of the amount specified in para 3 of this notification before the issuance of this notification, for filing an appeal under subsection (1) of Section 107 of the said Act.
- ii.** The provisions of Chapter XIII of the Central Goods and Service Tax Rules, 2017 (12 of 2017), shall mutatis mutandis, apply to an appeal filed under this notification.
- iii.** No appeal under this notification shall be admissible in respect of a demand not involving tax.

Notification No. 54/2023- Central Tax, Dated – 17.11.2023.

CBIC Enforces Biometric Aadhaar Authentication for GST in Andhra Pradesh

The amendment, specified under this Notification reflects the government's effort to streamline and enhance the GST registration process. The original notification No. 27/2022-Central Tax dated the 26th December, 2022, had initially included only the States of Gujarat and Puducherry for the biometric-based Aadhaar authentication. Now, the recent amendment expands this requirement to include the State of Andhra Pradesh as well.

Advisory on the GST Portal

• ITC Reversal on Account of Rule 37(A)

1. Vide Rule 37A of CGST Rules, 2017 the taxpayers have to reverse the Input Tax Credit (ITC) availed on such invoice or debit note, the details of which have been furnished by their supplier in their GSTR-1/IFF but the return in FORM GSTR-3B for the said period has not been furnished by their supplier till the 30th day of September following the end of financial year in which the Input Tax Credit in respect of such invoice or debit note had been availed.

2. The said amount of ITC is required to be reversed by such taxpayers, while furnishing a return in FORM GSTR-3B on or before the 30th day of November following the end of such financial year, as part of this legal obligation.

3. To facilitate the taxpayers, such amount of ITC required to be reversed on account of Rule 37A of CGST Rules for the financial year 2022-23 has been computed from system and has been communicated to the concerned recipient. The email communication to this effect has been sent on the registered email id of the taxpayer.

4. The taxpayers are advised to take note of it and to ensure that such ITC, if availed by them, is reversed as per rule 37A of CGST Rules before 30th of November 2023 in Table 4(B)(2) of GSTR-3B while filing the concerned GSTR-3B.

• Difference in Input Tax Credit (ITC) available in GSTR-2B & ITC claimed in the GSTR-3B

1. It is informed that GSTN has developed a functionality to generate automated intimation in Form GST DRC-01C which enables the taxpayer to explain the difference in Input tax credit available in GSTR-2B statement & ITC claimed in GSTR-3B return online as directed by the GST Council. This feature is now live on the GST portal.

2. This functionality compares the ITC declared in GSTR-3B/3BQ with the ITC available in GSTR-2B/2BQ for each return period. If the claimed ITC in GSTR 3B exceeds the available ITC in GSTR-2B by a predefined limit or the percentage difference exceeds the configurable threshold, taxpayer will receive an intimation in the form of DRC-01C.

3. Upon receiving an intimation, the taxpayer must file a response using Form DRC-01C Part B. The taxpayer has the option to either provide details of the payment made to settle the difference using Form DRC-03, or provide an explanation for the difference, or even choose a combination of both options.

4. In case, no response is filed by the impacted taxpayers in Form DRC-01C Part B, such taxpayers will not be able to file their subsequent period GSTR-1/IFF.

• **Filing of GSTR 9 and GSTR 9C for the F.Y 2022-23.**

Sr No	Particulars	GSTR 9	GSTR 9C
1.	Applicability turnover	GST regular taxpayer with aggregate turnover above INR 2 crores	GST regular taxpayer with aggregate turnover above INR 5 crores
2.	Due date	31st December 2023	31st December 2023
3.	Late fee / Penalty for delayed filing	Late fees of Rs 200/- per day of delay subject to a maximum cap of 0.25% of total turnover in respective State / UT.	No specific provision so general penalty under Section 125 i.e., INR 50,000/- may be levied



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