

# NEWS LETTER

AJAY RATTAN & CO.  
Chartered Accountants

NEWSLETTER FOR AUGUST 23  
VOLUME 14 , ISSUE 8



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# COMPLIANCE



## DUE DATES | August 2023



Due Date	Compliance Detail	Applicable To
7 <sup>th</sup>	a) TDS/TCS deposit b) Equalization Levy deposit	a) Non-Government deductors b) All deductors
10 <sup>th</sup>	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 <sup>th</sup>	GSTR – 1 (Outward supply return)	<ul style="list-style-type: none"> <li>• Taxable persons having annual turnover &gt; Rs. 5 crore in FY 2022-23</li> <li>• Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme</li> </ul>
13 <sup>th</sup>	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
15 <sup>th</sup>	Deposit of PF & ESI contribution	All Deductors
20 <sup>th</sup>	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 <sup>th</sup>	Form GST PMT-06 (payment of tax for QRMP filers)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and opted for QRMP scheme

# DIRECT TAX

## Tax Collection at Source (TCS)- Central Board of Direct Taxes (CBDT) announces relief measures on TCS on Liberalized Remittance Scheme (LRS) & overseas tour program package

Press Release dated 28th June 2023 issued by Finance Ministry

- Effective date for applicability of higher rate of TCS deferred from 1st July 2023 to 1st October 2023. Till 30th September 2023, earlier rates of TCS which prevailed prior to amendment by Finance Act 2023 shall continue to apply

Nature of Payment	Earlier rate of TCS (applicable till 30th September 2023)	New rate of TCS (applicable from 1st October 2023 onwards)
LRS for education financed by loan	Nil upto Rs 7 lakh 0.5% above Rs 7 lakh	Nil upto Rs 7 lakh 0.5% above Rs 7 lakh
LRS for medical treatment/ education (other than financed by loan)	Nil upto Rs 7 lakh 5% above Rs 7 lakh	Nil upto Rs 7 lakh 5% above Rs 7 lakh
LRS for other purposes	Nil upto Rs 7 lakh 5% above Rs 7 lakh	Nil upto Rs 7 lakh 20% above Rs 7 lakh
Purchase of overseas tour program package	5% (without threshold)	5% till Rs 7 lakh 20% thereafter

**Due date for submission of Tax Deducted at Source (TDS) & TCS returns for the period April to June 2023, extended till 30th September 2023 (except TDS return for salary payments)**

**CBDT has extended the due date for filing TDS and TCS returns for the period April to June 2023, as below.**

<b>Return</b>	<b>Existing due date</b>	<b>Extended due date</b>
<b>Form 26Q (TDS return for non-salary payments)</b>	<b>31st July 2023</b>	<b>30th September 2023</b>
<b>Form 27Q (TDS return for payments to non-residents)</b>		
<b>Form 27EQ (TCS return)</b>	<b>15th July 2023</b>	



## **CBIC ISSUED NOTIFICATIONS IN THE MONTH OF JULY 2023:**

### **(1) Notification No. 18/2023- Central Tax, Dated-17.07.2023**

- The due date for filing FORM GSTR 1 for the tax period April, May and June 2023 is extended till 31st July 2023 for the registered persons whose principal place of business is in state of Manipur.

### **(2) Notification No. 19/2023- Central Tax, Dated – 17.07.2023**

- The due date for filing FORM GSTR 3B for the tax period April, May and June 2023 is extended till 31st July 2023 for the registered persons whose principal place of business is in state of Manipur.

### **(3) Notification No. 20/2023- Central Tax, Dated- 17.07.2023**

- The due date for filing FORM GSTR 3B for the quarter ended June 2023 is extended till 31st July 2023 for the registered persons whose principal place of business is in state of Manipur.

### **(4) Notification No. 21/2023- Central Tax, Dated-17.07.2023**

- The due date for filing FORM GSTR 7 for the tax period April, May and June 2023 is extended till 31st July 2023 for the registered persons whose principal place of business is in state of Manipur.

### **(5) Notification No. 22/2023- Central Tax, Dated-17.07.2023**

- The Government extended the amnesty scheme for GSTR 4 non-filers. The new deadline is now the 31st August 2023.

### **(6) Notification No. 23/2023- Central Tax, Dated-17.07.2023**

- Extend time limit for application for revocation of cancellation of registration till 31st August 2023.

### **(7) Notification No. 24/2023- Central Tax, Dated-17.07.2023**

- The amnesty scheme for deemed withdrawal of assessment orders issued under Section 62 is extended to 31st August 2023.

### **(8) Notification No. 25/2023- Central Tax, Dated-17.07.2023**

- The amnesty for GSTR-9 non-filers has been extended until the 31st of August 2023.

### **(9) Notification No. 26/2023- Central Tax, Dated-17.07.2023**

- The amnesty scheme for GSTR-10 non-filers has also been extended to 31st August 2023.

## **CBIC ISSUED NOTIFICATIONS IN RATES IN THE MONTH OF JULY 2023:**

### **(1) Notification No. 06/2023- Central/Union Territory and Integrated Tax (Rate), Dated- 26.07.2023**

**Continuation of RCM/FCM Option: Filing Annexure-VI for GST Compliance by GTA:**

It has been notified that the last date of exercising the option by GTAs to pay GST under forward charge shall be 31st March of preceding Financial Year instead of 15th March. 1st January of the preceding Financial Year shall be the start date for exercise of option.

This notification shall come into force on 27th July 2023.

### **(2) Notification No. 07/2023- Central/Union Territory and Integrated Tax (Rate), Dated- 26.07.2023**

**GST Exemption for Private Sector Satellite Launch Services:**

GST exemption for satellite launch services offered by private sector organizations. This notification shall come into force on 27th July 2023.

### **(3) Notification No. 08/2023- Central/Union Territory and Integrated Tax (Rate), Dated- 26.07.2023**

**CBIC Notifies GTA Exemption from Yearly GST Declaration:**

The CBIC relieved GTAs from filing yearly GST declarations under forward charge. This move simplifies compliance procedures and reduces administrative burdens for GTAs. However, GTAs must carefully consider their GST payment options and timely file Annexure VI if they intend to revert to the reverse charge mechanism. The amendment is effective from July 27th 2023, and will bring about positive changes in the GST filing process for GTAs.

**(4) Notification No. 09/2023- Central/Union Territory and Integrated Tax (Rate),  
Dated- 26.07.2023**

**GST rate changes on goods;**



<b>Item</b>	<b>Before Rate</b>	<b>New Rate after the notification</b>
<b>Un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion</b>	<b>9%- CGST 9%-SGST 18%-IGST</b>	<b>2.5%- CGST 2.5%-SGST 5%-IGST</b>
<b>Fish soluble paste</b>	<b>9%- CGST 9%-SGST 18%-IGST</b>	<b>2.5%- CGST 2.5%-SGST 5%-IGST</b>
<b>Linz-Donawitz (LD) Slag</b>	<b>9%- CGST 9%-SGST 18%-IGST</b>	<b>2.5%- CGST 2.5%-SGST 5%-IGST</b>
<b>Imitation Zari thread or yarn known by any name in trade parlance, like:</b>  <b>(i) Real Zari thread (gold) and silver thread combined with textile thread</b>  <b>(ii) Imitation Zari thread or yarn known by any name in trade parlance</b>	<b>6%- CGST 6%-SGST 12%-IGST</b>	<b>2.5%- CGST 2.5%-SGST 5%-IGST</b>

**This notification shall come into force on the 27th July, 2023.**



## **(5) Notification No. 10/2023- Central/Union Territory and Integrated Tax (Rate), Dated- 26.07.2023**

### **Changes to New FTP, 2023:**

**It is necessary in public interest so to do, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue):**

### **Previously:**

"Foreign Trade Policy " means the Foreign Trade Policy, 2015-2020, notified by the Government of India in the Ministry of Commerce and Industry vide notification No.41/2015-2020, dated the 5th December, 2017, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-Section (ii) vide S.O. 3813, dated the 5th December, 2017.

### **As per New Notification:**

"Foreign Trade Policy" means the Foreign Trade Policy, 2023, notified by the Government of India in the Ministry of Commerce and Industry vide notification No. 1/2023 dated the 31st of March 2023, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-Section (ii) vide S.O. 1565 (E). dated the 31st of March 2023

### **Previously:**

"Handbook of Procedures" means the Handbook of Procedure, notified by the Government of India in the Ministry of Commerce and Industry vide Public Notice No. 43/2015-2020.

### **As per New Notification:**

"Handbook of Procedures" means the Handbook of Procedure, notified by the Government of India in the Ministry of Commerce and Industry vide Public Notice No. 01/2023 dated the 1st of April 2023, Extraordinary, Part-I, Section 1 vide F. No. 01/75/171/00016/AM-23/FTP Cell dated the 1st of April, 2023

# CBIC ISSUED CIRCULARS IN THE MONTH OF JULY 2023:

- **Circular No. 192/10/2023-GST, Dated- 17.07.2023**

**Clarification on Charging of Interest for Wrong availment of IGST Credit:**

This circular clarified the charging of interest under section 50(3) of the CGST Act, 2017, in cases of wrongly availed IGST credit and its reversal. The CBIC emphasized the role of rule 88B of the CGST Rules in the calculation of interest, including all heads of IGST, CGST, and SGST. However, the credit of compensation cess cannot be used for the calculation of interest.

- **Circular No. 193/10/2023-GST, Dated- 17.07.2023**

**Clarification on Input Tax Credit Availment in GSTR-3B and GSTR-2A:**

The CBIC addressed differences in Input Tax Credit (ITC) availed in FORM GSTR-3B and detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021. Rule 36(4) of CGST Rules allowed additional credit during specific periods under certain conditions. The changes in rule 36(4) and section 16 of the CGST Act from 01.01.2022 ensure that ITC can only be availed if reported by suppliers in FORM GSTR-1 or using IFF and communicated through FORM GSTR-2B.

- **Circular No. 194/10/2023-GST, Dated- 17.07.2023**

**Clarification on TCS Liability for Multiple E-commerce Operators:**

In this circular, the CBIC clarified the Tax Collected at Source (TCS) liability under Section 52 of the CGST Act for transactions involving multiple E-commerce Operators (ECOs). The ECO responsible for collecting TCS and ensuring compliance under Section 52 depends on whether the supplier-side ECO is also the supplier of the goods or services.

- **Circular No. 195/10/2023-GST, Dated- 17.07.2023**

**Clarification on ITC Availability for Warranty Replacement:**

The CBIC clarified the availability of Input Tax Credit (ITC) in the context of warranty replacement of parts and repair services. If no additional consideration is charged for these services, no additional GST is applicable. However, if any additional consideration is charged, GST becomes applicable.

- **Circular No. 196/10/2023-GST, Dated- 17.07.2023**

**Taxability of Shares in Subsidiary Company:**

In this circular, the CBIC clarified that shares held by a holding company in a subsidiary company are not considered goods or services under the definition of the CGST Act and therefore are not subject to GST.

- **Circular No. 197/10/2023-GST, Dated- 17.07.2023**

**Clarification on GST Refund Issues:**

The CBIC provided detailed clarification on various refund-related issues under the GST regime, including the refund of accumulated input tax credit, the undertaking in FORM RFD 01, the calculation of adjusted total turnover, and the admissibility of refunds for exporters complying with sub-rule (1) of rule 96A.

- **Circular No. 198/10/2023-GST, Dated- 17.07.2023**

**Clarification on Applicability of E-Invoice for Supplies to Government Departments:**

This circular clarified the applicability of e-invoice under rule 48(4) of the CGST Rules, 2017 for supplies made to Government Departments and PSUs registered for tax deduction at source. Such entities are considered registered persons under the GST law and e-invoicing is required for transactions with them.

- **Circular No. 199/10/2023-GST, Dated- 17.07.2023**

**Clarification on Taxability of Services between Distinct Offices under GST:**

The CBIC clarified regarding taxability of services provided by one office to another office of the same organisation in different states, both being distinct persons.

The clarifications issued by CBIC are as below:

***Distribution of ITC in respect of common input services procured from a 3rd party (attributable to both HO and BOs or exclusively to one or more BOs)***

Whether HO can avail ITC in respect of such common input services, issue tax invoice to the BOs for said input services and BOs can then avail ITC for the same?

**OR**

Whether is it mandatory for the HO to follow the Input Service Distributor ('ISD') mechanism for distribution of ITC in respect of such common input services?

It has been clarified by CBIC that HO has an option to distribute ITC in respect of such common input services by following the ISD mechanism. However, as per the current CGST Act and CGST Rules, it is not mandatory for HO to distribute such ITC by ISD mechanism.

HO can also issue tax invoice to the concerned Bos in respect of common input services procured from a 3rd party. The BO can then avail ITC on the same subject to the provisions of CGST Act.

In case HO distributes/wishes to distribute ITC to Bos through the ISD mechanism, HO is required to get it self mandatorily registered as an ISD in accordance with section 24(viii) of the CGST Act. Distribution of ITC to BO can be made through ISD mechanism only if the said input services are attributable to the said BO or have been provided to the said BO. Similarly, HO can issue tax invoices to the BOs, only if the said services have been provided to the concerned BOs.

***Computation of value of internally generated services provided by HO to BO when:***

***(a) Full ITC is available to BO.***

-There may be instances where HO may not be issuing invoice to the BOs with respect to such services, or the HO may not be including the cost of a particular component (such as salary cost of employees involved in providing said services) while issuing the invoice to BOs. Whether the HO is mandatorily required to issue invoice to BOs u/s 31 of CGST Act for such internally generated services, and / or whether the cost of all components (including salary cost of HO employees involved in providing said services) has to be included in the computation of value of services provided by HO to BOs when full ITC is available to the concerned BOs.

-In respect of services supplied by HO to BOs, the value of services declared in the invoice by HO is deemed to be open market value of such services (for the purpose of calculation of GST), if the recipient BO is eligible for full ITC. The value so declared in the invoice shall be the open market value, 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 services in the invoice. Further, in such cases where full ITC is available to the recipient, if HO has not issued an invoice to the BO, the value of such services may be deemed to be declared as Nil by HO to BO and may be deemed as open market value as per CGST Rules.

### **(b) Full ITC is not available to BO**

-Whether in such cases, the cost of salary of employees of HO involved in providing said services to the BOs, is mandatorily required to be included while computing the taxable value of the supply of services.

-No

### ***Advisory: e-Invoice Exemption Declaration Functionality Now Available***

1. The e-Invoice Exemption Declaration functionality is now live on the e-Invoice portal. This functionality is specifically designed for taxpayers who are by default enabled for e-invoicing but are exempted from implementing it under the CGST (Central Goods and Services Tax) Rules.

2. Salient features of this functionality are:

- The e-Invoice Exemption Declaration functionality is voluntary and can be accessed at the e-Invoice portal
- This functionality is applicable to taxpayers who are exempted from e-Invoicing as per the provisions of the CGST Rules.
- It is important to note that any declaration made using this functionality will not change the e-Invoice enablement status of the taxpayer.
- The responsibility to take decision vis-à-vis exemption with reference to various Notifications issued by the Government and report on the portal is of the person.

3. The facility to report exemption declaration is purely for business facilitation purposes.



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