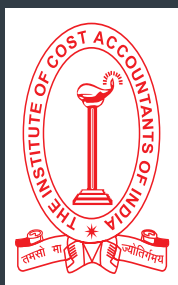


September, 2023

TAX Bulletin

Volume - 143
02.09.2023



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

Headquarters: CMA Bhawan, 12, Sudder Street, Kolkata - 700016

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VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

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“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

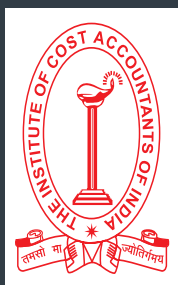
Objectives of Taxation Committees:

1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders and also Crash Courses on GST for Colleges and Universities.

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Certificate Courses Offered by the Tax Research Department

1. Certificate Course on GST (CCGST)
2. Advanced Certificate Course on GST (ACCGST)
3. Advanced Certificate Course on GST Audit and Assessment Procedure (ACGAA)
4. Certificate Course on TDS (CCTDS)
5. Certificate Course on Filing of Returns (CCFOF)
6. Advanced Course on Income Tax Assessment and Appeals (ACIAA)
7. Certificate Course on International Trade (CCIT)

Admission Link - <https://eicmai.in/advsc/DelegatesApplicationForm-new.aspx>

Modalities

Description	Course Name						
	CCGST	ACCGST	ACGAA	CCTDS	CCFOF	ACIAA	CCIT
Hours	72	40	30	30	30	30	50
Mode of Class	Offline/ Online	Online					
Course Fee* (₹)	10,000	14,000	12,000	10,000	10,000	12,000	10,000
Exam Fee* (₹)	1,000 per attempt						
Discounts	20% Discount for CMA Members, CMA Qualified and CMA Final Pursuing Students						

*18% GST is applicable on both Course fee and Exam fee

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On passing the examination with 50% marks
a Certificate would be awarded to the participant
with the signature of the President
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Course Details

<https://icmai.in/TaxationPortal/OnlineCourses/index.php>

Courses for Colleges & Universities by the Tax Research Department

Modalities

Eligibility

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Description	Courses for Colleges and Universities	
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Batch Size	Minimum 50 Students per Batch per course	
Course Fee* (₹)	1,000	1,500
Exam Fee* (₹)	200	500
Duration (Hrs)	32	32

For enquiry about courses, mail at: trd@icmai.in

*18% GST is applicable on both Course fee and Exam fee

Behind every successful business decision, there is always a **CMA**



CMA (Dr.) V. Murali
Chairman
Direct Taxation Committee, ICMAI

FROM THE DESK OF CHAIRMAN

Esteemed Professional Colleague,

We lead strenuous lives packed with appointments, engagements, meetings and work. It is of quintessential importance to focus on achieving goals, at the same time it is equally important to maintain a work – life balance. Robin Sharma said it succinctly in his book ***“we have email, fax machines, digital phones so that we can stay connected and yet we live in a time where human beings have never been less connected.... we have lost sight of the things that matter the most.”*** We must strive to maintain and strengthen the bonds of love and affection with those who matter the most. We request you dear members to keep in touch and send in your feedback by mail or post so that we can improve the content of this journal.

ACTIVITIES AND PLAN OF ACTION

The month of August was a busy one wherein we had lucid deliberations through Tax Research Department’s critical and meaningful webinar. The topic for the session was “Inventory Valuation under The Income Tax Act - Mission towards Transparency with CMAs”. CMA Navneet Jain was the faculty and he has helmed the webinar meticulously. In this Webinar he touched upon the points like: (i) Amendment of Section 142(2A) of Income Tax Act: Benefit to Exchequer and to all other stakeholders, wherein he discussed about the applicability – whether it is applicable to companies only and the check-list for cost auditors while finalizing cost audit reports. He also elaborately discussed about the process through which the CMAs can act skilfully in plugging the leakages in inventory valuation. Another thought which was discussed here was whether the amended section 142(2A) can create a sense of product level costing amongst the organisations leading to efficient & effective utilization of resources. The webinar was detailed and though provoking and I have no doubt that our members benefited immensely from this session.

The Examination for the Taxation courses has been conducted on 20th of August, 2023 all across India. I wish all the candidates the very best and hope they will come out with flying colours. The admissions to the 7 Taxation courses are live and classes are

scheduled to commence in September, 2023. The surge in corporate admissions in this regard is a welcome sign.

WRAP UP POINT

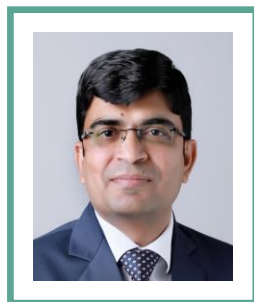
The importance of attitude cannot be overemphasized. It is rightly said that one's attitude determines the altitude in life. Life is like a mirror. It will smile at you if you smile at it. ***When you focus on problems, You will have more problems. When you focus on possibilities you will have more opportunities.*** A savant said ***none can destroy iron, but its own rust can!*** Likewise none can destroy a person but his own mindset can. Thrive on challenges and always have the will to surmount them. The mobile has taught us some lovely things – it is our window to our world and using mobile speak – I'd like to say – whatever makes you happy – save it! Whatever makes others happy – forward it and whatever makes no one happy – just delete it!

Wishing each and every one of you a life full of joy, professional fulfillment and prosperity.

With Warm Professional Regards,
Forever, yours in service,

A handwritten signature in dark ink, appearing to read 'V Murali', followed by a period.

CMA (Dr.) V Murali
Chairman
Direct Taxation Committee, ICAI
02.09.2023



CMA Rajendra Singh Bhati
Chairman
Indirect Taxation Committee, ICAI

FROM THE DESK OF CHAIRMAN

Dear Sir / Madam,

August, 2023 has been special as Madam Draupadi Murmu, President of India, granted her assent to two crucial pieces of legislation, namely the Central Goods and Services Tax (Amendment) Bill, 2023, and the Integrated Goods and Services Tax (Amendment) Bill, 2023. Both of these bills, which had recently received approval from the Parliament, have now become law with the President's endorsement on 21st of August, 2023.

The above amendment pertains to taxability of supplies made in casinos, horse racing and online gaming.

The key amendments are as follows:

- The terms "Online gaming", "Online money gaming", "Specified actionable claim" and "Virtual digital asset" have been defined. Further, definition of "Supplier" and "Online information and data access or retrieval services" (OIDAR) are amended.
- Schedule III to the CGST Act is amended to cover transactions involving specified actionable claims within the purview of "supply".
- Section 24 of the CGST Act is amended to provide for mandatory registration of person supplying online money gaming, from a place outside India to a place in India.
- Proviso to Section 5(1) of the IGST Act has been amended to provide that in case of import of notified goods, the levy of integrated tax (IGST) shall be as per Section 5(1) of the IGST Act.
- New Section 14A has been inserted in the IGST Act to provide for special provision for online money gaming supplied by a person located outside the taxable territory to a person located in India.

The Examination for the Taxation courses has been conducted on 20th of August, 2023 all across India. I wish good luck to all the successful candidates for their future endeavors.

A 4-day workshop was also conducted by the department on the “Addressing the Issues on GST Returns and Notices”. The workshop was widely appreciated and was attended mostly by practicing members, students and other learners. The workshop explained about show cause notices, when such notice is being issued and how to address those notices. The speaker for the session, CMA B M Gupta, started by explaining show cause notice is an official written inquiry sent by a government regulatory body to an individual or business. The session has been very exhaustive.

The GST Course for college and university students are also being conducted in Scottish Church College, Kolkata.

Quiz is being conducted seamlessly.

The admissions to the 7 Taxation courses are live and classes are scheduled to commence in September, 2023. The happy side to this being that this time we notice a surge in corporate admissions in this field.

I appreciate the efforts of the Team and the resource persons.

With Warm Regards

A handwritten signature in dark ink, appearing to be 'Rajendra Singh Bhati', with a long horizontal stroke extending to the right.

CMA Rajendra Singh Bhati
Chairman
Indirect Tax Committee, ICMAI
02.09.2023

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Articles on the Topics of Direct and Indirect Taxation are invited from readers and authors. Along with the article please share a recent passport-sized photograph, a brief profile and the contact details. The articles should be the author's own original.

Please send the articles to

trd@icmai.in /trd.ad1@icmai.in

RCM on Remuneration to the Director



*Shri Tapas Majumder,
Advocate*

Ambiguity under Reverse Charge Mechanism in respect of certain payment of remuneration to the directors of the company

The causes of the Reverse Charge Mechanism popularly called as RCM is inclusively and absolutely listed under the law, where the listed elements are being brought under the RCM and out of such some elements are either covered under the Forward Charge Mechanism (Herein after called as FCM) else under Reverse Charge Mechanism and as an element of charges of the company paying to the directors is also covered mostly under the RCM and in frequent cases under FCM.

As per Schedule III any services rendered by an employee to the employer in course of or in relation to his/her employment is absolutely beyond the purview of Supply under GST. And as such the remuneration received by an employee in course of his/her employment is not covered under Supply which entails no GST will be applicable thereon. And based on the entity concept under the historical accounting method any service provided by the director to his/her company is off course a service rendered to his/her employer. During the course of the employment it's also inherent that apart from his/her service to the company such director may provide

any rental facility derived from that particular director's property under the capacity of pure assignment basis such as tenancy, lease, leave and license facility etc. and/or any service under his/her professional capacity derived from that particular director's office or under his/her professional capacity.

The relevant questions are appearing herein whether the service generated under professional capacity derived from the separate office of the director or within the premises of the company where such director is rendering his/her pure professional services thereon are absolutely beyond the purview of in course of employment but the same is very much difficult to ascertain whether such director is rendering services in course of his/her employment or not, although the other services such as assignment of the property, sale or purchase of the property are undoubtedly covered under other heads of income except from the source of employment but the professional service can hardly be identifiable whether such is in course of the employment or purely a professional service.

In order to resolve such disputes the department lately after almost three years from the inception of its applicability issued a circular vide no.140/10/2020 dt.10.06.2020 where the services rendered by the director

is categorically divided into two parts as under.

- (i) *leviability of GST on remuneration paid by companies to the independent directors defined in terms of section 149(6) of the Companies Act, 2013 or those directors who are not the employees of the said company; and*
- (ii) *leviability of GST on remuneration paid by companies to the whole-time directors including managing director who are employees of the said company.*

3. In order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act hereby clarifies the issue as below:

Leviability of GST on remuneration paid by companies to the independent directors or those directors who are not the employee of the said company

4.1 The primary issue to be decided is whether or not a "Director" is an employee of the company. In this regard, from the perusal of the relevant provisions of the Companies Act, 2013, it can be inferred that:

- a. *the definition of a whole time-director under section 2(94) of the Companies Act, 2013 is an inclusive definition, and thus he **may be a person who is not an employee** of the company.*
- b. *the definition of "independent directors" under section 149(6) of the Companies Act, 2013, read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 makes it amply clear that **such director should not have been an employee** or proprietor or a partner of the said company, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed in the said company.*

4.2 Therefore, in respect of such directors who are not the employees of the said company, the services provided by them to the Company, in lieu of remuneration as the consideration for the said services, are clearly outside the scope of Schedule III of the CGST Act and are therefore taxable. In terms of entry at Sl. No. 6 of the Table annexed to notification No. 13/2017 – Central Tax (Rate) dated 28.06.2017, the recipient of the said services i.e. the Company, is liable to discharge the applicable GST on it

on reverse charge basis even recently it's clarified in the Circular vide no. 201/13/2023 dt.01.08.2023.

4.3 Accordingly, it is hereby clarified that the remuneration paid by such independent directors, or those directors, by whatever name called, who are not employees of the said company, is taxable in hands of the company, on reverse charge basis.

Leviability of GST on remuneration paid by companies to the directors, who are also an employee of the said company

5.1 Once, it has been ascertained whether a director, irrespective of name and designation, is an employee, it would be pertinent to examine whether all the activities performed by the director are in the course of employer-employee relation (i.e. a "contract of service") or is there any element of "contract for service". The issue has been deliberated by various courts and it has been held that a director who has also taken an employment in the company may be functioning in dual capacities, namely, one as a director of the company and the other on the basis of the contractual relationship of master and servant with the company, i.e. under a contract of service (employment) entered into with the company.

5.2 It is also pertinent to note that similar identification (to that in Para 5.1 above) and treatment of the Directors remuneration is also present in the Income Tax Act, 1961 wherein the salaries paid to directors are subject to Tax Deducted at Source ('TDS') under Section 192 of the Income Tax Act, 1961 (IT Act). However, in cases where the remuneration is in the nature of professional fees and not salary, the same is liable for deduction under Section 194J of the IT Act.

5.3. Accordingly, it is clarified that the part of Directors remuneration which are declared as "Salaries" in the books of a company and subjected to TDS under Section 192 of the IT Act, are not taxable being consideration for services by an employee to the employer in the course of or in relation to his employment in terms of Schedule III of the CGST Act, 2017.

5.4 It is further clarified that the part of employee Directors remuneration which is declared separately other than "salaries" in the Company's accounts and subjected to TDS under Section 194J of the IT Act as Fees for professional or Technical Services shall be treated as consideration for providing services which are outside the scope of



Schedule III of the CGST Act, and is therefore, taxable. Further, in terms of notification No. 13/2017 – Central Tax (Rate) dated 28.06.2017, the recipient of the said services i.e. the Company, is liable to discharge the applicable GST on it on reverse charge basis.

Hence on the basis of such circular the ambiguity appears where a director is providing his/her services not as a whole time director whether such remuneration will be covered under RCM or not even the remuneration is deductible U/s 192 of the IT Act but due to the threshold limit such remuneration is not deductible under income tax.

To resolve such disputes recently on 01.8.2023 a circular vide no.201/13/2023-GST has been issued and clarified as under.

“2.1 Entry No. 6 of notification No. 13/2017 CTR dated 28.06.2017 provides that tax on services supplied by director of a company or a body corporate to the said company or the body corporate shall be paid by the company or the body corporate under Reverse Charge Mechanism.

2.2 It is hereby clarified that services supplied by a director of a company or body corporate to the company or body corporate in his private or personal capacity such as services supplied by way of renting of immovable property to the company or body corporate are not taxable under RCM. Only those services supplied by director of company or body corporate, which are supplied by him as or in the capacity of director of that company or body corporate

shall be taxable under RCM in the hands of the company or body corporate under notification No. 13/2017-CTR (Sl. No. 6) dated 28.06.2017.

Hence it creates some ambiguity whether services rendered under the capacity of a director is covered under RCM or not in respect of the quantum of services which is below the taxable limit under the Income Tax Act where deduction of tax U/s 192 of the said Act is at all not been made by the company. But as per my view if we conjugate the mandate as provided under Schedule III as well as the departmental directives vide Circular no. 201/13/2023 dt.01.08.2023 it may be appreciated that when the director is providing his/her services in general nature as a director having whole time duty thereon without any independent professional capacity and in lieu of that the said director is getting remuneration from the company it can be undoubtedly treated as director's remuneration without any applicability of RCM. However from the face of the Schedule III read with the recent circular vide no. 201/13/2023 dt.01.08.2023 read with the circular vide no.140/2020 it's absolutely cleared that any service made by an employee (may be the director) in course of his/her employment with deduction of TDS if applicable made U/s 192 of the Act will neither be covered under the FCM nor RCM. But any other service made by the director under the independent capacity of his/her directorship not covered within the course of the employment is applicable under the RCM, excluding those services rendered by the director under his/her personal sources and capacity thereon is absolutely covered under the FCM.

TD

GST Collection: Why States are lacking...



CMA Anil Sharma,
Practicing Cost Accountant



Ms Himanshi Thakur,
(Student-CMA Final)

One of The Youngest Populations in the World – India's Most Valuable Asset

India's 1.4 billion people make it the most populous country in the world, but with an average age of 29, it has one of the youngest populations globally. As this vast resource of young citizens enters the workforce, it could create a 'demographic dividend.' The United Nations Population Fund defines a demographic dividend as economic growth resulting from a shift in a population's age structure, mainly when the working-age population is larger than the number of dependents.

India is home to a fifth of the world's youth demographic, and this population advantage could play a critical role in achieving the nation's ambitious target to become a US \$ 5 trillion economy.

Ministry of External Affairs, GOI

India, with a 1.4 billion (140 Crore) population divided into 28 States and 8 Union Territories, is home to 17.5% of the world population, occupying 2.4% of the world area. 27.8% of the population resides in 5,100 towns and over 380 urban clusters. 72.2% of the total population of India lives in rural India, having 6,41,000 inhabited villages as bifurcated below:

Sr No	No of Villages	Population Size
01	1,45,000	500- 999
02	1,30,000	1,000-1,999
03	1,28,000	2,000-4,999
04	2,34,039	5,000-9,999
05	3961	Above 10,000

Uttar Pradesh tops in population size with 23.79 Crore people, followed by Bihar at 12.50 Crore and Maharashtra at 12.35 Crores. The ten most populated states of India contribute 74% of India's population, and the 21 lowest

constitute only 10 % of the total population. **Bihar had the highest population growth rate during 2011-2019 of 19.89%, followed by Uttar Pradesh and Rajasthan.**

India is home to a fifth of the world's youth demographic, and this population advantage could play a critical role in achieving the nation's ambitious target to become a US \$ 5 trillion economy. As this vast resource of young citizens enters the workforce, it could create a 'demographic dividend.' The large youth population offers both a workforce as well as a market. These young people are driving a culture of innovation, entrepreneurship and diversity.

Income Tax and India Population:

Conversely, when we talk about Income Tax returns filed during 2022-23, the scenario is totally different. During the last parliament session, the Finance Minister presented data for Income Tax Returns (ITRs) filed by individuals,

NGOs and Corporations for the last few financial years. The whole country was surprised to know it.

“Number of entities, including individuals, who filed income tax returns increased by 6.18 percent in FY 2022-23 to over 7.40 crore, of which about 5.16 crore declared zero tax liability, “There has been a 6.18 per cent increase in the number of persons filing Income Tax Returns in F.Y. 2022-23 as compared to persons in F.Y. 2021-22. India’s gross direct tax collection grew 20.33 per cent to over Rs 19.68 lakh crore in 2022-23 fiscal

- Finance Minister Nirmala Sitharaman

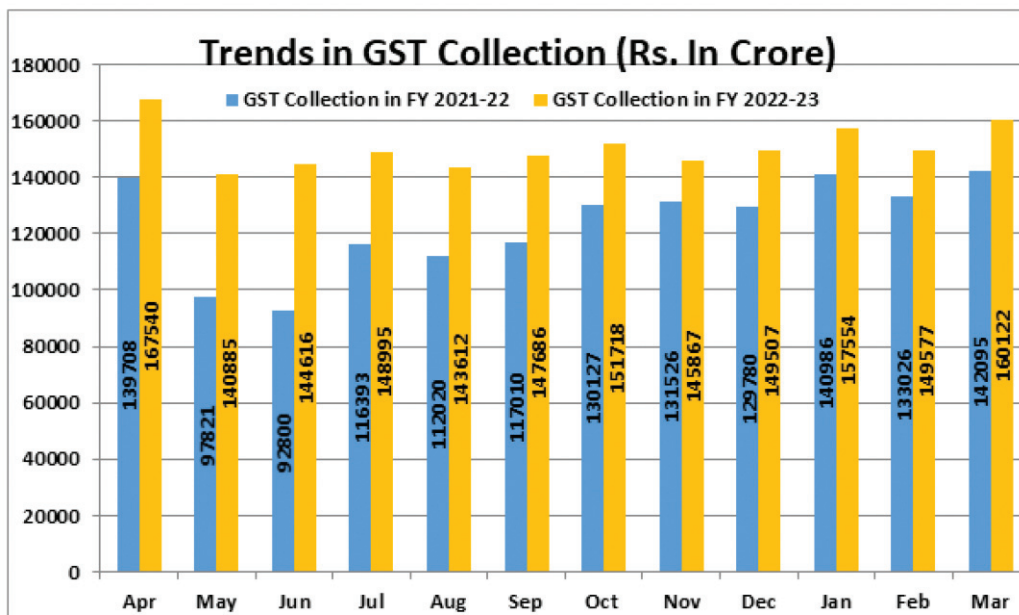
The above data clearly reveals that only 5.28% people filed ITRs, and only 1.6% have taxable income and paid taxes. It is worth mentioning here that **64% of the population in the country falls in the working age group**. ITRs are being filed based on the Gross and Net taxable income of an individual. It shows that:

- either earnings of the common man are not to that level that he or she must file ITRs, or
- due to the disparity in incomes of citizens of the country people don’t file ITRs, or
- government has failed to fill the gaps in the taxation system.

Goods and Service Tax (GST) and India Population:

Goods and Service Tax (GST) was implemented during FY 2017-18 with a motive to have “One-Nation-One Tax”. Economists estimated that it would enhance India’s GDP by 2%.

Every consumer has to pay tax on goods or services being consumed. An increase in consumerism would definitely increase tax collection under GST. Therefore, any country or state having consumption-based GST, will design policies in such a way that encourages consumerism to increase tax collection. India is not an exception to this logic. Tax collection has increased manifold after the introduction of GST. Data available regarding GST collections for the last two years is very encouraging, as tabled below:



Source :PIB Delhi Press release dt 01.04.2023

Above table shows that during 2022-23 every month country collected more than Rs. 1.40 lakh crore GST which is very good indicator of economic growth. The same trend continues even in current fiscal 2023-24 up to Aug., 2023 as depicted below:

Sr No	Month	GSTCollection (Rs in Crore)
01	April, 2023	1,87,035
02	May, 2023	1,57,090
03	June, 2023	1,61,497
04	July, 2023	1,65,105
05	Aug., 2023	1,59,069

Note: Above figures are inclusive of IGST and Cess on import.

Many reasons have been cited to explain why there is an increase in GST collection, as given below:

- GST law and its provisions
- Demonetization and Digitalization of transactions
- IT-based infrastructure for Indirect taxes
- Integrated systems in different departments of government
- Inflation in the economy.

It's a fact that in the GST regime, even a one-month-old infant pays GST as he or she consumes milk, clothes, healthcare, medicines and also receive hospital/doctor's services etc. So, we can say that, directly or indirectly, in India all 1.4 billion people pay GST.

GST collection in States:

In spite of all the above, all is not well in States with GST collection. If we look at available data, it is found that there is a huge gap in GST collection, consumption patterns and economic transactions taking place in states.

We know that GST is consumption-based tax, and for any good or service being consumed, revenue will accrue to the consuming state.

Let us understand it with an example.

If a car is manufactured at Manesar (Haryana) and purchased by a customer in Tamil Nadu. GST collected/charged from that customer @28% shall be distributed

among Tamil Nadu state and Centre Government equally @ 14%. This basic character of GST law differentiates it from earlier laws of VAT/Sales Tax or Central Excise, where tax revenue will be transferred to the manufacturing or originating state and not to the consuming state.

However, GST collection figures give a different story.

Considering the state-wise Population size, State GSP, and Per capita Income, we find very alarming results.

To understand it in a better way we have selected 14 states of India and compared the data taking four indicators, e.g. Population, GDP, GST collection and per capita income as below:

S.NO	STATES	POPULATION (Estmd)	GST COLLECTION (Jan-Aug, 2023)		STATE GDP (Estmd)	PER CAPITA INCOME (Estmd) (22-23)
		In crores.	Rs. in crores.	Av Per Month	Rs. in crores.	
1	Maharashtra	12.64	1,99,569	24,946	38,79,792	2,42,247
2	Karnataka	6.78	90,029	11,254	25,00,000	2,49,000
3	Gujarat	7.06	80,160	10,020	22,03,062	2,76,588



S.NO	STATES	POPULATION (Estmd)	GST COLLECTION (Jan-Aug, 2023)		STATE GDP (Estmd)	PER CAPITA INCOME (Estmd) (22-23)
		In crores.	Rs. in crores.	Av Per Month	Rs. in crores.	
4	Tamil Nadu	7.21	76,317	9,540	28,03,000	2,41,000
5	Uttar Pradesh	23.57	64,498	8,062	24,39,171	83,500
6	Haryana	3.02	63,139	7,892	11,20,000	2,96,685
7	West Bengal	9.91	41,464	5,183	17,19,000	1,41,373
8	Delhi	2.14	40,478	5,060	10,40,000	4,44,000
9	Telangana	3.81	37,561	4,695	14,00,000	3,08,732
10	Odisha	4.42	35,843	4,480	7,20,000	1,27,000
11	Madhya Pradesh	8.66	26,993	3,374	13,87,117	1,40,583
12	Punjab	3.07	14,966	1,871	6,98,000	1,73,873
13	Bihar	12.68	11,910	1,489	8,59,000	50,000
14	Assam	3.57	9,798	1,225	5,67,000	118504

Note: the above figures are excluding IGST and Cess on imports

Findings:

- **Uttar Pradesh**, with the highest population in the country of 23.79 Crore (17.35% of India's Population) has an average collection just equal to Haryana.
- **Bihar** 2nd in number with a 12.50 Crore population, collects only Rs.1489 crs per month, less than Punjab's average GST collection of Rs. 1871 Crore per month with a population size of 3.07 Cr.
- **Maharashtra**, with a population of 12.35 Crore (almost half the UP population), has the highest average GST collection of Rs 24,946 Crore per month.
- **Punjab's** average monthly GST collection is less than one-fourth of Haryana's whereas both states have almost the same size of population and consumption patterns,

So, if we compare the population with the size of states, Punjab must have an average collection of Rs. 7000 Crore per month. Bihar must have an average collection of Rs. 20,000 per month. Similarly, Uttar Pradesh must have almost the same amount or higher than that.

Why States are lacking in GST collection.....

Now, the question arises why a gap in GST collection among the states when GST is a consumption-based tax and everyone has food to eat, shelter to live and clothes to wear. Every consumer spends money and buys goods and services of daily routine like toothbrush, Toothpaste, Tea, Milk, Medicine, food grain, flour, oils, footwear, vegetables, sugar, mobile phones, internet, traveling, insurance, education etc. etc.

- There can be many reasons for this disparity. Some of them may be as follows:
- Migration to other states due to lack of employment opportunities
- Poverty of people in states of Uttar Pradesh, Bihar and other states where GST collection is not in line with population size
- Lacking in Economic development activities
- Business Transactions are not being recorded in govt records

- Poor tax system and poor vigilance
- Corruption at all levels and taxable persons not depositing or depositing less taxes.

In the case of Uttar Pradesh, if we presume that poverty is the reason for lower GST collection, as people do not have purchasing power, it means Haryana has better employment opportunities and industrial establishments. No doubt, Haryana has a number of multinational companies with huge manufacturing capacity, but then all goods and services are not being consumed in Haryana.

Need not to mention that in Uttar Pradesh districts like Paryagraj, Lucknow, Kanpur, Noida, Ghaziabad, Moradabad, Agra, Aligarh and Muzafarnagar has population more than or equal to Haryana.

If Maharashtra is the Financial Capital of the country, then why can't Bihar have an education hub or such other facilities?

Punjab is the food bowl of the country, having over-mechanized agriculture with at least one member in the family as NRI, then why is GST collection less than one-fourth of Haryana? At least it must be equivalent to Odisha GST collection at Rs 4,500 Cr per month.

If we talk about Tamil Nadu, Karnataka and Gujarat, they all have almost the same level of Population, SGDP and GST collection.

Conclusion:

We are of the view that there are some serious issues with trade and commerce, government machinery, and

tax collection mechanisms that GST collection is not at its actual level. Corruption is at all levels, faulty and corrupt tax collection systems, lack of awareness among people of the states about GST, IT Software workings etc., can be major reasons for the disparity among states over GST collection. Recently, the Government of India has launched in few states Punjab, Haryana have launched "Mera Bill Mera Adhikar" campaign, which is the need of the hour and definitely, it will help the ex-chequer to improve upon the GST collection as each and every citizen of this country consumes goods and services and pays GST. GST Council has to play an important role among states and encourage them to help each other to find out reasons and fasten the process of matching-mismatching of inter-state transactions rather than a political blame game. Otherwise, the basic purpose of GST will be defeated.

TB

Press Releases

INDIRECT TAX

Launch of Invoice Incentive Scheme “Mera Bill Mera Adhikaar” from 1st September, 2023

‘Mera Bill Mera Adhikaar’ initiative to encourage culture of customers asking for invoices/bills for all purchases

Posted On: 24 AUG 2023 7:58PM by PIB Delhi

The Government of India, in association with State Governments, is launching an ‘Invoice incentive Scheme’ by the name ‘Mera Bill Mera Adhikaar’ to encourage the culture of customers asking for invoices/bills for all purchases.

The objective of the scheme is to bring a cultural and behavioural change in the general public to ‘Ask for a Bill’ as their right and entitlement.

The details of the Scheme are as under:

- The Scheme will be launched on 1st September, 2023.
- This scheme will initially be launched as a pilot in the States of Assam, Gujarat & Haryana and UTs of Puducherry, Dadra Nagar Haveli and Daman & Diu.
- All B2C invoices issued by GST registered suppliers (registered in the States of Assam, Gujarat & Haryana and UTs of Puducherry, Dadra Nagar Haveli and Daman & Diu) to consumers will be eligible for the scheme. Minimum value for invoices to be considered for a lucky draw has been kept at Rs. 200.
- Invoices can be uploaded on Mobile Application ‘Mera Bill Mera Adhikaar’ available on IOS and Android as well as on web portal ‘web.merabill.gst.gov.in’
- All residents of India will be eligible to participate in this Scheme irrespective of their State/UT. Maximum 25 invoices can be uploaded by an individual on App/web portal in a month to be considered for lucky draw.

- For each uploaded invoice an Acknowledgement Reference Number (ARN) will be generated which will be used for the draw of prizes.
- Winning invoices will be picked by a method of random draw at regular intervals (monthly/quarterly).
- Periodicity of draw and prize structure:

Frequency	No. of Prizes	Prize Money in Rs
Monthly	800	10,000
	10	10,00,000
Quarterly (Bumper Draw)	2	1,00,00,000

- All B2C invoices issued during the previous month which have been uploaded on the application by 5th of the next month will be eligible for the monthly draw.
- For Bumper prize, a quarterly draw will be conducted for all invoices uploaded in the last 03 months (till 5th of the month of the bumper draw) will be considered.
- At the time of uploading the invoice, the participants would be required to provide the following details:

S.No.	Particulars
1	GSTIN of supplier
2	Invoice Number
3	Invoice Date
4	Invoice Value
5	State/UT of the customer

- Duplicate uploads and invoices with inactive or fake GSTIN will be rejected by the system.
- Alert/Notification to the winners will be made through SMS/push Notification on the app/web portal only.
- Winning person will be requested to provide some additional information like PAN number, Aadhar Card, Bank Account Details, etc, through the app/web portal, within a period of 30 days from such date of informing them (date of SMS/App/Web Portal Notification), for enabling transfer of the winning prize to them through the said bank account.
- This Pilot Scheme will run for a period of 12 months.

Monthly Review of Accounts of Union Government of India upto the month of July, 2023 for the Financial Year 2023-24

Posted On: 31 AUG 2023 5:02PM by PIB Delhi

The Monthly Account of the Union Government of India upto the month of July 2023 has been consolidated and reports published. The highlights are given below:-

The Government of India has received ₹7,75,107 crore (28.5% of corresponding BE 2023-24 of Total Receipts) upto July 2023 comprising ₹5,82,585 crore Tax Revenue (Net to Centre), ₹1,78,804 crore of Non-Tax Revenue and ₹13,718 crore of Non-Debt Capital Receipts. Non-Debt Capital Receipts consists of Recovery of Loans ₹8,253 crore and Miscellaneous Capital Receipts of ₹5,465 crore.

₹3,09,521 crore has been transferred to State Governments as Devolution of Share of Taxes by Government of India upto this period which is ₹1,08,413 crore higher than the previous year.

Total Expenditure incurred by Government of India is ₹13,80,700 crore (30.7% of corresponding BE 23-24), out

of which ₹10,63,621 crore is on Revenue Account and ₹3,17,079 crore is on Capital Account. Out of the Total Revenue Expenditure, ₹2,99,889 crore is on account of Interest Payments and ₹1,40,996 crore is on account of Major Subsidies.

₹1,59,069 crore gross GST revenue collected during August 2023; records 11% Year-on-Year growth
GST Revenues from domestic transactions (including import of services) are 14% higher Year-on-Year

Posted On: 01 SEP 2023 4:51PM by PIB Delhi

The gross GST revenue collected in the month of August, 2023 is ₹1,59,069 crore of which CGST is ₹28,328 crore, SGST is ₹35,794 crore, IGST is ₹83,251 crore (including ₹43,550 crore collected on import of goods) and Cess is ₹11,695 crore (including ₹1,016 crore collected on import of goods).

The government has settled ₹37,581 crore to CGST and ₹31,408 crore to SGST from IGST. The total revenue of Centre and the States in the month of August, 2023 after regular settlement is ₹65,909 crore for CGST and ₹67,202 crore for the SGST.

The revenues for the month of August, 2023 are 11% higher than the GST revenues in the same month last year. During the month, revenue from import of goods was 3% higher and the revenues from domestic transactions (including import of services) are 14% higher than the revenues from these sources during the same month last year.

The chart below shows trends in monthly gross GST revenues during the current year. The Table-1 shows the state-wise figures of GST collected in each State during the month of August, 2023 as compared to August, 2022 and Table-2 shows the SGST and SGST portion of the IGST received/settled to the States/UTs in August, 2023.

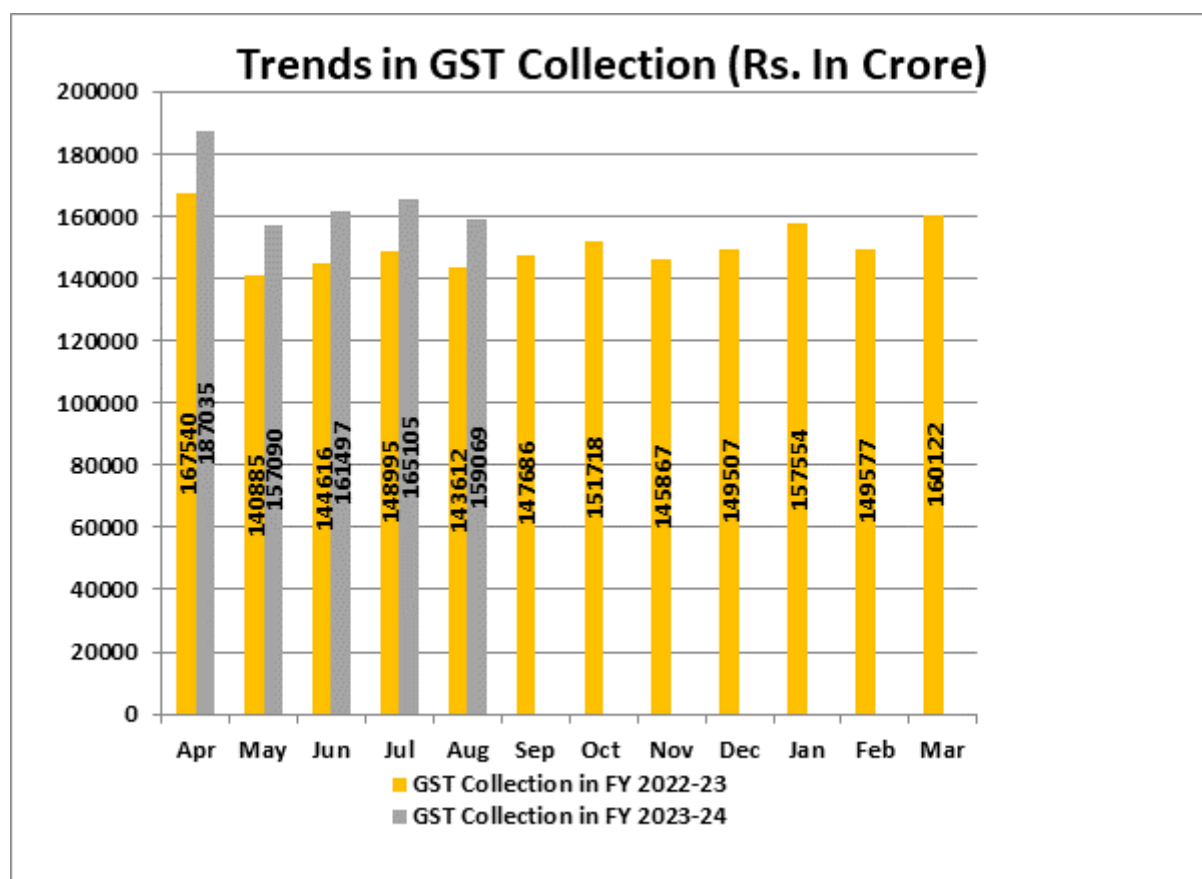


Table-1: State-wise Y-o-Y growth of GST Revenue in August, 2023[1] (Rs. In crore)

State/UT	August'22	August'23	Growth(%)
Jammu and Kashmir	434	523	21
Himachal Pradesh	709	725	2
Punjab	1651	1813	10
Chandigarh	179	192	7
Uttarakhand	1094	1353	24
Haryana	6772	7666	13
Delhi	4349	4620	6
Rajasthan	3341	3626	9
Uttar Pradesh	6781	7468	10
Bihar	1271	1379	9



State/UT	August'22	August'23	Growth(%)
Sikkim	247	320	29
Arunachal Pradesh	59	82	39
Nagaland	38	51	37
Manipur	35	40	17
Mizoram	28	32	13
Tripura	56	78	40
Meghalaya	147	189	28
Assam	1055	1148	9
West Bengal	4600	4800	4
Jharkhand	2595	2721	5
Odisha	3884	4408	14
Chhattisgarh	2442	2896	19
Madhya Pradesh	2814	3064	9
Gujarat	8684	9765	12
Daman and Diu and Dadra and Nagar Haveli	311	324	4
Maharashtra	18863	23282	23
Karnataka	9583	11116	16
Goa	376	509	36
Lakshadweep	0	3	853
Kerala	2036	2306	13
Tamil Nadu	8386	9475	13
Puducherry	200	231	15
Andaman and Nicobar Islands	16	21	35
Telangana	3871	4393	13
Andhra Pradesh	3173	3479	10
Ladakh	19	27	39
Other Territory	224	184	(18)

State/UT	August'22	August'23	Growth(%)
Center Jurisdiction	205	193	(6)
Grand Total	100526	114503	14

Table-2: Amount of SGST & SGST portion of IGST settled to States/UTs in August, 2023 (Rs. In crore)

State/UT	SGST collection	SGST portion of IGST	Total
Jammu and Kashmir	220	420	640
Himachal Pradesh	182	210	392
Punjab	603	1,201	1,804
Chandigarh	51	119	171
Uttarakhand	382	255	637
Haryana	1,585	1,094	2,679
Delhi	1,113	1,209	2,322
Rajasthan	1,265	1,730	2,994
Uttar Pradesh	2,378	3,165	5,544
Bihar	654	1,336	1,990
Sikkim	42	43	85
Arunachal Pradesh	40	100	140
Nagaland	23	59	82
Manipur	21	62	83
Mizoram	17	54	72
Tripura	36	84	120
Meghalaya	50	86	136
Assam	440	691	1,131
West Bengal	1,797	1,516	3,313
Jharkhand	802	120	922
Odisha	1,333	401	1,734

State/UT	SGST collection	SGST portion of IGST	Total
Chhattisgarh	710	488	1,198
Madhya Pradesh	978	1,447	2,425
Gujarat	3,211	1,723	4,933
Dadra and Nagar Haveli and Daman and Diu	51	40	90
Maharashtra	7,630	3,841	11,470
Karnataka	3,029	2,627	5,656
Goa	174	111	285
Lakshadweep	0	2	2
Kerala	1,035	1,437	2,472
Tamil Nadu	3,301	2,212	5,513
Puducherry	43	51	94
Andaman and Nicobar Islands	10	22	33
Telangana	1,439	1,746	3,186
Andhra Pradesh	1,122	1,481	2,603
Ladakh	14	43	57
Other Territory	13	182	195
Grand Total	35,794	31,408	67,202

DIRECT TAX

CBDT notifies Rule for determination of value of perquisite in respect of residential accommodation provided by employer

Posted On: 19 AUG 2023 8:44PM by PIB Delhi

The Finance Act, 2023 brought in an amendment for the purposes of calculation of “perquisite” with regard to the value of rent-free or concessional accommodation provided to an employee, by his employer. Accordingly,

CBDT has modified Rule 3 of the Income-tax Rules, 1961 to provide for the same.

The categorisation and the limits of cities and population have now been based on the 2011 census as against the 2001 census earlier. The revised limits of population are 40 lakh in place of 25 lakh and 15 lakh in place of 10 lakh. The earlier perquisite rates of 15%, 10% and 7.5% of the salary have now been reduced to 10%, 7.5% and 5% of the salary respectively in the amended Rule. This is summarised as under:



Previous Categorisation and Rates		New Categorisation and Rates	
Population	Perquisite Rate	Population	Perquisite Rate
More than 25 lakh	15%	More than 40 lakh	10%
Between 10 lakh and 25 lakh	10%	Between 15 lakh and 40 lakh	7.5%
Less than 10 lakh	7.5%	Less than 15 lakh	5%

The Rule has also been further rationalised so as to compute a fair tax implication of the same accommodation being occupied by an employee for more than one previous year.

Notification No. 65/2023 dated 18th August, 2023 has been published and is available at <https://egazette.nic.in>.

CBDT launches revamped National Website of the Income Tax Department www.incometaxindia.gov.in

New website is aesthetically redesigned for mobile-responsive layout and has 'Mega Menu' for content, with new features, and functionalities

Guided virtual tour for all new additions and also new button indicators

New functionalities on the revamped site allow users to compare different Acts, Sections, Rules, and Tax treaties

Posted On: 26 AUG 2023 11:38AM by PIB Delhi

In order to enhance taxpayer experience and keep pace with new technology, the Income Tax Department has revamped its National website www.incometaxindia.gov.in with a user-friendly interface, value-added features, and new modules. The newly revamped website was launched by Shri. Nitin Gupta, Chairman, Central Board of Direct Taxes (CBDT), at the 'Chintan Shivir', organised by Directorate of Income Tax (Systems) at Udaipur.

This website serves as a comprehensive repository of tax and other related information. It provides access to Direct Tax laws, several other Allied Acts, Rules, Income Tax Circulars and Notifications, all cross-referenced and hyperlinked. The site also offers a 'Taxpayer Services

Module' featuring various tax tools to assist taxpayers in filing their income tax returns.

The revamped website has been aesthetically redesigned with a mobile-responsive layout. The website also has a 'Mega Menu' for content, with new features, and functionalities. For the convenience of the visitors to the website, all these new additions are explained through a guided virtual tour and new button indicators.

The new functionalities, allow users to compare different Acts, Sections, Rules, and Tax treaties. All relevant content on the site is now tagged with Income Tax sections for easy navigation. Further, dynamic due date alerts functionality provides reverse countdowns, tooltips, and links to relevant portals to help taxpayers to comply easily.

The revamped website is another initiative in providing enhanced taxpayer services and will continue to educate taxpayers and facilitate tax compliance.

CBDT releases the fifth annual APA report

CBDT records signing of 95 APAs in FY2022-23, the highest ever in any financial year since the launch of the APA programme

CBDT also records highest 32 Bilateral Advance Pricing Agreements (BAPAs) signed in any financial year in FY2022-23

Posted On: 01 SEP 2023 5:48PM by PIB Delhi

The Advance Pricing Agreement (APA) programme of CBDT is one of its foremost initiatives for promoting an investor-friendly and non-adversarial tax regime in India. Since its inception, the Indian APA programme has contributed

significantly to the Government of India's mission of promoting ease of doing business.

The Central Board of Direct Taxes (CBDT) has recently released the fourth and fifth annual APA reports. The reports present key data and statistics pertaining to the APA programme. These include sectoral distribution of applicants, nature of transactions covered, transfer pricing methodologies applied etc.

The fifth report includes status of applications filed till 31st March, 2023. The statistics are updated till Financial Year (FY) 2022-23, for the present. The report highlights various achievements of the APA programme in FY 2022-23. In FY 2022-23, **CBDT recorded the highest ever APA signings in any financial year since the launch of the APA programme, signing a total of 95 APAs.**

CBDT also signed 32 Bilateral Advance Pricing Agreements (BAPAs) in FY 2022-23 being the maximum number of BAPAs in any financial year till date. This

figure is more than double the previous signing record of 13 BAPAs in any financial year. The report also details the country-wise distribution of these applications. The BAPAs were signed as a consequence of entering into Mutual Agreements with India's treaty partners namely Finland, the UK, the US, Denmark, Singapore, and Japan, showcasing the maturity of India's relationship with various treaty partners.

A record of the largest number of single day signings in the history of the programme was also created with a total of 21 APAs signed on 24th March, 2023. Additionally, signing of the 400th Unilateral Advance Pricing Agreement (UAPA) and the 500th APA were also milestones achieved in this year. The report is available at:

<https://incometaxindia.gov.in/Lists/Latest%20News/Attachments/601/APA-Report-Final-2023.pdf>.

CBDT stands committed to strengthen the APA programme further.

TB

NOTIFICATIONS & CIRCULARS

Indirect Tax

Notifications

Customs

Notification No. 48/2023-CUSTOMS

Dated 19th August 2023

The Central Government Seeks to prescribe an effective export duty of 40% on onions till 31st December 2023

G.S.R... (E). -In exercise of the powers conferred by proviso to sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government on being satisfied that it is necessary in the public interest to do so, here by exempts the goods of the description specified in column (3) of the table below, falling within this chapter heading, sub heading, or the tariff item of the second schedule to the Customs Tariff Act, 1975 (51 of 1975), specified in the corresponding entry in column (2) of the said table, when exported out of India, from so much of the duty of customs liveable thereon under the said Second Schedule as is in excess of amount calculated at the rate of duty specified in the corresponding entry in column (4) of the said table

Sl. No	Sub-heading or tariff item	Description of goods	Rate of duty
(1)	(2)	(3)	(4)
	0703	Onions	40%

2. This notification shall come in force from Dec 31, 2023.

For more details, please visit

<https://taxinformation.cbic.gov.in/view-pdf/1009832/ENG/Notifications>

Notifications

Central Tax

Notification No. 41/2023-Central Tax

Dated 25th August 2023

The Central Government Seeks to extend the due date for furnishing FORM GSTR-1 for April, May, June and July, 2023 for registered persons whose principal place of business is in the State of Manipur.

G.S.R.(E).—In exercise of the powers conferred by the proviso to sub-section (1) of section 37 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 83/2020 –Central Tax, dated the 10th November, 2020, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 699(E), dated the 10th November, 2020, namely: —

In the said notification, in the fourth proviso: -

- for the words, letter and figure –tax periods April 2023, May 2023 and June 2023, the words, letter and figure –tax periods April 2023, May 2023, June 2023 and July 2023 shall be substituted;
- for the words, letters and figure –thirty-first day of July, 2023, the words, letter and figure –twenty-fifth day of August, 2023 shall be substituted.

2. This notification shall be deemed to have come into force with effect from the 31st day of July, 2023.

For more details, please follow,

<https://taxinformation.cbic.gov.in/view-pdf/1009834/ENG/Notifications>

Notifications

Central Tax

Notification No. 42/2023-Central Tax

Dated 25th August 2023

The Central Government Seeks to extend the due date for furnishing FORM GSTR-3B for April, May, June and July, 2023 for registered persons whose principal place of business is in the State of Manipur.

G.S.R.....(E).—In exercise of the powers conferred by sub-section (6) of section 39 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby makes

the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2023 –Central Tax, dated the 24th May, 2023, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 385(E), dated the 24th May, 2023, namely:

- (i) for the words, letter and figure –months of April, 2023, May, 2023 and June, 2023, the words, letter and figure –months of April, 2023, May, 2023, June, 2023 and July, 2023 shall be substituted;
- (ii) for the words, letters and figure –thirty-first day of July, 2023, the words, letter and figure –twenty-fifth day of August, 2023 shall be substituted.

2. This notification shall be deemed to have come into force with effect from the 31st day of July, 2023.

For more details, please follow,
<https://taxinformation.cbic.gov.in/view-pdf/1009835/ENG/Notifications>

Notifications
Central Tax
Notification No. 43/2023-Central Tax
Dated 25th August 2023

The Central Government Seeks to extend the due date for furnishing FORM GSTR-3B for quarter ending June, 2023 for registered persons whose principal place of business is in the State of Manipur.

G.S.R..... (E). –In exercise of the powers conferred by sub-section (6) of section 39 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 20/2023 –Central Tax, dated the 17th July, 2023, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 508(E), dated the 17th July, 2023, namely: –

for the words, letters and figure –thirty-first day of July, 2023, the words, letter and figure –twenty-fifth day of August, 2023 shall be substituted.

2. This notification shall be deemed to have come into force with effect from the 31st day of July, 2023.

For more details, please follow,
<https://taxinformation.cbic.gov.in/view-pdf/1009836/ENG/Notifications>

Notifications
Central Tax
Notification No. 44/2023-Central Tax
Dated 25th August 2023

The Central Government Seeks to extend the due date for furnishing FORM GSTR-7 for April, May, June and July, 2023 for registered persons whose principal place of business is in the State of Manipur.

G.S.R..... (E). –In exercise of the powers conferred by sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner hereby makes the following further amendment in notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 26/2019 –Central Tax, dated the 28th June, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.452(E), dated the 28th June, 2019, namely:

In the said notification, in the first paragraph, in the fifth proviso: -

- (i) for the words, letter and figure “months of April 2023, May 2023 and June 2023” the words, letter and figure “months of April 2023, May 2023, June 2023 and July 2023” shall be substituted;
- (ii) for the words, letters and figure “thirty-first day of July, 2023”, the words, letter and figure “twenty-fifth day of August, 2023” shall be substituted.

2. This notification shall be deemed to have come into force with effect from the 31st day of July, 2023.

For more details, please follow,
<https://taxinformation.cbic.gov.in/view-pdf/1009837/ENG/NotificationsNotifications>

Customs
Notification No. 49/2023-CUSTOMS
Dated 25th August 2023

The Central Government 25.08.2023 Seeks to levy export duty on parboiled rice by including it in 2nd Schedule of Customs Tariff Act

G.S.R.(E). -Whereas, the Central Government is satisfied that export duty should be levied on certain articles and that circumstances exist which render it necessary to take immediate action

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 8 of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), the Central Government, hereby directs that the Second Schedule to the Customs Tariff Act shall be amended in the following manner, namely: -

In the Second Schedule to the Customs Tariff Act, after Sl. No. 6B and the entries relating thereto, the following Sl. No. and entries relating thereto shall be inserted, namely: -

Sl. No	Sub-heading or tariff item	Description of goods	Rate of duty
(1)	(2)	(3)	(4)
"6c"	10063010	Rice, parboiled	20%"

2. This notification shall come into immediately.

For more details, please visit

<https://taxinformation.cbic.gov.in/view-pdf/1009838/ENG/Notifications>

Notifications

Customs

Notification No. 50/2023-CUSTOMS

Dated 25th August 2023

The Central Government Seeks to amend notification No. 55/2022-Customs dated 31.10.2022, to provide conditional exemption on certain variety of rice

G.S.R.(E). -In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the 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), No. 55/2022-Customs, dated the 31st October 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 796(E), dated the 31st October 2022, namely: -In the said notification,

(i) in the Table, after S. No. 2 and the entries relating

thereto, the following S. Nos. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)
2A	10063010	Rice, Parboiled	Nil	5
2B	10063010	Rice, Parboiled	Nil	6"

(ii) in the Annexure, after Condition number 4 and the entries relating thereto, the following Condition numbers and entries shall be inserted, namely

"5	Rate of duty shall come into force on the 16th day of October, 2023
6	<p>i) Goods meant for export shall have entered the customs station for the purpose of exportation before the 25th day of August, 2023, and an order permitting clearance has not been issued by the proper officer; and</p> <p>ii) Goods meant for export shall be backed by irrevocable Letter(s) of Credit, wherein the said letter(s) of credit has been opened before the 25th day of August, 2023, and the message exchange date between the Indian and Foreign bank/swift date should be before the 25th day of August, 2023, and such Letter(s) of Credit should have been authenticated by the Recipient Bank."</p>

For More details, please follow

<https://taxinformation.cbic.gov.in/view-pdf/1009839/ENG/Notifications>

Notifications

Customs

Notification No. 51/2023-CUSTOMS

Dated 31st August 2023

The Central Government Seeks to amend No. 11/2021-Customs, dated the 1st February, 2021 to exempt LPG, Liquefied Propane and Liquefied Butane from levy of AIDC.

G.S.R.(E). -In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) read with section 124 of the Finance Act, 2021 (13 of 2021), the Central Government, on being



satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 11/2021-Customs, dated the 1st February, 2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 69(E), dated the 1st February, 2021, namely :-

In the said notification, -

I. in the Table, -

- (1) against Sl.No. 10AA, in column (4), the entry “Nil” shall be substituted;
- (2) against Sl.No. 10B, in column (4), the entry “Nil” shall be substituted;

II. The first and the second proviso after the Table shall be omitted;

2. This notification shall come into effect on the 1st day of September, 2023.

For More details, please follow

<https://taxinformation.cbic.gov.in/view-pdf/1009841/ENG/Notifications>

Notifications

Customs

Notification No. 61/2023-CUSTOMS (N.T)

Dated 17th August 2023

The Central Government Fixes Exchange Rate Notification

No. 61/2023-Cus (NT) dated 17.08.2023-reg.

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the Notification No. 57/2023-Customs(N.T.), dated 3rd August, 2023 except as respects things done or omitted to be done before such supersession, the Central Board of Indirect Taxes and Customs hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or vice versa, shall, with effect from 18th August, 2023, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods

Schedule I

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
1	2	3	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	54.25	51.90
2.	Bahraini Dinar	227.25	213.75
3.	Canadian Dollar	62.40	60.35
4.	Chinese Yuan	11.50	11.20
5.	Danish Kroner	12.30	11.90
6.	EURO	91.85	88.65
7.	Hong Kong Dollar	10.80	10.40
8.	Kuwaiti Dinar	278.25	261.65

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
1	2	3	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
9.	New Zealand Dollar	50.50	48.20
10.	Norwegian Kroner	07.95	07.70
11.	Pound Sterling	107.35	103.90
12.	Qatari Riyal	23.50	22.10
13.	Saudi Arabian Riyal	22.85	21.50
14.	Singapore Dollar	61.95	60.00
15.	South African Rand	04.45	04.20
16.	Swedish Kroner	07.70	07.45
17.	Swiss Franc	96.20	92.55
18.	Turkish Lira	03.15	02.95
19.	UAE Dirham	23.30	21.95
20.	US Dollar	83.90	82.20

Schedule II

Sl. No.	Foreign Currency	Rate of exchange of 100 unit of foreign currency equivalent to Indian rupees	
1	2	3	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	57.65	55.85
2.	Korean Won	06.40	06.00

For more details, please follow

<https://taxinformation.cbic.gov.in/view-pdf/1009828/ENG/Notifications>

Notifications**Customs****Notification No. 63/2023-CUSTOMS (N.T)**

Dated 31st August, 2023.

The Central Government fixes of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver- Reg.

S.O. ... (E).– In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette

of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

TABLE - I

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	898
2	1511 90 10	RBD Palm Oil	923
3	1511 90 90	Others – Palm Oil	911
4	1511 10 00	Crude Palmolein	934
5	1511 90 20	RBD Palmolein	937
6	1511 90 90	Others – Palmolein	936
7	1507 10 00	Crude Soya bean Oil	1034
8	7404 00 22	Brass Scrap (all grades)	4786

2. This notification shall come into force with effect from the 01st September 2023.

For more details, please follow

<https://taxinformation.cbic.gov.in/view-pdf/1009842/ENG/Notifications>

TD



NOTIFICATIONS & CIRCULARS

Direct Tax

Notification
Direct Tax
Notification No. 70/2023
Dated 28th August, 2023.

The Central Government provides Income Tax 19th
Amendment, Rule 2023

G.S.R. 630(E).—In exercise of the powers conferred by sub-section (2) and sub-section (9D) of section 132 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

Short title and commencement. –

- (1) These rules may be called the Income-tax (Nineteenth Amendment) Rules, 2023.
- (2) They shall come into force with effect from the date of their publication in the Official Gazette.

In the Income-tax Rules, 1962 (hereinafter referred as the Principal Rules), after rule 12F, the following rule shall be inserted, namely:—

“13. Procedure to requisition services under sub-section (2) and to make a reference under sub-section (9D) of section 132.—

- (1) Every Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General, as the case may be, may approve—
- (2) any person or entity whose services may be requisitioned for the purposes of clause (ii) of sub-section

(2) of section 132; or

any person or entity or registered valuer to whom reference may be made for the purposes of clause (ii) of sub-section (9D) of section 132,

on the basis of an application made by such person or entity or registered valuer, or on a reference made by Joint Director or Joint Commissioner or Additional Director or Additional Commissioner or Director or Commissioner or Principal Director or Principal Commissioner, or on his own motion.

- (2) The authorised officer, as referred to in sub-section (2) or sub-section (9D) of section 132, may requisition the services of or make a reference to one or more of the persons approved under sub-rule (1), for the purposes of clause

(ii) of sub-section (2) or sub-section (9D) of section 132.

- (3) The application referred to in sub-rule (1) shall be made in Form No. 6C.
- (4) The application referred to in sub-rule (3) shall be disposed of by the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General, as the case may be, within six months from the end of the month in which such application is made thereby granting approval or rejecting the same.
- (5) The Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General may, on grant of approval to a person or entity or registered valuer as provided in sub-rule (1), shall issue a Designated Approval Number to such person or entity or registered valuer, as the case may be.
- (6) For the purposes of clause (ii) of sub-section (2) or clause (ii) of sub-section (9D) of section 132, in a case where the authorised officer considers it necessary or expedient to do so, he may requisition the services of or make a reference to a person or entity or registered valuer who is not approved as per sub-rule (1), after recording reasons for the same, and within a period of thirty days of such requisition, obtain approval of the Principal Chief Commissioner



or the Chief Commissioner or the Principal Director General or the Director General, as the case may be.

Explanation 1.- For the purposes of this rule, “registered valuer” means any valuer registered by or under any law for the time being in force.

Explanation 2.- For the purposes of sub-rule (5) of this rule, a “Designated Approval Number” means a number so issued, having alphanumeric characters.

13A. Valuation under sub-section (9D) of section 132.—

(1) For the purpose of sub-section (9D) of section 132, the fair market value of the property shall be determined in the following manner, namely:—

- (i) the value of an immovable property, being land or building or both, shall be in accordance with the value adopted or assessed or assessable by any authority of the Central Government or a State Government for the purpose of payment of stamp duty in respect of such immovable property, along with the cost of construction and improvements, if any, on the date(s) on which such property is required to be valued as per the reference made under sub-section (9D) of section 132;
- (ii) the value of jewellery, archaeological collections, drawings, paintings, sculptures, any work of art, shares or securities referred to in rule 11UA, shall be the value determined in the manner provided in sub-rule (1) of rule 11UA and for this purpose the reference to the valuation date in the rule 11U and rule 11UA shall be the date(s) on which such property is required to be valued as per the reference made

under sub-section (9D) of section 132;

(iii) the value of property,

- (a) other than those covered in clause (i) and clause (ii), or
- (b) where valuation as specified in clause (i) and clause (ii) is not feasible,

shall be the price that such property would ordinarily fetch on sale in the open market on the date(s) on which such property is required to be valued as per the reference made under sub-section (9D) of section 132.

(2) The person or entity or registered valuer, to whom the reference for valuation has been made by the authorised officer under the provisions of sub-section (9D) of section 132 shall submit the report of valuation in Form No. 6CA to such authorised officer.

Explanation.- For the purposes of this rule, “registered valuer” means any valuer registered by or under any law for the time being in force.

In the Income-tax Rules, 1962, in Appendix II, after Form No. 6B, the following Forms shall be inserted, namely:—

“FORM No. 6C

[See rule 13]

Application under section 132(2)/132(9D) of the Income tax Act, 1961

PART-A	Name	Status
PERSONAL INFORMATION	PAN	(i) Individual
	Aadhar (if applicable)	(ii) HUF
		(iii) Company
	Address	(iv) Firm
	Phone Number	(v) Co-operative Society
	Email Address	(vi) Local Authority
		(vii) AOP/ BOI



2.		Details of relevant qualification(s)...(please see Note 1 and attach proof if applicable).....
3.		Details of existing registration with any governmental organisation, if any (Also please attach a copy of the proof with this application).....
4.		Details of Experience.....
5.		Any other details relevant for registration as a valuer.....

Verification

I,, son/daughter/wife ofdo hereby verify that the information furnished above is true and correct to the best of my knowledge and belief.

I further declare that I am furnishing this form in my capacity as [self/proprietor/partner/

designated partner/director/any other designation] of the entity named [strike off if not applicable] and I am authorised to furnish and verify this form.

Date..... Place.....

(Signature of applicant/authorised signatory)

Name.....

PAN of authorised signatory (if applicable).....

Note 1: Nature of Services proposed to be provided and relevant Qualification:-

- (i) a translator;
- (ii) a person or entity or registered valuer providing assistance in forensic analysis or data mining of digital data;
- (iii) a manager or officer of a banking company or co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act);
- (iv) a valuer of jewellery who is registered as a Bureau

of Indian Standards(BIS) licensed jeweller under the BIS Guidelines for Grant, Operation, Renewal and Cancellation of Certificate of registration of Jewellers, 2021;

- (v) a valuer of immovable property who must be a graduate in civil engineering, architecture or town planning from a recognised university, or in case of an agricultural land or plantation, a graduate in agricultural science from a recognised university; and must have been in practice as a consulting engineer, valuer of real estate, surveyor, architect or farm valuer;
- (vi) a valuer of forests who must be a person possessing specialized knowledge in forestry;
- (vii) a valuer of mines and quarries who must be a graduate in mining from a recognised university;
- (viii) a valuer of stocks, shares, debentures, securities, shares in partnership firms and business assets including goodwill, who must be a merchant banker;
- (ix) a valuer of machinery and plant who must be a graduate in mechanical or electrical engineering from a recognised university;
- (x) a valuer of archaeological collections, drawings, paintings, sculptures, or any work of art, who must have specialised knowledge by virtue of his academic qualifications and professional pursuits in the particular line of art;
- (xi) a valuer of life interest, reversions and interest in expectancy who must have been in practice as an actuary under the Insurance Act, 1938 (4 of 1938);



(xii) any other person, as is necessary having regard to the local area considerations.

FORM No. 6CA

[See rule 13A]

Report under section 132(9D) of the Income Tax Act, 1961

I/We, having Designated Approval Number [issued as per rule 13(5)], have determined the fair market value of [specifications of the property being valued] belonging to

[name of the assessee] having permanent account number(PAN), as located at

[address of the assessee] in consequence of reference made under sub-section (9D) of section 132 of the Income tax Act, 1961 by the authorised officer vide order dated .

I/We have obtained all the information which to the best of my/our knowledge and belief were necessary for the purposes of valuation.

Details of the property(ies) for which valuation has been undertaken

Date(s) of such valuation

Method employed to arrive at the fair market value of the property [The valuer should discuss in detail different factors which have been taken into account in arriving at the valuation]

Details of major assumptions while determining the fair market value of the property.....

Fair market value of the property being valued [the valuer should furnish a separate valuation for each property].....

Verification

I,, son/daughter/wife ofdo hereby verify that the information furnished above is true and correct to the best of my knowledge and belief;

I further declare that I am furnishing this report in my capacity as[self/proprietor/partner/ designated partner/ director/any other designation] of the entity named [strike off if not applicable] and I am authorised to furnish and verify this report;

I/We further certify that I/We have no direct or indirect interest in the property(ies) valued and I/We have personally inspected the said property(ies);

Date.....

Place.....

(Signature)

Name.....

PAN

For more details, please follow

<https://incometaxindia.gov.in/communications/notification/notification-70-2023.pdf>



JUDGEMENT INDIRECT TAX

HC permitted DGGI to continue enquiry since no investigation was conducted by any authority regarding affairs of petitioner

Facts of the case -

Hanuman Enterprises (Opc) (P.) Ltd. v. Additional Director General Directorate General of GST Intelligence - [2023] (Delhi)

In the present case, the Directorate General of Goods and Service Tax Intelligence ('DGGI'), Zonal Unit, Jaipur was conducting an investigation in respect of the petitioner's company. The petitioner filed petition and submitted that DGGI Jaipur could not conduct any investigation in its matter as petitioner had already been investigated for same period by another agency.

However, the Revenue submitted that no investigation was conducted by any authority regarding affairs of petitioner's company although certain measures were taken wherein ITC was blocked and bank accounts were provisionally attached.

Decision of the case :

- The Honorable High Court noted that the principal place of business of petitioner was same as that of some other connected entities, which had been investigated by DGGI, Chennai. Therefore, no advantage can be drawn by the petitioner on that account.
- Moreover, the petitioner had a separate GST registration and if any of authorities had found it necessary to investigate petitioner's company based on certain information, the said investigation could not be stopped or interdicted on account of investigation conducted with respect of any other entity. Thus, there was no reason to interdict DGGI, Jaipur from conducting investigation in respect of petitioner's company.

Allahabad HC granted bail to applicant to

whom no notice for recovery of GST had been issued

Facts of the case -

Rajnish Jain v. Directorate General of GST Intelligence - [2023] (Allahabad)

In the present case, a bail application was filed by the applicant who was arrested for offence punishable under sections 132(1) (b) & (c) of CGST Act, 2017. It was submitted that the applicant was arrested without assigning any reason to believe nor any satisfaction to justify his arrest.

Decision of the case :

- The Honorable High Court noted that the applicant was without assigning any reason to believe and offences as alleged were punishable up to 5 years imprisonment but no notice for recovery of GST had been issued against applicant. Even, the penalty or taxes had not been ascertained by the department till date.
- The Court further noted that alleged offences were compoundable in nature and triable by Magistrate. Therefore, it was held that the bail application was to be allowed on furnishing a personal bond and two reliable sureties.

Goods which are returned need not be necessarily accompanied with a Credit Note: Madras HC

Facts of the case -

Luminous Power Technologies (P.) Ltd. v. State Tax Officer, Adjudication-I - [2023] (Madras)

The petitioner dispatched goods to consignee/buyer by four different invoices which were accompanied with e-way bills. However, those goods were not received by consignee/buyer as goods got wet due to heavy down pour and re-transported back by petitioner after generating four different e-way bills. The goods were detained by Roving Squad when goods were transmitted back to petitioner's

factory in Chennai on the ground that no Credit Note was issued for return of goods. The petitioner filed writ petition against the detention of goods.

Decision of the case :

- The Honorable high Court noted that the credit note under Section 34 is not required to be issued at stage when goods were being returned without receiving by recipient. The issuance of Credit Note and/or Debit Note under Section 34(1) of CGST Act, is required only for adjustment of tax liability and goods which are returned need not necessarily accompany a Credit Note.
- In this case, goods that were detained were covered by four invoices and therefore, the Court held that detention of goods was per se illegal and unwarranted particularly in light of fact that goods accompanied e-way bills, which were generated for return of goods.

Dept. can't conduct GST audit after approving cancellation of GST registration: Madras HC

Facts of the case -

Tvl. Raja Stores v. Assistant Commissioner (ST) - [2023] (Madras)

The petitioner was a partnership firm registered under GST and intended to close business. It submitted an application before the authorities which was accepted and registration was cancelled with effect from 31.03.2023. Thereafter, it received notice for conducting audit. It filed writ petition and contended that the petitioner's registration was cancelled and GST Department can't conduct audit of unregistered concern.

Decision of the case :

- The Honorable high Court noted that as Section 65 of CGST Act, 2017 specifically states 'any registered person', then it ought to be construed as existing concern and unregistered person is exempted from purview of section 65.

- Further, the Court noted that when Section 65 provides for periodical audit, the department having failed to conduct audit for all these years, suddenly could not wake up and conduct an audit. However, the department can initiate assessment proceedings for petitioner under Sections 73 and 74. Therefore, the Court allowed the petition and notice for audit was quashed.

Assessing Authority must provide hearing opportunity before passing an adverse order even if not demanded: Allahabad HC

Facts of the case :

B.L. Pahariya Medical Store v. State of U.P - [2023] (Allahabad)

In the present case, the petitioner challenged the order passed by Deputy Commissioner in which huge demand of approx. Rs. 26 Lacs had been raised against the petitioner. It was contended that proper opportunity of hearing was not provided before passing adverse order.

Decision of the case :

- The Honorable High Court noted that as per Section 75 of CGST Act, 2017, the Assessing Authority is bound to afford opportunity of personal hearing to the assessee before passing adverse assessment order. Even otherwise in context of an assessment order creating heavy civil liability, a minimal opportunity of hearing is to be granted in real terms to the assessee.
- Also, the Court noted that a coordinate bench of this Court in case of Bharat Mint & Allied Chemicals v. Commissioner Commercial Tax held that a person/assessee is not required to request for "opportunity of personal hearing" and it remained mandatory upon the Assessing Authority to afford such opportunity before passing an adverse order. Therefore, the Court held that the petition was allowed and the impugned order was liable to be set aside.

JUDGEMENT DIRECT TAX

AO can't make additions merely based on Form 26AS without verifying total contract amount and bills: HC

Facts of the case -

PCIT v. MBC Infra Space (P.) Ltd. - [2023] (Gujarat)

Assessee-company had filed its return of income for the relevant assessment year. The case of the assessee was selected for scrutiny. Thereafter, assessment under section 143(3) was completed, and additions were made to the assessee's income on account of the difference in payment received as per Form 26AS and as per books of account.

On appeal, the CIT(A) deleted the additions made by AO, and the Tribunal confirmed further such deletion. Aggrieved-AO filed an appeal before the Gujarat High Court.

Decision of the case :

- The High Court held that the AO had not verified the assessee's claim. The assessee raised RA Bills of Rs. 8.32 crore during the relevant financial year. The assessee received an amount of Rs. 8.32 crores, out of which, as per the books of account, as per the bank statement, is of Rs. 7.7 crores only, which was received in the current year.
- There was a double deduction of TDS on the same project, which was entered into with the two different parties at the time of the bill raised and at the time of payment made on certain bills.
- Thus, the CIT(A) has rightly deleted the addition after verification of the bank account contract amount, which the assessee received based on running bills. Thus, after considering the facts and circumstances of the present case, the appeal preferred by the AO was liable to be dismissed.

SC dismissed SLP against ruling allowing deduc-

tion of mark-to-market loss suffered on stock in trade

Facts of the case -

Principal Commissioner of Income-tax v. DSP Merill Lynch Capital Ltd. - [2023] (SC)

The Supreme Court of India has dismissed Special Leave Petition (SLP) filed by the Pr. CIT against the ruling of the High Court on issues related to the allowability of mark-to-market loss suffered on the stock in trade.

The Apex Court held that there was no infirmity in High Court's judgment, and thus no interference was called for.

The High Court had ruled mark-to-market loss on open equity stock future contracts was ascertained liability. Thus, the deduction of the amount on account of market loss suffered on the stock in trade was a permissible deduction in the hands of the assessee.

ITAT directs AO to estimate profit at 10% on cash purchases made from farmers in violation of sec. 40A(3)

Facts of the case -

M. Shyamalanathan & Co. v. Income-tax Officer - [2023] (Chennai - Trib.)

The assessee was a firm engaged in the business of trading rice. It filed its return of income for the relevant year, and subsequently, a survey under section 133A was conducted on the business premises of the assessee.

During the assessment proceedings, the Assessing Officer (AO) noticed from the purchase bills and printed copies of purchase ledger accounts that the assessee had made payment in cash exceeding Rs. 20,000 for the purchase of rice to a single person in a single day. AO disallowed the cash payments made over Rs. 20,000 by invoking provisions of section 40A(3).

On appeal, CIT(A) upheld the disallowance made by AO. Aggrieved-assessee filed an instant appeal to the Chennai

Tribunal.

Decision of the case :

- The Tribunal held that the assessee was a trader in purchasing rice from rice mills and not from agriculturists directly. Admittedly, the assessee was also not an agent. Even the assessee could not show any business expediency that required to be considered in the light of the exceptions as provided under rule 6DD of the Rules.
- The assessee argued that there was fluctuating demand for rice due to a price rise of rice commodities, and the farmers agreed to sell in cash to the rice mills. In turn, the rice mill asked the assessee to make part of the payment for some months in cash.
- Assessee claimed that it made 98% of purchases in account payee cheque or bank draft or through banking channel only as envisaged in the provisions of section 40A(3). The compulsion imposed by some of the farmers who wanted their money back from the rice mill reveals that there was business expediency to make cash payments that were a very minimal amount, ranging from 6.92% to 0.28% in various years.
- Assessee argued that on the disputed purchase, AO could apply a higher profit rate instead of the profit rate declared by it. The assessee also filed a complete table capturing the facts of disputed addition, total purchases and percentage of disputed purchases.
- Thus, an estimation of profit at the rate of 10% of the disputed purchases disallowed by the AO by invoking the provisions of section 40A(3) will meet the ends of justice. This prevents profit distortion and considers commercial expediency in the given facts and circumstances.

There can't be any copyright on broadcasting live events, no royalty on sum received by Cricket Australia from Sony

Facts of the case -

Cricket Australia v. Assistant Commissioner of Income-tax - [2023] (Delhi - Trib.)

Assessee-Cricket Australia received license fees from Sony Pictures Networks India Private Limited pertaining to 'live' transmissions of the programmes, i.e., cricket matches held in Australia. During the scrutiny proceedings, the Assessing Officer (AO) contended that such receipt pertaining to live transmission of the cricket matches involves transfer of rights in respect of a 'Process' as per Section 9(1)(vi) and India-Australia DTAA.

Considering the receipt as 'process', the AO added to the assessee's income as it gets covered under the term 'Royalty'. The Dispute Resolution Panel (DRP) upheld the additions made by AO. Aggrieved by the order, an appeal was filed to the Delhi Tribunal.

Decision of the case :

- The Tribunal held that the Co-ordinate Bench in the case of Fox Network Group Singapore Pte. Ltd. [2020] 121 taxmann.com 330 (Delhi-Trib.) has ruled that there is a clear distinction between a copyright and a broadcasting right. Broadcast or live coverage does not have a copyright. Therefore, payment for the live telecast is neither payment for transfer of any copyright to fall under the ambit of royalty under Explanation 2 to Section 9(1)(vi).
- There is no copyright on live events; therefore, it is not taxable as 'royalty'. Thus, the fee received towards live transmission cannot be taxed as 'royalty' in terms of Section 9(1)(vi). Accordingly, the assessee's appeal was allowed, and the AO was directed to delete the relevant additions.

Recovery from director couldn't be made without indicating what steps were taken to trace assets of Co.: HC

Facts of the case -

Manjula D. Rita v. Principal Commissioner of Income-tax - [2023] (Bombay)

The deceased assessee was a director of a company. An assessment order was passed, making several additions to company income and tax demand. The stay application filed by the company was rejected. Thereafter, an order under section 179 was passed upon the assessee raising tax demand from him.

The assessee filed a revision petition against said order passed under section 179, which was rejected. Assessee



writ petition before the Bombay High Court.

Decision of the case :

- The Bombay High Court held that there was no evidence to indicate even any notice was issued to the deceased. The affidavit stated that only letters were issued through speed post, and the same were not returned undelivered. Thus, the Assessing Officer (AO) attempted to find out the whereabouts of the assessee.
- There was no evidence annexed to show that even such a letter was prepared or the letter was sent by speed post, or a query was sent to the Post Master to find out the status of the delivery of the said letter. In the circumstances, the Court will have to proceed because no letter or notice was sent to the deceased before the order under section 179 came to be passed.
- There is also nothing to indicate what steps were taken to trace the company's assets. Moreover, the order passed under section 179 does not satisfy any of the ingredients required to be met. Further, the deceased has not even been allowed to establish that the non-recovery cannot be attributable to any of the three factors on his part, i.e., gross neglect, misfeasance or breach of duty. The gross negligence, etc., is to be viewed in the context of non-recovery of tax dues of the company and not with respect to the general functioning of the company.
- Once the director, after being given an opportunity, places material on record to establish that non-recovery cannot be attributed to gross negligence, misfeasance or breach of duty, the Tax Recovery Officer must apply his mind and come to definite findings. Therefore, considering the facts of the case, the order passed for commencing proceedings under section 179 upon the assessee was to be quashed and set aside.

18



Tax Calendar

Indirect Tax

Due Dates	Returns
Sep 10th, 2023	GSTR-8 (Aug, 2023)
Sep 10th, 2023	GSTR-7 (Aug, 2023)
Sep 11th, 2023	GSTR-1 (Aug 2023)
Sep 13th, 2023	GSTR-5 (Aug, 2023)
Sep 13th, 2023	GSTR-6 (Aug, 2023)
18 Months after the end of quarter for which refund is to be claimed	RFD-10

Tax Calendar

Direct Tax

Due Dates	Returns
07 September 2023	Due date for deposit of Tax deducted/collected for the month of August, 2023. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
14 September 2023	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of July, 2023
14 September 2023	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of July, 2023
14 September 2023	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of July, 2023
14 September 2023	Due date for issue of TDS Certificate for tax deducted under section 194S in the month of July, 2023 Note: Applicable in case of specified person as mentioned under section 194S
15 September 2023	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of August, 2023 has been paid without the production of a challan
15 September 2023	Second instalment of advance tax for the assessment year 2024-25
15 September 2023	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of August, 2023



E-PUBLICATIONS OF TAX RESEARCH DEPARTMENT

Guide Book for GST Professionals	Handbook on SpecialEconomice Zone and Export Oriented Units
Handbook for Certification for difference between GSTR-2A & GSTR - 3B	Handbook on GST on Service Sector
Taxation on Works Contract	Handbook on Works Contract under GST
Impact of GST on Real Estate	Handbook on Impact of GST on MSME Sector
Insight into Customs-Procedure & Practice	Insight into Assessment including E-Assessment
Input Tax Cradit & In depth Discussion	Impact on GST on Education Sector
Exemptions under the Income Tax Act, 1961	Addendum_Guidance Note on GST Annual Return & Audit
Taxation on Co-operative Sector	An insight to the Direct Tax-Vivadse Vishwas Scheme 2020
Guidance Note on GST Annual Return & Audit	International Taxation and Transfer Pricin
Sabka Vishwas _Legacy Dispute Resolution Scheme 2019	Handbook on E-Way Bill
Guidance Note on Anti Profiteering	

For E-Publications, Please Visit Taxation Portal-

<https://icmai.in/TaxationPortal/>

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TAXATION COMMITTEES - PLAN OF ACTION

Proposed Action Plan:

1. Successfully conduct all Taxation Courses.
2. Publication and Circulation of Tax bulletin (both in electronic and printed formats) for the awareness and knowledge updation of stakeholders, members, traders, Chambers of Commerce, Universities.
3. Publication of Handbooks on Taxation related topics helping stakeholders in their job deliberations.
4. Carry out webinars for the Capacity building of Members - Trainers in the locality to facilitate the traders/ registered dealers.
5. Conducting Seminars and workshops on industry specific issues, in association with the Trade associations/ Traders/ Chamber of commerce in different location on practical issues/aspects associated with GST.
6. Tendering representation to the Government on practical difficulties faced by the stakeholders in Taxation related matters.
7. Updating Government about the steps taken by the Institute in removing the practical difficulties in implementing various Tax Laws including GST.
8. Facilitating general public other than members through GST Help-Desk opened at Head quarter of the Institute and other places of country.
9. Introducing advance level courses for the professionals on GST and Income Tax.
10. Extending Crash Courses on Taxation to Corporates, Universities, Trade Associations etc.

Disclaimer:

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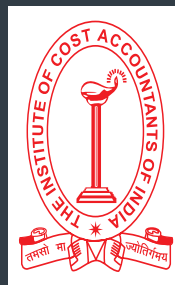
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