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Welcome to our
monthly newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during November 2023. We had tried to cover all important updates occurred during November 2023 in this volume of newsletter. The sole purpose of this circulation is to update finance professionals and business owners on direct & indirect taxes and other compliances. Feedbacks are welcome at info@nucleusadvisors.in.



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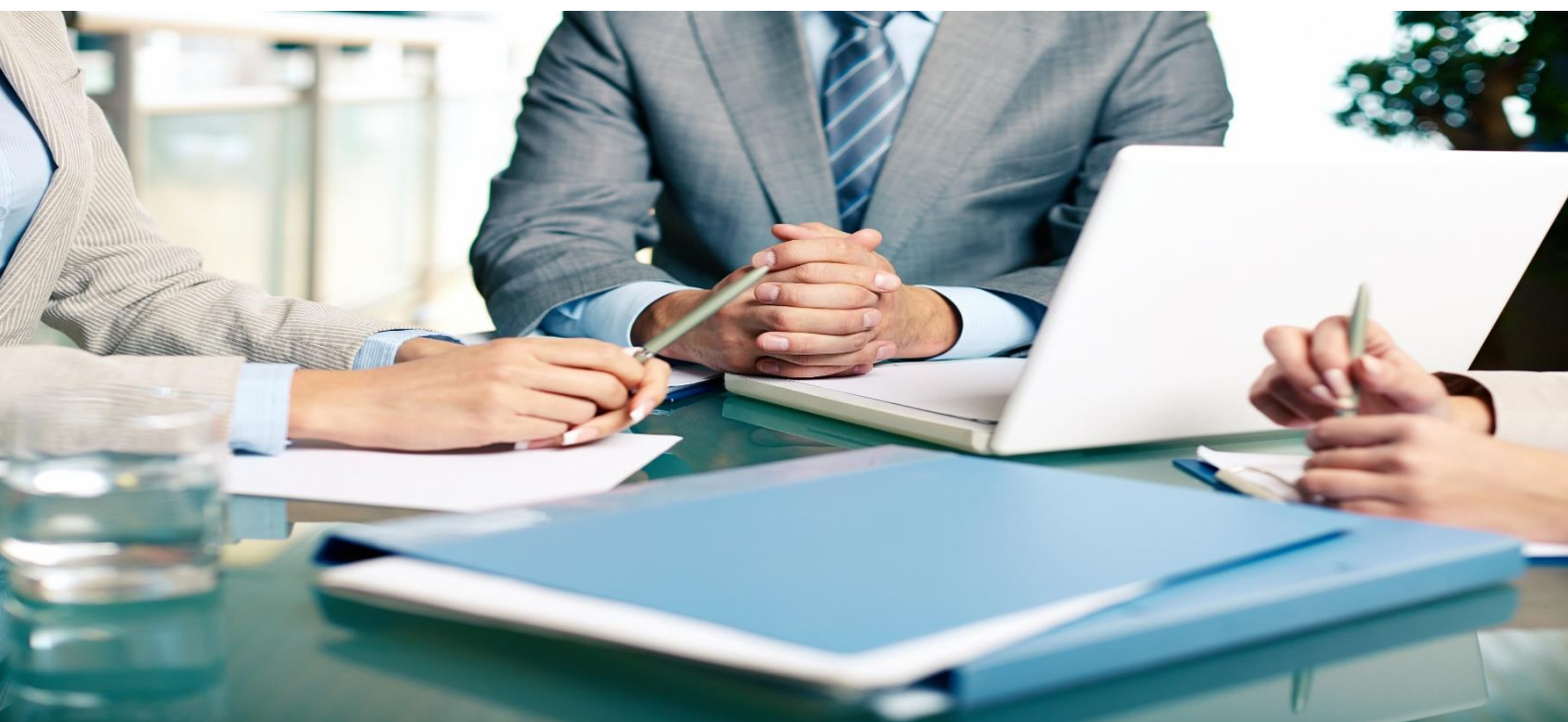
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Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax, MCA, Audit & Assurance notification, circulars and case laws which may directly or indirectly impact our readers. At Nucleus, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.



Direct Tax Updates

- Tax exemptions to BPC Penco XVII Corporation, a pension fund for investments made under section 10 (23FE).
- Exemption from specified incomes u/s 10(46) to “Punjab Infrastructure Regulatory Authority” and “Chhattisgarh Rajya Beej Pramanikaran Sanstha” and “Maharashtra Council of Homoeopathy”.
- Exemption from specified incomes u/s 10(46) to “Press Council of India”.

GST Updates

Notifications Issued

- Special procedure for condonation of delay in filing of appeals against demand orders passed until 31st March, 2023-Notification no. 53/2023-Central Tax.
- To notify biometric-based Aadhaar authentication for GST registration in the State of Andhra Pradesh-Notification no. 54/2023-Central Tax.
- Introducing Electronic Credit Reversal and Reclaimed Statement-August 31, 2023.
- Facility for the e-commerce operators through whom unregistered suppliers of goods can supply goods-October 12, 2023.
- New Table introduced in GSTR-5A-October 27, 2023.
- Biometric-Based Aadhar Authentication and Document verification for GST Registration for applicants of Gujarat, Andhra Pradesh and Puducherry-November 04, 2023.
- ITC Reversal on account of Rule 37(A)-November 14, 2023.
- Difference in Input Tax Credit (ITC) available in GSTR-2B & ITC claimed in the GSTR-3B-November 14, 2023.

MCA Updates

- LLP Significant Beneficial Owner (‘SBO’) Rules, 2023.



DIRECT TAX UPDATES

➤ Tax exemption to BPC Penco XVII Corporation, a pension fund for investments made under section 10 (23FE)

The Central Government has specified BPC Penco XVII Corporation, a pension fund as the specified person eligible for tax exemption for eligible investments made by it in India subject to the certain conditions:

- Timely filing of income tax returns for relevant previous years.
- Submission of a compliance certificate (Form No. 10BBC) along with the return.
- Intimation of investment details within specified time frames (Form No. 10BBB).
- Maintenance of a segmented account for income and expenditure related to exempt investments.
- Continuation of regulation under the law of the Government of Ontario, Canada.
- Responsibility for administering or investing assets to meet statutory obligations.
- Restriction on the use of earnings and assets for the benefit of private individuals.
- Prohibition on loans or borrowings for investment purposes.

- Limitation on participating in the day-to-day operations of investee entities.

Provided that violation of any of above conditions makes it ineligible for tax exemption as specified above.

➤ **Exemption from specified incomes u/s 10(46) to “Punjab Infrastructure Regulatory Authority” and “Chhattisgarh Rajya Beej Pramanikaran Sanstha” and “Maharashtra Council of Homoeopathy”**

The Central Government has notified exemption under section 10(46) to, ‘Punjab Infrastructure Regulatory Authority’ constituted by the Government of Punjab and ‘Chhattisgarh Rajya Beej Pramanikaran Sanstha’ constituted by the Government of Chhattisgarh and ‘Maharashtra Council of Homoeopathy’ constituted by the Government of Maharashtra for following specified incomes:

- Grants received by or arising to the Authority from State Government.
- Sum received by the Authority from any sources including arbitration fees fixed by the Authority under the regulations for the proceedings before the Authority; and
- Interest from banks.
- *Money received by the way of application, Certification fees and other service charges.
- **Fees received from members/doctors;
- **Fees received from professional seminars/conferences.

Subject to the following conditions:

- shall not engage in any commercial activity;
- activities and the nature of the specified income shall remain unchanged throughout the financial years; and
- shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

**Incomes for ‘Maharashtra Council of Homoeopathy’ constituted by the Government of Maharashtra

*Incomes for ‘Chhattisgarh Rajya Beej Pramanikaran Sanstha’ constituted by the Government of Chhattisgarh.

➤ **Exemption from specified incomes u/s 10(46) to “Press Council of India”**

Exemption provided to Press Council of India for specified incomes arising from:

- Levy of fees on publishers and news papers; and
- Interest earned on FDRs and Savings bank accounts of Press Council of India.

Subject to the following conditions:

- shall not engage in any commercial activity;
- activities and the nature of the specified income shall remain unchanged throughout the financial years; and
- shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

Notifications Issued

Special procedure for condonation of delay in filing of appeals against demand orders passed until 31st March, 2023-Notification no. 53/2023-Central Tax :

Government has granted the relaxation to the persons who couldn't file appeal against demand orders passed until March 31, 2023, the said persons shall file an appeal on or before January 31, 2024 in FORM GST APL-01 provided that the said appeal has been filed in accordance with section 107 of the said act which states about general procedure for filing appeals to appellant authority, provided that 12.5% of the disputed tax amount subject to maximum of 25 crores shall be paid, out of which 20% of the same has been paid through electronic cash ledger.

Also, no refund shall be granted for the excess amount paid till the disposal of an appeal.

However, if the above appeal has been rejected by an officer in APL-04 due to time-barred, the taxpayer shall approach the said officer i.e. State Nodal Officer again providing reference of this amnesty scheme to comply with. Furthermore, **no direct representation shall be allowed** through Grievance redressal portal and it has to be compulsorily forwarded by State Nodal Officer.

To notify biometric-based Aadhar authentication for GST registration in the state of Andhra Pradesh-Notification no. 54/2023-Central Tax:

It has been specified that the provisions of sub-rule 4(A) of rule 8 of the said act shall apply only to the states of **Andhra Pradesh**, Gujarat and Puducherry.

Other Recent Developments

Introducing Electronic Credit Reversal and Reclaimed Statement-August 31, 2023:

The Government has introduced certain changes in Table 4 of GSTR-3B to enable taxpayer as to report correct information about ITC reversal, ITC claim, ITC re-claimed and Ineligible ITC.

The re-claimable ITC earlier reversed in Table 4(B)2 may be subsequently claimed in Table 4(A)5 also needs to be report in Table 4(D)1.

For accurate reporting of ITC reversal and re-claim, a new ledger "Electronic Credit and Re-claimed Statement" has been introduced to help taxpayers for tracking of their ITC reversed and re-claimed.

Facility for the e-commerce operators through whom unregistered suppliers of goods can supply goods-October 12, 2023:

GSTN has provided Application Programme Interface (API) for those ECOs through which unregistered suppliers are supplying goods for tracking and reporting such supplies. The ECOs shall contact GST Suidha Provider (GSP) to access that API as this APIs are not available publically.

New Table introduced in GSTR-5A-October 27, 2023:

A new table 5B in GSTR-5A has been introduced w.e.f October 01, 2023 to report supplies made to registered persons (B2B) by OIDARs.

Biometric-Based Aadhar Authentication and Document verification for GST Registration for applicants of Gujarat, Andhra Pradesh and Puducherry-November 04, 2023:

After the submission in FORM GST REG-01, the applicant will receive **either** the following links:

- Link for OTP-based Aadhar Authentication
- Link for booking appointment to visit GST Suvidha Kendra (GSK) for Biometric Based Aadhar Authentication and document verification.

At the time of visit to GSK, the applicant is required to carry the following:

- A hard/soft copy of appointment confirmation e-mail
- Details of jurisdiction as mentioned in e-mail
- Aadhaar Number
- Original documents as uploaded with an application

In the above the important thing to notice is that the applicant will get either of the above two mechanism to get itself verified/authenticated under the GST registration process.

ITC Reversal on account of Rule 37(A)-November 14, 2023:

The taxpayers have to reverse ITC availed on such invoice or debit note, the details of which has been furnished by supplier in GSTR-1 but return in Form GSTR-3B has not been furnished till 30th day of September following the end of FY. The said amount is required to be reversed on or before November 30, 2023.

Difference in Input Tax Credit (ITC) available in GSTR-2B & ITC claimed in the GSTR-3B-November 14, 2023:

GSTN has developed a functionality to generate automated intimation in Form GST DRC-01C which enables the taxpayer to explain the difference in ITC available in GSTR-2B & ITC claimed in GSTR-3B return. If the claimed ITC in GSTR 3B exceeds the ITC available in GSTR-2B by a predefined limit, taxpayer will receive an intimation in the form of DRC-01C upon which response shall be file by taxpayer in form DRC-01C Part B. If the taxpayer fails to file the said response, such taxpayer **shall not be** able to file GSTR-1 for subsequent periods.

LLP Significant Beneficial Owner (“SBO”) Rules, 2023.

On November 09, 2023, the Ministry of Corporate Affairs notified the Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 mandating every Limited Liability Partnership (‘LLP’) to find out if any of the individuals is a significant beneficial owner in relation to reporting LLP and on identification, such individual has to make a declaration.

Key Points:

1. The definition of Significant Beneficial Owner (‘SBO’) has been laid down as follows:
“a reporting limited liability partnership, means an individual who acting alone or together or through one or more persons or trust, possesses one or more of the following rights or entitlements in such reporting limited liability partnership, namely:-
 - (i) holds indirectly or together with any direct holdings, not less than ten per cent of the contribution;
 - (ii) holds indirectly or together with any direct holdings, not less than ten percent of voting rights in respect of the management or policy decisions in such limited liability partnership;
 - (iii) has right to receive or participate in not less than ten per cent of the total distributable profits, or any other distribution, in a financial year through indirect holdings alone or together with any direct holdings;
 - (iv) has right to exercise or actually exercises, significant influence or control, in any manner other than through direct-holdings alone”.

2. Duties of reporting LLP:

- To find out if there is any individual who is an SBO, in relation to that reporting limited liability partnership, and if so, identify him and cause such individual to make a declaration in Form No. LLP BEN-1.
- In case where it is partner instead of an individual and holds not less than 10% of its contributions/ voting rights/ right to receive or participate in the distributable profits or any other distribution payable, the reporting LLP will have to give notice to such partner in Form LLP BEN-4.

3. Declaration of SBO:

- Declaration to be made in Form No. LLP BEN-1 to reporting LLP within 90 days from commencement on these rules.
- An individual who subsequently becomes a SBO or his SBO undergoes any change then declaration has to be made within 30 days of acquiring such SBO or any change.

4. **Return of SBO in contribution:** after receiving the declaration, the reporting LLP will have to file a return in Form No. LLP BEN-2 with the Registrar within 30 days from the receipt of such declaration.

5. Notice seeking information about SBO to be made in the Form No. LLP BEN-4.

6. Non- applicability: LLP held by

- Central government/ State Government/ Local Authority;
- Reporting LLP/ body corporate/ entity controlled by Central or State Governments;
- An investment vehicle registered and regulated by the Securities and Exchange Board of India; an investment vehicle regulated by the Reserve Bank of India, or the Insurance Regulatory and Development Authority of India, or the Pension Fund Regulatory and Development Authority.



COMPLIANCE CALENDER

Direct Taxes

December 07, 2023

- Due date for deposit of Tax deducted/collected for the month of November 2023.

December 15, 2023

- TDS certificate for tax deducted under section 194IA, 194IB, 194M and 194S- in case of specified person.
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of November 2023 has been paid without the production of a challan.
- 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 November 2023

December 30, 2023

- Due date of furnishing of challan-cum statement in respect of tax deducted under section 194-IA, 194-IB, 194-M & 194-5 in the month of November 2023.
- Return of Income for the assessment year 2023-24 in the case of an assessee if he/it is required to submit a report under section 92E pertaining to international or specified domestic transaction(s).
- Return of income for the assessment year 2023-24 in the case of an assessee if he/it is required to submit a report under section 92E pertaining to international or specified domestic transaction(s).
- Report in Form No. 3CEAD by a constituent entity of an international group for the accounting year 2022-23.
- Filing of belated/revised return of income for the assessment year 2023-24.

Indirect Taxes

December 10, 2023

- Due date for filing return GSTR-8 for the month of November 2023.
- Due date for filing return GSTR-7 for the month of November 2023.

December 11, 2023

- Due date for filing monthly return GSTR-1 for the month of November 2023.

December 13, 2023

- Due date for filing monthly return GSTR-5 for the month of November 2023.
- Due date for filing monthly return GSTR-6 for the month of November 2023.

December 20, 2023

- The Statutory Due date for filing monthly return GSTR-3B for the month of November 2023.
- Due date for filing monthly return GSTR-5A for the month of November 2023.

December 31, 2023

- Due date for filing GST Annual Return (GSTR-9 & GSTR-9C) for financial year 2022-2023.
- Due date for Amendments in case of any mistakes in reporting of ITC Reversal reported till November 30, 2023.



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ABOUT US

Nucleus AAR Advisors LLP is an Investment Banking and Risk Advisory Firm providing specialized services in the field of Startup Advisory, M&A Advisory, International Taxation, Audit & Assurance. We partner with entrepreneurs in their critical decision making by providing them various analysis customized as per their requirement. We also help in the effective implementation of decisions and its subsequent monitoring as well.

Team Nucleus is comprised of people from Big4s and reputed consulting firms with combined experience of 30+ years. Team is distinguished by their functional and technical expertise combined with their hands-on experience, thereby ensuring that our clients receive the most professional



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