



Welcome to our
monthly newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during February 2023. We had tried to cover all important updates occurred during February 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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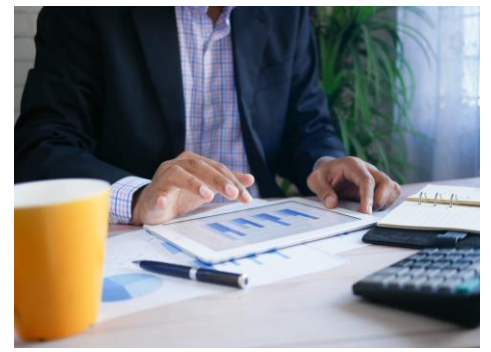
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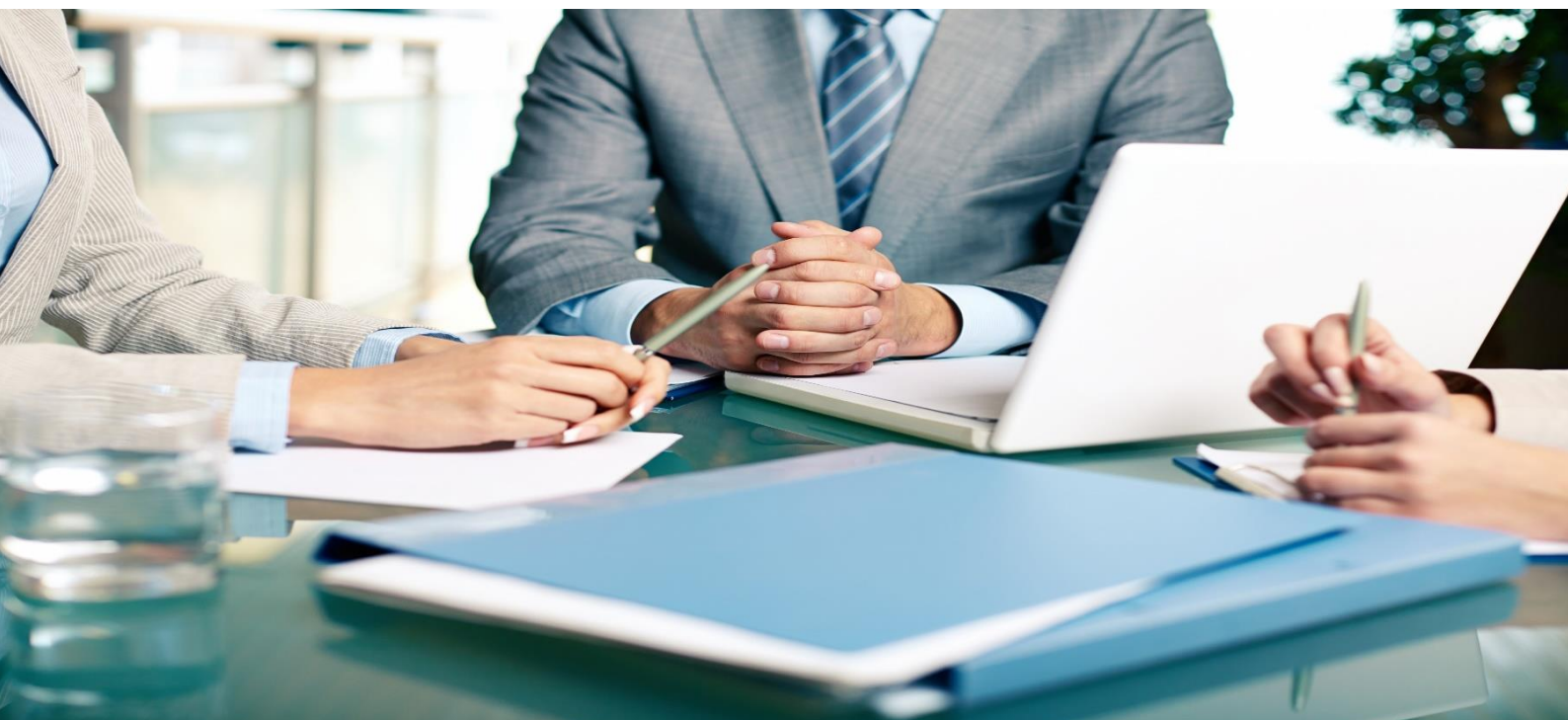
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Why this Volume of Newsletter is important for reader?

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

- Centralised Processing of Equalisation Levy Statement Scheme, 2023

GST Updates

Notifications Issued

- Central Tax (Rate) notification no. 1/2023 - The amendment has been made in the Notification No. 12/2017-Central Tax (Rate)
- Central Tax (Rate) notification no. 2/2023- The amendment has been made in the Notification No. 13/2017-Central Tax (Rate)
- Central Tax (Rate) notification no. 3/2023- The amendment has been made in the Notification No. 1/2017-Central Tax (Rate)
- Central Tax (Rate) notification no. 4/2023- The amendment has been made in the Notification No.2/2017-Central Tax (Rate)
- Compensation Cess (Rate) notification no. 1/2023- The amendment has been made in the Notification No. 1/2017-Compensation Cess (Rate)

MCA Updates

- MCA allows physical filing of Forms GNL-2 and MGT-14 during MCA21 Portal transition
- MCA Extends Timeline for 45 e-Forms; Waives Additional Fee (V3)



DIRECT TAX UPDATES

Centralised Processing of Equalisation Levy Statement Scheme, 2023

Equalization Levy is a tax leviable on consideration received by non-resident for specified services. Specified Service means online advertising or provision of digital space for online advertisement or any other service for online advertisement.

- An assessee or e-commerce operator may furnish an Equalisation Levy Statement or a revised Equalisation Levy Statement, as the case may be, under sub-section (2) of section 167 of the Act at any time before the expiry of two years from the end of the financial year in which the specified services was provided or e-commerce supply or services was made or provided or facilitated.
- The Commissioner may declare an Equalisation Levy Statement, invalid,-
 - (i) for non-compliance of procedure for using any software not validated and approved by the Director General; or
 - (ii) on account of incomplete information in the Equalisation Levy Statement.
- The Director General, with the approval of Board shall process a valid Equalisation Levy Statement in the following manner, namely:-
 - a. The Equalisation levy shall be computed after making the adjustment for any arithmetical error in the Equalisation Levy Statement ;

- b. The interest, if any shall be computed on the basis of sum deductible or payable, as the case may be, as computed in the Equalisation Levy Statement;
 - c. The sum payable by, or the amount of refund due to, the assessee or e-commerce operator shall be determined after adjustment of the amount computed under clause (b) against any amount paid under subsection (2) of section 166 or section 166A or section 170 of the Act and any amount paid otherwise by way of tax or interest;
 - d. No intimation shall be prepared or generated and sent, after the expiry of one year from the end of the financial year in which the Equalisation Levy Statement or revised Equalisation Levy Statement is furnished, to the assessee or e-commerce operator specifying the sum determined to be payable by, or the amount of refund due to, him under clause (c); and
 - e. The amount of refund due to the assessee or e-commerce operator in pursuance of the determination under clause (c) shall be granted to him.
- The assessee or e-commerce operator may make an application to the Assessing Officer for amending any intimation issued under section 168 of the Act, within one year from the end of the financial year in which the intimation sought to be amended was issued.
 - No assessee or e-commerce operator shall be required to appear personally or through authorized representative before the Centre in connection with any proceedings. Written or electronic communication from such person or authorized representative in the format specified by the Centre in this respect shall be sufficient compliance of the query or clarification received from the Centre.

Notifications Issued

Notification No. 01/2023 -Central Tax (Rate)

The amendment has been made in the Notification No. 12/2017-Central Tax (Rate) after clause (iv), the following clause has been inserted which explains that any authority, board or body set up by the Central Government or State Government including National Testing Agency for conduct of entrance examination shall be treated as an educational institutions for only purpose of services provided of entrance examination for admission to educational institutions.

Hence, services provided by such institute shall be chargeable at Nil Rate.

Notification No. 02/2023-CentralTax (Rate)

The amendment has been made in the Notification No. 13/2017-Central Tax (Rate) the explanation in clause (h), for the words “and State Legislatures” the words “, State Legislatures, Courts and Tribunals” is substituted.

Notification No. 03/2023- Central Tax (Rate)

The amendment has been made in the Notification No. 1/2017-Central Tax (Rate) which are:-

A) In Schedule I- 2.5% against S. No. 91AThe following words have been substituted

“Jaggery of all types including Cane Jaggery (gur), Palmyra Jaggery, pre-packaged and labelled; Khandsari Sugar, pre-packaged and labelled; Rab, pre-packaged and labelled “,

B) In Schedule II- 6% against S.No. 186, S.NO.186A is inserted containing the item description of “Pencil sharpeners “

C) In Schedule III -9%, against S. No. 302A, in column (3), at the end, the brackets and words “[other than pencil sharpeners]” shall be inserted.

Notification No. 04/2023- Central Tax (Rate)

The amendment has been made in the Notification No.2/2017-Central Tax (Rate), which explains in the Schedule, against S. No. 94, the following item and entry shall be inserted, namely: - “(iii) Rab, other than pre-packaged and labelled”. Hence, exempting Rab, other than pre-packaged and labelled, from GST.

The similar amendments have been made in the notification on the above matters for the Integrated Tax Act-(Rate) and Union Territory Tax (Rate).

Notification No. 1/ 2023-Compensation Cess (Rate)

The amendment has been made in the Notification No. 1/2017-Compensation Cess (Rate) which explains that against Sl. No. 41A, in column (3), for the entry, the following entry shall be substituted:-

“Coal rejects supplied to a coal washery or by a coal washery, arising out of coal on which compensation cess has been paid and input tax credit thereof has not been availed by any person”. Further, Compensation cess at Nil Rate shall continue to apply

MCA allows physical filing of Forms GNL-2 and MGT-14 during MCA21 Portal transition

- The Ministry of Corporate Affairs (MCA) has announced that companies can file Forms GNL-2 and MGT-14 in physical form between 07/01/2023 and 22/01/2023 as the MCA21 Portal transitions from V2 to V3. These forms will not be available for filing in the MCA21 Portal V2 during this period, and the MCA has acknowledged the need for timely filing due to certain time-sensitive activities.
- Companies can submit the physical form, duly signed and with a copy in electronic media, to the Registrar without payment of fees and receive an acknowledgment.
- However, the company must also provide an undertaking to file the relevant form in electronic form on the MCA-21 Portal once the filing is enabled, along with the fees payable according to the Companies (Registration Offices and Fees) Rules, 2014.
- The MCA has clarified that no additional fees will be levied for the period during which e-filing was disabled. It should be noted that the forms filed in physical form will be made available for inspection or obtaining a copy in accordance with the provisions of Section 399 of the Companies Act, 2013.
- The other forms that can be physically filed between 22/02/2023 and 31/03/2023, as announced by the Ministry of Corporate Affairs (MCA), are:
 1. Form GNL-2, which pertains to the filing of prospectus related documents and private placement,
 2. Form MGT-14, which pertains to the filing of Resolutions relating to prospectus related documents and private placement,
 3. Form PAS-3, which pertains to the allotment of shares,
 4. Form SH-8, which pertains to the letter of offer for buyback of own shares or other securities,
 5. Form SH-9, which pertains to the declaration of solvency, and
 6. Form SH-11, which pertains to the return in respect of buy-back of securities.

MCA Extends Timeline for 45 e-Forms; Waives Additional Fee (V3)

- MCA has decided to further extend the deadline for filing 45 e-forms due between 07/02/2023 and 28/02/2023 until 31/03/2023, without charging any additional fees.
- MCA has considered various representations of stakeholders seeking relief as a result of changes in the way of filing e-forms in MCA 21 Version-3, including a new process of user registration and the stabilisation of 45 e-forms launched on January 23, 2023. MCA previously extended these timelines in General Circulars 1/2023 and 3/2023.
- Furthermore, Form PAS-03, which was closed for filing in MCA21 Version-2 on 20/01/2023 and launched in MCA21 Version-3 on 23/01/2023, and whose due dates fall between 20/01/2023 and 28/02/2023, can be filed without additional fees up to 31/03/2023.
- In addition, the reservation period for names reserved under section 4(5) of the Companies Act 2013 is extended by 20 days. The resubmission period under Rule 9 of the Companies (Incorporation) Rules, 2014, which falls between January 23, 2023 and February 28, 2023, is also extended by 15 days.

COMPLIANCE CALANDER

Direct Taxes

March 07, 2023

- Due date for deposit of tax deducted/collected for the month of February, 2023.

March 15, 2023

- Due date for fourth installment of advance tax for the assessment year 2023-24
- Due date for payment of whole amount of advance tax in respect of assessment year 2023-24 for assessee covered under presumptive scheme of section 44AD/44ADA.
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of February, 2023 has been paid without the production of a challan.

Indirect Taxes

March 10, 2023

- Due date for filing of GSTR 7 (Tax Deductor) and GSTR 8 (Tax Collector).

March 11, 2023

- Due date for filing of GSTR 1 for Regular Taxpayers.

March 13, 2023

- Due date for filing of GSTR-6 & IFF(QRMP Taxpayer)
- Due date for filing of GSTR 5 (Non-Resident Taxable Person).

March 20, 2023

- Due date for filing of GSTR 3B (Regular Tax Payer)
- Due date for filing of GSTR 5A (Non-Resident OIDAR Service Provider).

March 25, 2023

- Due date for filing of PMT -06 as per QRMP scheme.

March 31, 2023

- Due date for furnishing RFD-11 (renewing or taking fresh Letter of Undertaking)
- Due date for filing of CMP-02 (Composition Scheme)



Do You Know?

State government employees can claim deduction under Section 80CCD (2) for NPS contribution by the employer up to 14 % of their basic salary and dearness allowance. Earlier the limit was 10 % of their basic salary and dearness allowance.

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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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