

June 2023 | F&A | Volume XXXIV



Welcome to our  
Monthly Newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during June 2023. We had tried to cover all important updates occurred during June 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](mailto:info@nucleusadvisors.in).



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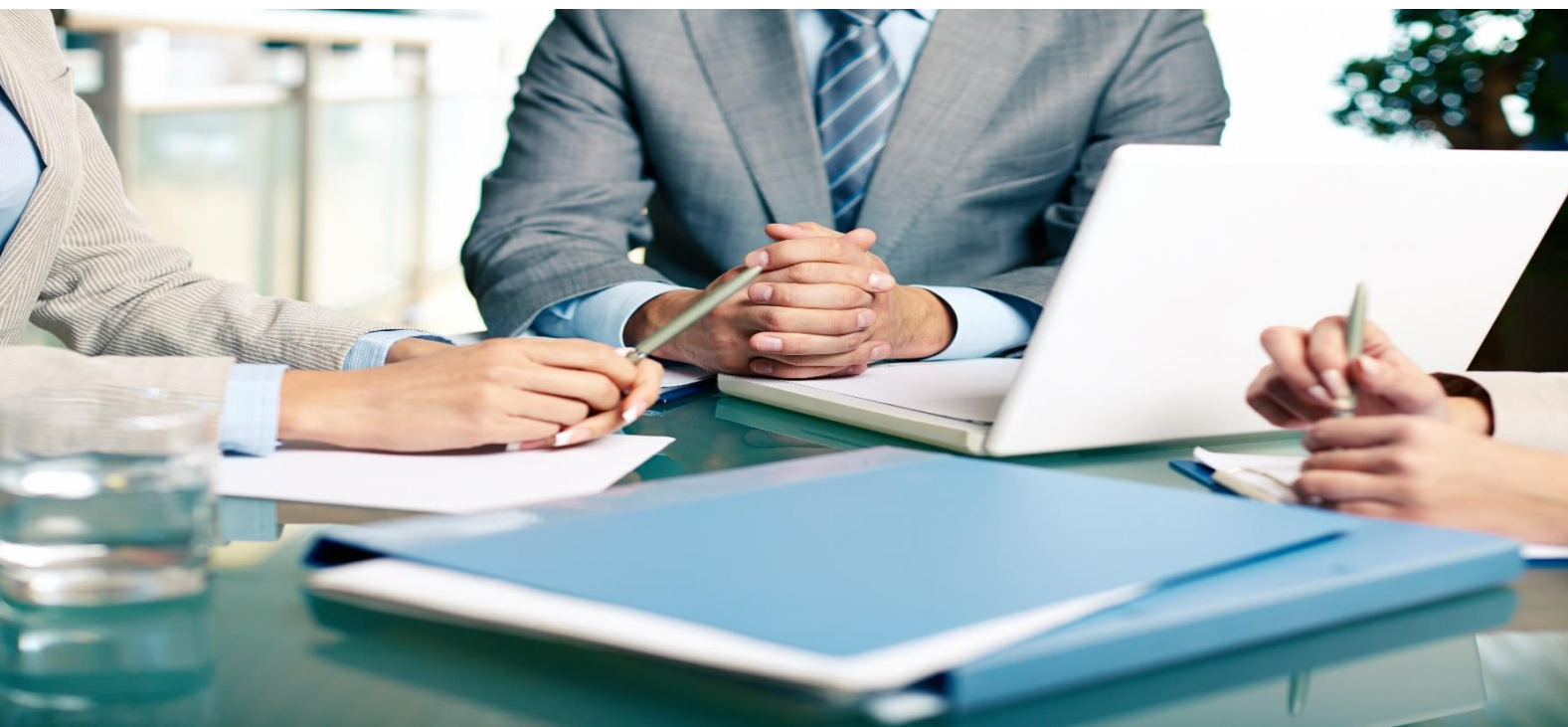
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### Why this Volume of Newsletter is important for reader?

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 June 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

- Cost inflation index number for FY 2023-24
- Exemption from specified incomes u/s 10(46) in the case of “Central Board of Secondary Education”
- Exemption from specified incomes u/s 10(46) in the case of “Greater Noida Industrial Development Authority” & “Bhadohi Industrial Development Authority Electricity Regulatory Commission”
- Exemption from specified additional incomes u/s 10(46) in the case of “Maharashtra Electricity Regulatory Commission”

## GST Updates

### Notifications Issued

- Bank Account Validation at GSTN
- Time Limit on reporting Invoices on IRP
- Facility to verify documents Reference Number (RFN) on Offline Communication issued by State GST NOTIFICATION No. 05/2023- Central Tax

## MCA Updates

- MCA Shift of Authority to process Striking Up of Companies



## DIRECT TAX UPDATES

### Clarification on Arm Length Price u/s 92C of Income Tax Act , 1961

It notifies that where the variation between the arm's length price determined under section 92C of the said Act and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed one per cent. of the latter in respect of wholesale trading and three per cent. of the latter in all other cases, the price at which the international transaction or specified domestic transaction has actually been undertaken shall be deemed to be the arm's length price for assessment year 2023-2024.

### Exemption from specified incomes u/s 10(46) in the case of "Central Board of Secondary Education"

Under section 118 of the Income-tax Act, 1961, the Central Board of Direct Taxes hereby makes the following further amendments :

(i) the f clause shall be inserted, namely:– "(ba) Joint Commissioners of Income-tax (Appeals) or Additional Commissioners of Income-tax (Appeals) shall be subordinate to the Chief Commissioners of Income-tax within whose jurisdiction they perform their functions;";

(ii) the clause shall be substituted, namely:– "(c) Additional Directors or Additional Commissioners or Joint Directors or Joint Commissioners of Incometax shall be subordinate to the Directors or Commissioners of Income-tax within whose jurisdiction they perform their functions or other income-tax authority under whom they are appointed to work and to any other income-tax authority to whom the Director or the Commissioner of the Income-tax, as the case may be, or other income-tax authority is subordinate;";

(iii) the proviso shall be substituted, namely:— “Provided that nothing in this notification shall have the effect of— (a) requiring any income-tax authority to make a particular assessment or to dispose of a particular case in a particular manner; or (b) interfering with the discretion of the Commissioner of Income-tax (Appeals) or Additional Commissioners of Income-tax (Appeals) or Joint Commissioners of Income-tax (Appeals).”

#### Amendment in e-advance ruling scheme , 2022 (245R of Act)

In the e-advance rulings Scheme, 2022, the following clauses shall be substituted, namely:--

“(iv) the Board for Advance Rulings shall, after considering the response as referred to in clause (iii), and after providing an opportunity of being heard (through video conferencing or video telephony) under subsection (5) of section 245R of the Act on the request of the applicant, subject to the provisions of clause (v), if applicable, pronounce the advance ruling on the question specified in the application and send a copy thereof to the applicant and the authority to whom reference has made.

(v) if the Members of a Board for Advance Rulings differ in opinion on any point or points, the Board for Advance Rulings shall refer such point or points to the Principal Chief Commissioner of Income-tax (International Taxation), who shall nominate one Member from any other Board for Advance Rulings and such point or points shall be decided according to the opinion of the majority of the Members.”.

#### Income Tax (Tenth Amendment) Rules, 2023

Key Amendment in the Income-tax Rules, 1962

- In rule 2BB, the following sub-rule shall be substituted, namely:-

“(3) Notwithstanding anything contained in sub-rule (1) and (2), an employee, being an assessee, - (i) who has exercised option under sub-section (5) of section 115BAC; or (ii) whose income is chargeable to tax under sub-section (1A) of section 115BAC, shall be entitled to exemption only in respect of the allowances mentioned in sub-clauses (a) to (c) of sub-rule (1) and at serial no. 11 of the Table below sub-rule (2) to the extent and subject to the conditions, if any, specified therein.”;

“Provided further that the provisions of the first proviso in respect of free food and non-alcoholic beverage provided by the employer through paid voucher shall not apply to an employee, being an assessee, who has exercised an option under sub-section (5) of section 115BAC or whose income is chargeable to tax under sub-section (1A) of section 115BAC.”;

Provided that the allowance under clause (ii) of sub-section (1) of section 32 in respect of depreciation of any block of assets shall not exceed forty per cent. of the written down value of such block of assets in case of -

(i) a domestic company which has exercised option under sub-section (4) of section 115BA, or under sub-section (5) of section 115BAA, or under sub-section (7) of section 115BAB; or

(ii) an individual or a Hindu undivided family which has exercised option under sub-section (5) of section 115BAC; or (iia) an individual or a Hindu undivided family, or an association of persons (other than a co-operative society) or a body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 whose income is chargeable to tax under sub-section (1A) of section 115BAC.



## Notifications Issued

### Extension of due date of GSTR-3B for the month of May 2023 -Notification No.17/2023-Central Tax

Amid cyclone Biparjoy Government has extended the due date of GSTR-3B for the month of May 2023 till June 30, for persons registered in the districts of

- Kutch,
- Jamnagar,
- Morbi,
- Patan and
- Banaskantha

in the state of Gujarat.

### Extension of due date of GSTR-7 for April and May 2023-Notification No.16/2023

An amendment has been made in Notification No.13/2023 which further extends the due date of GSTR-7 for the month of April and May 2023 to June 30, for registered persons whose principal place of business is in the **state of Manipur**.

### Extension of due date of GSTR-3B for April and May 2023-Notification No.15/2023

An amendment has been made in fifth proviso of Notification No.12/2023:

- due date of GSTR-3B has been further extended for the month of April and May 2023 to June 30,
- for registered persons whose principal place of business is in the **state of Manipur**.

### Extension of due date of GSTR-1 for April and May 2023-Notification No.14/2023

The time limit of furnishing outward supplies in GSTR-1 for tax periods April and May 2023 has been extended to June 30, for registered persons whose principal place of business is in the state of Manipur.

### E-Invoicing Verifier App by GSTN

The GSTN has introduced an app called “E-Invoicing Verifier” for verifying e-invoices and other related details. This app aims to simplify the e-invoicing verification process.

The app is currently available on Google Playstore only.

Benefits of E-Invoicing Verifier App

- a) QR Code Verification to verify the details on the e-invoice.
- b) User Friendly Interface making it easier to walkthrough the app features.
- c) Non -Login based users are not required to create an account to access the app.

## E-Invoicing Verifier App by GSTN

GSTN has enabled all eligible taxpayers with an Aggregate Annual Turnover (AATO) 5 crores and above , these taxpayers are now enabled on all six IRP portals including NIC-IRP for e-Invoice reporting.

- taxpayers can check their enablement status at <https://einvoice.gst.gov.in> .
- the listing of enabled GSTINs is purely based on the turnover criteria reported in GSTR-3B
- the enablement status indicated on the e-Invoice portal does not indicate a legal obligation on taxpayers to use e-Invoicing. however, actual liability to generate IRN shall be checked by taxpayers

## Online Compliance Pertaining to Liability / Difference Appearing in R1 - R3B (DRC-01B)

GSTN has developed a functionality to enable the taxpayer to explain the difference in GSTR-1 & 3B return online.

- The functionality compares the liability declared in GSTR-1/IFF with the liability paid in GSTR-3B/3BQ for each return period.
- If the declared liability exceeds paid liability by a predefined limit, taxpayer will receive an intimation in the form of DRC-01B.
- The taxpayer must file a response to intimation using Form DRC-01B Part B, having an option to either provide details of payment or an explanation for the difference.
- for steps to steps instructions taxpayers can access to [https://tutorial.gst.gov.in/downloads/news/return\\_compliance\\_in\\_form\\_drc\\_01b.pdf](https://tutorial.gst.gov.in/downloads/news/return_compliance_in_form_drc_01b.pdf)



# MCA UPDATES

## Relaxation in paying additional fees in case of delay in filing DPT-3:

- Due date for filing Form DPT-3 (Return of deposits) is June 30, 2023 for the Financial Year ended on March 31, 2023.
- Keeping in view the transition of MCA-21 Portal from Version-2 to Version-3, it has been decided to allow companies to file Form DPT-3 for the financial year ended on March 31, 2023 without paying additional fees up to July 31, 2023.

## Filing of form CSR-2 of Financial Year 2022-2023:

- Ministry of Corporate Affairs, has issued a notification introducing amendments to the Companies (Accounts) Rules, 2014 by Companies (Accounts) Second Amendment Rules, 2023.
- It specifies that for the financial year 2022-2023, Form CSR-2 must be filed separately on or before March 31, 2024, after filing the specified forms AOC-4 or AOC-4-NBFC (Ind AS) or AOC-4 XBRL.

These amendments come into force on the date of their publication in the Official Gazette.





# AUDIT UPDATES

## **Relaxation in paying additional fees in case of delay in filing DPT-3:**

ICAI has issued Exposure Drafts of Engagement and Quality Control Standards for public comments which are SQM 1, SQM 2, SA 220 (Revised), SA 250 (Revised), SA 315 (Revised), SA 540 (Revised) and SRS 4400 (Revised). The Auditing and Assurance Standards Board (AASB) has invited comments from various stakeholders on abovementioned exposure drafts. Last date for submission of comments is August 25, 2023.

## **Checklist on Standards on Auditing issued by ICAI**

ICAI has released Checklist on Standards on Auditing to assist auditors in adhering to auditing standards. This comprehensive checklist includes all 38 SAs released to date, having a range of audit requirements outlined in SAs. It also includes explanatory "Notes" which incorporate pertinent guidance found in SAs. Additionally, each checklist for a specific SA is followed by a concise introduction that simplifies the terminology used in the standard.

## **Resignation by Auditors does not absolve them from reporting of fraud as per NFRA Circular**

National Financial Reporting Authority (NFRA) has released a circular dated June 26, 2023 in which light is thrown to the matter that mere resignation by auditors do not absolve them from their responsibility to Report Suspected Fraud. The NFRA has noticed that auditors are not fulfilling their statutory responsibilities relating to reporting of fraud as required by the Companies Law.

NFRA said that statutory auditors are under a mandatory obligation to report fraud or suspected fraud if they observe suspicious activities, transactions or operating circumstances in a company that indicate reasons to believe that an offence of fraud is being or has been committed against the company by its officers or employees.

The Statutory Auditors are duty bound to submit Form ADT-4 to the Central Government u/s 143 (12) even in the cases where the Statutory Auditors are not the first persons to identify the fraud/suspected fraud, NFRA said in its circular.



# COMPLIANCE CALENDER

## Direct Taxes

### July 07, 2023

- Due date for deposit of Tax deducted/collected for the month of June, 2023.
- Due Date for deposit of TDS for the period Apr'23 to Jun'23 when AO permitted quarterly deposit of TDS u/s 192, 194A, 194D or 194H.

### July 15, 2023

- Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB & 194M in the month of May, 2023.
- Due date for issue of TDS Certificate for tax deducted under section 194S in the month of May, 2023.
- Quarterly Statement in respect of foreign remittances in Form No. 15CC for quarter ending June, 2023.
- Quarterly Statement of TCS deposited for the quarter ending June 30, 2023.

### July 30, 2023

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB , 194-M & 194S in the month of June, 2023.
- Quarterly TCS Certificate in respect of tax collected by any person for the quarter ending June 30, 2023.

### July 31, 2023

- Quarterly Statement of TDS deposited for the quarter ending June 30, 2023.
- Return of income of AY 2023-24 for all assessee other than (a) corporate assessee or (b)non corporate assessee (whose books of account are required to be audited) or (c) partner of firm whose accounts are required to be audited or (d) an assessee who is required to furnish a report u/s 92E.
- Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of quarter ending June 30, 2023.
- Statement by scientific research association, university, college, or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is July 31, 2023).

## Indirect Taxes

### June 10, 2023

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

### June 11, 2023

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

### June 13, 2023

- Due date for filing of GSTR-6 & GSTR-1(QRMP Taxpayer)
- Due date for filing of GSTR 5 (Non-Resident Taxable Person).
- Due date for filing GSTR-1(IFF)

### June 20, 2023

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

### June 25, 2023

- Due date for filing PMT-04 wherein a registered person shall, upon noticing any discrepancy in his electronic credit ledger, communicate the same to the officer exercising jurisdiction in the matter, through the Common Portal.

### June 28, 2023

- Due date for furnishing GSTR-11 (Taxpayers having UIN)

### June 30, 2023

- Due date for furnishing GSTR-4 for composition taxpayers.



### Do You Know?

All companies are required to maintain the backup of the books of accounts and other relevant books and papers in an electronic mode on servers physically located in India on a daily basis (earlier periodic basis), even in cases where such backups are maintained at a place outside India.

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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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