



Welcome to our
monthly newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during October 2022. We had tried to cover all important updates occurred during October 2022 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.



Table of Contents

Page 03

Newsletter Highlights

Page 04-05

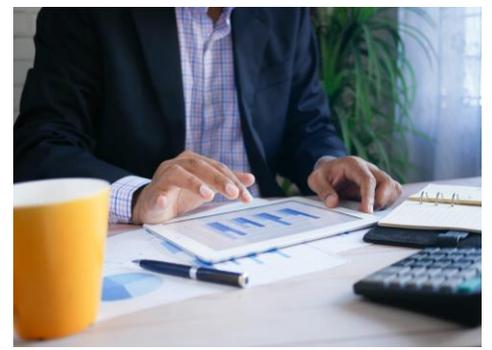
Direct Tax Updates

Page 06

GST Updates

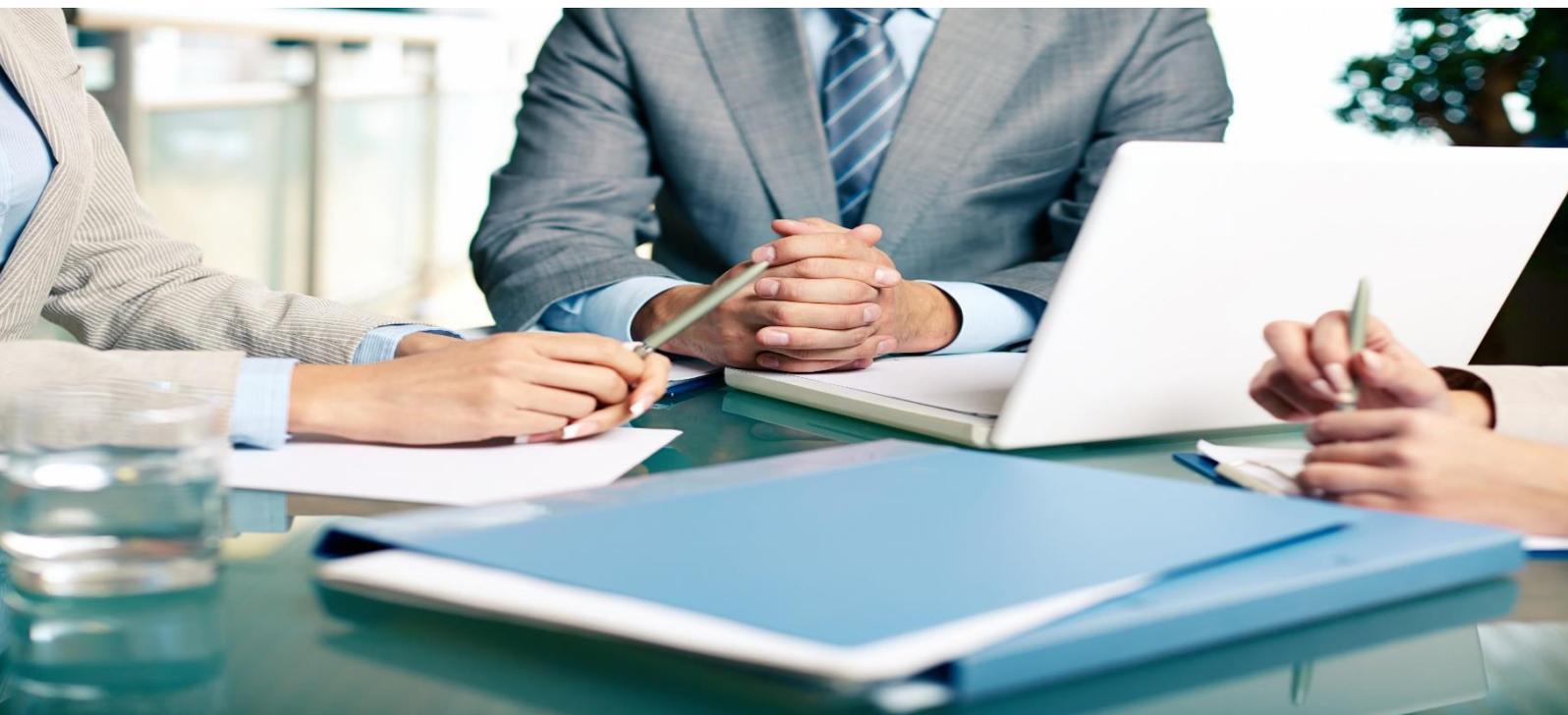
Page 07

Compliance Calendar



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.



NEWSLETTER HIGHLIGHTS

Direct Tax Updates

- Exemption from specified incomes u/s 10(46) in the case of “H P Electricity Regulatory Commission” & “Kerala State Electricity Regulatory”: - Notification No.116 & 117/2022
- Judicial Updates

GST Updates

- Judicial Updates - DRC-03 under CGST regime is **not a valid** mode of payment for making pre-deposits for filing appeal



DIRECT TAX UPDATES

Exemption from specified incomes u/s 10(46) in the case of “H P Electricity Regulatory Commission” & “Kerala State Electricity Regulatory”: - Notification No.116 & 117/2022

CBDT notifies Tax Exemption to H P Electricity Regulatory Commission & Kerala State Electricity Regulatory in respect of the following specified income arising to the Authority, namely:

- a) amount received in the form of Government grants
- b) amount received as license fee from licensees in electricity
- c) amount received as Court fee or petition fee; and
- d) interest earned on (a) to (c) above.

This notification shall be effective subject to the following conditions that Board: -

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

Judicial Update

Section 194LD read with section 115(A)(1)(a) (iiab) of the Income-tax Act, 1961 shall be available on interest income earned from investments made in rupee denominated non-convertible debentures (NCD).

Background

- The non-resident taxpayer invested in rupee denominated NCD of Indian companies and earned interest income thereon. The said interest income was offered to tax, applying the tax rate of 5% as per 194LD readwith section 115A(1)(a) (iiab) of the Act.
- The Tax Officer (TO) held that section 194LD of the Act is applicable only when interest is earned on rupee denominated bonds. In the instant case, the taxpayer had earned interest on NCD. Hence, section 194LD of the Act will not be applicable and the taxpayer shall be liable to pay tax as per the rate mentioned in Article 11 of the India-Germany Double Taxation Avoidance Agreement, which is 10%.

Issue before Tribunal

- Should 'debenture' be considered as 'bond' for the purpose of section 194LD of the Act?

Tribunal ruling

- The issue is covered in favour of the taxpayer by the decision of the jurisdictional Delhi High Court wherein, while discussing the issue on the specified modes of investment under section 11(5) of the Act the court held that, in absence of a definition of the term 'debenture' under the Act, reliance may be placed upon the definition provided under the Companies Act 1956. As per the Companies Act 1956, 'bond' is covered under the expression 'debenture'.
- The exposition of the jurisdictional High Court on the term 'debenture' should prevail over the meaning provided by the Revenue.

Judicial Update

The Hon'ble High Court of Mumbai in writ petition No. 6220 of 2022 in the matter of Sodexo India Services Pvt. Ltd Vs Union of India and Ors.referred to the Central Board of Indirect Taxes and Customs on the matter "Pre-deposit payment method for cases pertaining to Central Excise and Service Tax"

Background

- It has been brought to the notice that appeals have been rejected by some Commissioner (Appeals) for non-compliance of pre-deposit requirements as mandated under section 35F of the Central Excise Act, 1944 (CEA) and Section 83 of the Finance Act, 1994 read with section 35F of the CEA, where such payments have been made through Form GST DRC-03 on common GST portal, by holding that it is not a prescribed method of payment of such pre-deposit.

Issue before Tribunal

- Should DRC 03 be considered as a valid payment mode for making pre-deposits for filing appeal under section 35F of the Central Excise Act ,1944, and Section 83 of Finance Act, 1994 ?

Ruling

- DRC03 is used for payment of tax, interest, penalty under sub-sections (5) and (8) of both sections 73 and 74, and section 129 (I) of the CGST Act, 2017 or any other payment due in accordance with the provisions of the CGST Act, 2017 as specified in rule 142 (2) and 142 (3) of the CGST Rules, 2017.
- Further, it has been clarified that pre-deposits made via DRC 03 are not a valid mode as there exists a dedicated CBIC-GST Integrated portal, <https://cbicgst.gov.in>, which should only be utilized for making such pre-deposits.

Direct Taxes

November 07, 2022

- Due date for deposit of tax deducted/collected for the month of October, 2022.
- Due date for filing of return of income for the assessment year 2022-23 if the assessee (not having any international or specified domestic transaction) is a corporate-assessee or non-corporate assessee (whose books of account are required to be audited) or partner of a firm whose accounts are required to be audited

November 14, 2022

- Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M & 194S in the month of September, 2022

November 15, 2022

- Quarterly TDS certificates (in respect of tax deducted for payments other than salary) for the quarter ending September, 2022
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of October, 2022 has been paid without the production of a challan

November 30, 2022

- Due date for Return of income for the assessment year 2022-23 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)
- Statement of income distribution by Venture Capital Company or venture capital fund in respect of income distributed during previous Year 2021-22 (Form No. 64)
- Quarterly statement of TDS deposited for the quarter ending September, 2022
- Report in Form No. 3CEAA by a constituent entity of an international group for the accounting year 2021-22
- Statement to be furnished in Form No. 64D by Alternative Investment Fund (AIF) to Principal CIT or CIT in respect of income distributed (during previous year 2021-22) to units holders
- Due date for filing of statement of income distributed by business trust to unit holders during the financial year 2021-22. This statement is required to be filed electronically to Principal CIT or CIT in form No. 64A

Indirect Taxes

November 10, 2022

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

November 11, 2022

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

November 13, 2022

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

November 20, 2022

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

November 25, 2022

- Due date for filing of PMT-06 (QRMP Taxpayer)

November 25, 2022

- Window to file Tran-1 & Tran-2 closes



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.

OUR CONTRIBUTORS



CA PRAVESH GOEL
Managing Partner



Email - pkg@nucleusadvisors.in



CA Hemendra Singh Chauhan
Associate Partner



Email - hemendra@nucleusadvisors.in



CS Neha Rathore
Secretarial Partner



Email - neha@nucleusadvisors.in



CA Abhishek Gupta
Associate Partner



Email - abhishek@nucleusadvisors.in

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



Gurugram | Noida | Bangalore |
Delhi | Jaipur



www.nucleusadvisors.in



[www.linkedin.com/company/
nucleusadvisors](https://www.linkedin.com/company/nucleusadvisors)



+91-99999 57077



info@nucleusadvisors.in