

APRIL 2023 | 1ST WEEK

# TAXWEEKLY

*The Weekly Magazine on recent updates and developments in Tax regime.*



**BY: CA AMEY SHARMA**

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# THE TAXWEEKLY MAGAZINE

- CA AMEY SHARMA

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## Rationalization of Late Fee for delayed filing of Annual Return

Source : Notification 07/2023-Central Tax dated 31st March 2023

In respect of the return to be furnished under section 44 of the CGST Act (annual return in FORM GSTR-9)

**For the financial year 2022-23 onwards :**

Registered person having Aggregate Annual Turnover (during relevant FY)

Turnover upto 5 Cr

**Current Late fees**

Rs 200/- per day

Subject to a maximum of an amount calculated at 0.5 % of turnover in the State/UT

**New Late fees**

Rs 50/- per day

Subject to a maximum of an amount calculated at 0.04 % of turnover in the State/UT

Turnover More than 5 Cr and up to 20 Cr

**Current Late fees**

Rs 200/- per day

Subject to a maximum of an amount calculated at 0.5 % of turnover in the State/UT

**New Late fees**

Rs 100/- per day

Subject to a maximum of an amount calculated at 0.04 % of turnover in the State/UT

Turnover More than 20 Cr

**Current Late fees - No Change**

Rs 200/- per day

Subject to a maximum of an amount calculated at 0.5 % of turnover in the State/UT

## Revised Time limits for issuance of Adjudication Orders under Section 73

Source : Notification 09/2023-Central Tax dated 31st March 2023

Time limit for issuance of adjudication order U/s 73(9) for recovery of tax not paid or short paid or of input tax credit wrongly availed or utilized, has been extended

**Last date for issuance of adjudication order**

For the financial year 2017-18

up to the 31st day of December, 2023

For the financial year 2018-19

up to the 31st day of March, 2024

For the financial year 2019-20

up to the 30th day of June, 2024

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## CBDT Signs 95 Advance Pricing Agreements in FY 2022-23

The APA Scheme endeavors to provide certainty to taxpayers in the domain of transfer pricing by specifying the methods of pricing and determining the arm's length price of international transactions in advance for a maximum of five future years.

Further, the taxpayer has the option to rollback the APA for four preceding years, as a result of which, tax certainty is provided for 9 years.

The signing of bilateral APAs additionally provides the taxpayers with protection from any anticipated or actual double taxation.

The Central Board of Direct Taxes (CBDT) has entered into a record 95 Advance Pricing Agreements (APAs) in FY 2022-23 with Indian taxpayers.

This includes 63 Unilateral APAs (UAPAs) and 32 Bilateral APAs (BAPAs). With this, the total number of APAs since inception of the APA programme has gone up to 516, comprising 420 UAPAs and 96 BAPAs.

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## Amnesty to GSTR-4 Composition Dealer Non-filers

*Source : Notification 02/2023-Central Tax dated 31st March 2023*

**For Taxpayers :** For the registered persons who had failed to furnish the return in FORM GSTR-4 (Return that has to be filed by a composition dealer) by their respective due date

Period covered by scheme :

To furnish returns for the quarters from July, 2017 to March 2019 or for the Financial years from 2019-20 to 2021-22

Period within which return has to be filed under the scheme :

Between the period from the 1st day of April, 2023 to the 30th day of June, 2023

Late fees to be levied :

Maximum Late fees Rs 500

For Nil Returns (Where amount of tax payable as per return is nil) : No Late fees

## Amnesty to GSTR-10 (Final Return) Non-filers

*Source : Notification 08/2023-Central Tax dated 31st March 2023*

For Taxpayers :

For the registered persons who had failed to furnish the return in FORM GSTR-10 by their respective due date

A taxable person whose GST registration is cancelled or surrendered has to file a return in Form GSTR-10 called as Final Return.

Period within which return has to be filed under the scheme :

Between the period from the 1st day of April, 2023 to the 30th day of June, 2023

Late fees to be levied :

Maximum Late fees Rs 1000

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## Sale of Electoral Bonds at Authorized Branches of State Bank of India (SBI)

The Government of India has notified the Electoral Bond Scheme 2018

State Bank of India (SBI), in the XXVI Phase of sale, has been authorised to issue and encash Electoral Bonds through its 29 Authorized Branches (as per list enclosed therein) w.e.f. 03.04.2023 to 12.04.2023.



The Electoral Bonds shall be valid for fifteen calendar days from the date of issue and no payment shall be made to any payee Political Party if the Electoral Bond is deposited after expiry of the validity period. The Electoral Bond deposited by an eligible Political Party in its account shall be credited on the same day

As per provisions of the Scheme, Electoral Bonds may be purchased by a person (as defined in item No. 2 (d) of Gazette Notification), who is a citizen of India or incorporated or established in India.

A person being an individual can buy Electoral Bonds, either singly or jointly with other individuals. Only the Political Parties registered under Section 29A of the Representation of the People Act, 1951 (43 of 1951) and which secured not less than one per cent of the votes polled in the last General Election to the House of the People or the Legislative Assembly of the State, shall be eligible to receive the Electoral Bonds. The Electoral Bonds shall be encashed by an eligible Political Party only through a Bank account with the Authorized Bank.

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## Compensation Cess on Pan Masala, specified Tobacco and Tobacco products

*Notification No.2/2023-Compensation Cess (Rate) dated 31st March 2023*

*For detailed information Kindly refer this.*

Compensation Cess rate on Pan Masala, specified Tobacco and Tobacco Products have been changed from current ad-valorem to specific-tax linked to the Retail Sale Price (RSP) w.e.f. 01.04.2023

Illustration: Calculation of GST Compensation Cess on Pan Masala

Rate of GST tax compensation Cess = 0.32R per unit; If retail sale price of unit (pouch) of Pan Masala = Rs. 10;

Cess =  $0.32R = 0.32 \times 10 = \text{Rs.} 3.2$  per unit

## Amnesty Scheme for withdrawal of Best judgement assessment order against non filers of return in Form GSTR-3B

*Source : Notification 06/2023-Central Tax dated 31st March 2023*

For Taxpayers :

The registered persons who failed to furnish a valid return within a period of thirty days from the service of the assessment order

issued on or before the 28th day of February, 2023

under sub-section (1) of section 62 of the CGST Act (Assessment of non filers of Returns – Best judgement assessment order)

Benefit under the Scheme :

said assessment order shall be deemed to have been withdrawn

Period within which return must be filed under the scheme and other conditions:

The registered persons shall furnish the said return on or before the 30th day of June 2023;

The return shall be accompanied by payment of interest due under sub-section (1) of section 50 of the said Act and the late fee payable under section 47 of the said Act,

irrespective of whether or not an appeal had been filed against such assessment order under section 107 of the said Act or whether or not the appeal, if any, filed against the said assessment order has been decided.

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## **Amnesty to GSTR-9 (Annual Return) Non-filers**

*Source : Notification 07/2023-Central Tax dated 31st March 2023*

### For Taxpayers :

For the registered persons who fail to furnish the return under section 44 of cgst act by the due date (annual return in FORM GSTR-9)

### Period covered by scheme :

**For any of the financial years 2017-18, 2018-19, 2019-20, 2020-21 or 2021-22**

### Period within which return has to be filed under the scheme :

Between the period from the 1st day of April, 2023 to the 30th day of June, 2023

### Late fees to be levied :

Maximum Late fees Rs 20,000

## **Businesses can revoke cancelled GST registration by 30th June**

*Source : Notification 03/2023-Central Tax dated 31st March 2023*

### For Taxpayers :

The registered person, whose GST registration has been cancelled on or before the 31st day of December, 2022 and who has failed to apply for revocation of cancellation of such registration within the time period specified in section 30 of the said Act as the class of registered persons

### Benefit under the Scheme :

Revocation of cancellation of such registration

### Period within which return must be filed under the scheme and other conditions:

The registered person may apply for revocation of cancellation of such registration upto the 30th day of June, 2023

The application for revocation shall be filed only after furnishing the returns due upto the effective date of cancellation of registration and after payment of any amount due as tax, in terms of such returns, along with any amount payable towards interest, penalty and late fee in respect of the such returns;

no further extension of time period for filing application for revocation of cancellation of registration shall be available in such cases

### What in case appeal is rejected:

Even if your appeal against

- order of cancellation of registration or
- the order rejecting application for revocation of cancellation of registration under section 107 of the said Act

has been rejected on the ground of failure to adhere to the time limit specified under sub-section (1) of section 30 of the GST Act

you may still be eligible to benefit under this scheme.

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## **Clarification regarding TDS deduction u/s 192 (Salary)**

*Source : circular-no-4-2023 Dated 05 April 2023*

### TDS on Salary

As per Section 192, the employer is required to deduct tax at source on the amount payable at the average rate of income tax. This is to be computed on the basis of rates in force for the financial Year in which payment is made.

### Income Tax Regime (New and Old)

The Taxpayer most specifically here being the salaried class have two tax regime to opt

1st being the old regime

2nd being the new tax regime

### New Tax Regime

Vide Finance Act, 2023, sub-section (1A) has been inserted in section 115BAC of the Income-tax Act, 1961 ( the Act) to provide for a new tax regime with effect from the assessment year

beginning on or after the 1 st day of April, 2024. This regime applies to an individual or Hindu undivided family or association of persons [other than a cooperative society] or body of individuals, whether incorporated or not, or an artificial juridical person. Under this new regime, the income-tax in respect of the total income of the person shall be computed at the rates provided in sub-section (1 A) of section 115BAC, subject to certain conditions, including the condition that the person does not avail of specified exemptions and deductions.

### What is default regime

The above mentioned new tax regime is the default tax regime applicable to all persons mentioned above.

However, under sub-section (6) of section 115BAC of the Act, a person may exercise an option to opt out of this tax regime.

A person not having income from business or profession can exercise this option every year.

### Considering what regime should TDS of employees be deducted

How would the employer know what regime employee is selecting?

Employer, shall seek information from each of its employees having income under section 192 of the Act regarding their intended tax regime and each such employee shall intimate the same to the deductor

## **What in case employee does not intimate ?**

If intimation is not made by the employee, it shall be presumed that the employee continues to be in the default tax regime and has not exercised the option to opt out of the new tax regime

Default Tax regime shall be the new scheme as discussed above

## **Employee while filling return can he change the option other than what he intimated to employer ?**

Yes

It is also clarified that the intimation would not amount to exercising option in terms of sub-section (6) of section 115BAC of the Act and the person shall be required to do so separately in accordance with the provisions of the sub-section

This circular is applicable for TDS during the financial year 2023-24 and subsequent years.

## **Updation of Member's Profile at Self Service Portal with GSTIN**

*Source : ICAI Announcement dated 01 Apr 2023*

The tax invoices for the membership fee and the fee for certificate of practice payable for the financial year 2023-24, is to be issued to members in the month of April, 2023.

Members are requested to update their profile on the SSP portal with GSTIN of CA Firm/LLP, in which such member is a Proprietor/Individual, Partner or a Paid Assistant, to enable the system to capture the said information in the tax invoice. It may be noted that only one name of the CA firm/LLP and its GSTIN can be included in the tax invoice.

Members are requested to update their profile latest by 15th April, 2023. Any updation made after the last date will not be considered in the tax invoice for the financial year 2023-24.

## **Steps to submit GSTIN at SSP portal**

The member needs to:

- Login to SSP
- Use the “Profile Update and edit the Member’s Profile”
- Choose GSTIN Update Check Box
- For Partners and Paid Assistants, the Firm Nos will get listed
- Choose the one which is relevant
- Provide the Firm’s GSTIN or Personal GSTIN
- Upload the GSTIN Card / Certificate and
- Generate OTP to Submit
- The updation will be approved within seven working days

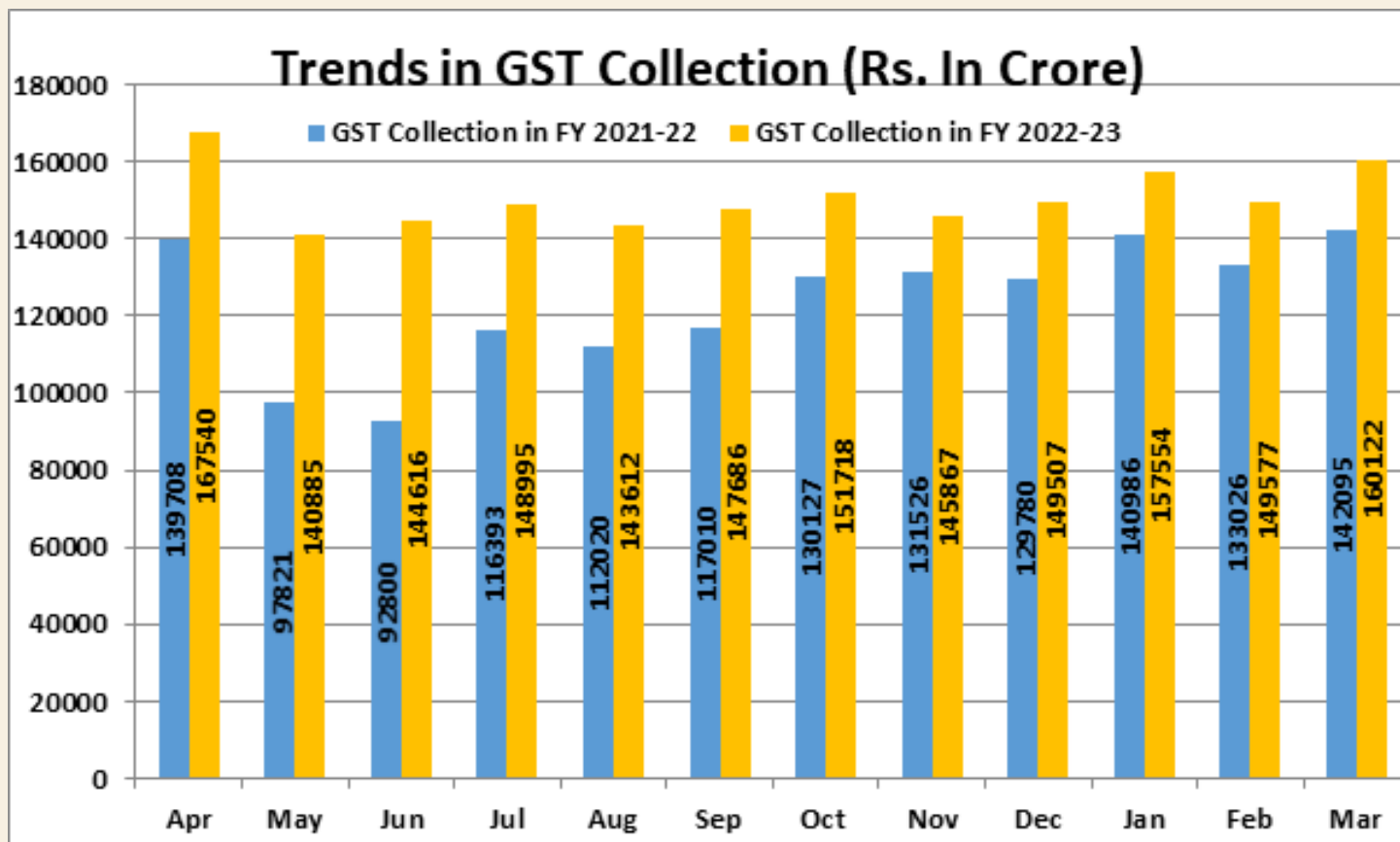


## GST revenue collected for March 2023

**₹1,60,122 crore gross GST revenue collected for March 2023**

**Second highest collection ever, next only to the collection in April 2022**

The total gross collection for 2022-23 stands at ₹18.10 lakh crore and the average gross monthly collection for the full year is ₹1.51 lakh crore. The gross revenues in 2022-23 were 22% higher than that last year.



## Direct Tax collections (provisional) for the Financial Year (FY) 2022-23

**Direct Tax collections (provisional) for the Financial Year (FY) 2022-23 exceed the Union Budget Estimates by Rs 2.41 lakh crore i.e. by 16.97%**

The provisional figures of Direct Tax collections for the Financial Year (FY) 2022-23 show that Net collections are at Rs. 16.61 lakh crore, compared to Rs. 14.12 lakh crore in the preceding Financial Year i.e. FY 2021-22, representing an increase of 17.63%.

**Refunds of Rs.3,07,352 crore have been issued in the FY 2022-23 showing an increase of 37.42 % over the refunds of Rs.2,23,658 crore issued in FY 2021-22.**

# HDFC , Punjab & Sind & SBI migrated to E-Filing portal

HDFC Bank, Punjab & Sind Bank and State Bank of India have been migrated from OLTAS e-Payment of Taxes at NSDL to e-Pay Tax facility at the e-Filing portal for payment of taxes henceforth.

## Banks available at e-Filing Portal – 23 Banks

S. No.	Bank Name	New/Migrated Bank	Date of enablement at e-Pay Tax Service at e-Filing Portal
1.	Axis Bank	Migrated Bank	01-Nov-22
2.	Bank of Baroda	Migrated Bank	01-Feb-23
3.	Bank of India	Migrated Bank	01-Sep-22
4.	Bank of Maharashtra	Migrated Bank	01-Oct-22
5.	Canara Bank	Migrated Bank	01-Oct-22
6.	Central Bank of India	Migrated Bank	01-Nov-22
7.	City Union Bank	New Bank	01-Jan-23
8.	Federal Bank	New Bank	01-Jul-22
9.	HDFC Bank	Migrated Bank	01-Apr-23
10.	ICICI Bank	Migrated Bank	01-Nov-22
11.	IDBI Bank	Migrated Bank	01-Jan-23
12.	Indian Bank	Migrated Bank	01-Nov-22
13.	Indian Overseas Bank	Migrated Bank	01-Oct-22
14.	IndusInd Bank	New Bank	07-Jan-23
15.	Jammu & Kashmir Bank	Migrated Bank	01-Jan-23
16.	Karur Vysya Bank	New Bank	01-Oct-22
17.	Kotak Mahindra Bank	New Bank	01-Jul-22
18.	Punjab National Bank	Migrated Bank	01-Dec-22
19.	Punjab & Sind Bank	Migrated Bank	01-Apr-23
20.	State Bank of India	Migrated Bank	01-Apr-23
21.	South Indian bank	New Bank	22-Mar-23
22.	UCO Bank	Migrated Bank	01-Jan-23
23.	Union Bank	Migrated Bank	01-Jan-23

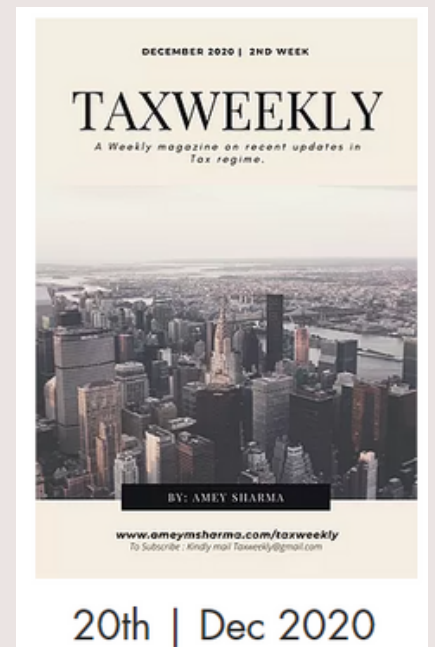
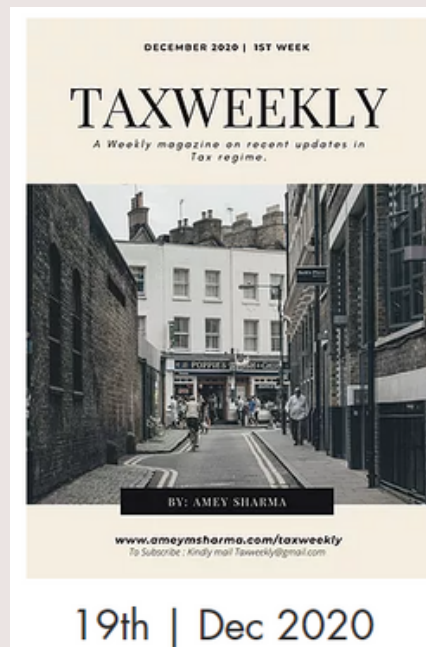
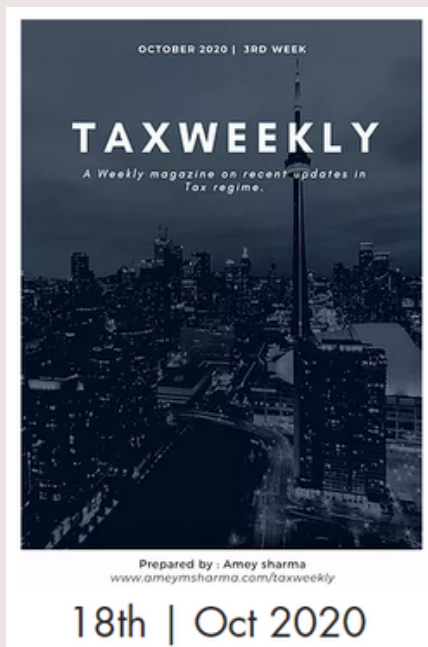


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## PREVIOUS EDITIONS



Respected all, I am a practicing chartered accountant currently partner with M. Sharma S. Agrawal & Co. Principal Branch, Nagpur.

I have major interests in field of Direct Tax, Indirect Taxes, Insolvency Laws etc. During my Articleship, I have presented papers on the same at the ICAI student conferences and also written various articles on GST at various platforms. I have also started a weekly tax magazine named TAXWEEKLY regarding weekly updates on taxation.

Kind Regards, CA AMEY SHARMA (9372223834)

