

2<sup>nd</sup> June 2023

Volume 23

# LAKSHYA

The Monthly Newsletter

(Only for private circulation)



This newsletter covers the following:

- Compliance calendar under various laws for the month of June 2023.
- Important Circulars/Notifications issued under various laws.
- Important Judgements.
- Summary of Financials news-India
- Summary of Financial news from around the Globe.
- Snapshot of important financial indicators.

**“The time Is always right,  
To do what is right.”  
-Martin Luther Jr.**

**COMPLIANCE CALENDAR UNDER VARIOUS LAWS FOR THE MONTH OF JUNE 2023****ESIC, PF & PT PAYMENT & PT RETURN**

Nature of Payment/Return	Period	Particulars	Due Date
ESIC Payment	May-23	Monthly Payment for ESIC	15 <sup>th</sup> June 2023
Provident Fund Payment & Return (ECR)	May-23	Monthly Payment for Provident Fund	15 <sup>th</sup> June 2023
Professional Tax Payment (PTRC)	May-23	Monthly Payment and Return for Professional Tax Deducted	30 <sup>th</sup> June 2023
Professional Tax Payment (PTEC)	F.Y 2023-24	Yearly payment of Professional Tax	30 <sup>th</sup> June 2023

**INCOME TAX**

Form/Challan	Period	Particulars	Due Date
ITNS 280/281	May-23	Monthly payment of TDS/TCS.	7 <sup>th</sup> June 2023
ITNS 282	May-23	Monthly payment of securities transaction tax & commodities transaction tax.	7 <sup>th</sup> June 2023
Form 27C	May-23	Monthly declaration under sub-section (1A) of section 206C of the Income-tax Act, 1961 to be made by a buyer for obtaining goods without collection of tax for declarations received.	7 <sup>th</sup> June 2023
ITNS 285	May-23	Monthly collection and recovery of equalization levy on specified services.	7 <sup>th</sup> June 2023
Form 16B	Apr-23	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QB u/s 194-IA. (Transfer of Immovable Property).	14 <sup>th</sup> June 2023
Form 16C	Apr-23	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QC u/s 194-IB. (Payment of rent by certain individual/HUF).	14 <sup>th</sup> June 2023
Form 16D	Apr-23	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QD u/s 194-M. (Payment to resident for carrying out any work in pursuance of contract or by professional fees).	14 <sup>th</sup> June 2023
Form 16E	Apr-23	Issuance of TDS certificate in relation to tax deducted under section 194S (Transfer of virtual digital asset).	14 <sup>th</sup> June 2023

Form 16	F.Y 2022-23	TDS certificate in relation to challan cum statement filed in Form 24 Q. (Payments of Salary)	15 <sup>th</sup> June 2023
Form 16A	Jan-Mar 23	TDS certificate in relation to challan cum statement filed in Form 26 Q. (Payments other than Salary)	15 <sup>th</sup> June 2023
ITNS 280	A.Y 2024-25	First Instalment of Advance tax	15 <sup>th</sup> June 2023
Form 12BA	F.Y 2022-23	Statement showing particulars of perquisites, other fringe benefits or amenities and profits in lieu of salary with value	15 <sup>th</sup> June 2023
Form 3BC	May-23	Furnishing statement in Form No. 3BC by a recognised association in respect of transactions in which client codes have been modified after registering in the system.	15 <sup>th</sup> June 2023
Form 3BB	May-23	Furnishing statement by a stock exchange in respect of transactions in which client codes have been modified after registering in the system.	15 <sup>th</sup> June 2023
Form 24G	May-23	TDS/TCS paid without the production of a challan by an office of government.	15 <sup>th</sup> June 2023
Form 64D	F.Y 2022-23	Statement to be furnished by Alternative Investment Fund (AIF) to Principal CIT or CIT in respect of income distributed to unit holders.	15 <sup>th</sup> June 2023
Form 49D	F.Y 2022-23	Information and documents to be furnished by an Indian concern under section 285A	29 <sup>th</sup> June 2023
Form 3CEK	F.Y 2022-23	Due date for e filing of a statement by an eligible investment fund under section 9A.	29 <sup>th</sup> June 2023
Form No.64C	F.Y 2022-23	Statement to be furnished by Alternative Investment Fund (AIF) to unit's holders in respect of income distributed.	30 <sup>th</sup> June 2023
Form 58C/Form 58D	F.Y 2022-23	Report by an approved institution/public sector company under Section 35AC (4)/(5)	30 <sup>th</sup> June 2023
Form 26QB	May-23	Due date for furnishing of challan-cum-statement in respect of tax deducted u/s 194-IA . (Transfer of immovable property)	30 <sup>th</sup> June 2023
Form 26QC	May-23	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB. (Payment of rent by certain individual/HUF).	30 <sup>th</sup> June 2023
Form 26QD	May-23	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M. (Payment to resident contractor & professional).	30 <sup>th</sup> June 2023

Form 26QE	May-23	Due date for furnishing of challan cum statement in respect of tax deducted under section 194S. (Transfer of virtual digital asset).	30 <sup>th</sup> June 2023
Form 1/Form 2	F.Y 2022-23	Return in respect of Security Transaction Tax (In the case of a Recognised Stock Exchange, be in Form 1, Mutual Fund, be in Form 2).	30 <sup>th</sup> June 2023
Form 26QAA	Jan-Mar 23	Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit.	30 <sup>th</sup> June 2023
Form 64B	F.Y 2022-23	Due date for furnishing of statement of income distributed by business trust to its unit holders.	30 <sup>th</sup> June 2023
Form 64F	F.Y 2022-23	Statement of income distributed by securitization trust to be provided to the investor under section 115TCA of the Income-tax Act, 1961.	30 <sup>th</sup> June 2023
	F.Y 2022-23	Commodities Transaction Tax - Return of taxable commodities transactions.	30 <sup>th</sup> June 2023
Form 1 Equalization Levy	F.Y 2022-23	Statement of Specified Services or E-Commerce Supply or Services.	30 <sup>th</sup> June 2023
Form No.10BD	F.Y 2022-23	Return containing the details of donations received by the Charitable Organizations during the year.	30 <sup>th</sup> June 2023 (Extended from 31 <sup>st</sup> May)
		Due date for linking of Aadhaar number with PAN with late fees of Rs. 1,000/-	30 <sup>th</sup> June 2023

### GOODS & SERVICE TAX

GSTR-Form	Particulars	Tax Period	Due Date
GSTR-7	Monthly Return by TDS Deductor.	May-23	10 <sup>th</sup> June 2023
GSTR-8	Monthly return by e-commerce operators liable to collect TCS.	May-23	10 <sup>th</sup> June 2023
GSTR-1 / GSTR-1 IFF	Details of Outward Supplies for taxpayers liable to file monthly returns.	May-23	11 <sup>th</sup> June 2023
	Details of Outward Supplies for taxpayers who Opted for QRMP scheme.	May-23	13 <sup>th</sup> June 2023
GSTR-6	Monthly Return by Input Service Distributor.	May-23	13 <sup>th</sup> June 2023
GSTR - 5	Monthly Return by Non-Resident Foreign Taxpayers.	May-23	13 <sup>th</sup> June 2023
GSTR-3B	Taxpayers opted for monthly returns.	May-23	20 <sup>th</sup> June 2023

GSTR-5A	Monthly Return by Non-Resident OIDAR Service Provider	May-23	20 <sup>th</sup> June 2023
PMT-06	Depositing of GST by taxpayers who have opted for the quarterly filing of GSTR -3B under the QRMP scheme	May-23	25 <sup>th</sup> June 2023

### COMPANIES ACT

Form/ Challan	Tax Period	Particulars	Due Date
DPT 3	F.Y 2022-23	To be filed by Companies to furnish information about deposits and/or outstanding receipt of loan or money other than deposits.	30 <sup>th</sup> June 2023

## IMPORTANT NOTIFICATIONS, CIRCULARS & PRESS RELEASE

### A. CBDT Notifications, Circulars & Press Release.

#### 1) Double Taxation Agreement - Agreement Between Republic of India And Republic of Chile.

CBDT Vide notification no. 24/2023 dated 3<sup>rd</sup> May 2023 has notified the double taxation agreement between Republic of India and Republic of Chile for elimination of double taxation and prevention of fiscal evasion and avoidance with respect to taxes on income.

To view the Notification, [click here](#)

#### 2) Mahila Samman Savings Certificate, 2023 Scheme notified by the Central Government.

CBDT Vide notification no. 27 dated 16<sup>th</sup> May 2023 has notified the Scheme namely the Mahila Samman Savings Certificate, 2023 as scheme for purpose of exemption from applicability deduction of tax at source on interest under section 194A of the Income Tax Act, 1961.

To view the Notification, [click here](#)

#### 3) CBDT proposes changes to Rule 11UA in respect of ANGEL TAX.

CBDT Vide press release dated 19<sup>th</sup> May 2023 has proposed changes in rule 11UA for valuation of shares for the purposes of section 56(2)(viib) of the Act.

To view the Press Release, [click here](#)

#### 4) Clarification regarding the inclusion of international credit cards under Liberalised Remittance Scheme.

CBDT Vide press release dated 19<sup>th</sup> May 2023 has given clarification regarding the inclusion of international credit cards under Liberalised Remittance Scheme. It is clarified that any payments by an individual using their international Debit or Credit cards upto Rs 7 lakh per financial year will be excluded from the LRS limits and hence, will not attract any TCS.

To view the Press Release, [click here](#)

5) **FAQ regarding the inclusion of international credit cards under LSR.**

CBDT Vide press release dated 19<sup>th</sup> May 2023 has published a frequently asked questions (FAQ) regarding the inclusion of international credit cards under Liberalised Remittance Scheme (LRS).

6) **Amendment in Rule 31A, Form No.24Q, 26Q, 27Q & 27EQ, insertion of rule 133, & substitution of form no. 16.**

CBDT Vide notification No.28/2023 dated 22<sup>nd</sup> May 2023 has notified various amendment in Rule 31A, Form No.24Q, 26Q, 27Q & 27EQ, inserted rule 133, & substituted Form no. 16.

To view the Notification, [click here](#)

7) **Guidelines for Removal of difficulties under sub-section (3) of section 194BA of the Income-Tax Act, 1961.**

CBDT Vide circular No. 05/2023 dated 22<sup>nd</sup> May 2023 has provided the guidelines for deduction of TDS under section 194BA by the person who is responsible for paying to any person, any income by way of winnings from any online game during the financial year to deduct income-tax on the net winnings in the person's user account. The new section 194BA was inserted with effect from 01<sup>st</sup> April 2023.

To view the Circular, [click here](#)

8) **CBDT Notifies the entities to which the changes to Rule 11UA in respect of ANGEL TAX shall not apply.**

CBDT Vide notification no. 29 dated 24<sup>th</sup> May 2023 has notified the entities to which the provision of proposed changes in rule 11UA for valuation of shares for the purposes of section 56(2)(viib) of the Act shall not apply.

To view the Notification, [click here](#)

9) **Clarification regarding provisions relating to charitable and religious trusts.**

CBDT Vide circular No. 06/2023 has extended crucial due dates applicable to Charitable Trusts and Institutions and given clarification about various other aspects affecting their taxability and compliance. Few important highlights are given below:

- a) Due date for making application in Form 10A (re-registration/provisional registration), under Section 10(23C)(i), Section 12A(1)(ac)(i), or clause (i) of first proviso to Section 80G(5) **extended to Sept 30, 2023.**
- b) Likewise, the due date for making an application in Form 10AB (regular registration by trusts having provisional registration) for approval under clause (iii) of proviso to Section 10(23C) and Section 12A(1)(ac)(iii) - **extended to Sept 30, 2023.**
- c) Due date for furnishing statement of donation in Form No.10BD and certificate of donation in Form No. 10BE for FY 2022-23 to Jun 30, 2023.

- d) Further, CBDT has clarified that the statement of accumulation in Form No.10 and Form No. 9A is required to be furnished at least two months prior to the due date of furnishing return of income so that it may be taken into account while auditing the books of account. However, the accumulation/deemed application will not be denied to a trust as long as the statement of accumulation/deemed application is furnished on or before the due date of furnishing the return as provided in sub-section (I) of section 139 of the Income Tax Act.
- e) Further, CBDT has given Clarification regarding electronic mode of payments to be furnished in audit report in Form No. 10B

To view the Circular, [click here](#)

#### **10) CBDT notifies Rs.25 Lac for leave encashment exemption under Sec.10(10AA)**

CBDT, vide Notification No. 31/2023 dt. May 24, 2023, notifies Rs.25 Lac as exemption limit under Section 10(10AA) with regard to leave encashment received by non-government employees on retirement.

To view the Notification, [click here](#)

#### **11) Guidelines for compulsory selection of returns for Complete Scrutiny during the FY 2023-24.**

CBDT Vide notification dated 24<sup>th</sup> May 2023 has notified guidelines for compulsory selection of returns for complete scrutiny during the F.Y.2023-24. The parameters for compulsory selection of returns and procedure for compulsory selection are prescribed.

To view the Notification, [click here](#)

#### **12) CBDT issued clarification in relation to the scope of Rs.25 Lac leave encashment exemption limit.**

CBDT Vide Press release dated 25<sup>th</sup> May 2023 has notified that the aggregate amount exempt from income-tax under section 10(10AA)(ii) of the Act shall not exceed the limit of Rs. 25 lakh where any such payments are received by a non-government employee from more than one employer in the same previous year. Further, the amount exempt from income-tax under section 10(10AA)(ii) of the Act shall not exceed the limit of Rs. 25 lakh as reduced by the tax exemption already allowed in the total income of the employee under section 10(10AA)(ii) of any previous year or years.

To view the Press Release, [click here](#)

#### **13) CBDT notifies e-Appeals Scheme, 2023 to operationalise appeals before JCIT(A)**

CBDT Vide notification No.33/2023 dated 29<sup>th</sup> May 2023 notified the e-Appeals Scheme, 2023. This is pursuant to the amendments made by the Finance Act, 2023 in Section 246 whereby JCIT(A) has been created and empowered to dispose of the appeals in specified cases

To view the Notification, [click here](#)



**14) Amendment in Income Tax Rules, 1962 due to introduction of e-Appeals scheme**

CBDT Vide notification No.32/2023 dated 29<sup>th</sup> May 2023 notified the following amendment in Income Tax Rules, 1961:

- (a) In Rule 45 - the words and brackets “Commissioner (Appeals)” shall be substituted by the words and brackets “Joint Commissioner (Appeals) or Commissioner (Appeals)”.
- (b) In Rule 46 - the words “Deputy Commissioner” shall be substituted by the words “Joint Commissioner”.
- (c) In Appendix-II, in FORM NO. 35 - before the words “Commissioner of Income-tax”, the words and brackets “Joint Commissioner (Appeals) or the” shall be inserted.

To view the Notification, [click here](#)

**15) Applicability of provisional approval under sec 80G of the Income Tax Rules, 1961.**

CBDT Vide notification No.34/2023 dated 30<sup>th</sup> May 2023 notified that an application made under clause (iv) of the first proviso to sub-section (5) of section 80G of the Act, the provisional approval shall be effective from the assessment year relevant to the previous year in which such application is made.

**16) CBDT revises monetary limits for condoning delay in claiming refunds or loss carry forward.**

CBDT, vide Circular No.7 of 2023 dated 31<sup>st</sup> May 2023 revises monetary limits for condoning delay in filing return of income claiming refund or carry forward of losses and set-off under Section 119(2)(b) by partially modifying its earlier Circular No.9/2015.

**17) IT Dept. announces more days for SFT filing.**

As per the Income Tax Department's Twitter handle, the functionality for filing of SFT returns will remain open for a couple of days more to enable smooth filing of SFT returns; IT Dept. acknowledges that due to heavy traffic on the reporting portal, some filers may have encountered difficulties in filing SFT returns.

**B. CBIC Notifications, Circulars & Instruction.****18) Various Guidelines for Special Drive to be conducted by GST Officers against Fake Registration.**

CBIC vide Instruction No. 1/2023-GST dated 04<sup>th</sup> May 2023 have issued various guidelines for the special drive to be launched by all central and state tax administrations during the period starting from 16<sup>th</sup> May 2023 to 15<sup>th</sup> July 2023. The purpose of this drive is to detect suspicious/fake GSTINs and to conduct requisite verification and further remedial action to weed out the fake billers from the GST eco-system and to safeguard government revenue.

To view the Instruction, [click here](#)



**19) Extension of Date for Exercising option to pay tax under forward charge by Goods Transport Agency (GTA).**

CBIC vide Notification 05/2023 dated 09<sup>th</sup> May 2023 notified that the option to pay GST under forward charge mechanism by Goods Transport Agency for the F.Y. 2023-24 shall be exercised on or before 31<sup>st</sup> May 2023. Furthermore, a GTA who commences new business or crosses the threshold for registration during any financial year, may exercise the option to pay GST under forward charge during that financial year by making a declaration before the expiry of forty-five days from the date of applying for GST registration or one month from the date of obtaining registration whichever is later.

To view the Notification, [click here](#)

**20) Revision in threshold limit for E-invoicing from 01<sup>st</sup> August 2023.**

CBIC vide Notification 10/2023 dated 10<sup>th</sup> May 2023 notified that the provisions of E-invoicing will apply for the taxpayers having aggregate turnover exceeding Rs. 5 Crores. This limit will come into effect from 01<sup>st</sup> August 2023.

To view the Notification, [click here](#)

**21) Introduction of Automated return scrutiny module for GST returns in ACES-GST backend application for central tax officers.**

CBIC vide Press release dated 11<sup>th</sup> May 2023 has given information that it has rolled out the Automated Return Scrutiny Module for GST returns in the ACES-GST backend application for Central Tax Officer. It will enable the officers to carry out scrutiny of GST returns of Centre Administered Taxpayers selected on the basis of data analytics and risks identified by the System.

To view the Press Release, [click here](#)

**C. RBI Notifications, Circulars & Instruction.**

**22) Withdrawal of Circulation of Rs.2000 Banknotes.**

RBI vide Notification No. RBI/2023-24/33 dated 22<sup>th</sup> May 2023 notified that the circulation of Rs. 2000/- bank notes has been withdrawn however it will continue as legal tender.

To view the Notification, [click here](#)

## IMPORTANT JUDGEMENTS (INCOME-TAX)

### 1. No TDS liability on year-end provisions, reversed in subsequent AY, absent payee-identification.

**Case name: HT Mobile Solutions Limited Vs JCIT (OSD)**

**Appeal Number: ITAs No.2475 & 2476/Del/2022**

**Date of Ruling: 22/05/2023**

**Judicial Level & Location: Income tax Appellate Tribunal Delhi**

**Citation: TS-275-ITAT-2023(DEL)**

#### **FACTS**

For AY 2013-14, Assessee-company made year-end provision for expenses of Rs.86.12 Lac without deducting tax at source on the premise that payees of the expenses were not identifiable, and the invoice of those expenses were received in the subsequent AY; Revenue initiated TDS proceedings and treated Assessee as 'assessee-in-default' due to non-deduction of tax at source; CIT(A) dismissed Assessee's appeal.

Aggrieved by the order, the assessee preferred an appeal before the ITAT.

#### **HELD AS UNDER**

ITAT observed that it is an undisputed fact that as and when the invoices were received by the Assessee in the succeeding year, the same were processed for payment wherein tax at source was duly deducted and remitted, within prescribed time and this practice was consistently followed by Assessee on year-to-year basis. ITAT relied on jurisdictional HC ruling in UCO Bank and Ericsson Communications wherein it was held that no liability to deduct tax at source arose where the payee is not ascertainable. It observed that in absence of an ascertainable amount and identifiable payee, the machinery provision of recovering tax deducted at source falls flat because in either way, it does not aid the charge of tax under Section 4 but takes a form of separate levy independent of other provision.

Accordingly, held that Assessee could not be treated as an 'assessee in default' for 'mere book entries' passed within meaning of Section 201(1) and consequently interest under Section 201(1A) is liable to be deleted.

### 2. Provision for investment's diminution, pursuant to RBI direction, allowable under Sec.37.

**Case Name :IQVIA AG (Previously known as IMS AG) Vs Deputy Commissioner of Income Tax**

**Appeal Number: ITA No.666/Mum/2022**

**Date of Ruling: 27/04/2023**

**Judicial Level & Location: Income tax Appellate Tribunal Mumbai**

**Citation: TS-228-ITAT-2023(Mum)**

#### **FACTS**

Assessee, a Switzerland-based Company and engaged in providing market research reports on pharmaceutical sector to its customers across the globe at a predetermined subscription price. It

received the subscription fee of Rs. 42.17 Cr from its Indian customers during AY 2018-19, whereon tax of Rs. 2.68 was withheld by the customers. Revenue held the said subscription fees was taxable as royalty, by relying upon DRP orders in Assessee's case for previous AYs (2013-14 to 2015-16), which was confirmed by DRP on the ground that appeals against the Assessee favoring orders of ITAT for preceding AYs are pending with the Jurisdictional HC.

### **HELD**

ITAT noted that the issue of taxability of subscription fee as royalty is recurring in nature and has been decided in favour of the Assessee by the co-ordinate bench for various preceding AYs, i.e. AYs 2013-14 to 2017-18. ITAT further noted that no contrary facts were brought on the record, thus takes a consistent view with the co-ordinate bench orders in Assessee's own cases and holds that the subscription fees is not taxable as royalty.

## **IMPORTANT JUDGEMENTS (GST)**

- Rummy is predominantly a game of skill, not chance, whether played with stakes or not and is not considered gambling; Show Cause Notice (SCN) of Rs. 21,000 crore issued by the Revenue department on Gameskraft's online gaming activities to be quashed being illegal, arbitrary, and without jurisdiction**

**Case Name: Gameskraft Technologies (P.) Ltd.v. Directorate General of Goods Services Tax Intelligence**

**Appeal Number: WRIT PETITION NO. 19570 OF 2022**

**Date of Ruling: 11/05/2023**

**Judicial Level & Location: HIGH COURT OF KARNATAKA**

**Citation: [2023] 150 taxmann.com 252 (Karnataka)**

### **MAIN ISSUE:**

The main question/issue that arises for consideration in these petitions is, whether offline/online games such as Rummy which are mainly/preponderantly/substantially based on skill and not on chance, whether played with/without stakes tantamount to 'gambling or betting' as contemplated in Entry 6 of Schedule III of the Goods and Services Act, 2017.

### **SUMMARY OF THE JUDGEMENT:**

- Games like rummy, whether played online or physical, with or without stakes, are considered games of skill. The test of predominance is applied to determine the classification.
- Wagering contracts are recognized as part of the business under Section 2(17) of the CGST Act. However, this does not mean that lottery, betting, and gambling are synonymous with games of skill.
- The terms "lottery, betting, and gambling" in Entry 6 of Schedule III of the CGST Act should be interpreted based on judicial decisions, which exclude games of skill.
- Games of skill are not considered taxable under Entry 6 of Schedule III, which applies to games of chance such as lottery, betting, and gambling.

- Taxation of games of skill falls outside the scope of the term "supply" according to Section 7(2) of the CGST Act, read with Schedule III.
  - A game of chance, whether played with stakes or not, is considered gambling.
  - A game of skill, whether played with stakes or not, is not considered gambling.
  - A game that combines elements of chance and skill is gambling if it is predominantly a game of chance.
  - Rummy is predominantly a game of skill, not chance, whether played with stakes or not.
  - There is no distinction between offline/physical rummy and online/electronic/digital rummy. Both are considered games of skill.
  - Other online/electronic/digital games that are predominantly skill-based are also not considered gambling.
  - The terms "betting" and "gambling" are applicable for GST purposes, and they do not apply to online/electronic/digital rummy or other predominantly skill-based games.
  - The show cause notice issued by the respondents to the petitioners is deemed illegal, arbitrary, and without jurisdiction or authority of law and is subject to be quashed.
2. Where assessee had made payment in wrong head and had applied for refund under section 77 which was rejected on ground of limitation, since circular bearing no. 162/18/2021 read with notification no. 35/2021-Central Tax, dated 24.09.2021 provide for extension of limitation of refund in case of wrong deposit, order rejecting refund was to be set aside and department was directed to consider refund application of assessee in lights of latest circular.

**Case Name: Gajraj Vahan (P.) Ltd.v.State of Jharkhand**

**Appeal Number: W.P.(T) NO. 1801 OF 2021**

**Date of Ruling: 10/05/2023**

**Judicial Level & Location: HIGH COURT OF JHARKHAND**

**Citation: [2023] 150 taxmann.com 423**

## **FACTS**

The assessee made payment in a wrong head and accordingly, refund application was filed under Section 77 of Central Goods and Services Tax Act, 2017. However, claim for refund was rejected by the authority on the ground of limitation. Instant writ petition was filed challenging the order rejecting the refund application of the assessee.

## **HELD**

HC stated that Circular bearing No. 162/18/2021-GST, dated 25.9.2021 was issued by the CBIC on the subject/clarification in respect to refund of tax specified in Section 77(i) of the CGST Act and Section 19(i) of the IGST Act. Earlier, vide Notification No. 35/2021-Central Tax dated 24.9.2021, Sub-Rule (1A) of Rule 89 of CGST Rules, 2017 provides that refund application shall filed before expiry of a period of two years from date of payment of tax. Thus, the relevant CBIEC had extended a benevolent provision for extension of limitation of refund in case of wrong deposit.

Therefore, the HC allowed the writ petition by quashing the order rejecting the refund application of the assessee and direction was given to the department to consider the refund application of the assessee in light of the latest circular.

## NATIONAL NEWS UPDATES

- 1) After RBI withdrawing ₹ 2,000/- notes from circulation, the Banks are required to notify the Income-Tax Department about large cash deposits of ₹ 2,000 currency notes where the reporting thresholds stand at ₹ 10 /- lakh for term and savings deposits and ₹ 50 lakh for current account deposits.
- 2) Electric scooter maker Ola Electric is planning a stock market listing by 2023-end and has appointed investment bank Goldman Sachs and domestic bank Kotak to manage the share sale, and also backed by investors such as SoftBank Group and Tiger Global Management, Ola Electric was valued at \$5 billion.
- 3) Adani group founder and Chairman Gautam Adani reclaimed his position in the top 20 on the Bloomberg Billionaires list as their companies share prices jumped with the billionaire's net worth surging by \$4.38 billion to \$64.2 billion.
- 4) India's GDP has crossed \$3.5 trillion in 2022-23 and will be the fastest-growing G-20 economy over the next few years, as per Moody's.
- 5) The Reserve Bank of India's (RBI) board approved the transfer of ₹ 87,416/- crore as surplus to the Central government for the accounting year 2022-23, while deciding to keep the contingency risk buffer at 6%.
- 6) According to India's biggest public sector lender State Bank of India (SBI), it has rised its standalone net profit by 83 per cent to ₹ 16,694.51/- crore in the January-March quarter & the bank's consolidated net profit for the same period jumped 89.4 per cent to ₹ 18,094/- crore, meanwhile its income from interest rose 31.4 per cent in the same period.
- 7) Shares price of LIC nearly rose by 4% after the company posted more than five-fold jump in consolidated net profit at ₹ 13,191/- crore for the fourth quarter, for the month ended March 2023.
- 8) Bharat Petroleum Corporation Limited (BPCL) received board approval for the ethylene cracker project at Madhya Pradesh's Bina refinery with a ₹ 49,000/- crore capital expenditure.
- 9) Mahindra & Mahindra's standalone revenue from operations jumped 31% to ₹ 22,571.37/-crore in Q4 FY23 from ₹ 17,237.76 /- crore in the same period a year ago. The automaker has also announced a dividend pay out of ₹ 16.25 /- per equity share of the face value of ₹ 5 /- each.
- 10) According to Union Minister Anurag Thakur the Cabinet has approved the world's largest food storage scheme in the co-operative sector. Further, he added that this scheme will be implemented at the cost of ₹ 1 lakh /- crore.
- 11) India extended its \$1 billion credit line to Sri Lanka by another year to help the country reeling under an economic crisis to procure food, medicine, and other essential items.
- 12) India's economy grew by 6.1 per cent in the fourth quarter of 2022-23, pushing up the annual growth rate to 7.2 per cent, data showed as on May 31st May 2023.
- 13) Good & Services Tax (GST) revenue collected in the month of May 2023 is ₹1,57,090 crore of which CGST is ₹28,411 crore, SGST is ₹35,828 crore, IGST is ₹81,363 crore (including ₹41,772 crore collected on import of goods) and cess is ₹11,489 crore (including ₹1,057 crore collected on import of goods).

## AROUND THE GLOBE

1. An updated estimate of Germany's GDP in the first quarter showed the economy shrinking by 0.3% over the previous three months. That means that Germany is technically in a recession, as the economy contracted by 0.5% in the fourth quarter of 2022.
2. The European Union slapped a €1.2bn (\$1.3bn) fine on Meta, the owner of Facebook, for breaching rules on the transfer of personal data from the eu to America. It is the biggest penalty imposed by the EU on a company for privacy violations.
3. China overtook Japan as the world's biggest exporter of cars in the first quarter, mostly because of its expanding production of electric vehicles. China exported more than 1m vehicles in total during the three months, compared with Japan's 950,000.
4. Virgin Orbit was wound down, less than two months after filing for bankruptcy protection. A sale of the rocket-launch company's assets fetched just \$36m, around 1% of the \$3.7bn it was valued at when it floated on the Nasdaq stock exchange in 2021.
5. Elon Musk appointed Linda Yaccarino as chief executive of Twitter, five months after he said he would relinquish the role.
6. Saudi Aramco is planning another public offering of its shares, according to reports. The ipo of just 1.5% of its stock in 2019 raised \$25.6bn, the most ever in a market debut. A second offering would be of a similar size.
7. Russia's oil exports hit 8.3m barrels a day in April, according to the International Energy Agency, the most since the invasion of Ukraine in February last year. This also far exceeds Russia's average for 2022 and 2021.
8. Vice Media filed for bankruptcy protection. Lauded for being an upstart that disrupted the traditional media industry with its digital-focused content, its tv news investigations also scooped up Emmy nominations. In the end the company failed to turn its web traffic into profit. It was valued at \$5.7bn in 2017.
9. Disney hugely reduced the losses at its streaming business in the latest quarter, after a cost-cutting drive by Bob Iger, the chief executive. But it also lost 4m subscribers from the previous three months, mostly in India, where Disney has lost the rights to broadcast premier-league cricket.
10. In an attempt to stave off more banking turmoil, regulators in California took control of First Republic Bank, a regional lender based in San Francisco, and placed it into federal receivership.
11. The Fed lifted its benchmark interest rate by another quarter of a percentage point, to a range of between 5% and 5.25%. It was the tenth consecutive increase.
12. Geoffrey Hinton, one of the pioneers of ai, resigned from Google in order to speak his mind about the technology.

### SNAPSHOT OF THE FINANCIAL MARKETS

The rupee depreciated a bit in the month of May 2023 against USD, on 28<sup>th</sup> Apr 2023 the rupee had settled at **Rs. 81.72 /-** against the closing value of **Rs.82.68 /-** on 31<sup>st</sup> May 2023.

The summary of Indices is as follows:

Indices	Apr 2023 (Closing value)	May 2023 (Closing Value)	Percentage change during the month
NIFTY 50	18,065	18,534	2.59%
SENSEX	61,112	62,622	2.47%
BANK NIFTY	43,233	44,128	2.07%

- The summary of performance of global indices the has been given below:

Indices	Apr 2023 (Closing value)	May 2023 (Closing Value)	Percentage Change during the month
NASDAQ COMPOSITE	12,226	12,953	5.94%
NIKKEI 225	28,856	30,887	7.03%
SHANGHAI	3,323	3,204	3.58%
DAX	15,922	15,664	(1.62%)
KOSPI	2,501	2,577	3.03%

- The summary of performance of various crypto currencies have been given below:

Crypto's	Apr 2023 (Closing Value in USD)	May 2023 (Closing Value in USD)	Percentage Change during the month
BITCOIN	29,268	27,216	(7.01%)
ETHEREUM	1,876	1,873	(0.15%)
DOGECOIN	0.0777	0.0716	(7.85%)

- The brent crude oil rate per barrel has seen a gradual decrease in the month of May 2023. On 31<sup>st</sup> May 2023 the rates had settled at \$ 72.14/ - while on the rates were \$ 81.32/-



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