Tax Street

A flagship publication that captures key developments in the areas of Tax and Regulatory environment

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WORLD TAX
RECOMMENDED FIRM
2022

Introduction

We are pleased to present the latest edition of Tax Street – our newsletter that covers all the key developments and updates in the realm of taxation in India and across the globe for the month of March 2022.

- The 'Focus Point' covers an overview of the OECD's Transfer Pricing Guidelines 2022.
- Under the 'From the Judiciary' section, we provide in brief, the key rulings on important cases, and our take on the same.
- Our 'Tax Talk' provides key updates on the important tax-related news from India and across the globe.
- Under 'Compliance Calendar', we list down the important due dates with regard to direct tax, transfer pricing and indirect tax in the month.

We hope you find our newsletter useful and we look forward to your feedback.
You can write to us at taxstreet@nexdigm.com. We would be happy to hear your thoughts on what more can we include in our newsletter and incorporate your feedback in our future editions.

Warm regards,
The Nexdigm Team

Focus Point

OECD releases Transfer Pricing Guidelines 2022 edition

The integration of national economies and markets has increased substantially in recent years, putting a strain on the international tax rules designed more than a century ago. In a global economy where Multinational Enterprises (MNEs) play a prominent role, governments need to ensure that the taxable profits of MNEs are not artificially shifted out of their jurisdiction and that the tax base reported by MNEs in their country reflects the economic activity undertaken therein. For taxpayers, it is essential to limit the risks of economic double taxation. The Organization for Economic Co-operation and Development (OECD) established in 1961, is an international organization of 38 countries committed to democracy and the market economy. The OECD Transfer Pricing Guidelines (OECD TP Guidelines) provide guidance on the application of the 'Arm's Length Principle (ALP),' which is largely considered across various countries in determining the ALPs for the intercompany transactions between Associated Enterprises (AEs).

First published in 1979, the OECD TP Guidelines have been supplemented with a series of updates as illustrated below –

- **1979** – OECD TP guidelines first published.
- **1995** – Original version of the OECD TP Guidelines approved by OECD Council.
- **2009** – Amendments to Chapter IV to reflect latest developments on dispute resolution.
- **2010** – Substantial revision to Chapters I-III. New Chapter IX was added, dealing with the transfer pricing aspects of business restructurings.
- **2017** – Revision agreed on Action Plans 8-10 BEPS Project; TP documentation and Safe Harbours.
- **2022** – Revisions on application of transactional profit split method, approach to HTVI and guidance of financial transactions.

1995: The TP Guidelines for MNEs and Tax Administrations were originally approved by the OECD Council. They were completed with additional guidance on cross-border services, intangibles, costs contribution arrangements and advance pricing arrangements in 1996-1999.

2009: In the 2009 edition, some amendments were made to Chapter IV, primarily to reflect the latest developments in dispute resolution.

2010: Chapters I-III were substantially revised with the addition of new guidance on the selection of the most appropriate TP method to the circumstances of the case, on how to apply transactional profit methods (the Transactional Net Margin Method (TNMM) and the Profit Split Method (PSM)) and on how to perform a comparability analysis. Furthermore, a new Chapter IX was added, dealing with the TP aspects of business restructurings.

2017: Incorporates the substantial revisions in Chapters I, II, V-VIII to reflect the clarifications and revisions agreed upon in the 2015 BEPS[1] Reports on Actions 8-10 Aligning Transfer Pricing Outcomes with Value Creation and on Action 13 TP Documentation and Country-by-Country Reporting. It also includes the revised guidance on safe harbours approved in 2013, which recognizes that properly designed safe harbours can help to relieve some compliance burdens and provide taxpayers with greater certainty.

The January 2022 edition, released on 20 January 2022, includes revisions in the guidance based on the following OECD reports–

(i) the Revised Guidance on the Application of the Transactional Profit Split Method – published in June 2018;

(ii) the Guidance for Tax Administrations on the application of the approach to Hard-to-Value Intangibles – published in June 2018, and

(iii) the new TP Guidance on Financial Transactions was published in February 2020.

The above updates have been discussed in the ensuing paragraphs.

Revised Guidance on the Application of the Transactional Profit Split Method published in June 2018

The OECD TP Guidelines have included guidance on the Transactional Profit Split Method since their first publication in 1995. The revised guidance released in June 2018 significantly expands the guidance on when a profit split method may be the most appropriate method. The revised text also expands the guidance on how the profit split method should be applied, including determining the relevant profits to be split and appropriate profit splitting factors. It describes the presence of one or more of the following indicators as being relevant:

- Each party makes unique and valuable contributions.
- The business operations are highly integrated such that the contributions of the parties cannot be reliably evaluated in isolation from each other.
- The parties share the assumption of economically significant risks, or separately assume closely related risks.

The guidance clarifies that while a lack of comparables is, by itself, insufficient to warrant the use of the profit split method. However, it will be difficult to adopt the profit split method in a converse situation, where reliable, comparable companies are indeed available. In the revised guidance, OECD has included sixteen examples to illustrate the principles discussed in the text and demonstrate how the method could be applied in practice. These examples demonstrate the principles for the application of the profit split method for entities engaged in the pharmaceutical sector, electronic appliances, IT solutions, asset management services, retail fashion industry, to name a few. These are provided in Annex II to Chapter II of the Guidelines.

To view detailed guidance click here.

Guidance for Tax Administrations on the Application of the Approach to Hard-to-Value Intangibles published in June 2018

Action 8 of the Action Plan on Base Erosion and Profit Shifting (BEPS) mandated the development of TP rules or special measures for transfers of Hard-to-value Intangibles (HTVI) aimed at preventing base erosion and profit shifting by moving intangibles among group members. The outcome of that work is found in the 2015 Final Report for Actions 8-10, "Aligning Transfer Pricing Outcomes with Value Creation," which has now been formally incorporated in the OECD TP guidelines as Section D.4 of Chapter VI. The BEPS Action Plan also mandated the development of guidance for tax administrations on the application of the HTVI approach. In light of the above, the guidance aims to reach a common understanding and practice among tax administrations on how to apply adjustments resulting from the application of the HTVI approach. In particular, the new guidance:

- Presents the principles that should underlie the application of the HTVI approach by tax administrations;

1. Base Erosion and Profit Shifting

- Provides a number of examples clarifying the application of the HTVI approach in different scenarios; and
- Addresses the interaction between the HTVI approach and the access to the mutual agreement procedure under the applicable tax treaty.

The guidance for tax administration on the application of the HTVI approach has been incorporated into the OECD TP Guidelines as Annex II to Chapter VI. To view detailed guidance, click here.

TP Guidance on Financial Transactions published in February 2020

This was the first time that the OECD has released any specific guidance on the TP aspects of financial transactions, including a number of examples to illustrate the principles discussed. The new guidance –

- Elaborates on how the accurate delineation analysis applies to the capital structure of an MNE within an MNE group. It also clarifies that the guidance does not prevent countries from implementing approaches to address capital structure and interest deductibility under the domestic legislation.
- Outlines the economically relevant characteristics for analyzing the terms and conditions of financial transactions.
- Addresses specific issues such as treasury functions, intra-group loans, cash pooling, hedging, guarantees and captive insurance, etc.
- Determines a risk-free rate of return and a risk-adjusted rate of return.

The guidance has been incorporated in Chapter X of the OECD TP Guidelines. To view detailed guidance click here.

Our Comments

To summarize, the latest edition consolidates the changes/updates/guidance published by OECD since OECD TP guidelines 2017.

Indian TP law does not explicitly recognize the direct applicability of the OECD TP Guidelines. However, India has framed its own rules and guidance on TP while drawing reference from the OECD TP Guidelines as well as the UN TP Manual. Though not a member of the OECD, India participates as an Observer in the OECD's Committee on Fiscal Affairs. It would be imperative for MNEs to revisit their current TP positions with respect to financial transactions and intangibles in light of the amendments in the revised guidelines.

The OECD TP Guidelines will continue to be supplemented with additional guidance addressing other aspects of TP and will be periodically reviewed and revised on an ongoing basis. To view the OECD TP Guidelines 2022 edition online, click here.

From the Judiciary

Direct Tax

Whether JV can constitute Supervisory PE /Fixed place PE in India?

M/s FCC Co. Ltd. Vs ACIT
I.T.A. No 8960, 54/Del/2019

Facts

The taxpayer is a foreign company, resident of Japan. It was engaged in the business of manufacturing various parts used for motor vehicles. During the year under consideration, the taxpayer received Royalty income under the License Agreement and Fees for technical services for Dispatch of Engineers from its Joint Venture (JV) with an Indian company. It was taxed at 10% on a gross basis under India- Japan DTAA. The taxpayer also received income from the supply of raw materials, components and capital goods under the Master Sales Agreement (MSA). These receipts were not offered the tax as taxpayers treated them to be in the nature of business profit not taxable in India in the absence of a Permanent Establishment (PE) under the India-Japan DTAA provisions.

However, the Assessing Officer (AO) concluded that the JV served as a 'branch' and office of the taxpayer, thereby constituting Fixed Place PE. Furthermore, the AO was of the view that since taxpayer's employees helped the JV set up a new product line in India, a supervisory PE was also constituted.

The Commissioner of Income-tax (Appeals) [CIT(A)] confirmed the order of the AO. Aggrieved by the order, the taxpayer filed an appeal before the Delhi Tribunal.

Held

The Tribunal noted that in order to constitute a Fixed Place PE under India-Japan DTAA, it was a pre-requisite that the premise must be at the disposal of the enterprise. Relying on the Supreme Court decision in the case of the Formula One World Championship, the Tribunal stated that merely giving access to the premise of the enterprise for the purposes of the project would not suffice. Furthermore, since the goods were manufactured outside India, the sale of goods took place outside India and consideration was also received by the taxpayer outside India, the title passed outside India and hence, the taxpayer did not carry out any operation in India in relation to supply of the raw material and capital goods. Hence, the Tribunal held that a Fixed Place PE was not constituted.

With respect to the constitution of Supervisory PE, Tribunal held that none of the activities performed by the employees of the taxpayer were in the nature of supervisory functions. Since supervision is the act of overseeing or watching over someone or something, which was not reflected in work done by the engineers in India for JV and was not in connection with a building site or construction installation or assembly project, the taxpayer did not constitute Supervisory PE in India.

Our Comments

The Delhi Tribunal has restated the principle that merely giving access to the premise to the enterprise for the purpose of the project would not suffice to constitute Fixed Place PE. Furthermore, the Tribunal has re-affirmed that for the constitution of supervisory PE, the activities/services must be in connection with a building site or construction installation, or assembly project.

Whether the re-imbursement of warranty expenditure can be construed as Fees for Technical Services (FTS)?

M/s. Tractors and Farm Equipment Ltd. Vs DCIT.
ITA No.1069/Chny/2019

Facts

The taxpayer was primarily engaged as a manufacturer of agricultural tractors. It has sold tractors overseas through non-resident distributors.

As part of the sales obligations, the tractors are subjected to a warranty, and accordingly, the distributors carry out the warranty and incur expenditure. This warranty expenditure was incurred by the overseas distributors and the same were later on reimbursed by the taxpayer.

After examining the various stages of the warranty process, the AO concluded that the amount for the warranty was collected at the time of original sale itself, whereas the cost of services was reimbursed to non-resident distributors at the time of provision of actual services. The CIT(A) confirmed with the AO's view that in order to comply with the contract of warranty between the taxpayer and the end customers outside India, the taxpayer had engaged the services of its distributors, which was in nature of technical service.

Aggrieved by the order, the taxpayer filed an appeal before the Chennai Tribunal.

Held

After considering data on record, the Tribunal confirmed with the view of the taxpayer that the warranty obligation was part and parcel of sales transactions and, therefore, the same could not be held to be FTS. Furthermore, the Tribunal also emphasized that services have been carried as well as utilized outside India, and therefore, there is no TDS obligation on the part of the taxpayer in view of the fact that the non-resident distributors do not have any permanent establishment in India.

Our Comments

The Chennai tribunal has clarified that when an income is said to arise from a source outside India, expenses incurred outside India for the purpose of earning such income would not require TDS under Section 195 since the income of the recipient would be excluded from the deeming provisions of Section 9(1) of the Act.

Transfer Pricing

Requirement of audited segmental results for determination of ALP of international transactions – not a pre-requisite.

Teleperformance Global Services Private Limited [ITA No.6948/ Mum/2016] – AY 2012-13

Facts of the case:

The taxpayer is engaged in providing Business Process Outsourcing (BPO) services in India.

a) Unaudited segmental accounts

During the year under consideration, the taxpayer has provided BPO services to its AE. The taxpayer had benchmarked the said services basis unaudited segmental results prepared for the BPO segment using TNMM as the most appropriate method and considering operating profit / operating cost as the profit level indicator.

During the assessment proceedings, the Transfer Pricing Officer (TPO) did not contest the method selected, the comparable companies, and the profit level indicator considered by the taxpayer. Furthermore, the TPO accepted the segmental results for two AEs along with allocation keys and disregarded the segmental accounts prepared by the taxpayer for one of the AE (viz. the BPO segment) on account of the same being un-audited and considered entity level margin in order to establish the ALP of the underlying international transaction and proposed an upward TP adjustment.

Being aggrieved by the addition, the taxpayer filed its objections against the TPO's order before the Dispute Resolution Panel (DRP). During the proceedings before the DRP, the taxpayer furnished the audited segmented profit and loss statement. However, the DRP disregarded the same on the ground that the allocation keys adopted for taxpayer's allocation of indirect expenses lacked a scientific basis and were done arbitrarily.

b) Corporate and performance guarantee

Another ground for contention was wherein the taxpayer had acquired a company through its wholly-owned subsidiary, for which the taxpayer extended a corporate guarantee to the bank in order to make available necessary funds to its wholly-owned subsidiary. The taxpayer charged no guarantee fee for the provision of corporate guarantee on the pretext that the same does not qualify as an international transaction.

Furthermore, AE (of the taxpayer) had entered into a contract with an independent customer for the provision of services. The said contract was sub-contracted to the taxpayer, for which the taxpayer had provided a performance guarantee. As per the taxpayer, the performance guarantee did not qualify as an international transaction and hence, the guarantee fee was not charged by the taxpayer (to its AE).

The TPO based on the directions of the DRP in prior years held both corporate guarantee and performance guarantee as an international transaction and computed TP adjustment considering 1.25% and 1.50% as the guarantee fee for corporate guarantee and performance guarantee, respectively. The DRP concurred with the contentions of the TPO basis the directions given by it in the prior years.

Held by the ITAT that:

a) Unaudited segmental accounts – The Income Tax Appellate Tribunal (ITAT) observed that the TPO had accepted the segmental results for two AEs along with allocation keys and had raised concerns w.r.t the BPO segment on account of un-audited segmental results in spite of the allocation keys being the same for all three segments. The ITAT held that as per Accounting Standard – 17, the segmental results reflected in the audited annual accounts of the company need not be audited. Apart from that, there is no specific requirement to get the segmental accounts audited. The ITAT also observed that neither the statute requires the taxpayer to get its segments audited, nor did the TPO request the taxpayer to furnish the audited segmental data. ITAT also brought on to the record that nothing prevents the TPO from verifying and examining the unaudited segmental results matching the overall audited financial statements furnished before him. Accordingly, the ITAT accepted the segmental results prepared by the taxpayer and held the said international transaction at ALP.

b) Corporate and performance guarantee – The ITAT placed reliance on the order passed by it for the earlier years wherein the corporate guarantee fee was computed at 0.5%. With regards to the performance guarantee, the ITAT held that the guarantee extended by the taxpayer was for its own performance and that the taxpayer was not exposed to any risk on account of default. Furthermore, the ITAT contended that the TPO did not consider that the taxpayer would ultimately receive the entire compensation received from the customer. Hence, the matter was remanded back to the TPO for determining the ALP post factoring in the aforementioned facts.

Our Comments

Segmental accounts prepared ought to correspond with the audited annual accounts thereby disregarding the need for getting the segmental results statutorily audited is enunciated from the said ruling.

The statute does not require the taxpayer to furnish the audited segmental financial information. However, it is imperative that the allocation of expenses is undertaken basis of scientific allocation keys and the same is accurately documented.

Outstanding payable beyond the specified credit period is treated as a separate international transaction and cannot be aggregated to determine ALP

Peri (India) Private Limited [ITA No. 4608/Mum/2019] – AY 2012-13

Facts of the case:

The taxpayer is engaged in the purchase of goods from AE as well as non-AE wherein different credit periods viz. 90 days from AE and 30 days from non-AE is allowed to the taxpayer, respectively. For the delays beyond due dates, the AE imputes an interest of 5.50% to the taxpayer, whereas no interest is charged by the non-AEs for the delay in payment. The taxpayer considered interest on outstanding payables as an international transaction and aggregated the same with the imports and adopted TNMM to determine the ALP. As the margins of the taxpayer were in line with the comparable companies, the taxpayer concluded interest payment to be at ALP.

The TPO observed that the terms of transactions with the AE were similar to that the non-AE and no satisfactory documents were produced to substantiate that less credit period was allowed by non-AE. Nevertheless, there were outstanding dues payable to non-AE as well on which no interest was charged in spite of there being a delay in the range of 92 days to 180 days.

For determining the ALP of interest paid on payable balances, the TPO considered internal CUP and concluded the ALP as 'NIL.' The aforesaid approach was upheld by the CIT(A) as well.

Held by the ITAT that:

The ITAT observed that interest transaction is a separate international transactions in terms of the provisions of the Income Tax Act, 1961 and rejected the aggregation approach adopted by the taxpayer to determine the ALP.

It further held that the difference in credit period is a distinguishing factor, but on the expiry of the credit period, the outstanding amount with AE and non-AE stands at par.

It further held that benchmarking of payment of interest on outstanding balances beyond the credit period to AE will not impact the margins earned by the taxpayer or while factoring in working capital adjustment.

In view of the aforesaid, the ITAT upheld the ALP of the interest payment as 'NIL.'

Our Comments

Overdue balance receivable is often considered as an indirect financing arrangement between group companies and thus remains under the scanner of tax authorities. The tax authorities try to re-characterize these overdue balances as capital financing arrangements implicating the passing off of indirect benefits by one group entity to another.

Appropriate TP documentation in the form of group business model, prevailing industry practice, availability of third-party data, comparables data etc., would help defend a longer credit period and avoid the trouble of notional TP adjustment of interest on account of overdue balances, both for receivables and payables.

Indirect Tax

Union of India & Others vs. Bundl Technologies Private Limited & Others[2]

i. Whether the amount was voluntarily paid during the investigation by the company under Section 74(5) of the CGST Act?

ii. Whether the amount was recovered from the company during the investigation under coercion and threat of arrest?

iii. Whether the DGGI officers conducted in a high-handed and arbitrary manner during the course of the investigation?

Facts

- The Directorate General of GST Intelligence (DGGI) officers initiated an investigation u/s 67(1) of the CGST Act against Bundl Technologies Pvt. Ltd. (the company), which operates an e-commerce platform under the brand name 'Swiggy.'
- The investigation was initiated on the ground that one of the company's suppliers was a non-existent entity and hence, the company had wrongfully availed credit.
- The company deposited a certain sum of amount in the Electronic Cash Ledger during the course of the investigation.
- Thereafter, the company Directors appeared before the DGGI officers pursuant to the receipt of the summons. In order to secure their release, the company further paid a certain sum of amount under coercion.
- While making both the payments, the company made it expressly clear that these payments should not be treated as an admission of liability and had reserved its right to claim a refund.
- Despite a lapse of about 10 months since the initiation of an investigation, no show cause notice was issued to the company, and therefore, it sought a refund of the amount paid.
- On failing to receive any response, a writ petition was filed before the High Court.

Ruling

- Referring to the guidelines issued by the Gujarat High Court in the case of Bhumi Associate vs. Union of India to regulate the powers of officers carrying out search and seizure as well as to safeguard the interests of the assessee, the High Court observed that in the present case, there was no communication in writing from the company about either self ascertainment or admission of liability to infer that such a payment was made under Section 74(5) of the CGST Act.
- It was expressly stated in DRC-03 and the letter submitted that the above payments were made as an extension of goodwill and bona fide and that the company reserved the right to seek a refund thereof.
- Thus, it is evident that payments were not voluntary by admitting the liability under Section 74(5) of the CGST Act.
- The other two issues of whether any threat of arrest was extended to the officers of the company and whether the DGGI officers conducted the investigation in a high handed and arbitrary manner, the High Court relied on the plethora of case laws where the Courts have observed that during the course of an investigation, the assessee should not be forced to pay any amount.
- However, it was observed that these issues were questions of fact that could not be adjudicated in a summary proceeding under Article 226 of the Constitution, while granting liberty to the company to agitate this issue in appropriate proceedings.
- Resultantly, the Court concluded that the amount had been collected in violation of Articles 265 and 300-A of the Constitution and accordingly, the Department was liable to refund the same to the company.
- Accordingly, the Court upheld the order of the Single Judge Bench while dismissing the Revenue's appeal.

Our Comments

The order should assist taxpayers facing similar investigations and inspections where they are made to pay taxes under coercion/threat before conclusion and/or final adjudication of the liability.

Whether Income tax Credit (ITC) is admissible in respect of cars used for training, press, marketing, and demo for a limited period of time and thereafter supplied to dealers as old and used vehicles?

In re: BMW India Pvt Ltd[3]

Note: In the case of Chowgule Industries Pvt. Ltd.[4] and A M Motors[5], the Maharashtra AAR and Kerala AAR, respectively, allowed ITC on motor vehicles used for demo purposes.

However, similar to the Haryana AAR, the Madhya Pradesh AAR in the matter of Khatwani Sales and Services LLP[6] has disallowed ITC on demo vehicles purchased for the furtherance of business in view of barring provision of Section 17(5)(a).

Facts

- The appellant, running a training center in Haryana, received BMW cars from its Chennai manufacturing plant on a stock transfer basis on payment of applicable IGST and Compensation Cess.

2. [2022 (3) TMI 265 – Karnataka High Court]
3. [TS-772-AAAR(HAR)-2021-GST]
4. [TS-1239-AAR-2019-NT]
5. [TS-542-AAR-2018-NT]
6. [TS-1222-AAR(MP)-2020-GST]

- The cars so received were to be used inter alia for - (i) training of dealers and authorized service center operators, (ii) testing by media houses and senior journalists, (iii) undertaking various marketing and promotional activities, (iv) test drives and product experience (demo) by customers.
- On completion of 12 months, the appellant would sell these cars to the authorized dealers as old and used vehicles, in terms of Notification No. 08/2018-CT (Rate) at a reduced rate of 18% without ITC.

Ruling

- On perusing the provisions of Section 17(5) of the CGST Act, the legislative intent clearly indicates that when motor vehicles upto the seating capacity of 13 persons are used for other than the intended purpose, the ITC cannot be allowed.
- The expression's intended purpose is limited to:
  - Further supply of such motor vehicles; or
  - Transportation of passengers; or
  - Imparting training on driving such motor vehicles.
- None of the usages to which the BMW vehicles are put to fit into the uses mentioned in Section 17(5).
- Suppose all motor vehicles, irrespective of the nature of supply, will be eligible for ITC across the industries. In that case, it will no longer be a restricted clause for car dealers but will be an open clause for all the trade and industry to avail ITC on all vehicles purchased by them. This has never been the intent of the Parliament.
- As regards the appellant's contention that ITC may be allowed as 'inputs' since these vehicles are sold after 12 months, AAAR observed that in the very first demonstration run, the demo car loses the character of a new motor vehicle and the subsequent sale as second-hand goods is treated differently under GST law. Hence, the demo car is not an 'input.'
- On the same rationale, ITC cannot be allowed towards such cars' repair/insurance/maintenance services.

Our Comments

Although the advance ruling is binding only on the parties involved therein, it does have some persuasive value.

Considering the prevalent divergent views on the issue of admissibility of ITC vis-à-vis demo cars, it would be worthwhile for the Board to issue a clarification considering the nitty-gritty and nature of business of the automobile industry.

Mergers and Acquisitions Tax

Delhi ITAT: Brought forward losses set-off cannot be denied in case of change in shareholding of ultimate parent company

WSP Consultants India Pvt. Ltd [TS-151-ITAT-2022(DEL)]

A company WSP Consultants India Pvt. Ltd. (assessee), had brought forward losses of AY 2012-13, which were set off against profits in AY 2013-14 and 2014-15. The shareholder of the company was WSP GRP Cyprus Holding Ltd. (WSP Cyprus), and WSP Group Plc, UK was its ultimate holding company. However, there was a change in the shareholding of its ultimate holding company in AY 2013-14. The shares of the company were acquired by Genevar Inc., Canada, and later reorganized as WSP Global Inc.

From annual reports of the company, the AO invoked provisions of Section 79 of the Income Tax Act (Act) and did not allow the set-off of brought forward losses on the reasoning that WSP Global Inc holding shares as of 31 March 2013 (date when the losses were set-off) was not the beneficial shareholder of the assessee as on 31 March 2012 (date when the loss was earned).

The first appellate authority CIT(A) held that there was no change in the shareholding of the assessee company in the FY 2012-13, 2013-14, and 2014-15. Furthermore, he also observed that a beneficial shareholder implies the registered shareholder of the company unless the shareholding is held in the capacity of nominee, agent, or trustee.

The second appellate authority (Delhi ITAT) referred to the case of Yum Restaurants1 of Delhi High Court and dismissed the Revenue's appeal made by it against CIT(A) order by making the following observations:

- Section 79 is invoked only when there is a change in the immediate shareholding company and not the ultimate holding company.
- The registered shareholder shall be the beneficial shareholder of the company unless the shareholder is holding in the capacity of nominee or agent or trustee.
- In a multilayer structure, the ultimate shareholder cannot be construed to be the shareholder of the company, which is held by the subsidiary of the intermediate holding company.
- It also held on the basis of submissions given by the assessee that the shareholding of the assessee held by WSP Cyprus is 99.99% as of 31 March 2012, 31 March 2013 and 31 March 2014.
- There is nothing on record that will provide an indication that the ultimate holding company was the beneficial shareholder holding more than 51% or more voting power.

Our Comments

While the Tribunal has relied on its jurisdictional High Court decision in the case of Yum Restaurants while deciding in favor of the assessee, it may be noted that there are contrary decisions of other Courts which have held that Section 79 shall not apply on change in immediate shareholding as long as the ultimate beneficial shareholding remains the same. Thus, this shareholding is expected to only add to the already prevalent conflicting position on the applicability of Section 79.

Mumbai ITAT: Valuation exercise is mechanical when share premium results lack basis

Raykan Beverages Pvt Ltd [TS-80-ITAT-2022(Mum)]

A private limited company Raykan Beverages Pvt Ltd (assessee), issued shares at a high premium to Mauritius-based companies, to a resident director, and to another Indian resident.

During the course of the assessment proceedings, the AO noted that the company was into losses that only continued to increase in the succeeding years. The share premium was computed basis the valuation certificate of a Chartered Accountant firm which had given riders in the certificate that they are not expressing any opinion on the fairness or accuracy of the information and projections submitted by the company. The AO also noted that at a later point of time during the year, further shares were issued at an even higher premium. Based on these facts, the share premium was found to be excessive and held taxable under Section 56(2)(viib) and Section 68, resulting in a demand of tax and consequent interest. The present matter is in relation to the stay proceedings for the demand.

The ITAT, while rejecting the stay application of the assessee during the pendency of the proceeding, inter-alia made the following observations:

- On the face of it, the computation of share premium is devoid of any basis in as much as once the person computing the net present value of the discounted cash flow, which anyway varies significantly in the different certificates issued by the same firm, is unable to form a well-considered opinion on the correctness of projected future cash flows, the entire valuation exercise is degraded to a mechanical calculation.
- So far as foreign investors are concerned, based on the available material, prima facie, the genuineness, a necessary ingredient of tests envisaged under section 68, is far from established.
- Additionally, so far as domestic investors are concerned, as of the stage of the hearing of the petition, there is no material whatsoever to show the reasonableness of the share premium received vis-à-vis the fair market value of a share.

Our Comments

Though the matter was before the appellate authority for stay proceeding, certain critical points emanate from this decision. While there are a series of decisions that have held that variation of the actuals vis-à-vis the projections is not a basis for disregarding the valuation, it is also worthwhile to note that the tax authorities certainly have the right to disregard the valuation if an appropriate basis is not available in making projections and other assumptions to arrive at the valuation.

Regulatory Updates

Securities and Exchange Board of India (SEBI)

SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022 (22 March 2022)

In its meeting held on 15 February 2022, SEBI had inter-alia decided to make the requirement of separation of the role of Chairperson and MD/CEO of listed companies optional. However, the industry was awaiting an official notification from SEBI confirming this change. To bridge this gap, SEBI vide its notification dated 22 March 2022, amended the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has omitted regulation 17(1B) related to the separation of the role of Chairperson and MD/CEO. It is provided that this provision may not be retained as a mandatory requirement and instead be made applicable to the listed entities on a voluntary basis.

Our Comments

This amendment is an official notification of the decision taken by SEBI in its meeting held on 15 February 2022 to omit the mandatory requirement of separating the role of Chairperson and MD/CEO in listed companies. The need for separation of MD and CEO roles is not a compulsion in western economies. Also, India's existing corporate governance framework is quite strong and day by day, enforcement is also becoming stronger. Hence, the separation of MD and Chairman positions was not a very big corporate governance issue. Making it voluntary reflects that government is adaptive to changes suggested by the industry.

Automation of disclosure requirements under Takeover Regulations (7 March 2022)

SEBI vide its circular dated 7 March 2022, decided that all types of encumbrances as defined under Regulation 28 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Regulations) shall necessarily be recorded in the depository system. The provisions of this circular shall come into effect from 1 July 2022. However, the depositories are advised by SEBI to devise an appropriate mechanism to record all types of outstanding encumbrances in the depository system by 30 June 2022. Furthermore, to disseminate this information, the stock exchanges are also advised to devise an appropriate mechanism for disseminating disclosures under System Driven Disclosures in a simple, readable pdf format. Reconciliation of data shall be conducted by listed companies, stock exchanges and depositories at least once in a quarter or immediately whenever any discrepancy is noticed.

Our Comments

SEBI has adopted the practice of enabling System Driven Disclosures in line with the Indian Government's motto of "Ease of Doing Business in India." Takeover Regulations were also amended earlier, doing away with manual filing for most of the transactions with effect from 1 April 2022. However, the Promoters are still required to file disclosures on reasons for encumbered shares manually to the stock exchanges. This amendment relating to the recording of encumbrances in the depository system will help SEBI streamline the capture and dissemination of the information related to 'encumbrances' and thus bring in more transparency.

Competition Act, 2002

MCA extends validity of exemption notification concerning certain combination

Recently, the Ministry of Corporate Affairs (MCA) has issued a notification dated 16 March 2022 extending the validity period of exemption granted to certain combinations (like mergers and acquisitions) from compliance rigor of the Competition Act, 2002 (such as giving notice of combination and seeking pre-approval of Commission on proposed combination).

The Competition Act, 2002 required that all merger and acquisition transactions wherein the cumulative value of assets/turnover of the parties jointly exceed the notified thresholds to seek pre-approval of the Competition Commission of India, unless expressly exempted.

Resultantly, even if a transaction that entails the acquisition or transfer of a comparatively small enterprise/ business may attract the Competition Commission of India (CCI) scrutiny if the acquirer's financials alone meet the notification thresholds.

Subsequently, it was considered that competitive concerns are unlikely to arise from transactions involving such small target enterprises. Accordingly, the MCA vide notification dated 27.03.2017 had granted an exemption to certain threshold transactions from the rigor of the Competition Act, 2002. This is popularly referred to as 'de minimis' exemption. As per said de minimis exemption, a transaction is exempt from the notification requirement under Competition Act, 2002 if the target (i.e., acquire or transferor company) has:

- assets in India of not more than INR 3.5 billion; or
- turnover in India of not more than INR 10 billion.

This notification was originally valid for five years, i.e., until 28 March 2022. Now through its notification dated 16 March 2022, the MCA has substituted the period of "five years" in the de minimis exemption with '10 years,' thereby extending the exemption benefit for a further period of five years,i.e., till 28 March 2027.

Our Comments

This extension of the de minimis exemption was eagerly awaited, and it was expected that the MCA would continue the relaxation as it is. This helps certain combinations that are not likely to have any impact on competition. This gives relief to such small-size combinations as they would not be subject to rigor of compliance which is costly and time-consuming. It is also in the interest of the CCI as their administrative time in dealing with notifications will be saved.

Tax Talk

Indian Developments

Direct Tax

Relaxation from the requirement of electronic filing of Form 3CF

[Circular No. 5/2022 dated 16 March 2022]

In light of the difficulties in filing Form 3CF, CBDT has provided the following relaxations under Section 119.

Taxpayers seeking approval under Section 35(1)(ii)/(iia)/(iii) of the Act may file the application in Form No. 3CF physically during the period from the date of issuance of this Circular till:

- 30 September 2022; or
- the date of availability of Form No. 3CF for electronic filing on the e-filing website.

whichever is earlier.

CBDT condones delay in filing of Form 10-IC for AY 2020-21

[Circular No. 6/2022 dated 17 March 2022]

In order to avoid genuine hardship to the domestic companies in exercising the option under Section 115BAA of the Act, the CBDT under Section 119(2)(b) of the Act has provided the below:

The delay in filing Form 10-IC as per Rule 21AE of the Rules for AY 2020-21 is condoned in cases where the following conditions are satisfied:

- The return of income for AY 2020-21 has been filed on or before the due date specified under Section 139(1) of the Act;
- The taxpayer has opted for taxation under Section 115BAA of the Act in the Form of Return of Income ITR-6 and
- Form 10-IC is filed electronically on or before 30 June 2022 or three months from the end of the month in which this Circular is issued, whichever is later.

Indirect Tax

Applicability of e-invoicing to specified taxpayers

[Notification No. 01/2022 - Central Tax dated 24 February 2022]

From 1 April 2022, e-invoicing would be applicable to all taxpayers having turnover above INR 200 million in a financial year. Accordingly, such taxpayers would be required to have Invoice Reference Number (IRN)/Quick Response (QR) code printed on their outward B2B and export invoices, credit and debit notes. However, the above requirement is not applicable to:

1. An insurer or a banking company, or a financial institution, including a non-banking financial company.
2. Goods Transport Agency.
3. Supplier of passenger transportation service.
4. Supplier of services by way of admission to the exhibition of cinematograph films on multiplex screens.

Power to adjudicate show cause notices to specified officers

[Notification No. 02/2022-Central Tax dated 11 March 2022 amending Notification No. 2/2022-Central Tax dated 19 June 2017]

The Additional Commissioners/Joint Commissioners of specified Central Tax Commissionerates have been empowered with pan India jurisdiction to adjudicate show cause notices issued by the officers of the Directorate General of Goods and Services Tax Intelligence (DGGI).

Proper officer for adjudication

[Circular No. 169/01/2022-GST dated 12 March 2022]

CBIC has clarified that officers of Audit Commissionerates and the DGGI shall exercise powers only to issue show cause notices. The notices so issued shall be adjudicated by the competent Central Tax officer of the executive Commissionerate in whose jurisdiction the noticee is registered.

In the case where the principal place of business of a noticee falls under the jurisdiction of multiple

Commissionerates or multiple notices have been issued on the same matter to different noticees, including the persons having the same PAN but different GSTINs having a place of business falling under the jurisdiction of multiple Central Tax Commissionerates, the Additional/ Joint Commissioner of Central Tax of specified Commissionerates have been empowered with all India jurisdiction to adjudicate such notices.

A proposal for appointment of common adjudicating authority may be sent to the Board in respect of show cause notices issued by the Audit Commissionerates and DGGI. Furthermore, the notices already issued by DGGI officers and where no adjudication order has been issued till date may be made answerable to the Additional/Joint Commissioners having all India jurisdiction by issuing corrigendum to such notices.

Standard Operating Procedure (SOP) for scrutiny of GST returns

[Instruction No. 02/2022-GST dated 22 March 2022]

The CBIC has issued a detailed SOP for initiating scrutiny of GST returns for FY 2017-18 and FY 2018-19 by the officers of Central GST. The SOP has been issued as an interim measure in order to ensure uniformity in - (i) selection/identification of returns for scrutiny, (ii) methodology of scrutiny of such returns, and (iii) other related procedures.

The indicative list of scrutiny parameters is summarized below for easy understanding:

Sr. No.	Source	Parameter to be Scrutinized
1.	Outward Tax Liability	1. Difference between the tax liability as per GSTR-1 vis-à-vis GSTR-3B. 2. Outward taxable value disclosed in GSTR-3B vis-à-vis amount reflected under TDS/TCS Table of GSTR-2A. 3. Tax liability disclosed in GSTR-3B vis-à-vis amount reflected in E-Way bill data.
2.	Tax Liability under RCM	RCM Liability paid to be verified with • Corresponding credit availment. • With corresponding entries reflected in GSTR-2A. • Cash payment in GSTR-3B.
3.	Credit availment and reversal	1. Credit passed through ISD vis-à-vis credit reflected in GSTR-2A. 2. Amount of credit availed in GSTR-3B (All other ITC/Import of goods) vis-à-vis amount reflected in relevant tables of GSTR-2A. 3. Claim of credit in respect of supplies from taxpayers whose registrations have been canceled retrospectively shall be ineligible. The effective date of cancellation of registrations of the suppliers, if any, is made available in the relevant tables of GSTR-2A. 4. Ineligible ITC availed in respect of invoices/debit notes issued by the suppliers who have not filed their GSTR-3B returns for the relevant tax period. 5. Credit not to be allowed if GSTR-3B of a tax period is filed after the last date of availment of ITC in respect of any invoice/debit note as per Section 16(4). 6. Whether the assessee has made reversals of ITC in accordance with provisions of Rule 42 and Rule 43 of the CGST Rules, if applicable.
4.	Interest and Late Fees	Whether the assessee has paid interest liability in terms of Section 50 or late fee in terms of Section 47 in respect of returns/statements.

Tax Talk

Global Developments

Direct Tax

OECD releases XML schemas to support the exchange of tax information on digital platform seller

[Excerpts from oecd.org, 29 March 2022]

The OECD has released the standardized IT-format to support the electronic reporting and automatic exchange of information collected under the OECD's Model Reporting Rules for Digital Platforms (OECD 2020). These Model Rules require digital platforms to report on the income realized by those offering accommodation, transport and personal services, as well as those selling goods, through the platforms and reporting the information to tax authorities.

The Model Reporting Rules for Digital Platforms were developed in light of the rapid growth of the digital economy and in response to calls for a global reporting framework in respect of activities being facilitated by such platforms, in particular in the sharing and gig economy. The activities facilitated by platforms may not always be visible to tax authorities or self-reported by taxpayers. At the same time, the platform economy also permits increased access to information by tax administrations, as it brings activities previously carried out in the informal cash economy onto digital platforms.

Bahrain and Romania deposit MLI ratification instruments

[Excerpts from oecd.org, 28 February 2022]

Bahrain and Romania have deposited their instrument of approval or ratification for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Convention or MLI), which now covers over 1800 bilateral tax treaties, thus underlining their strong commitment to preventing the abuse of tax treaties and BEPS by MNEs. For Bahrain and Romania, the Convention will enter into force on 1 June 2022.

On 1 February 2022, over 880 treaties concluded among the 70 jurisdictions which have ratified, accepted, or approved the Convention had already been modified by the Convention. An additional 940 treaties will be modified once the Convention has been ratified by all Signatories.

OECD releases public comments received on the draft rules for tax base determinations under Pillar One Amount A

[Excerpts from oecd.org, 3 March 2022]

On 18 February 2022, as part of the ongoing work of the OECD/G20 Inclusive Framework on BEPS to implement the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy, the OECD invited public comments on the Draft Rules for Tax Base Determinations under Pillar One Amount A to assist members in further refining and to finalize the relevant rules.

The OECD is grateful to the commentators for their input and now publishes the public comments received. The comments can be downloaded from the link provided. In the public comments, stakeholders have primarily suggested the elimination of the cap on restatement adjustments, elimination of book-to-tax adjustment with respect to policy disallowed expenses; recommended extension of a time period for carrying forward of losses and clarity on 'business continuity conditions' for carrying forward of transferred losses in case of eligible business combinations, etc.

Transfer Pricing

TP Compliances gaining prominence in the Middle East

The list of countries adopting TP regulations in the Middle East is getting elongated with Egypt, Saudi Arabia, Qatar, Jordan and now the UAE. In the past few months, these countries have taken steps to streamline their TP provisions by issuing clarifications/ FAQs and so on.

UAE - The UAE Ministry of Finance announced the implementation of a federal corporate tax regime, including TP Regulations, effective for financial years commencing on or after 1 June 2023. These TP rules are expected largely to be in line with the OECD Transfer Pricing guidelines, which would be mandatory and could also be applicable to domestic transactions.

Jordan - With the release of the TP rules in Jordan in June 2021, the Jordanian Income and Sales Tax Department recently introduced the transfer pricing compliance forms and templates in its official language. The various forms/ templates include the following:

(i) TP Disclosure Form(TPDF (Disclosure of the qualitative and quantitative information relating to related party transactions)

(ii) TP Reconcilement Form (Used while seeking department assistance for claiming corresponding transfer pricing adjustment)

(iii) Country-by-Country Notification Form (consists of five sections providing qualitative information about various entities in the multinational group)

(iv) Country-by-country Report (CbCR) Template – Broadly captures the list of constituent entities along with an overview of the allocation of income, taxes and business activities by tax jurisdictions

(v) Local File Template

(vi) Master File Template

The TP Disclosure and the country-by-country notification will be due on the date of filing of tax return (which shall be the fourth month following the end of the tax period), while the master file and local file will be due within 12 months from the end of the financial year concerned.

Setting up the right TP policy and maintaining appropriate documentation for the intercompany transactions would be of prime essence for MNEs in Middle East countries, including the UAE. It would be imperative for the MNEs to initiate high-level risk analysis and impact assessment for the intercompany arrangements before the implementation of the new regime.

Thailand: The Thai Revenue Department (TRD) launched the TPDF with additional explanations and Q&A relating to Country-by-country reporting and clarifications

The TRD provided updates on the notification process for Country-by-country reporting and clarifications as a part of Q&A. Some of the clarifications on issues included in the Q&A are outlined below:

- Joint Venture required to submit transfer pricing documentation: Applicable if the same falls in the related party definition and exceeds the revenue threshold.
- Dividend Payments: Dividend payments excluded from the TPDF.
- Reimbursements: Reimbursement without mark-up is not required to be disclosed in TPDF.
- Inter-company loan transaction for the purchase of assets from a third party: If assets are not ready for use, interest expense be included in 'Purchase' under the column of 'Purchase of Property, Plant and Equipment.'

It would be imperative for the taxpayers exceeding the threshold for filing the TPDF to review the new explanations and Q&As to be proactively prepared to mitigate risks relating to incorrect or incomplete information inclusions in the TPDF and avoid possible penalty exposure.

Indirect Tax

24 more items added to zero-rate VAT

[Excerpts from gulfnews.com]

The tax authorities of Oman have added 24 food items to the list of zero VAT products. The first article of the decision specifies that barley, corn, wheat, soybeans, as well as bird, poultry and animal feed shall be included.

Suspension of tax on gasoline

[Excerpts from USnews.com]

Following a bipartisan decision by the State lawmakers, the State of Connecticut will temporarily suspend its 25% per gallon excise tax on gasoline in an effort to alleviate pain at the pump for motorists. The gas tax will be suspended from 1 April 2022 to 30 June 2022.

Consultation on potential new Online Sales Tax

[Excerpts from mondaq.com]

The tax authorities around the world have been grappling with finding new ways to tax the digital economy. In this regard, the UK government has launched a consultation on a potential new Online Sales Tax (OST). The government wants to distinguish an OST as a long-term, focused action from other comparable types of taxation, such as the UK's own digital services tax (which taxes revenues generated by social media, search engines and online marketplaces).

Compliance Calendar

- Direct Tax
- Indirect Tax

7 April 2022

Payment Tax Collected in the month of March 2022.

10 April 2022

- GSTR-7 for the month of March 2022 to be filed by taxpayer liable for Tax Deducted at Source (TDS).
- GSTR-8 for the month of March 2022 to be filed by taxpayer liable for Tax Collected at Source (TCS).

11 April 2022

GSTR-1 to be filed by registered taxpayers for the month of March 2022 by all registered taxpayers not under QRMP scheme.

13 April 2022

- GSTR-6 for the month of March 2022 to be filed by Input Service Distributor (ISD).
- GSTR-1 for the quarter of January 2022 to March 2022 to be filed by all registered taxpayers under QRMP scheme.

14 April 2022

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

20 April 2022

- GSTR-5 for the month of March 2022 to be filed by Non-Resident Foreign Taxpayer.
- GSTR-5A for the month of March 2022 to be filed by Non-Resident service provider of Online Database Access and Retrieval (OIDAR) services.
- GSTR-3B for the month of March 2022 to be filed by all registered taxpayers not under QRMP scheme.

22 April 2022

GSTR-3B for the quarter of January 2022 to March 2022 to be filed by registered taxpayers under QRMP scheme and having principal place of business in Category 1 states.

24 April 2022

- GSTR-3B for the quarter of January 2022 to March 2022 to be filed by registered taxpayers under QRMP scheme and having principal place of business in Category 2 states.

30 April 2022

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB,194-IB,194-M in the month of March 2022.
- Payment Tax Deducted in the month of March 2022.
- Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period 1 October 2021 to 31 March 2022.
- Due date for uploading declarations received from recipients in Form 15G/15H during the quarter ending March 2022.

7 May 2022

Due date for deposit of Tax deducted/collected for the month of April 2022.

10 May 2022

- GSTR-7 for the month of April 2022 to be filed by taxpayer liable for Tax Deducted at Source (TDS).
- GSTR-8 for the month of April 2022 to be filed by taxpayer liable for Tax Collected at Source (TCS).

13 May 2022

- GSTR-6 for the month of April 2022 to be filed by ISD.
- Uploading B2B invoices using Invoice Furnishing Facility under QRMP scheme for the month of April 2022 by taxpayers with aggregate turnover of up to INR 50 million.

11 May 2022

- GSTR-1 to be filed by registered taxpayers for the month of April 2022 by all registered taxpayers not under QRMP scheme.

15 May 2022

- Due date for issue of TDS Certificate for tax deducted under Section 194-IA, 194-IB, 194-M in the month of April 2022.
- Due date for furnishing Quarterly statement of TCS deposited for the quarter ending 31 March 2022.

Category 1 states - Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep

Category 2 states - Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi

Events and Webinars

31 March 2022
UAE Corporate Tax & Transfer Pricing - Preparing and Strategizing
Organizer - Hadef Partners

30 March 2022
UAE VAT - Current policies and way ahead
Organizer - Bombay Chamber of Commerce & Industries
Sanjay Chhabria
https://youtu.be/zYT44PasSr4

29 March 2022
Recent amendments in Tax affecting Pharma and FMCG companies
Organizer - Taxsutra
Maulik Doshi
https://bit.ly/3v4bAPg
(Passcode: mV9*=Hq7)

11 March 2022
5th Annual Direct Tax Summit and Awards 2022
Organizer - Achromic point
Maulik Doshi
https://youtu.be/hvkzliAW0fk

10 March 2022
Virtual Training on Mergers & Acquisitions and Business Valuation
Organizer - Achromic point

9 March 2022
Recent tax changes/rulings which impact Pharma industry
Organizer - OPPI
Maulik Doshi

Events and Webinars

4 March 2022
5th Annual GST Summit and Awards- Conference & Awards
Organizer - Achromic point
Saket Patawari

2 March 2022
UAE Corporate Income Tax
Organizer - Taxsutra
Maulik Doshi
https://bit.ly/3xvtMUX
(Passcode: oL4B1nG!)

1 March 2022
Deciphering the GSTR-2B issues
Organizer - Nexdigm
Sanjay Chhabria

Insights

Alerts

MCA Extends Validity of Exemption Notification Concerning Certain Combinations

1 April 2022
https://bit.ly/3NJN5j0

Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act 2022 (Amnesty Scheme)

29 March 2022
https://bit.ly/3LMANV8

Standard Operating Procedure (SOP) for scrutiny of returns for FY 2017-18 and 2018-19

29 March 2022
https://bit.ly/3841Igt

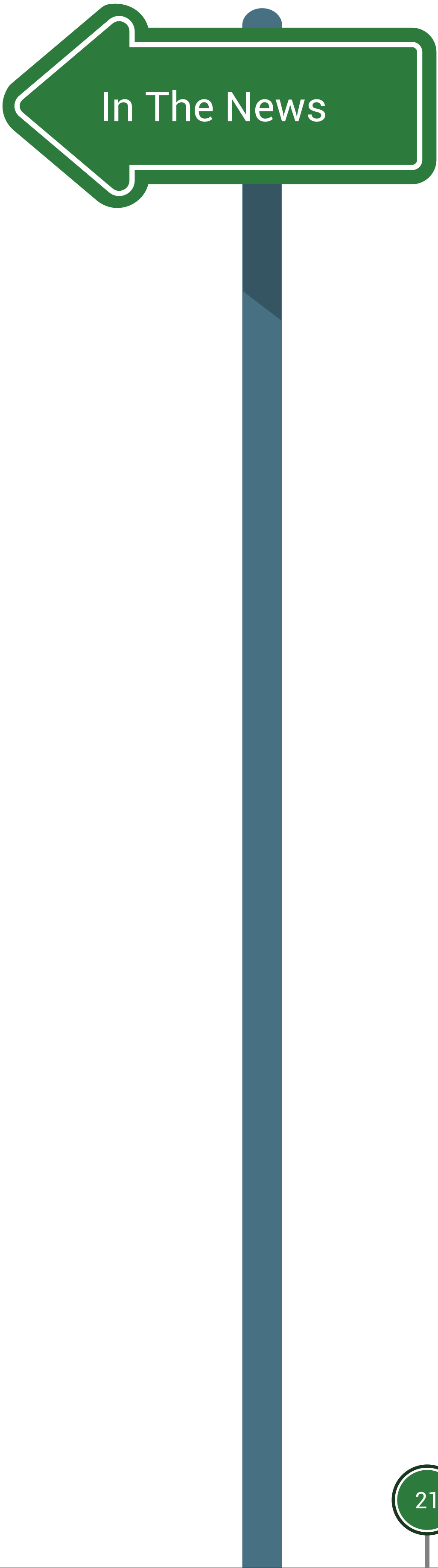
Key Amendments to Finance Bill 2022 at Enactment Stage

28 March 2022
https://bit.ly/3jJmnJz

Key Highlights of GST Notification and Clarification Circulars in February - 2022

11 March 2022
https://bit.ly/3CNm2yd

In the News



Expalined: How India's taxmen are chasing global PE funds for misusing tax treaties to evade capital gains tax

8 April 2022
Times of India
Maulik Doshi
https://bit.ly/3JusLhT

Zero-coupon bonds: Infra debt funds, NBFCs get nod

8 April 2022
Hindu Business Line
Maulik Doshi
Printed Edition

What is driving GST collections?

6 April 2022
Live Mint
Saket Patawari
https://bit.ly/3r701pk

About Nexdigm

Nexdigm is an employee-owned, privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise enables us to provide customized solutions for our clients.

We provide integrated, digitally driven solutions encompassing Business and Professional Services, that help companies navigate challenges across all stages of their life-cycle. Through our direct operations in the USA, Poland, UAE and India, we serve a diverse range of clients, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries.

Our multidisciplinary teams serve a wide range of industries, with a specific focus on healthcare, food processing, and banking and financial services. Over the last decade, we have built and leveraged capabilities across key global markets to provide transnational support to numerous clients.

From inception, our founders have propagated a culture that values professional standards and personalized service. An emphasis on collaboration and ethical conduct drives us to serve our clients with integrity while delivering high quality, innovative results. We act as partners to our clients, and take a proactive stance in understanding their needs and constraints, to provide integrated solutions. Quality at Nexdigm is of utmost importance, and we are ISO/ISE 27001 certified for information security and ISO 9001 certified for quality management.

We have been recognized over the years by global organizations, like the International Accounting Bulletin and Euro Money Publications.

Nexdigm resonates with our plunge into a new paradigm of business; it is our commitment to ***Think Next.***

USA Canada Poland UAE India Hong Kong Japan

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