

## Announcements

### GST

- It is informed that GSTN has developed a functionality to enable the taxpayer to explain the difference in GSTR-1 & 3B return online as directed by the GST Council. This feature is now live on the GST portal, which allows taxpayers to explain any differences between the GSTR-1 and 3B returns online.
- As per Notification No. 10/2023 - Central Tax dated 10th May 2023, the threshold for e-Invoicing for B2B transactions has been lowered from 10 crores to 5 crores. This change will be applicable from 1st August 2023.
- The E-Invoice Verifier App developed by GSTN, has been introduced which offers a convenient solution for verifying e-Invoices and other related details.

### MCA

- Stakeholders are informed that Beta Version of Master Data Services in V-3 (for Testing purposes Only; not to be used for any statutory and legal purpose) had been launched on 09/07/2023. Existing V-2 Master Data Services shall remain available for the stakeholders.

## Due dates

### GST

10 Aug, 2023	<ul style="list-style-type: none"><li>• GSTR 7</li><li>• GSTR 8</li></ul>
11 Aug, 2023	<ul style="list-style-type: none"><li>• GSTR 1[Monthly]</li></ul>
13 Aug, 2023	<ul style="list-style-type: none"><li>• GSTR 1[Quarterly]</li></ul>
20 Aug, 2023	<ul style="list-style-type: none"><li>• GSTR 3B[Monthly]</li></ul>
22 Aug, 2023	<ul style="list-style-type: none"><li>• GSTR 3B[Quarterly] - X category states</li></ul>
24 Aug, 2023	<ul style="list-style-type: none"><li>• GSTR 3B[Quarterly] - Y category states</li></ul>

### Labour Law

15 Aug, 2023	<ul style="list-style-type: none"><li>• ESI Deposit</li><li>• PF Deposit</li></ul>
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### Income Tax

7 Aug, 2023	<ul style="list-style-type: none"><li>• Due date for deposit of Tax deducted/collected for the month of July, 2023</li></ul>
14 Aug, 2023	<ul style="list-style-type: none"><li>• Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194-M, 194-S in the month of June, 2023</li></ul>
15 Aug, 2023	<ul style="list-style-type: none"><li>• Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of July, 2023 has been paid without the production of a challan</li><li>• Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of July, 2023</li><li>• Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2023</li></ul>
30 Aug, 2023	<ul style="list-style-type: none"><li>• Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194-M, 194-S for the month of July, 2023</li></ul>
31 Aug, 2023	<ul style="list-style-type: none"><li>• Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on October 31, 2023)</li><li>• Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) (if the assessee is required to submit return of income on October 31, 2023)</li></ul>

## CRUSHING THE WINGS OF INNOVATION: UNVEILING THE IMPACT OF ANGEL TAX ON INDIAN STARTUPS

In the midst of ongoing funding winter, start-ups have been thrown another curveball in the Budget 23-24, which had proposed to extend "angel tax" to non-resident investors. In an effort to foster the startup ecosystem in India, the government has introduced new tax regulations that offer angel tax exemptions. These initiatives are designed to create a favourable regulatory climate and promote entrepreneurship while also incentivizing angel investors to participate in the ecosystem.

### Understanding Angel Taxation: a brief overview

In order to run a fledgling business, securing financial resources is crucial. Startups often pursue investments in return for ownership shares since they lack concrete assets that can be used as collateral. When a startup faces challenges in establishing its presence in the market, an angel investor can provide financial backing.

Section 56 (2) (viib) of the Income Tax Act of 1961 addresses the concept of angel tax. As per the Finance Act of 2012, this provision states that any startup (referring to unlisted companies without shares available for public trading) receiving funding from an angel investor is required to contribute a specific amount to the government.

However, angel tax is applicable when the total investment amount surpasses the Fair Market Value (FMV) of the company. Investments exceeding the FMV are categorized as "income from other sources," and the tax imposed on such investments is referred to as angel tax.

It was introduced in 2012 by the UPA government with the aim of detecting money laundering practices and identifying fraudulent startups. Initially, the angel taxation provisions only applied to investors who were residents, but subsequently, they were expanded to include non-resident investors too.

### Angel Tax Exemption- Impact on Indian Start-ups

In a significant development for the Indian startup ecosystem, the Central Board of Direct Taxes (CBDT) has recently announced that investments in startups from 21 specific nations will be exempted from angel tax. This new measure is expected to simplify the process of raising capital for startups, enabling them to attract investments more easily from angel investors. The list, however, excludes investment from countries like Singapore, Netherlands and Mauritius.

Despite startups and investors have been granted tax exemptions, the concept of angel tax has encountered significant criticism and opposition. Angel Tax compels startups to lose a sizeable piece of their hard-earned investment to tax, impeding their growth prospects and undermining their resilience. Furthermore, the taxation regulations in India exacerbate the situation by granting preferential treatment to startups recognized by the Department for Promotion of Industry and Internal Trade (DPIIT) of the Government of India, creating a discriminatory environment for other startups. This distinction imposes additional compliance costs on non-recognized startups, adding to their burdens.

In conclusion, the implications of angel taxation will have a direct impact on the foreign direct investment climate in India, posing a significant setback to the inflow of favourable capital into the startup ecosystem. To safeguard against potential tax losses, foreign investors may demand startups to reorganize their holdings outside of India. With global growth losing momentum, investors worldwide are increasingly turning their attention to India as a promising investment destination. In light of this, it is crucial for the Government of India to acknowledge this trend and undertake a thorough evaluation of its vision for driving the economic growth that India requires.

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