



# STBA BULLETIN



MEMBER'S MONTHLY E-NEWSLETTER  
SILIGURI TAXATION BAR ASSOCIATION

**JULY'23**

Happy  
*Monsoon*



**GREAT IDEAS HAVE THE POWER TO SHIFT PERCEPTION TO  
CREATE VALUE WHERE IT DIDN'T EXIST BEFORE**

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### Vice-President

CA Arbind Singhal  
Biswajit Roy, Advocate

### General Secretary

Vinit Agarwal, Advocate

### Asst. Secretary

Rakesh Mishra, Advocate

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Mukesh Nimani, Advocate  
Dipanjan Chanda, Advocate  
Amit Paul, Advocate  
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Biplab Burman, Advocate  
Arvind Agarwal, Advocate  
Uday Kant Pathak, Advocate  
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### Editor & Newsletter Committee Chairman

CA Manish Agarwal  
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## Disclaimer

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## OUR OFFICES:

- ➔ 2<sup>nd</sup> Floor, Central Revenue Building, Haren Mukherjee Road, Hakimpara, Siliguri – 734001
- ➔ Aaykar Bhawan, Ground Floor, Matigara – 734010
- ➔ SGST Office, Directorate of Commercial Taxes, Paribhan Nagar, Matigara 734010

## REACH US AT:

Website: [www.siliguritaxationbar.org](http://www.siliguritaxationbar.org)

Email: [stbaslg@gmail.com](mailto:stbaslg@gmail.com)

President – CA Sanjeev Agarwal – 98320 61298

Secretary – Adv Vinit Agarwal – 98320 65666

Staff - Mr Mritunjoy Dhar – 89183 95245



Dear Learned members,

I hope this communication finds you all in good health and high spirits. I am writing to express my deepest gratitude for the honor and privilege of being appointed as the President of our esteemed organization. It is with great enthusiasm and a profound sense of responsibility that I accept this role, and I am genuinely humbled by the trust and confidence you have placed in me.

First and foremost, I would like to extend my heartfelt appreciation to the entire Siliguri Taxation Bar Association family. I am truly grateful to each and every member for their unwavering support, encouragement, and contributions, which have undoubtedly played a crucial role in my journey towards this leadership position. Your hard work, dedication, and commitment to our shared vision have been instrumental in making our organization what it is today.

I am particularly grateful to all the Past Presidents, for their exceptional leadership and guidance throughout their tenure. Their vision, strategic thinking, and tireless efforts have paved the way for our organization's growth and success. I express my sincere gratitude for their valuable contributions, and I hope to continue building upon the solid foundation they have laid.

I firmly believe that our organization's success is rooted in the synergy and collaboration of all its members. As we embark on this new chapter together, I am excited to work with each one of you and embrace new challenges and opportunities. I am confident that, through our collective efforts, we will continue to achieve new heights and make a positive impact on the lives of our stakeholders and the communities we serve.

Once again, I express my heartfelt gratitude to everyone for entrusting me with the responsibility of leading this exceptional organization. I am both honored and excited about the journey ahead, and I look forward to working hand in hand with all of you to build a brighter future for Siliguri Taxation Bar Association.

Please feel free to reach out to me at any time, as my door is always open. Let us celebrate our achievements and embark on this new chapter together, united in our mission.

Further, I would request each one of you to provide articles of professional interest for our e-newsletter.

Warmest regards,

CA Sanjeev Agarwal  
President  
Siliguri Taxation Bar Association



## MESSAGE FROM THE SECRETARY



Dear Members,

I am happy and immensely grateful to you for granting me the opportunity to serve our esteemed Association as the General Secretary. I solemnly pledge to provide my best effort in holding our flag high. My aim is to follow the tradition set by our seniors and to improve academic activities of the members of Siliguri Taxation Bar Association.

At the outset I send my greetings to the Editorial Board of STBA Term 2023-2024, for working on a Magazine best in all aspects. We want to provide a complete package of educational services to the members of Siliguri Taxation Bar Association (STBA). I believe this magazine will provide us the benchmark for continued improvement in overall development of the members. This magazine should be a good source of guidance for members and upcoming new members in building their careers in the subject of taxation and other related matters. I appreciate the efforts of Editorial team for taking the initiative of monthly newsletter.

Under the leadership of our President, CA Sanjeev Agarwal and under the guidance of our senior members, we will deliver the best services to the members. Our strong team of the Executive Committee is working constantly to improve our Association and your support is our motivation.

I need unwavering support and creative feedback from all our respected members along with guidance from my seniors for our Association to scale new peaks in coming years.

Long live our Association

Regards,

Vinit Agarwal, Advocate  
Secretary  
Siliguri Taxation Bar Association

### SCAN & PAY YOUR ANNUAL MEMBERSHIP FEE

Members are requested to remit their annual membership fee by:

- Scanning the QR code
- UPI: boism-8918395245@boi
- NEFT to: Bank of India, BKID0004291, 429110100001248
- Cheque in favour of Siliguri Taxation Bar Association
- Cash against money receipt to Mr Mritunjoy Dhar – 89183 95245



Connect with Treasurer, CA Rahul Agarwal, # 9832355580 for any queries.



Dear Readers,

Greetings from the editorial team of the STBA Newsletter! We hope this message finds you well and that you will enjoy the valuable insights and updates we will provide on taxation & other matters.

This year President & Executive Committee of the association has blessed me with the responsibility of the Newsletter Committee. I sincerely accept the same and want to assure that entire team of committee shall dedicatedly put the hard work to ensure best knowledge to share. My heartiest congratulations to the new team of Executive Committee for holding the baton and I wish them all the very best. As we continue to navigate the ever-changing landscape of tax laws and regulations, it is our utmost priority to keep you informed and equipped with the latest knowledge to help you make informed decisions.

Taxation is a complex and dynamic field, with frequent updates, amendments, and interpretations. Our team of experts works diligently to stay abreast of these changes and distill them into practical, digestible information for our readers. We aim to cover a wide range of topics, including income tax, GST, Corporate Matters, Finance, Accounting & Audit, among others, to cater to the diverse needs of our readership.

We understand that each one of you has unique circumstances and requirements when it comes to taxation & related laws. While we endeavor to provide accurate and up-to-date information, we must emphasize that our newsletter should not be considered a substitute for professional advice. It is essential to refer to relevant laws or seek guidance from relevant authorities to address your specific concerns.

July is the month of Income Tax and our members would be busy in filing returns of their clients. Members may get in touch with our Income Tax Study Group for any technical assistance in this regard. Further, our Income Tax Study Group had already submitted a memorandum to the Honorable Finance Minister & Central Board of Direct Taxes for extension of due dates for filing of Income Tax returns.

I request our members to please come forward and contribute your valuable insight by way of articles on various topics and areas related to our profession.

Members can also send case studies on cases relating to Income Tax, GST & other areas, where they themselves attended before the appellate authorities. Case study may be submitted with fact of the case, grounds appealed for and outcome of the case. This would help our fellow members in enriching their practical knowledge.

Any suggestions, queries or articles on any matter may be mailed to us at [manishslg@icai.org](mailto:manishslg@icai.org). Thank you for being a part of our community. We look forward to bringing you more informative content in the coming months.

With warm Regards

CA. Manish Agarwal  
Editor & Chairman – Newsletter Committee  
Siliguri Taxation Bar Association

## STBA Team for tenure 2023-2024

1. President :	CA Sanjeev Agarwal	9832061298
2. Vice-President :	CA Arbind Singhal	7001842965
3. Vice President	Biswajit Roy, Advocate	8670388890
4. General Secretary	Vinit Agarwal, Advocate	9832065666
5. Asst.Secretary	Rakesh Mishra, Advocate	9832521861
6. Treasurer	CA Rahul Agarwal	9832355580
7. <b>Executive Committee:</b>		
a) Mukesh Nimani, Advocate		9434019728
b) Dipanjan Chanda, Advocate		9434327133
c) Amit Paul, Advocate		7908222985
d) CA Manish Sarawgi		9832036953
e) Biplab Burman, Advocate		9434187473
f) Arvind Agarwal, Advocate		9832356222
g) Uday Kant Pathak, Advocate		8617688267
h) MD S.K.Sajjad, Advocate		9563724969
i) Swagata Bhattarcharjee, Advocate		9434384947
8. IPP : Kalyan Saha, Advocate		9434143511
9. IPS : CA Sanjay Das		9775977558
10. <b>Past Presidents:</b>		
a) Santa Mitra, Advocate		9832011565
b) Ashok Goyal, Advocate		9832038110
11. Co-opted above 15 years	CA Manish Goyal	9832062449
	Sanjib Chakraborty, Advocate	8918564872
12. IT Study Group	Partha Pratim Saha, Advocate – Chairman	9832060520
13. GST Study Group	CA Amit Agarwal – Chairman	9733346665
	CA Aditya Kr Maheswari –Advisor	9733044550
14. Land Committee	Kamal Agarwal, Advocate - Chairman	9474390906

**STBA Team for tenure 2023-2024**

15. Library Committee	Samar Das, Advocate	9832090345
E-Journal	CA Manish Agarwal	9733328000
Website	Arvind Agarwal, Advocate	9832356222
16. Constitution Byelaws	D.K Agarwal, Advocate	7908980690
17. Sports	Sougota Banerjee, Advocate	9434066720
	CA Gaurav Sharma	9832023322
18. Picnic	Rajiv Mukherjee, Advocate	9933470044
19. Cultural	Kunal Pal, Advocate	9832031255
	Suparna Burman, Advocate	9832033456
20. Women Empowerment	Luna Pradhan, Advocate	9832512026
	Soma Pal, Advocate	9434426546
21. Medical Task force	Ramesh Jhavar, Advocate	9434064678
	Anjan Kahali, Advocate	9434045006
22. Educational Tour	Deepak Saha, Advocate	9434067000
23. Auditor	CA Atul Krishna Agarwal	9593854151
24. Advisory Committee	CA G.S. Hora	9434007328
	Gajanand Agarwala, Advocate	9434013203
	CA Gopal Chaudhary	9832021115
	Sujit Basu, Advocate	9800883008
	Sujit Raha, Advocate	9434012404
	CA Mahesh Agarwal	9434011111
	Anup Bhattacharya, Advocate	9434062211

**Siliguri Taxation Bar Mutual Welfare Organization Team for 2023-2024**

1. President	:	CA Sanjeev Agarwal	9832061298
2. Vice President	:	Bhibhuti Thakur, Advocate	9434743394
3. General Secretary	:	Vinit Agarwal, Advocate	9832065666
4. Treasurer	:	CA Rahul Agarwal	9832355580
5. Executive Members	:	Promod Garg, Advocate	9434087787
		Manas Dhar, Advocate	9434811612
		Uma Shankar Prasad, Advocate	9434166657

## Understanding Transactional Net Margin Method in Transfer Pricing

The Indian Transfer Pricing Regulations (i.e. Section 92C of the Income-tax Act, 1961 read with Rule 10B of the Income-tax Rules, 1962) as well as the OECD Transfer Pricing Guidelines provide the following 5 common transfer pricing methods for evaluating the related party transactions undertaken between entities:

1. **Comparable Uncontrolled Price (CUP) Method** – The CUP method compares the prices of products or services in a controlled transaction (related party transaction) with those of an uncontrolled transaction (between unrelated parties). The method mandatorily requires that other conditions be the same for the controlled and uncontrolled transaction, so that accurate comparison of prices may be made.
2. **Resale Price Method (RPM)** – The RPM uses the selling price of a product or service, otherwise known as the resale price. This number is then reduced with a gross margin, determined by comparing the gross margins in comparable transactions made by similar but unrelated organizations.
3. **Cost Plus Method (CPM)** – The CPM uses the gross profits of companies to the overall cost of goods sold to analyse the arm's length nature of related vis-à-vis unrelated transactions.
4. **Profit Split Method (PSM)** – When transactions are highly complex such that they cannot be dissected and evaluated separately, PSM is applied by taking into account the activities and contributions of entities in a given value chain.
5. **Transactional Net Margin Method (TNMM)** – TNMM is the most common method that is used for determining the arm's length nature of transactions. It compares the operating/ net margins of companies to analyse if the related party transactions have been undertaken on an arm's length basis.

Additionally, the Income-tax Rules specify that a sixth method i.e. "Other Method" can be applied when no other method can be reasonably applied to evaluate related party transactions.

In this article, we are going to see how the TNMM is applied. Specifically, in the Indian context, TNMM is used as well as accepted by nearly all tax authorities and is the most common method for determining whether a transaction is at arm's length.

As its name suggests, TNMM compares the net operating profit margin of a company vis-à-vis comparable companies. One strength of TNMM is that comparable companies can be selected from a broad range of criteria. For instance, comparable companies can be chosen from the same industry, undertaking similar functions, selling the same products or services etc. This inherent strength of the method makes it easy to find comparable companies and reasonably determine the arm's length nature of related as well as unrelated transactions.

**Step 1: Conducting Functions, Assets & Risks Analysis (FAR)** The foremost step in conducting ant transfer pricing analysis including TNMM analysis is understanding the functions performed, assets used and risk assumed (commonly known as FAR analysis) by the parties relevant to the transaction. For this, one should take an in-depth understanding of the activities that are undertaken by the parties involved in the transaction. For instance, if ABC Inc. undertakes a transaction of availing payroll services from its subsidiary in India namely, ABC Ltd., the activities performed by ABC Inc. and ABC Ltd. in relation to the transaction of payroll services should be understood very carefully.



**Step 2:** Find out the tested party Once we have conducted the FAR analysis, the second step is to find out who the tested party is. As per the OECD guidelines as well as the Indian transfer pricing guidelines, the entity that has the least complex activities should be taken as the tested party. For instance, ABC Inc. is an IT company based out of US and ABC Ltd. is its subsidiary in India providing renders routine back-end services to the ABC Inc. without any value addition. In this example, ABC Ltd. would be the less complex entity since its activities are least complex in nature. Hence, ABC Ltd. would be he tested party in this case.

**Step 3:** Find out the Profit Level Indicator (PLI) Next step is to determine the appropriate PLI. PLI is the ratio of net operating profit relative to a base, such as “costs,” “sales” or “assets.” Depending on the kind of company we are dealing with the PLI is chosen. For example, total costs or operational costs may be appropriate for the rendering of services or manufacturing activity, while the operating assets may be an adequate base for the activities requiring much capital, such as certain manufacturing activities or specific infrastructural services.

**Step 4:** Conducting benchmarking using public databases once the tested party and PLI is finalized, a benchmarking study is done in which companies similar to the tested party are searched and their operating net margins are calculated. For this, public database containing financial and qualitative information about Indian companies are accessed. Some of the common databases used in India and well as Income-tax officers include Prowess, Capitoline, AceTP etc.

A proper search strategy is developed wherein all the quantitative metrics are defined. According to the search strategy companies are extracted which are the evaluated on qualitative parameters one by one. Finally, the companies that pass both the financial and qualitative parameters form part of the final set of comparable companies.

The operating net margins with the relevant base chosen in step 3 are calculated for the said companies and then compared with the margins of the tested party. If the margins of the comparable companies are in line with the margins of the tested party, the related party transactions undertaken by the tested party are considered to be at arm’s length.

Needless to mention, benchmarking using TNMM is a very subjective exercise. What may be a comparable company for one may not be a comparable company for someone else. This is exactly why there is so much litigation around the correct comparability criteria and the comparable companies adopted by companies to benchmark its margins. It is not new to see transfer pricing officers creating their own search strategy and making a set of comparable companies that have higher margins leading to addition to taxable income. Hence, the exercise should be conducted with utmost care.

CA Nirupama is a Chartered Accountant by profession & member of STBA. She has more than seven years of post-qualification experience as a Chartered Accountant. Commencing with International Taxation and Audit, later she has specialized in the field of Transfer Pricing. Currently, she is the partner of APDB and Co. in Siliguri. She can be reached at:

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**Mobile:** 7827574598  
**ICAI Membership No:** 543978



## Compliance Calendar for July 2023

Due dates in July 2023	Form to be filed	Period	Nature of Compliance
7	Challan No.281	Jun-23	Payment of Income Tax TCS collected in June 2023
7	Challan No.281	Jun-23	Payment of Income Tax TDS deducted in June 2023
10	GSTR 7	Jun-23	GSTR-7-Monthly Return by Tax Deductors for June 2023
10	GSTR 8	Jun-23	GSTR-8-Monthly Return by E-Commerce operators for June 2023
11	GSTR 1	Jun-23	Taxpayers having an aggregate turnover of more than Rs. 5 Crores or opted to file Monthly Return
13	GSTR 6	Jun-23	GSTR-6-Monthly Return of Input Service Distributor for June 2023
13	GSTR 1	Apr-Jun 2023	GSTR-1-Quarterly return of Outward Supplies for Apr-Jun for person who opted for QRMP Scheme
13	GSTR 5	Jun-23	GSTR 5 Return for Non-Resident Taxable Person for the month of Jun 2023
15	ESI Challan	Jun-23	ESI payment for June 2023
15	ECR	Jun-23	E-payment of Provident Fund for June 2023
15	FLA Return	FY 2022-23	Annual return on Foreign Liabilities and Assets is required to be submitted by all the India resident companies which have received FDI and/ or made overseas investment in any of the previous year(s), including current year
18	CMP-08	Apr-Jun 2023	GST CMP-08 Quarterly statement-cum-challan filed by a composition dealer for quarter ended Apr-Jun 23
20	GSTR 3B	Jun-23	GSTR 3B Summary of Outward and Inward Supplies for the payment of Tax
20	GSTR 5A	Jun-23	GSTR 5A Return for Non-Resident Taxable Person for the month of Jun 2023
21	PTAX	Jun-23	Professional tax payment for June 2023 in WB
24	GSTR 3B	Jun-23	GSTR 3B Summary of Quarterly Outward and Inward Supplies for the payment of Tax for the quarter ended Apr-Jun 2023 for person who opted for QRMP Scheme in WB
30	Challan	Jun-23	Last date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of June 2023.
31	ITR	FY 2022-23	Return of income tax for the assessment year 2023-24 for non audit cases
31	DPT-3	FY 2022-23	E-Form DPT -3 Return of Deposits under Companies Act,2013
31	Form 24Q	Apr-Jun 2023	TDS return for April - June 2023 for Form 24Q

### Programs of STBA in July 2023 (Tentative)

- Social Visit to Bhimbar Snehashram Dristihin Vidyalay on 1<sup>st</sup> July 2023
- Seminar on Income Tax on 7<sup>th</sup> July 2023
- STBMWO & STBA Executive Committee Meeting on 15<sup>th</sup> July 2023

### **BECOME A MEMBER OF Siliguri Taxation Bar Association**

**Features:**

- Open for Lawyers, Advocates, CA, CS, CMA & Tax Practitioners
- One time Admission Fee Rs 3,000/-
- Annual membership Fee Rs 2,000/-
- Regular Seminars, Study Circles & Conferences
- Updates on Income Tax, GST & other laws
- Networking with pool of other professionals

Visit our website for Admission form & more details

[www.siliguritaxationbar.org](http://www.siliguritaxationbar.org)

**Get in touch with**

Treasurer – CA Rahul Agarwal 98323 55580

Staff - Mr Mritunjoy Dhar – 89183 95245

### **BECOME A MEMBER OF Siliguri Taxation Bar Mutual Welfare Organization**

**Features:**

- Open for members of STBA
- Term Insurance cover of Rs 5 Lacs
- Premium One time Rs 5,000/-
- Premium Yearly Rs 3,000/-

**Members are requested to remit their premium by:**

- Scanning the QR code
- UPI: MAB.037133000352513@AXISBANK
- RTGS / NEFT to: Axis Bank Ltd., UTIB0000035, 919010020911520
- Cheque in favour of Siliguri Taxation Bar Mutual Welfare Organization
- Cash against money receipt to Mr Mritunjoy Dhar – 89183 95245

**For details connect with:**

Vice President, STBMWO, Adv Bibhuti Kumar Thakur, # 94347 43394

Treasurer, CA Rahul Agarwal, # 98323 55580

Office Staff, Mr Mritunjoy Dhar , # 89183 95245

PROGRAMS HELD IN THE MONTH OF JUNE 2023

Glimpses of Biennial General Meeting of STBA & STBWO on 24<sup>th</sup> June 2023



**जनपथ समाचार**

**संजीव अग्रवाल बने सिलीगुड़ी टैक्सेशन बार एसोसिएशन के अध्यक्ष**

सिलीगुड़ी (विश्व संवाददाता)। सिलीगुड़ी टैक्सेशन बार एसोसिएशन की 24<sup>वें</sup> वार्षिक बैठक में संजीव अग्रवाल को अध्यक्ष के रूप में चुना गया। इस अवसर पर संजीव अग्रवाल को अध्यक्ष के रूप में चुना गया। इस अवसर पर संजीव अग्रवाल को अध्यक्ष के रूप में चुना गया।

**अभियान में नशीले पदार्थ के साथ दो युवक गिरफ्तार**

सिलीगुड़ी (विश्व संवाददाता)। सिलीगुड़ी में नशीले पदार्थ के साथ दो युवक गिरफ्तार किए गए।

**संजीव अध्यक्ष, सचिव विनित और राहुल बने कोषाध्यक्ष**

संजीव अग्रवाल, सचिव विनित और कोषाध्यक्ष राहुल ने अपने कार्यभार संभाले।

**Regular Abdominal Pain is a major symptom of Irritable Bowel Syndrome (IBS)**

Charnock HOSPITAL