

Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX

1. *Businesses need not deduct TDS on share/commodity purchases via exchanges*

With effect from July 1, 2021, the income tax department has introduced a provision relating to Tax Deducted at Source (TDS) which would be applicable to businesses with turnover of over Rs 10 crore. Such businesses while making any payments for purchase of goods exceeding Rs 50 lakh in a financial year to a resident would be required to deduct a 0.1% TDS. However, this provision would not be applicable on share or commodity transactions done through stock exchanges, the Central Board of Direct Taxes (CBDT) has confirmed.

INCOME TAX

2. *CBDT grants further relaxation in electronic filing of Income Tax Forms 15CA/15CB*

As per the Income-tax Act, 1961, there is a requirement to furnish Form 15CA/15CB electronically. Presently, taxpayers upload the Form 15CA, along with the Chartered Accountant Certificate in Form 15CB, wherever applicable, on the e-filing portal, before submitting the copy to the authorised dealer for any foreign remittance. It has now been decided to extend the date to August 15, 2021. A facility will be provided on the new e-filing portal to upload these forms at a later date for the purpose of generation of the Document Identification Number

INCOME TAX

3. *Taxpayers can now file their ITR at nearby post offices*

India Post is now offering an option to deposit income tax returns (ITR) at nearest post office Common Services Centers (CSC) counters. Now no need to travel far to file your income tax returns and you can easily access income tax return services at your nearest post office CSC counter.

GST

1. Government tenders to attract GST, deemed a service

The government's tendering process is all set to come under the goods and services tax (GST) umbrella after a tax ruling has said it constitutes supply of services. In a recent ruling Maharashtra Authority for Advance Ruling (AAR) said any tendering should attract GST on the processing fee and that 18% GST should apply wherever such forms are bought online or offline.

COMPANIES ACT

1. Relief to small companies: Relaxations in compliance with accounting standards

The government, in continuation of its theme as regards ease of doing business, has increased the limits for classification as Small & Medium Sized (SMC) companies. The objective is to reduce the compliance burden and the time required to prepare the financial statements. As a result of recent notification, a significant number of companies would be covered in the definition of the SMC companies. These amendments follow the recent changes made by the government to the Micro, Small and Medium Enterprises Development Act, 2006 wherein the upper cap of turnover for the purpose of registration was enhanced for micro, small and medium enterprises. As per the new rules, for the purpose of categorization as a SMC, the upper cap for annual turnover has been increased to Rs 250 crores from Rs 50 crores and upper cap for borrowings has been increased to Rs 50 crores from Rs 10 crores.

FEMA/RBI Regulations

1. Due date extended for FLA

The Reserve Bank of India has extended the due date for filing FLA (Foreign Liabilities and Assets) Return for the FY 2020-21 upto July 31, 2021. The due date was July 15, 2021.

CASE LAWS - INCOME TAX

1. *Supreme Court on evidential value of WhatsApp msg.*

The apex court has held that messages exchanged on social media platform WhatsApp have no evidential value and the author of such WhatsApp messages cannot be tied to them, especially in business partnerships governed by agreements. It was further held that anything can be created and deleted on social media these days.

CASE LAWS - INCOME TAX

2. *ITO v. M/S Star Consortium*

The Kolkata ITAT dismissed an appeal filed by the Revenue Department and held that the Assessing Officer cannot make additions merely by relying on information available in TDS Certificate i.e. Form 26AS on account of mismatch of amounts between Form 26AS and the turnover shown by the assessee in its P&L account

CASE LAWS - INCOME TAX

3. *Balraj Hire Purchase (P.) Ltd. Vs. National Faceless Assessment Centre.*

The Delhi High Court has held that assessee has a statutory right to personal hearing under section 144B(7)(vii) and failure to grant a personal hearing had vitiated impugned assessment order and thus impugned assessment order was to be set aside.

CASE LAWS - GST

1. *Greenwood Owners Association Vs Union of India*

The Madras High Court has pronounced that RWAs (Resident Welfare Associations)/ Societies to pay GST on member's monthly contribution exceeding Rs 7,500/- only.

CASE LAWS - GST

2. *CESTAT confirms service tax demand in the hands of a VCF trust*

The Bangalore bench of the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) has confirmed service tax demand in the hands of the Venture Capital Funds (VCFs) (Appellants/ Trusts/ Funds). The ruling pronounced that VCFs manage investor money and such activity is a taxable service. Accordingly, the CESTAT held that VCFs are liable to pay service tax for the aforesaid service provided to the investors. The service tax demand is confirmed on (i) the portion of earnings that are retained by debiting expense from the value of the investments made in the VCFs, and (ii) the distribution of carried interest to a specified class of unit holders.

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