

Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX

1. *The Taxation Laws (Amendment) Bill, 2021*

The Taxation Laws (Amendment) Bill, 2021 has received the assent of the President on Aug 13, 2021, which has revoked the retrospective applicability of the amendments made in Section 9 by the Finance Act, 2012. Accordingly, all pending assessments shall be deemed to have been concluded without additions for such income. The demand raised in concluded assessments or rectification orders for indirect transfer of Indian assets made before May 28, 2012 shall be nullified on the fulfillment of specified conditions.

INCOME TAX

2. *Contact to register grievances*

The income tax department has launched 3 official email IDs for taxpayers to register grievances under the faceless or e-assessment scheme.

- For faceless assessments: samadhan.faceless.assessment@incometax.gov.in;
- For faceless penalty: samadhan.faceless.penalty@incometax.gov.in;
- For faceless appeals: samadhan.faceless.appeal@incometax.gov.in

INCOME TAX

3. *CBDT prescribes formula-based mechanism to avail MAT relief for taxpayers subject to double tax due to APA/ secondary adjustment*

To provide relief to the taxpayers affected due to the outcome of the Advance Pricing Agreement (APA) and Secondary Adjustment, the Finance Act, 2021 has inserted a new subsection (2D) to Section 115JB, for re-computation of book profit of past years and tax payable thereon.

Now the CBDT has notified new Rule 10RB to the Income-tax Rules, 1962 prescribing manner for computation of relief in tax payable under section 115JB(1).

The assessee shall be required to make an application in Form 3CEEA electronically to claim relief under section 115JB(2D). The tax credit allowed to the assessee u/s 115JAA shall be reduced by the amount which is equal to the amount of reduction that has been allowed under this rule.

GST

1. *Advisory for blocking (EWB) generation facility resumes*

The government has now decided to resume the blocking of EWB (E-Way Bill) generation facility on the EWB portal (which was temporarily suspended due to pandemic), for all the taxpayers, from August 15, 2021, onwards. Thus, now the System will check the status of returns filed in Form GSTR-3B or the statements filed in Form GST CMP-08, and restrict the generation of EWB in case of:

- Non filing of two or more returns, Form GSTR-3B for the months up to June, 2021 and
- Non filing of two or more statements in Form GST CMP-08 for the quarters up to April to June, 2021

FEMA/ RBI REGULATIONS

1. *Draft Rules and Regulations governing Overseas Investments by PRI*

The current regulatory framework for overseas investments was issued by the RBI, in the year 2004 and since then, business globally have undergone a complete change in the way they operate. Keeping in mind the evolving mode of operations of businesses and to rationalise the regulatory regime, the RBI has decided to revamp the current regulation on overseas investment and acquisition of immovable property outside India. There are a host of changes proposed to be introduced, some of which include -

- Distinction between Overseas Direct Investment and Overseas Portfolio Investment
- Concept of investment in overseas JV /WOS proposed to be replaced with 'foreign entity'
- Overseas investment by resident individuals is proposed to be significantly modified, especially with respect to acquisition by way of gift
- Acquisition and transfer by way of deferred payment
- Specific valuation norms and pricing guidelines
- Changes in reporting and introduction of Late Submission Fee

CASE LAWS - INCOME TAX

1. *Principal CIT v. Adani Infrastructure & Developers (P.) Ltd.*

It has been held that where professional fee received by assessee was offered to tax in subsequent year, no addition could be made on account of said fee during relevant assessment year as the same would amount to double addition which would be contrary to the provisions of law.

2. *Eko India Financial Services Pvt Ltd Vs ACIT (Delhi High Court)*

Delhi High Court has ordered Revenue to refund the amount in excess of 20%, where the Assessing Officer adjusted the entire refund of the assessee against such demand, which exceeded 20% of such demand.

CASE LAWS - INCOME TAX

3. *M.M. Aqua Technologies Ltd. v. CIT*

In this case, the assessee claimed deduction under section 43B based on issue of debentures in lieu of interest accrued and payable to financial institutions which was disallowed by Assessing Officer but allowed by Commissioner (Appeals) and said order was confirmed by Tribunal.

High Court, based on Explanation 3C to section 43B disallowed deduction under section 43B and held that to claim deduction under section 43B, actual payment is essential and any interest which had been converted into loan or borrowing could not be deemed to have been actually paid.

CASE LAWS - INCOME TAX

4. *Pricewaterhouse Coopers (P.) Ltd. v. Assistant Commissioner of Income-tax*

It has been held that Assessing Officer should allow claim of assessee in accordance to law, where the Assessee while filing of income tax return in India, had not claimed credit of foreign tax payable as no tax for year under consideration was determined and paid in USA at that time and also tax return was not filed in USA, but subsequently assessee had to pay taxes in USA and so it raised claim of foreign tax credit before Assessing Officer by way of application in accordance with Rule 128 of Income-tax Rules, 1962.

CASE LAWS - INDIRECT TAX

1. *AAR, Tamilnadu, in the matter of Krishna Bhavan Foods and Sweets*

The Authority for Advance Ruling (AAR) seeking ruling on the Goods and Services Tax (GST) rate applicable on 49 products, like bajra, jowar, ragi and multigrain porridge mix, sold under a brand name, has observed that the products sold by the entity are all food preparations in the form of powder. “The Dosai Mixes and Idli Mixes are packed and sold as mixes which are to be mixed with water/boiled water/curd to make it as batter and the product sold is a powder and not batter and therefore all the 49 products for which the ruling is sought is classifiable under CTH 2106 and the applicable rate is 18%.

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