



Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX

1. More clarifications issued on TDS/ TCS u/s 194O, 194Q and 206C(1H) vide circular dtd. 25/11/2021.

The Central Board of Direct Taxes (CBDT) has issued another set of guidelines for removing certain difficulties in implementing the provisions of TDS and TCS under sections 194-O, 194Q & 206C(1H). The board has clarified that no TDS u/s 194-O is required on e-auction services. Further, following treatment of GST, TDS u/s 194Q shall not be deducted on the component of VAT, excise duty, etc., if the same is indicated separately in the invoice.



INCOME TAX

2. Correction in AIS regarding

The CBDT has rolled out Annual Information statement (AIS) containing information of various financial transactions made by an assessee during the year which includes interest income, dividend income, securities transactions, mutual fund transactions, foreign remittance, etc., related to the assessee. If the taxpayer feels that the information is incorrect or relates to another person/year, duplicate, etc., a facility has been provided to submit online feedback. Taxpayers will be able to download AIS information in PDF, JSON, CSV formats. If the taxpayer submits feedback on AIS, the derived information in AIS will be automatically updated in real-time.

GST

1. Change in GST Rates in apparel and footwear

The CBIC has notified an increase in GST rate of various kinds of textiles, apparel and footwear to 12% from 5% earlier, which will be effective from January 1, 2022. However, GST rates for certain synthetic fibers and yarn have been lowered from 18% to 12%, according to the notification issued, bringing in uniformity of rates for the entire textiles sector as well as removing distortions due to the inverted duty structure.

2. Clarification for QR Code requirement for B2C invoice

Central Board of Indirect Taxes & Customs has issued clarification that wherever an invoice is issued to a recipient located outside India, for supply of services, for which the place of supply is in India, as per the provisions of IGST Act 2017, and the payment is received by the supplier, in convertible foreign exchange or in Indian Rupees wherever permitted by the RBI, such invoice may be issued without having a Dynamic QR Code, as such dynamic QR code cannot be used by the recipient located outside India for making payment to the supplier.

GST

3. Clarification on refund related issues

The CBIC has issued clarification on refund related issues and the highlights of the same are as below:-

- Provisions of Section 54 regarding time period, within which an application for refund can be filed, are not applicable in cases of refund of excess balance in electronic cash ledger. Thereby such application would never be time-barred.
- Unjust enrichment clause is not applicable in cases of refund of excess balance in electronic cash ledger.
- The amount deducted/collected as TDS/TCS and credited to the electronic cash ledger of the registered person is equivalent to cash deposited in the electronic cash ledger.

COMPANIES/ LLP ACT

1. IBBI Clarification reg. seeking NOC from IT Dept during Voluntary Liquidation Process

The process of applying and obtaining of such No Objection Certificate (NOC) or No Dues Certificate (NDC) from the Income Tax Department consumes substantial time and thus militates against the express provisions of the Code, and also defeats the objective of time-bound completion of process under and therefore, it is clarified that as per the provisions of the Code and the Regulations read with Section 178 of the Income-tax Act, 1961, an Insolvency Professional handling voluntary liquidation process is not required to seek any NOC/NDC from the Income Tax Department as part of compliance in the said process.

COMPANIES/ LLP ACT

2. MCA removes all the Disqualification of DINs

The Ministry of Corporate Affairs (MCA) has removed all the Disqualification of Director Identification Numbers (DINs). As per the Companies Act directors for five years are disqualified, if they are part of a company that defaulted on filing financial statements or annual returns for three years, or has failed to repay the deposits accepted by it or pay interest on it. The disqualification also covers directors of companies that defaulted on redeeming any debentures on the due date or pay interest due on it or pay any dividend declared. These directors cannot be re-appointed as a director of that company or in any other company for five years from the date of the default.



LABOUR LAWS

1. Due date for ESI payment extended

Keeping in view the problem being faced by employer due to ESI system breakdown last date for payment of Contribution for the month of Oct-2021 has been extended from Nov 15, 2021 to Nov 30, 2021. Last date of filing return of contribution for the period April-21 to September-21 has been extended from Nov 11, 2021 to Dec 15, 2021

CASE LAWS - INCOME TAX

1. Maharashtra Jeevan Pradhikaran v. Joint CIT (TDS)

It has been held that where tax deducted at source was deposited in time and only filing of TDS return was delayed, penalty, levied under section 272(2)(k) would not be sustainable.

2. Mumbai ITAT on allowability on club expenses

It is normal practice to allow the employees to use the facilities in the club and also it is part of the business to entertain the visitors as part of business promotion. The Courts have held that club membership fees for employees incurred by the assessee is business expenses allowable u/s 37 of the Act. Therefore, we are in agreement with the above propositions and accordingly, we set aside the order passed by the Ld. CIT(A) and direct the AO to allow the club membership fees claimed by the assessee.

CASE LAWS - INCOME TAX

3. IPL not liable to tax, it's sport promotion, rules ITAT

The Income Tax Appellate Tribunal (ITAT), in an appeal filed by the BCCI (Board of Control for Cricket in India), upheld the arguments of the sports body that even though it's making money through the Indian Premier League (IPL), the object of promoting cricket remains intact and hence its income should be exempt from tax.

4. Smt. Jagmohan Kaur Bajwa L/H Late Jaskiran Singh Bajwa Vs. ITO, ITAT-Chandigarh

Assessee having explained that the impugned amount was received by him through a banking channel from his relative living abroad as an advance for making investment in some property and filed declaration from relative. Addition made by the AO by invoking the provision of section 69A is not sustainable, particularly as the entries are recorded in the books of accounts maintained by the assessee and the AO has accepted the genuineness of similar remittance.

CASE LAWS - INDIRECT TAX

1. Eggs are farm produce, transporting them is exempt from GST: Karnataka AAR

The authority of advance ruling (AAR), Karnataka has held that eggs are agricultural produce and transporting them from one place to another would not draw any goods and services tax (GST), despite the tax authorities arguing for its taxability.

2. No GST on top-up cover cost employees pay: AAR

The Maharashtra bench of the GST Authority for Advance Rulings (AAR) has held that recovery of an amount towards top-up of medical insurance and parental insurance premium from employees is not a supply and hence not subject to goods and services tax (GST).

CASE LAWS - INDIRECT TAX

1. AAR, Karnataka Bench

The Karnataka bench of the GST Authority for Advance Rulings (AAR) has held that a separate GST registration is not required in the state (the place of supply) by a subcontractor who was executing an infrastructure project. Upholding the spirit of 'Ease of Doing Business' in its recent ruling, the bench said the subcontractor can raise the invoice by charging integrated goods and service tax (IGST) from its office in Noida, Uttar Pradesh.

CASE LAWS – LABOUR LAWS

1. *Doyle De'souza Vs Govt of India through Deputy Chief Labour Commissioner (Supreme Court)*

It has been held by the Apex Court of India that simply because a person was a director or partner did not mean that he can be said to be in charge of, and responsible to, the company by observing that there can be directors who merely lay down the policy and are not concerned with the day to day working of the company. Consequently, the mere fact that the accused person is a partner or director of the Company, shall not make him criminally liable for the offence committed by the Company unless the other ingredients are established which make him criminally liable.



Fortnightly Update No : 369TH

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