

Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX ACT

1. PAN or Aadhaar is made mandatory for cash deposits or withdrawals above Rs 20 lakh.

The Government has issued notification, for new rules especially pertaining to those making financial transactions without a PAN or Aadhaar. The Central Board of Direct Taxes has made new rules, called the Income-tax (Fifteenth Amendment) Rules, 2022, where PAN or Aadhaar is made mandatory for cash deposits or withdrawal above Rs 20 lakh and opening of current & cash credit account.

2. CIT (Bengaluru) deauthorized to issue regn. order for trust/ funds

The CBDT authorizes CIT (exemption), Bengaluru to pass registration orders for trusts, institutions and funds. Thus, now only the Director of Income Tax (Centralized Processing Centre), Bengaluru is authorized to do so.

INCOME TAX ACT

3. Functionality "Compliance Check for Sections 206AB & 206CCA"

To ease the compliance burden on tax deductor and tax collector in complying with provisions of section 206AB and 206CCA, the CBDT had introduced the functionality "Compliance Check for Sections 206AB & 206CCA" vide Circular no. 11/2021. The Finance Act 2022 has made amendments to the provisions of Sections 206AB and 206CCA. Now, the board has incorporated such changes in the functionality vide circular no. 10 of 2022 dated 17th May 2022. Further, a person shall be treated as a specified person based on the return filing status of the last 1 year instead of the earlier 2 years.

INCOME TAX ACT

4. Rule for income on retirement benefit

The Central Board of Direct Taxes (CBDT) has notified Rule 21AAA which provides that if a specified person has accrued any income in the retirement benefits account, then the same shall be included in his total income of the previous year, in which such income is taxed in the country wherein such account is maintained. To exercise this option, the specified person is required to e-file Form No. 10-EE on or before furnishing return of income.

GST

1. *Due date for GSTR 3B of April 22 extended*

The due date for filing GSTR 3B for the month of April 2022 which is due for filing on May 20, 2022, has been extended to April 24, 2022.

COMPANIES ACT

1. Extension of relaxation from dispatching of physical copies of financials

The MCA has issued Circular extending the relaxations from dispatching of physical copies of financial statements for the year 2022 (i.e. till December 31, 2022). Considering the MCA Circular dated May 05, 2022, it has been decided to provide relaxation upto December 31, 2022, from Regulation 36 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Extension from holding of general meeting through OAVM

The Company's Annual General Meetings / Extra Ordinary General Meetings due in 2022 can be held upto December 31, 2022 through Video Conference (VC) or Other Audio-Visual Means (OAVM). This is a facilitation relaxation from holding physical meetings and not the extension for holding general meetings

CASE LAWS - INCOME TAX

1. *Pee Aar Securities Ltd vs. DCIT (ITAT Delhi)*

It has been held that a private limited company cannot say that it has no clue about the subscribers to its share capital. The genuineness of the transaction has to be determined by ground realities and not by documents like PAN cards, board resolutions, share certificates etc. If the assessee is not able to produce the brains behind these companies and the documents with respect to their financials, the transaction cannot be regarded as genuine.

2. *Sanjay kumar Footermal Jain vs. ITO (ITAT Mumbai)*

It was held that transfer of immovable property is effective only on registration of conveyance deed is not applicable for computing the holding period of property. Holding period should be computed from the date of issue of the allotment letter and not from the date of the conveyance deed

CASE LAWS - INCOME TAX

3. Inter-Continental Hotels Group (Asia Pacific) Pte. Ltd. Vs ACIT

It has been held that the amount received under management support charges by the assessee are not of the nature of fee of technical services ('FTS') and does not quantify under "made available" as per article 12(4) of the India - Singapore double taxation avoidance agreement

It is held that the operational support such as Providing advice, information and competitive expertise on the operation of Hotels in accordance with brand standards, maintaining the qualification available with regard to the international hotel business and its management techniques and Coordinating the managerial plan and actions, advising on trends and changes in the hotel business and provide advice on the production of operating and capital budgets can at best be the managerial consultancy service but not the services made available.

CASE LAWS – INDIRECT TAX

1. AAR, Uttar Pradesh KRBL Infrastructure Ltd.,

The applicant was in the business of constructing commercial complex, renovation, fabrication, furnishing and built out interior works of building for letting them out on rental basis. The Authority for Advance Ruling (AAR) has held that clause (c) and (d) of section 17(5) of GST Act, 2017 restricts ITC in respect of works contract services and goods or services used towards construction of immovable property. Therefore, ITC of GST paid in relation to 'civil and interior works' in building and on 'construction of commercial complex' would not be admissible.

2. SC ruling has held that GST on ocean freight paid in case of import of goods is unconstitutional

The Supreme Court ruling has held that GST on ocean freight paid in case of import of goods is unconstitutional. Also, the Indian importers who had paid such tax will be eligible to refund

CASE LAWS – INDIRECT TAX

3. Munjaal Manishbhai Bhatt Vs Union of India

The Gujrat High Court has held that impugned Paragraph 2 of the Notification No. 11/2017-Central Tax (Rate) dated 28.6.2017 and identical notification under the Gujarat Goods and Services Tax Act, 2017, which provide for a mandatory fixed rate of deduction of 1/3rd of total consideration towards the value of land is ultra-vires the provisions as well as the scheme of the GST Acts. It held that application of such mandatory uniform rate of deduction is discriminatory, arbitrary and violative of Article 14 of the Constitution of India.

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