

Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX ACT

1. *Time limit reduced for e-verification*

The Central Board of Direct Taxes (CBDT) has reduced time limit for e-verification or submission of ITR-V from 120 days to 30 days for the Income-tax returns filed on or after August 01, 2022.

2. *All modes made available for e-pay taxes*

The e-Filing website now offers e-Pay Tax service with wide range of modes for payment of taxes including Net Banking, Debit card, Pay at Bank Counter (Over the Counter), RTGS/NEFT and Payment Gateway (with sub-payment modes as Net Banking, Debit Card, Credit Card and UPI). Under RTGS/NEFT mode, payment of taxes can be made through any bank that offers this service. Tax payment through Protean website [NSDL] is also available to taxpayers as per the existing process.

INCOME TAX ACT

3. *Documents to be maintained for exemption u/s 56*

The Central Board of Direct Taxes (CBDT) has issued notifications

- a) releasing list of the documentation to be maintained by the person claim an exemption under section 56, on the sum received as compensation on account of COVID-19 treatment/death.
- b) releasing list of the documentation that the employees must submit to claim an exemption on the sum they received as compensation for COVID-19 treatment under the provisions of the Income Tax Act.

GST

1. *Advisory issued for changes in GSTR-3B*

GSTN has issued a news update regarding advisory on Upcoming Changes in GSTR-3B:-

1. Recently Government has notified many changes to Form GSTR-3B requiring taxpayers to report information on ITC correctly availed, reversal thereof, and declaring ineligible ITC in a new manner.
2. This new notification is legally applicable from July 5, 2022. However, notified changes in Table 4 of GSTR-3B are not available as of now. Thereby, GSTN has stated that *“Until these changes are implemented on the GST Portal, taxpayers are advised to continue to report their ITC availment, reversal of ITC and ineligible ITC as per the current practice.”*

GST

2. *Employees don't need to pay GST on perks*

The Board of Central Excise and Customs (CBIC) has issued clarification that perquisites provided by the employer to the employee in terms of contractual agreement entered into between the employer and the employee will not be subjected to GST when the same is provided in terms of the contract between the employer and employee

3. *Refund of GST paid on ocean freight, Reg*

Gujarat High court has directed the CBIC to grant refund of GST paid on ocean freight within six weeks with interest, in a relief for importers. The decision comes after the levy of GST on ocean freight was struck down by the Supreme Court in case of Mohit Minerals.

GST

4. *E-invoice limit reduced from Rs. 20 Crores to Rs. 10 Crores w.e.f 01/10/2022*

The limit for issuing e-invoice has been reduced from 20 crore to 10 crore with effect from Oct 01, 2022. Accordingly, any registered person having aggregate turnover exceeding Rs. 10 Crores in any financial year from 2017-18 onwards has to issue E-invoice from 1st October 2022.

CASE LAWS - INCOME TAX

1. *Eastern Mattresses (P.) Ltd. v. Addl./Jt./Dy./Asstt. CIT/Income-tax Officer*

It has been held that where Assessing Officer, served on assessee, a notice as per section 144B(xvi) seeking objections and granted seven days' time to respond, i.e., by 23-4-2021 and assessee sought a further four days' time to respond but Assessing Officer issued order of assessment on 24-4-2021, there was clear violation of principles of natural justice.

2. *Kable First India (P.) Ltd. v. Deputy Commissioner of Income-tax, Circle 4(1)(1)*

It has been held that provision disallowed u/s 40(a)(i) for non-deduction of TDS is not to be disallowed again next year if reversed & TDS is deducted and paid.

CASE LAWS - INCOME TAX

3. *Infosys Ltd. v. Deputy Commissioner of Income-tax, International Taxation*

It has been held that if rate of tax applicable under DTAA is lower than 20% tax rate as prescribed under section 206AA, TDS has to be deducted at such lower rate even if non-resident deductee fails to furnish its PAN

4. *Kalpesh Synthetics Pvt. Ltd. v. Dy. CIT (Mum.)(Trib.)*

It has been held that the late deposit of employee PF adjustment made by the CPC on the basis of Audit report is not valid as it is contrary to the ratio laid down by the Jurisdictional High Court, wherein the High Court held that payment made before due date of filing of return is allowable as deduction

CASE LAWS - INCOME TAX

5. *Rajesh Shantaram Chavan Vs. ACIT, 22/04/2022, (ITAT - Mumbai)*

It has been held that employer company having paid one time lump sum compensation to the assessee and other employees on closure of its unit treating it as salary paid in advance for the remaining period of service till the age of 63 years as per the direction of the labour Commission after deduction of TDS as per the provisions of section 192. Compensation received by the assessee is to be treated as salary received in advance and not termination compensation and therefore, Assessee is entitled to relief u/s 89 r/w r.21A.

CASE LAWS - INDIRECT TAX

1. No service tax on pre-2007 composite work contracts: SC

The Supreme Court has ruled that no service tax will be levied on composite work contracts that were executed before 2007. Setting aside various judgements, given by high courts and tax tribunals across the country, that ruled to the contrary, the Bench held that assesses are not liable to pay the service tax for the contracts performed prior to the introduction of the Finance Act, 2007.

CASE LAWS – COMPANIES ACT

1. *Sunita Palita and others*

It has been held by Supreme Court that non-executive directors of a company would not be liable under a cheque bounce case and no criminal proceedings can be initiated against them, as they are not involved in the day-to-day affairs of the company or in the running of its business.

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