



Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX ACT

1. *Limit removed on interest income to report in SFT*

The CBDT has abolished the limit of Rs. 5,000 applicable on interest income to report in Statement of Financial Transactions (SFT) by the reporting entities. The board has modified Notification 2 of 2021, dated 20-04-2021 that provided such limit. Now, information related to interest income is to be reported if it exceeds Rs. Zero. However, Jan Dhan Accounts have been excluded for the purpose of reporting in SFT.

2. *IndusInd Bank for e-pay tax*

e-Pay Tax service is now enabled for IndusInd Bank with Over the Counter and Net Banking options w.e.f. 07th January 2023.

3. *Further extension to comply with Section 54 to 54GB*

The CBDT has granted a further extension of timelines to comply with provisions of section 54 to 54GB. In view of the then-prevailing COVID-19 pandemic and resultant restrictions imposed, the CBDT has said that the compliances to be made by the taxpayers such as investment, deposit, etc. to claim an exemption under Section 54 to 54GB for which the last date of such compliance falls between April 01, 2021 to February 28, 2022 (both days inclusive), such compliance may be completed on or before March 31, 2023.

GST

1. *Advisory on facility of 'Initiating Drop Proceedings' of Suspended GSTINs due to Non-filing of Returns*

The Goods and Services Tax Network (GSTN) has issued an Advisory on facility of 'Initiating Drop Proceedings' of Suspended GSTINs due to Non-filing of Returns dated January 16, 2023.

Recently, a functionality of "**Automated Drop Proceedings**" of GSTINs suspended due to non-filing of returns has been implemented on the GST Portal. This functionality is available for the taxpayers who have filed their pending returns i.e. 6 monthly or 2 Quarterly returns.

- a) If such taxpayers have filed all their pending returns, the system will automatically drop the proceedings and revoke suspension.
- b) If the status of the GSTIN does not automatically turn 'ACTIVE', then taxpayers are advised to revoke the suspension once the due returns have been filed, by clicking on 'Initiate Drop Proceeding'

This functionality is applicable to the taxpayers whose GSTINs have been suspended after December 01, 2022.

COMPANIES ACT

1. *Forms disabled for filing due to transition to V3*

The Ministry of Corporate Affairs (MCA) is going to release the Second Set of Company Forms on the MCA21 V3 portal, on January 23, 2023, comprising of 46 forms. These forms remain disabled for filing between Jan 07, 2023 to Jan 22, 2023, some of the forms are DIR-3, DIR-12, INC-22, MGT-14, MR-1, PAS-3, SH-7, FC-2, FC-3, FC-4, GNL-2, etc.

2. *MCA allows physical filing of Form GNL-2 and MGT-14 (Transition to V3)*

The MCA, due to certain time-sensitive activities, has decided that companies intending to file Forms GNL-2 (prospectus related documents) and MGT-14 (Resolutions relating to prospectus related documents) on the MCA-21 Portal between 07/01/2023 and 22/01/2023 may do so in physical mode, duly signed by the persons concerned, along with a copy thereof in electronic media, with the concerned Registrar without payment of fee and receive acknowledgement. Such filing will be accompanied by an undertaking from the company that, once such filing is enabled on the portal, the company will file the relevant Form in electronic form on the MCA-21 Portal, along with fees payable in accordance with the Companies (Registration Offices and Fees) Rules, 2014.

LABOUR LAWS

1. *Option given to contribute EPS on higher wages*

The EPFO, in compliance with the verdict of Hon'ble Supreme Court pronounced on November 04, 2022, has issued notification with regard to opting to contribute EPS on higher Wages. It has been clarified that the following members are eligible & may apply joint consent option if any, by the concerned Regional Office:

- the pensioners who as employees had contributed under paragraph 26(6) of EPF Scheme on salary exceeding the prevalent wage ceiling of Rs 5000/- or 6500/-; and
- exercised joint option under the proviso to Para 11(3) of the pre-amendment scheme while being members of EPS,95; and
- their exercise of such option was declined by PF authorities.

CASE LAWS - INCOME TAX

1. *Arun Garg v. ITO*

It has been held that where assessee received advances of certain amount from several parties, since all parties filed copies of their accounts mentioning their PAN, address, affidavits duly attested and evidence of filing of their tax returns along with cash summary for financial year which confirmed transactions undertaken by assessee, no additions could be made on account of such cash received by assessee.

2. *IPCA Laboratories Ltd. v. ACIT (LTU)*

It has been held that where assessee-company had given interest free loans to its Associate Enterprises, since loan was given in foreign jurisdiction, LIBOR +200 points was correct benchmarking for interest.

CASE LAWS - INCOME TAX

3. *[2023] 146 taxmann.com 15 (Andhra Pradesh).*

It has been held that where assessee was resident of Mumbai, power to transfer of case under section 127(2) was vested with authority in whose jurisdiction assessee was situated, i.e. Mumbai authority and thus, impugned transfer of case of assessee by Commissioner, Vijaywada (Andhra Pradesh) was invalid.

4. *DCIT, Circle-1(2)(1)(IT) v. Convergys Customer Management Group Inc.*

It has been held that Link charges received by US company is not taxable in India as royalties under Article 12 of Indo-US DTAA



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