

Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX ACT

1. *Last date for linking Aadhar-PAN extended*

In order to provide some more time to the taxpayers, the department has further extended the date upto June 30, 2023 for linking Aadhaar and PAN, without facing any repercussions.

2. *Consequences of no linking of Aadhaar-PAN*

The Central Board of Direct Taxes has substituted Rule 114AAA to notify consequences that shall apply if a PAN becomes inoperative due to non-linking with Aadhaar. The consequences include no refund, no interest payable on refunds, and higher tax deductions/collections.

3. *Mobile App - AIS for taxpayers*

The Income-tax Department has launched a mobile app, 'AIS for Taxpayer' to facilitate taxpayers to view their information as available in the Annual Information Statement (AIS) / Taxpayer Information Summary (TIS). The app is available on Google Play and App Store.

INCOME TAX ACT

4. *Finance Bill passed, pending assent of President*

The Lok Sabha and Rajya Sabha passed the Finance Bill, 2023, with more than 60 changes in the Finance Bill as was introduced on February 01, 2023. New amendments have been made and some proposed amendments have been modified. A few of the changes are mentioned below:

- Marginal relief to a resident individual opting for new tax scheme.
- Change in the tax rates under Section 115A on specified income of non-residents.
- TDS provision under Section 194BA on winning from online games is effective from 01-04-2023.
- Section 206AB (non-filer of ITR) will not apply in respect of TDS on winning from online games.
- New TCS rate under Section 206C will apply even if the remittance is made under LRS within India.
- Scope of Section 50AA has been expanded to cover specified mutual funds.

GST

1. *Utilization of cash from one GSTN to another*

The Goods and Services Tax Network (“**GSTN**”) has enabled the option to utilize the amount in the cash ledger of one the Goods and Services Tax Identification Number (“**GSTIN**”) by another GSTIN (entities having the same PAN) by way of transfer through form *GST PMT-09* has been made effective in the GST portal.

The Notification had already been effective but it is made effective in the GST portal from now.

LABOUR LAWS

1. *CBT to provide interest at 8.15% for the FY 2022-23*

The Employees' Provident Fund Organisation's apex decision-making body Central Board of Trustees (CBT) has decided to provide 8.15% rate of interest on EPF for 2022-23. After the CBT's decision, the interest rate on EPF deposits for 2022-23 will be sent to Ministry of Finance for concurrence. After the government's ratification, the interest rate on EPF for 2022-23 will be credited into accounts of over five crore subscribers of EPFO.

CASE LAWS - INCOME TAX

1. *Shri Sanjay Marotrao Modak v. DCIT, NFAC Mumbai*

It has been held that in case of Future & Option transactions where there are neither physical goods involved nor any delivery of shares or securities involved, the entries in the books of accounts of such transactions are not made on the contracted notes issued, but are made only of the differences. For the said purpose, ICAI has prescribed the method of computing the turnover in such cases through 'Guidance Note on Tax Audit'. Upon consideration of the said method of calculating the turnover in transactions related to future and options, the assessee's case does not fall under the provisions of section 44AB of the Act which mandates auditing of books of accounts and furnishing audited statement of accounts. Hence, penalty u/s 271B is deleted.

2. *Jubilee Hills International Centre v. Income-tax Officer*

It has been held that where assessee-club was governed by principle of mutuality, its income would not liable to be taxed even with reference to transactions entered into by it with non-permanent, non-life, temporary or honorary members who were not entitled to vote

CASE LAWS - INCOME TAX

3. *Rashmi Lakhotia v. Union of India*

It has been held that where application for personal hearing by assessee was made before I-T authorities within time but same was rejected without assigning any reason as to why that application was not entertained, principles of natural justice stood violated and, thus, matter was to be remitted back to I-T authority for consideration afresh.

4. *Shailendra vs ITO, Ward 2(3), Meerut before "SMC" Bench*

It has been held that for Penalty u/s 271(1)(c) in case of difference between actual sale consideration and consideration deemed u/s 50C as per stamp duty valuation, the section 50C creates legal fiction to deem sale consideration for the purpose of section 48 (computation of capital gain) and in case the stamp duty value is more than the actual consideration, than for the purpose of section 48, the stamp duty value shall be deemed to be the consideration. Hence the penalty levied u/s 271(1)(c) is cancelled.

CASE LAWS - INCOME TAX

5. *CIT (Intl Taxation) v. Starwood Hotel & Resorts Worldwide Inc.*

It has been held that payments received by assessee, a foreign company, from its Indian customers on account of Centralized Services did not constitute fee for technical services as defined under section 9(1)(vii) or fee for included services.

CASE LAWS - INDIRECT TAX

1. *Capfront Technologies (P) Ltd., In re [2023]*

It has been held by the Karnataka Authority for Advance Ruling (AAR) that where the applicant intended to sell an independent part of its business of mobile application alongwith assets and liabilities which would be a fully functional part of the business. There would be a continuity of business since the said part of business shall be functional and it would be transferred as a whole to a new owner. This, it would amount to transfer of a going concern and shall be exempted under GST.

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