

Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX ACT

1. *Cost Inflation Index for FY 2023-24*

The CBDT, has notified '348' as the Cost Inflation Index (provisional) for the Financial Year 2023-24. If a long-term capital asset is transferred, the capital gains is computed after deducting the indexed cost of acquisition instead of just the cost of acquisition. Such indexation of the cost of acquisition is determined based on the Cost Inflation Index.

2. *Employer to seek employee consent for opting tax regime*

The Central Board of Direct Taxes (CBDT) has issued clarification on the deduction of tax at source (TDS) by employers on the salaried income of the employee w.e.f. AY 2024-25. The employer shall seek information from each employee regarding their intended tax regime. If the employee makes no intimation, the employer will deduct the tax following the new tax regime under section 115BAC

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3. *Limit enhanced for deposit in National Savings Scheme*

The National Savings (Monthly Income Account) Scheme's account holders are now allowed to deposit higher sums of money, as the Government has raised the limit of maximum amount. For single accounts, the limit has been increased from Rs. 4.5 lakh to Rs. 9 lakh, while for joint accounts, it has been raised from Rs. 9 lakh to 15 lakh.

4. *Form and procedure specified for filing NIL TDS*

As per Rule 29B, a Banking Co./Insurer and any other person who carries on business or profession in India through a branch can apply for nil TDS certificate in Form 15C/15D. Now, the CBDT has specified the procedure, format and standard for filing of such form. Form 15C and Form 15D is to be filed electronically through TRACES with effect from April 01, 2023.

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5. *Due date extended for filing Form 10F by non-resident*

The CBDT had allowed the manual filing of Form 10F till March 31, 2023 in case of non-residents who are not having PAN and are also not required to obtain PAN under the Income-tax Act. In view of continued practical challenges, the CBDT has extended this relaxation further till September 30, 2023.

6. *Assent to Finance Bill*

The Finance Bill, 2023 received the assent of the President, Droupadi Murmu, on 31st March, 2023. The Finance Act, 2023 (No. 8 of 2023) contains 174 Sections impacting more than 10 Acts. This Act enforces various amendments made to the Income-tax Act with effect from April 01, 2023

GST

1. *Advisory: Time limit for Reporting Invoices on the IRP Portal*

- a) It has been decided by the Government to impose a time limit on reporting old invoices on the e-invoice IRP portals for taxpayers with AATO greater than or equal to 100 crores.
- b) To ensure timely compliance, taxpayers in this category will not be allowed to report invoices older than 7 days on the date of reporting.
- c) This restriction will only apply to the document type invoice, and there will be no time restriction on reporting debit/credit notes.
- d) It is further to clarify that there will be no such reporting restriction on taxpayers with AATO less than 100 crores, as of now.
- e) In order to provide sufficient time for taxpayers to comply with this requirement, which may require changes to your systems, it is proposed to implement it from May 01, 2023 onwards.

FOREIGN TRADE POLICY

The Foreign Trade Policy (FTP) 2015-20, which was to end on March 31, 2020, was extended until March 31, 2023 due to the COVID pandemic and volatile geo-political scenario. The new Foreign Trade Policy 2023 has been released on March 31, 2023.

The key highlights of the FTP are:

- There is no end date to the new policy. Subsequent revision(s) shall be done as and when required.
- Approvals for various permissions under FTP shall now be online without any physical interface.
- Reduction in user charges for Micro, Small and Medium Enterprises (MSME) under Advance Authorization (AA) and Export Promotion Capital Goods (EPCG) schemes.
- Revamp of e-Certificate of Origin (CoO) platform for self-certification of CoOs as well as automatic approval of the same is proposed, where feasible.
- Paperless filing of export obligation discharge applications for greater use of technology.

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FOREIGN TRADE POLICY

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- FTP benefits extended for export realizations in INR through special Vostro accounts setup as per RBI Circular.
- Common service providers (CSP) in Towns of Export Excellence (TEE) are now entitled for authorization under EPCG schemes.
- Facilitation of e-commerce export by extending all FTP benefits to such exports.
- Steps like introduction of Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme have been taken with respect to apparel and clothing sector, etc., to boost domestic manufacturing.
- Introduction of special one-time amnesty scheme for one-time settlement of default in export obligations.

CASE LAWS - INCOME TAX

1. *DLF Homes Panchkula (P.) Ltd. v. JCIT (OSD)*

It has been held that where Assessing Officer held that external development charges (EDC) paid by assessee-company to HUDA under its agreement with State Government of Haryana was in nature of rent and therefore subject to TDS under section 194I, revenue admitted that Assessing Officer had erroneously mentioned that TDS was to be deducted under section 194I instead of Section 194C, since it was not open for revenue to now contend that EDC charges were payment made to a contractor under a contract and not rent under an arrangement to use land, impugned order being fundamentally flawed was liable to be set-aside.

2. *US Technologies International (P.) Ltd. v. CIT*

It has been held that penalty u/s 271C(1)(a) can be imposed only for non-deduction of TDS, not for belated payment or non-payment of deducted TDS.

CASE LAWS - INCOME TAX

3. *Rohit Kapur v. Principal CIT - [2023]*

It has been held that where assessee's application for immunity u/s 270AA was rejected on ground that same was filed beyond stipulated period available for filing said application, however, no opportunity of being heard was granted to assessee, matter was to be remanded to concerned officer to consider assessee's application u/s 270AA afresh.

4. *Van Oord Acz India (P.) Ltd. v. CIT -VI, New Delhi - [2023]*

It has been held that where assessee is held not liable to deduct TDS, assessee cannot be treated as assessee in default if payee foreign company is held liable to tax in reassessment.

CASE LAWS - INDIRECT TAX

1. *Yash Kothari Public Charitable Trust v. State of UP [2023]*

It has been held by the Allahabad High Court that the appeal filed offline due to glitches in GST portal cannot be rejected on ground of technicality and directed the Appellate Authority to consider appeal filed offline.

2. *Y.B. Constructions (P) Ltd. v. Union of India [2023]*

It has been held by Orissa High Court that where there is no loss cause to department if petitioner shall be permitted to rectify GSTR 1 returns filed for the periods 2017-18 and 2018-19, the petitioner shall be permitted to rectify the error as there was no escapement of tax, so that the recipient could avail the ITC paid on those invoices.

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