

Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX ACT

1. *DTAA signed with Republic of Chile*

The Government of India and the Government of the Republic of Chile signed an agreement for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income (DTAA) on 09-03-2020. Now, the Central Government has notified all the provisions of said agreement.

2. e-Pay Tax service is now enabled for RBL Bank with Over the Counter and Net Banking options.

3. Excel utilities of ITR 1 and ITR 4 for AY 2023-24 are available for filing.

LABOUR LAWS

1. *EPFO extends date for filing Applications regarding pension on Higher Wages*

EPFO has made arrangements for obtaining Applications for Validation of Option / Joint Option from pensioners / members as per the Hon'ble Supreme Court order dated Nov 04, 2022. To facilitate this process, online facility has been made available. The online facility was to remain available only till May 03, 2023. It has been decided that in order to provide a larger window of opportunity and in order to enable all eligible persons to file their applications, the timeline for filing applications would now be till June 26, 2023.

LABOUR LAWS

2. *Higher EPS pension: Extra 1.16% to come from employer's, not employee's contribution*

EPFO has recently provided an important clarification that the 1.16 % additional contribution will be diverted from within the overall 12% of the of the Employer's PF contribution. The 1.16% contribution will be added to the employer's contribution and therefore, the employer's contribution towards EPF will rise from 8.33% to 9.49%.

Members will qualify for higher pension only when they pay the past missing contribution and interest there upon till date and agree to divert the higher part of 9.49% of actual basic salary from the employers' share towards EPS in the future.

LABOUR LAWS

3. *Delhi Minimum Wages w.e.f 1.4.2023*

Class of Employment	Class of workers	Rate as on 1.10.22	VDA Per Month	Total Per Day	Total Per Month
Unskilled	NA	16792	442	663	17234
Semi-skilled	NA	18499	494	731	18993
Skilled	NA	20357	546	804	20903
Clerical And Supervisory Staff	Non Matriculates	18499	494	731	18993
Clerical And Supervisory Staff	Matriculates but not graduates	20357	546	804	20903
Clerical And Supervisory Staff	Graduates and Above	22146	598	875	22744

MISC. ACTS

1. *CA, CS & CMA brought under PMLA net if they manage client assets*

Government has recently notified the transactions done by CA, CS & CMA on behalf of their client will be covered under Prevention of Money-laundering Act, 2002. The notified transactions includes buying and selling of immovable property, managing client money, securities, or other assets, managing bank, savings, or securities accounts, organization of contributions for the creation, operation, or management of companies, and creation, operation, or management of companies, limited liability partnerships, or trusts, and buying and selling of business entities.

MISC. ACTS

2. *Vivad se Vishwas I-Relief for MSMEs scheme to refund 95% forfeited amount.*

The Department of Expenditure (DoE), under the Ministry of Finance, has announced the launch of the Vivad se Vishwas I - Relief for MSMEs scheme. As per the scheme, Ministries have been asked to refund performance security, bid security and liquidated damages forfeited/ deducted during the Covid pandemic from MSMEs which were unable to execute government contracts due to Covid. The last date for submission of claims is June 30, 2023.

CASE LAWS - INCOME TAX

1. *Natma Securities Ltd. v. ACIT (Delhi)*

It has been held that where assessee had admittedly tendered cheque for TDS payment with bank, well within stipulated due date, but there was one day delay in debiting the amount from assessee's bank account, which was apparently due to mistake at the end of the banker, no interest could have been levied u/s 201(1A) on the assessee.

2. *Shri Duraisamy Shanmugasundaram v. ITO Ward-2(4)*

It has been held by "SMC" Chennai Bench of ITAT that cash deposited into NRO account of NRI by withdrawing cash from NRE account of such NRI, wherein funds were deposited by way of inward foreign remittances from overseas bank account of such NRI. The NRI had no income chargeable to tax in India and Inward Foreign Remittances into NRE account and cash withdrawals therefrom accepted as the source of cash deposits in NRO account. Addition made on credit peak basis was deleted.

CASE LAWS - INCOME TAX

3. *Valsad District Central Co-operative Bank Ltd. v. ACIT, Valsad Circle*

It has been held that where Assessing Officer disallowed gratuity expenses claimed by assessee in its profit and loss account as it did not have approval of Commissioner for its gratuity fund, however, fact that assessee had been making payment to LIC Department in gratuity scheme and deduction had been claimed by assessee consistently, deduction was to be allowed.

4. *Checkmate Services (P.) Ltd. v. ACIT*

It has been held that where Assessing Officer issued on assessee a notice under section 271(1)(c) on Nov 28, 2022 at 2:40 p.m. asking to appear in person on Nov 29, 2022, since notice provided less than 24 hours to assessee to appear, this shorter period could be termed as a breach of principles of natural justice.

CASE LAWS - INDIRECT TAX

1. *Indian Metals & Ferro Alloys Ltd. (AAR Odisha)*

The Authority for Advance Ruling (AAR) has observed that the applicant was a registered person and it had taken on rent certain premises, located in residential area, to use as guest house from employees. It held that if residential dwelling is rented to a registered person whether for residential purposes or otherwise, the tenant has to discharge GST liability irrespective of purpose of use, under RCM.

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