



Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX ACT

1. *CBDT lists down reasons for delayed processing of Income Tax Returns*

The CBDT has released a press release stating that it is committed to processing the Income Tax Returns (ITRs) quickly and efficiently. However, due to the assessee's failure to verify the returns, processing of Returns is getting delayed. About 14 lakh ITRs have been filed but are yet to be verified by the taxpayers.

2. *Govt. specifies revised sum repayable following increase in rate of interest under National Savings Recurring Deposit*

The Central Government has specified the sum that would be payable under various scenarios under the National Savings Recurring Deposit Scheme following the increase in interest rate from 6.2% to 6.5%.

INCOME TAX ACT

3. *CBDT notifies Form 71 to allow TDS credit in respect of income disclosed in ITR filed in earlier years*

The FA 2023 inserted sub-section (20) to Section 155 with effect from 01-10-2023. This new sub-section shall apply when an income has been reported in an income tax return for a specific assessment year and tax was withheld in a later financial year. The CBDT has inserted a new Rule 134 to the Income-tax Rules to operationalize the amendment. Said rule mandates the filing of Form 71 to claim TDS credit.

GST

1. *Introducing Electronic Credit Reversal and Reclaimed statement*

The GSTN has issued an advisory regarding Introducing Electronic Credit Reversal and Reclaimed statement, the highlights are:-

- Introduced certain changes in Table 4 of Form GSTR-3B to enable the taxpayers in reporting correct information regarding ITC availed, ITC reversal, ITC re-claimed and ineligible ITC. The re-claimable ITC earlier reversed in Table 4(B)2 may be subsequently claimed in Table 4(A)5 on fulfilment of necessary conditions. Such reclaimed ITC in Table 4(A)5 also needs to be explicitly reported in Table 4D(1).
- In order to facilitate the taxpayers in correct and accurate reporting of ITC reversal and reclaim thereof and to avoid clerical mistakes, a new ledger namely Electronic Credit and Re-claimed Statement is being introduced on the GST portal.
- This statement will help the taxpayers in tracking of their ITC that has been reversed in Table 4B(2) and thereafter re-claimed in Table 4D(1) and 4A(5) for each return period, starting from August 23 return period.

LABOUR LAWS

Increase in Haryana Minimum wages w.e.f. July 01, 2023

Class of Employment	Qualification and experience	Basic Per Day	Basic Per Month	Total Per Day	Total Per Month
Unskilled	NA	292.31	7600	410.05	10661.28
Semi Skilled Class A	NA	306.92	7980	430.55	11194.3
Semi-Skilled Class B	NA	322.27	8379	452.08	11754
Skilled Class A	NA	338.38	8797.95	474.68	12341.71
Skilled Class B	NA	355.3	9237.85	498.42	12958.81
Highly Skilled	NA	373.07	9699.74	523.34	13606.75

CASE LAWS - INCOME TAX

1. *Shri Sandip Chattopadhyay v ITO*

The Kolkata bench of the Income Tax Appellate Tribunal (ITAT) has held that the deduction claimed under Section 80C, cannot be rejected merely on the ground of non-mentioning of the claim in the Income Tax Return (ITR). The bench held that the appellate authority has coterminous power to accept the deduction that was not claimed in the Income Tax Return. So, the entire claim under Section 80C is eligible claim of deduction. Thus, the appeal of the assessee was allowed.

2. *Manohar Madanlal Paliwal v. ITO*

The ITAT Mumbai has held that the Assessing Officer (AO) erred by not referring the matter to the Valuation Officer (DVO) before making an addition under section 56(2)(vii)(b) for a property purchased below circle rate. Citing precedent, the ITAT upheld the objection raised by the Assessee and ordered the deletion of the addition, rejecting the request to send the case back to the AO for DVO valuation, as it would condone the AO's erroneous action.

CASE LAWS - INCOME TAX

3. *ACIT & Anr. V. Rajendra Kumar*

The Supreme Court has held that the refund of an amount that was adjusted in excess of 20% of the disputed demand, stating that such action violated Article 265 of the Constitution of India. The High Court had previously held the recovery action to be without jurisdiction and imposed a cost of Rs. 50,000 on the department, but the Supreme Court set aside this cost. There was also a delay of 345 days in filing the special leave petition, which was condoned.

4. *ITAT - Payment for accessing online video database is not taxable as royalty under the India-US DTAA*

The Bangalore bench of the Income-tax Appellate Tribunal (ITAT) was of the view that the subscription revenue received for granting access to the pre-recorded video database, maintained by the taxpayer, cannot be categorised as royalty under Article 12 of the India-USA Double Taxation Avoidance Agreement (DTAA). It observed that by providing access to the database for viewing videos, the taxpayer is neither transferring any copyright nor imparting any information concerning their industrial, commercial or scientific experience or right to use any equipment

CASE LAWS - INCOME TAX

5. *Golden State Capital (P.) Ltd. v. DCIT, Circle*

It has been held that where assessee, tax resident of Singapore, sold shares of Indian company and claimed short term capital gain earned on sale as exempt as per article 13 of DTAA between India and Singapore, but AO denied treaty benefits for lack of commercial substance in Singapore, since assessee had produced relevant documents to prove that entire affairs were controlled from Singapore, short term capital gains were exempt from tax.

6. *Pratyaksh Apparels (P.) Ltd. v. DCIT*

It has been held that where the AO issued notice under section 142(1), requiring assessee to file relevant documents/information for six assessment years within two days, since two days time, was not a practical timeframe, impugned assessment orders passed without granting additional time to assessee as requested were to be set aside

7. *ITO v. Mahavir Enterprises ITAT MUMBAI BENCH 'D'*

It has been held that where assessee-firm purchased a property from certain Co-operative Bank after duly participating in e-tender and being highest/successful bidder, consideration paid by assessee would be treated as fair market value of property for purposes of stamp duty.

CASE LAWS - INDIRECT TAX

1. *ESL Steel Ltd. v. Principal Commissioner, CGST*

It has been held that where resolution plan was duly approved against petitioner under Insolvency and Bankruptcy Code, no recovery or proceedings could be pursued on ground of irregular availment of transitional credit prior to approval of resolution plan, on the other hand, petitioner was also not eligible to claim Input Tax Credit for period prior to approval of resolution plan.



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