

Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX ACT

1. Clarification on eligible amount for charitable institutions

The Central Board of Direct Taxes (CBDT) issued a circular clarifying that only 85% of eligible inter-charity donations shall be deemed as applied for charitable/religious activities, with the remaining 15% exempt from specified investment requirements under Section 11(5) of the Act.

2. Changes in Form 3CD & Form 65

The Central Board of Direct Taxes (CBDT) has amended the tax audit form (Form 3CD & Form No. 3CEB) and Form for filing of tonnage tax application (Form 65). In Form 3CD, changes include the addition of clauses related to Section 115BAE tax regime, presumptive taxation u/s 44ADA, etc. Form 65 is amended, requiring certification for IFSC unit status along with disclosure of availed deductions and cessation dates.

INCOME TAX ACT

3. *Charitable institution to file audit report in correct form by March 31, 2024*

The Central Board of Direct (CBDT) has authorized trusts and institutions that have submitted audit reports by October 31, 2023, using Form No. 10B when Form No. 10BB was required, and vice versa, to file their audit reports for the assessment year 2023-24 by March 31, 2024, under clause (b) of the tenth proviso of section 10(23C) and section 12A(1)(b)(ii), using the appropriate Form No. 10B or 10BB.

4. *ITR 7 Notified*

The Central Board of Direct Taxes (CBDT) has now also notified the Income-tax Return (ITR) form 7 applicable for filing of return for the Assessment Year 2024-25.

INCOME TAX ACT

5. *Refunds to be processed by April 30, 2024 for AY 2021-22*

Due to technical issues or other reasons not attributable to assessee, many validly filed returns for AY 2021-22 couldn't be processed, delaying sending processing intimations within the prescribed timeframe. Thus, the CBDT directed that all validly filed returns for Assessment Years 2021-22 bearing refund claims can be processed until April 30, 2024.

LABOUR LAWS

1. *Minimum Wages in Haryana w.e.f. Jan 01, 2024*

Class of Employment	July 1, 2023	Change in DA	Total per month
Unskilled	10661.28	262.96	10924.24
Semi Skilled Class A	11194.3	276.11	11470.41
Semi-Skilled Class B	11754	289.91	12043.91
Skilled Class A	12341.71	304.41	12646.12
Skilled Class B	12958.81	319.63	13278.44
Highly Skilled	13606.75	335.61	13942.36

CASE LAWS - INCOME TAX

1. *DCIT, Circle-2(1)(1) v. Cicon Engineers (P.) Ltd.*

It has been held that where assessee-company received mobilization advance during the FY 2016-17 but offered income on said advance in subsequent years, assessee was to be allowed TDS credit on said advance in relevant assessment year.

2. *Cheyar Virutcham Educational Trust v. ACIT (H.Qrs)(Exemptions)*

It has been held that where assessee-trust was already registered u/ s 12AA and it, due to insertion of clause (ac) to section 12A(1) with effect from April 1, 2021, filed application in Form No. 10A well within due date for fresh registration under section 12AB, assessee was entitled for grant of registration from assessment year 2021-22.

CASE LAWS - INCOME TAX

3. *Asseena Beegam Mohamed Ali v. Deputy Commissioner of Income-tax, (IT)*

It has been held that where Assessing Authority finalised assessment order on ground that assessee had not filed any objections to draft assessment order, since objection to draft assessment order was filed before DRP, and said objection was available on web portal, finding of assessing authority that no objection was filed to draft assessment order was incorrect and thus assessment order was set aside and matter was remanded back

4. *Pr. CIT, (Central)-1 v. Forum Sales (P.) Ltd.*

It has been held that where AO made additions to income of assessee on account of unaccounted profit, disallowance of expenses and inflated purchases, since AO was provided with requisite bills, vouchers and addresses of transacting parties, however he did not make any effort to confirm veracity of alleged bogus or inflated bills, in view of said facts AO could not make addition on account of bogus or inflated expenses on estimate basis without rejecting books of account

CASE LAWS - INCOME TAX

5. *Huhtavefa B.V. v. ACIT, (IT) 2(1)(1)*

It has been held that as there was no specific notification for applicability of MFN benefits into India Netherlands DTAA, 10% taxation rate would be applicable in respect of dividend received by assessee, foreign company from Indian company

6. *Supreme Court rules against TDS applicability on SIM card sales to distributors*

The Supreme Court has ruled that telecom companies need not deduct Tax Deduction at Source (TDS) for selling pre-paid SIM cards to their distributors at a rate below the market price.

CASE LAWS - INDIRECT TAX

1. *Diamond Beverages (P) Ltd. Asst Commissioner of CGST & CX*



It has been held that where assessee had replied to pre-show cause notice but show cause notice issued u/s 73(1) without due application of mind and without considering assessee's reply to pre-show cause notice and without conducting any inquiry or investigation, show cause notice was to be set aside.

2. *Railroad Logistics (India) (P) Ltd. v. Union of India*

Bombay High Court has been held that rectification to GSTR 1 should be permitted to the assessee as there was no loss of revenue where inadvertently the assessee mentioned the GST number of client of Rajasthan instead of Orissa.

3. *Nazimuddin Ahmed v. Principal Secretary*

High Court has held that requirement of GST certificate cannot be made mandatory in tender if turnover is below threshold limit.



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