

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the frame, creating a modern, dynamic feel. The central area is a clean white space where the text is placed.

Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX ACT

1. CBDT releases new functionality in AIS

The Central Board of Direct Taxes (CBDT) has launched new AIS feature showing taxpayers real-time status of information confirmation, indicating whether feedback has been partially or fully accepted or rejected, requiring correction statement filing if needed. The following attributes shall be visible to the taxpayer for status of Feedback confirmation from Source.

- ▶ *Whether feedback is shared for confirmation:* This will let the taxpayer know if the feedback has been shared with the Reporting Source for confirmation or not.
- ▶ *Feedback Shared On:* This will let the taxpayer know the date on which the feedback has been shared with the Reporting Source for confirmation.
- ▶ *Source Responded On:* This will let the taxpayer know the date on which the Reporting Source has responded on the feedback shared with it for confirmation.
- ▶ *Source Response:* This will let the taxpayer know the response provided by the Source on the taxpayer's feedback (if any correction is required or not).

GST

1. Central & state GST officials to conduct joint audits of firms

The Central and state goods and services tax (GST) officials will jointly conduct audits of businesses under the indirect tax regime from this financial year, a relief for taxpayers as it will weed out duplicate notices and dual investigations.

As per industry estimates, there are about 11,000 such cases of dual investigation by both the central and state authorities or under litigation. Several central GST zonal heads have sent an internal communique to officials, asking them to invite state officials to join their ongoing audits for better coordination.

2. Supreme Court admits petition on imposition of GST on joint development pacts

The Supreme Court of India has admitted a petition challenging imposition of the Goods & Services Tax (GST) on the transfer of development rights within joint development agreements between realty developers and landowners. In this matter, the court has issued notices to the Union government, GST Council and Central Board of Indirect Taxes and Customs (CBIC) to file their replies to the special leave petition (SLP) filed by a property developer in Telangana. The final decision could reshape real estate dynamics.

GST

3. GST on corporate guarantees, SC to offer clarity

Several companies caught in the crosshairs of the GST authorities, got a sense of relief after the Punjab & Haryana High Court stayed operation of a central board of indirect taxes & customs (CBIC) circular clarifying on the validity of the levy. CBIC's October 27, 2003, circular had clarified that a corporate guarantee, provided by one company to banks or financial institutions to help an associate company secure a loan, even without a consideration, should be considered supply.

A clarity on the contentious provision of levying GST on corporate guarantees between two related entities will emerge only after the Supreme Court gives its final word on the subject.

4. E-commerce firms seek clarity on registration under GST regime

With the rapid sprouting up of dark stores as part of their quick commerce strategies, e-commerce companies are seeking clarity from tax authorities for the registration process under the goods and services tax (GST) regime for their suppliers. A dark store typically is a large warehouse and is used by e-commerce and FMCG firms as a fulfilment centre where their suppliers store goods. The warehouse is generally taken on rent by the e-commerce company and their supplying partner stores goods there, which are then supplied to the end consumers who order it via their mobile app or the website.

COMPANIES ACT/LLP

1. Relaxation of additional fee – LLP BEN-2 & Form 4D

Keeping in view of transition of MCA-21 from version-2 to version-3 and to promote compliance on part of reporting Limited Liability Partnerships, the Ministry of Corporate Affairs has issued extension and accordingly LLPs may file Form LLP BEN-2 (Return to the Registrar in respect of declaration under section 90 of the Companies Act, 2013) and LLP Form No. 4D (Return to the Registrar in respect of declaration of beneficial interest in contribution received by the LLP), without payment of any further additional fees, up to July 01, 2024.

2. Sebi plans tighter rules for listing of small businesses

India's markets regulator and exchanges will tighten rules for public offers of small and medium enterprises (SMEs), after complaints of misuse of a separate listing platform introduced in 2012 to enable small businesses access the capital markets.

The regulator, the Securities and Exchange Board of India (SEBI), is considering raising the minimum size of such public offers to 300 million-500 million Indian rupees. Currently there is no minimum issue size prescribed but companies listing on the platform are required to have a post issue capital base of Rs 250 million.

COMPANIES ACT/LLP

3. IBBI suggests debtor take 21 days to respond to default confirmation

In a bid to speed up the process of admitting a business to the corporate insolvency resolution process (CIRP), the Insolvency and Bankruptcy Board of India (IBBI) has floated a discussion paper which seeks to enhance the effectiveness and acceptability of the record of default issued by an information utility (IU).

To strengthen the process of issuance of the record of default (RoD) by the IU, the board has proposed increasing the timeline for the corporate debtor to provide a response to the default information submitted by the creditor, to 21 days from about nine at present.

LABOUR LAWS

1. HC strikes down foreign workers' inclusion in PF; EPFO to evaluate course of action

Retirement fund body EPFO on Tuesday said it is evaluating the course of action with regard to the judgment of the Karnataka High Court holding the inclusion of foreign workers in the provident fund 'unconstitutional'.

The Karnataka HC, in a recent judgment, struck down provisions which included foreign workers in the ambit of employee's provident fund (EPF) and pension scheme, terming them "unconstitutional and arbitrary". The ruling comes 15 years after foreign workers were included under EPF and pension schemes.

CASE LAWS - INCOME TAX

1. DCIT v. Cleartrip (P) Ltd., 15/09/2023

It has been held that in the absence of any evidence placed on record by the AO to show that the advertisement and sales promotion expenditure incurred by the Assessee is not incurred wholly and exclusively for the purpose of the business of the assessee, there was no justification to make ad-hoc disallowance of 20% of said expenditure.

2. Earthcon Constructions (P.) Ltd. V. Union of India

It has been held that where assessee's application for compounding an offence referable to section 279(2) was rejected solely on basis of CBDT's Compounding Guidelines dated 16-9-2022, since there was no limitation period for considering application for compounding, impugned order rejecting application for compounding solely on basis of said Circular could not be sustained.

CASE LAWS - INCOME TAX

3. *Dipti Garg v. Income-tax Officer*

It has been held that where assessee sold an agricultural land for a certain amount and sub-registrar valued said land at a higher amount, since agricultural land in question did not fall in category of capital asset, section 56(2)(viib) could not be invoked in case of assessee.

4. *All India Bank Officers' Confederation v. Regional Manager, Central Bank of India*

A division bench of Supreme Court has held that provision of interest free or concessional loans provided by bank to its employees shall be taxable as a perquisite under section 17 of the Income Tax Act, 1961. Fixation of SBI's PLR as benchmark for determining value of benefit to assessee in case of interest free/concessional loans is neither arbitrary nor unequal exercise of power and is intra vires under Article 14.

CASE LAWS - INDIRECT TAX

1. *In the matter of Patanjali Yogpeeth Trust*

It has been held that amount collected as entry fees from attendees of residential and non-residential yoga camps in guise of donation in consideration for provision of service is taxable as 'Health and Fitness Services'. It was further held that yoga, encompassing physical, mental and spiritual well-being, is covered under 'Health and Fitness Services' and is taxable. The court thus dismissed the contention that differential treatment based on its therapeutic application is non-taxable.

Fortnightly Update No : 418th
Disclaimer: This is for private circulation only. Every effort has been made to provide the correct information for the facility of our clients. Specific advice/clarification should be obtained in case there is any doubt relating to the aforesaid