



Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED



INCOME TAX ACT

1. Cost of Inflation

The CBDT has notified '363' as Cost inflation index for the Financial Year 2024-25. Cost inflation index of 363 shall be used to compute long-term capital gains or losses on the capital assets that have been or are planned to be sold during the financial Year 2024-25.

2. FM agrees at reconsidering 45-day payment rule for MSMEs

Finance Minister has recently agreed at the possibility of the government reconsidering changes made to the income tax rules mandating payments to micro, small and medium enterprises (MSMEs) within 45 days, failing which companies will have to pay tax on the amount due. This mandate came into effect on April 1, 2024

INCOME TAX ACT

3. CBDT notifies 57 types of incomes, expenses to be reflected in AIS of IT Portal

The Central Board of Direct Taxes (CBDT) has announced 57 types of income and expenses, which are now included in the Income-tax portal's Annual Information Statement (AIS). This list is intended to provide taxpayers with extensive information to guarantee proper filing and compliance. The notification details a wide range of income and expenses, from salaries and rent received to more specific items such as lottery winnings, foreign travel expenses, donations received, etc.

4. Reg non-applicability of higher TDS/TCS

Section 206AB/206CCA provides that the higher TDS and TCS do not apply to the persons who are not required to furnish the return of income and are notified by the Central Government in the Official Gazette on this behalf. Exercising the power, the CBDT has notified the Reserve Bank of India (RBI) to whom TDS/TCS provisions under section 206AB/206CCA will not be applicable.



GST

1. Advisory on launch of E-Way Bill 2 Portal

GSTN is releasing the E-Way Bill 2 Portal on June 01, 2024. This portal ensures high availability and runs in parallel to the e-way Bill main portal. The e-way bill 2 portal will synchronise the e-way bill details with main portal within a few seconds. The highlights of the portal are as follows:

- Presently, E-Way Bill 2 Portal provides the critical services of E-Way Bill system, and gradually it will be extended with other services of e-way bill system.
- E-Way Bills can be generated and updated on the E-Way Bill 2 Portal independently.
- E-Way Bill 2 portal provides the web and API modes of operations for e-way bill services.



GST

- The taxpayers and logistic operators can use the E-Way Bill 2 portal with the login credentials of the main portal.
- The taxpayers and logistic operators can use the E-Way Bill 2 portal during technical glitches in e-way bill main portal or any other exigencies.
- The Criss-Cross operations of printing and updating of Part-B of E-Way Bills can be carried out on these portals. That is, updating of Part-B of the E-Way bills of portal 1 can be done at portal 2 and vice versa.
- In case E-Way Bill main portal is non-operational because of technical reasons, the Part-B can be updated to the E-Way Bills, generated at Portal 1, at portal 2 and carry both the E-way Bill slips.

LABOUR LAWS

1. *The EPF Interest Rate for 2023-24 is fixed at 8.25%.*

The rate is valid for all EPF contributions made from April 01, 2023 to March 31, 2024. The EPF interest is calculated monthly on the EPF contributions but deposited into the EPF account only on 31st March of the applicable financial year.

2. *Minimum wages revised in UP*

The Uttar Pradesh Minimum Wages have been revised w.e.f. April 01, 2024

Class of Employment	Basic per month	VDA per month	Total per day	Total per month
Unskilled	5750	4898	409.54	10648
Semi-skilled	6325	5388	450.5	11713
Skilled	7085	6035	504.62	13120

CASE LAWS - INCOME TAX

1. CIT vs. LX Pantos India P. Ltd.

The Delhi ITAT has once again clarified that payments made to international logistics companies for shipment clearing and forwarding services are not liable for TDS under section 195 of the Act.

2. Date of house possession key for tax benefit: ITAT

Income-tax Appellate Tribunal (ITAT), Mumbai bench, has recently held that in case of an under-construction property, it is the date of possession that must be considered to determine the eligibility of a tax benefit under section 54 of the Income-tax (I-T) Act. This ruling is important, as for availing tax benefits, investment in a new house must be made within a specific period of time.

CASE LAWS - INCOME TAX

3. ITC Ltd. v. ACIT

It has been held that commission paid to foreign agents with whom assessee had entered into agreements to render services abroad and no part of services was ever rendered in India, provisions of section 195 were not applicable to assessee and, therefore, there was no need for deduction of tax at source from payments made to foreign commission agents

4. Malay Kar v. Union of India

It has been held that where employer, which had deducted tax at source from salary of its employee- assessee but had not deposited amount to Central Government's account, in such case Assessing Officer cannot deny benefit of tax deducted at source by employer to assessee and shall give credit of TDS amount to him.

CASE LAWS - INDIRECT TAX

1. AAR in the matter of Hyderabad-based Center for International Admission and Visas (CIAV)

The AAR has given its ruling on a specific case of referral services provided by the CIAV to foreign universities and colleges for admitting Indian students, where the company gets referral income or commission in foreign currencies from universities and colleges based on admissions, but does not have any binding agreement with universities, colleges, or students for guaranteed admission in particular places. The AAR held that the scope of an “intermediary” did not include a company that supplied services on its own account. Hence the services provided will be considered as export.



Fortnightly Update No : 419th

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