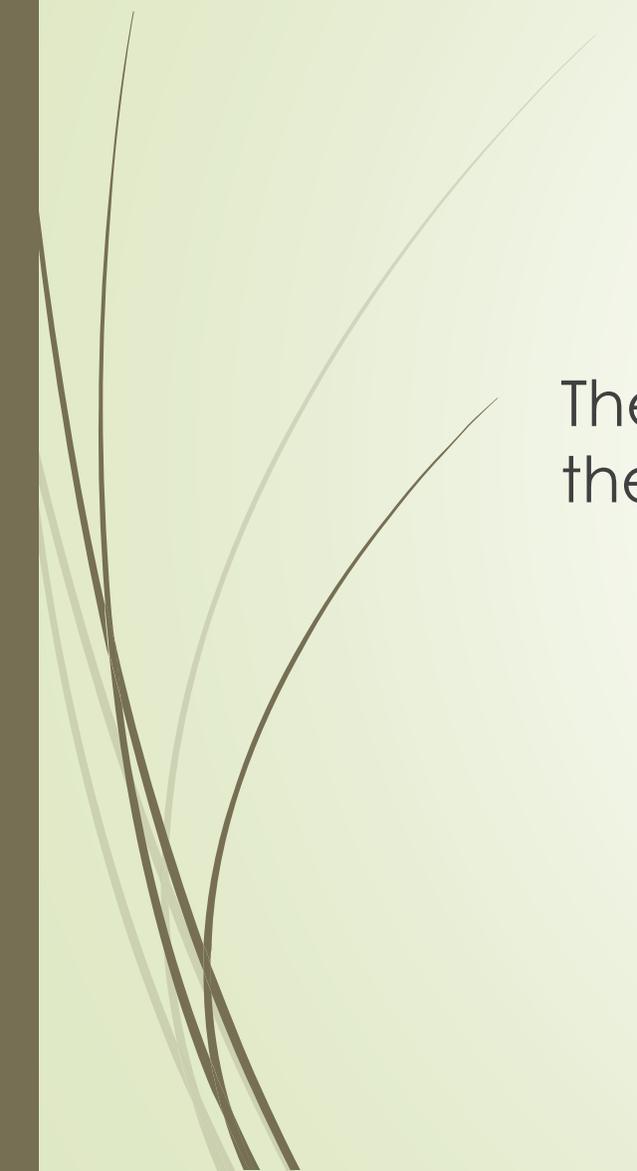


# Just 5 Minutes

TAXCON<sup>TM</sup> INDIA PRIVATE LIMITED



The Finance (No. 2) Act, 2024 has received the assent of the President on August 16, 2024.



# INCOME TAX

## 1. *Reg. Scrutiny of high-value outward remittances*

The Central Board of Direct Taxes (CBDT) has launched a comprehensive scrutiny and verification of high-value outward foreign remittances of above Rs 6 lakh to identify discrepancies in remittance data and likely tax evasion.

## 2. *Clarification regarding ITCC*

The CBDT has clarified that income-tax clearance certificates (ITCC) are needed by residents domiciled in India only in rare cases, such as (a) where a person is involved in serious financial irregularities or (b) where a tax demand of more than Rs. 10 lakh is pending and not stayed by any authority.



# GST

## 1. *Appointment of date for enforcement of section*

The Central Government has notified the dates for applicability of following:-

- (a) 1<sup>st</sup> day of October, 2024, as the date on which the provisions related to “Penalty for failure to register certain machines used in manufacture of goods as per special procedure” becomes applicable.
- (b) 1<sup>st</sup> day of April, 2025, as the date on which the new ISD provisions including compulsory registration and distribution of common invoices will come into force.



# CASE LAWS - INCOME TAX

## 1. *Lionbridge Technologies LLC v. DCIT, Intl. Taxation*

It has been held that merely on basis of draft assessment order, reimbursement of cost on cost-to-cost basis towards software could not possibly be viewed as 'royalty' either under Act or India-US DTAA for purpose of section 197 of the Act.

## 2. *Caledonia Investments Plc, UK v. ACIT (Intl. Taxation), Mumbai.*

It has been held that where the assessee transferred funds from its bank account maintained in India to its own bank account located in United Kingdom i.e., it is a case of transfer of funds by the assessee to itself, section 195 of the Act is not applicable as it becomes applicable only when a person is making payment to any other person of any sum chargeable under the provisions of the Act. The assessee cannot be treated as "assessee in default" in terms of sec. 201 in respect of the above said remittance.



# CASE LAWS - INCOME TAX

## 3. *District Organiser Tribal Welfare Bhopal v. ITO (TDS)*

It has been held that where Assessing Officer passed an order under section 201(1) for default on part of assessee to deduct tax at source in respect of payment made to BDA for execution of work, since assessee had explained before Assessing Officer that BDA had considered these payment as part of their income and also issued a declaration under section 26A issued by Accountant through tendering process and finally payment made to contractor after deduction of TDS by BDA, all these factual aspects of matter were required to be properly verified while computing quantum of default if any, therefore, impugned order of Assessing Officer was to be set aside and matter was to be remanded to him for fresh adjudication



# CASE LAWS – INDIRECT TAX

## 1. *In the case of Devalokam Bakery*

The Authority for Advance Rulings (AAR), Kerala in the case, has held that the sale of food items through a counter qualifies as restaurant services under GST law and the applicable GST rate depends on the location and nature of the premises from which the services are provided. Proper classification and rate determination require accurate information on HSN codes and turnover, which was not provided by the applicant in this case.

## 2. *Nancy Trading Company v. State of UP*

It has been held by High Court that where there is no discrepancy with regard to quality and quantity of goods as mentioned in tax invoice, e-way bills, etc. which were accompanying goods, the goods cannot be detained only for non-generation of e-invoice before movement of goods, as it was just a procedural error.



# CASE LAWS – CORPORATE LAW

## *1. Bar of Indian Lawyers v. D.K. Gandhi PS National Institute of Communicable Diseases*

The Supreme Court of India has held that a service hired or availed of an advocate is a service under “a contract of personal service”, which comes under exclusionary part of definition of ‘service’ contained in section 2(42) of Consumer Protection Act, 2019 and therefore, a complaint alleging “deficiency in service” against advocates practicing legal profession would not be maintainable under Consumer Protection Act, 2019.



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