



Just 5 Minutes

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INCOME TAX

1. *Fixing monetary limits of the income-tax authorities*

The Income Tax Department has introduced a three-tiered monetary limit for the reduction or waiver of interest on unpaid taxes. This new structure aims to streamline the process, allowing taxpayers to approach the appropriate authority for relief based on the amount of interest due.

As per a recent order issued by the Department, the following guidelines have been established:

- a) For amounts up to ₹50 lakh - The Principal Commissioner of Income Tax (Pr. CIT) or Commissioner of Income Tax (CIT) has the authority to grant a reduction or waiver of interest.
- b) For amounts between ₹50 lakh and ₹1.5 crore - The Chief Commissioner of Income Tax (CCIT) or Director General of Income Tax (DGIT) is empowered to consider relief.
- c) For amounts exceeding ₹1.5 crore - The Principal Chief Commissioner of Income Tax (Pr. CCIT) has been given the authority to reduce or waive the interest.

INCOME TAX

2. *Tolerance Range for Arm's Length Price*

For the Assessment Year 2024-25, the tolerance range for variations in Arm's Length Price under Section 92C of the Income Tax Act has been set. For international or specified domestic transactions involving wholesale trading, a 1% tolerance is permitted. For all other transactions, the limit is 3%. "Wholesale trading" is defined as transactions where at least 80% of the total cost pertains to purchasing finished goods, and the average monthly closing inventory does not exceed 10% of sales.

3. *Emphasis on reporting Foreign Assets in return*

The Central Board of Direct Taxes (CBDT) emphasises that Foreign assets must be reported correctly in the ITR-2 form to avoid fines. The Income Tax Department allows taxpayers to correct any omissions or inaccuracies by filing a revised return. For the A.Y. 2024- 25 revised return can be filed upto "December 31, 2024".

INCOME TAX

4. *Electronic Appeal Forms*

The Central Board of Direct Taxes (CBDT) has notified that the following forms shall be furnished electronically and verified in the manner prescribed under sub-rule (1) of Rule 131:

- a) Form 42: Appeal against refusal to recognize or withdrawal of recognition from a provident fund;
- b) Form 43: Appeal against refusal to approve or withdrawal of approval from a superannuation fund; and
- c) Form 44: Appeal against refusal to approve or withdrawal of approval from a gratuity fund.

5. *Integration of PAN related services*

The Cabinet Committee on Economic Affairs (CCEA) has approved the IT Dept. PAN 2.0 Project. Currently, PAN-related services are spread across three platforms: the e-Filing Portal, UTIITSL Portal, and Protean e-Gov Portal. With the implementation of PAN 2.0, all these services will be integrated into a single, unified portal. This helps to handle all PAN/TAN-related matters, including application, updates, corrections, Aadhaar-PAN linking, re-issuance requests, and even online PAN validation.

GST

1. Time Limit for Reporting e-Invoice on the IRP Portal

The department has issued advisory regarding e-Invoicing for taxpayers with an AATO of ₹10 crores and above. Effective 1st April 2025, e-Invoices must be reported on the Invoice Registration Portal (IRP) within 30 days of the invoice date.

2. Three-Year Limit on GST Return Filing

According to the Finance Act, 2023, taxpayers will be prohibited from filing GST returns beyond three years from the original due date for returns under Sections 37, 39, 44, and 52 (GSTR-1, GSTR-3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR-7, GSTR-8, and GSTR-9). This restriction will be implemented on the GST portal in early 2025, encouraging taxpayers to file all outstanding returns promptly to avoid non-compliance issues.

LABOUR LAW

1. *e-Shram Portal 2.0*

Union Labour and Employment Minister has launched e-Shram 2.0, a one stop solution, to provide seamless access to different social security schemes to over 300 million unorganised workers registered on the portal. The primary purpose of the eShram is to simplify the registration process for unorganised workers and facilitate their access to government welfare schemes. Onboarding to the platform will enable workers to access a wide range of social security and welfare initiatives aimed at improving their livelihoods and ensuring their well-being.

OTHER LAWS

1. *Mandatory onboarding on TReDS platforms*

The Ministry of Micro, Small and Medium Enterprises (MSMEs) has issued a notification mandating that all companies registered under the Companies Act, 2013, with a turnover exceeding INR 250 crores, as well as all Central Public Sector Enterprises must onboard the Trade Receivables Discounting System (TReDS) platforms.

CASE LAWS - INCOME TAX

1. *Mehsana Urban Co-op Bank Ltd v. DCIT Circle*

It has been held that where Assessing Officer issued reopening notice on ground that assessee had failed to deduct TDS/deducted less TDS than specified rates on payments of certain amount and thus same was to be added to assessee's income, since same material was considered during regular assessment and no fresh tangible material was available, impugned reopening notice was to be set aside being mere change of opinion.

2. *Golden Moment (P.) Ltd. v. ACIT*

It has been held that where assessee disclosed sundry creditors in balance sheet, acknowledging them as liabilities, in such circumstances, no remission or cessation of liability under section 41(1) could be assumed, and if any discrepancy was found with confirmation and balance sheet of those sundry creditors, suitable action should be taken in hands of those sundry creditors and no adverse inference could be drawn on assessee.

CASE LAWS - INCOME TAX

3. *Bagora Dehydrates v. DCIT [2024]*

It has been held that where assessee made payment of commission to non-resident parties for services rendered outside India, since recipients of payments were not liable to tax in India under any provisions of Act, assessee was not liable to make TDS and section 195(1) would not apply

4. *V.Srinivasan v. Deputy Director of Income-tax*

It has been held that where assessee filed return claiming foreign tax credit and Assessing Officer passed intimation under section 143(1) not granting benefit of foreign tax credit and rejected rectification application, matter was to be remitted back to Assessing Officer to make reassessment by taking into consideration foreign tax credit claimed by assessee.

5. *168 taxmann.com 514 (Kolkata - Trib)*

It has been held that where assessee claimed deduction under section 80JJAA but had not filed audit report in Form 10DA along with return of income, however, filed same before final order of assessment was made, assessee was entitled to claim deduction under section 80JJAA

CASE LAWS - INCOME TAX

1. *Metal One Corporation India Pvt. Ltd. vs. Union of India*

In a recent judgement, the Delhi High Court, relying on circular dated 26 June 2024, held that where no invoices were issued for services provided by expatriates or seconded employees, the value of such services would be deemed to be nil, and no GST could be levied

2. *UtpalDas v. State of West Bengal (Cal)*

It has been held that where assessee claimed excess ITC due to clerical mistake but voluntarily debited its electronic credit ledger by filing Form GST DRC-03 to reverse ITC, interest could not be levied on assessee

Global Carbon Market gets green signal @ COP29

Countries at the two-week COP29 climate summit gave the go-ahead to carbon credit quality standards which are critical to launching a U.N.-backed global carbon market that would fund projects that reduce greenhouse gas emissions.

<https://unfccc.int/news/cop29-agrees-international-carbon-market-standards>

Carbon credits theoretically allow countries or companies to pay for projects anywhere on the planet that reduce CO₂ emissions or remove it from the atmosphere and use credits generated by those projects to offset their own emissions. When operational, these carbon markets will help countries implement their climate plans faster and cheaper, driving down emissions.

Examples of projects could include cultivation of CO₂-absorbing mangroves, or distribution of clean stoves to replace polluting methods of cooking in poor rural communities.

If you have any specific queries on Sustainability/ ESG or BRSR topics, do reach out to tls@taxconindia.com

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