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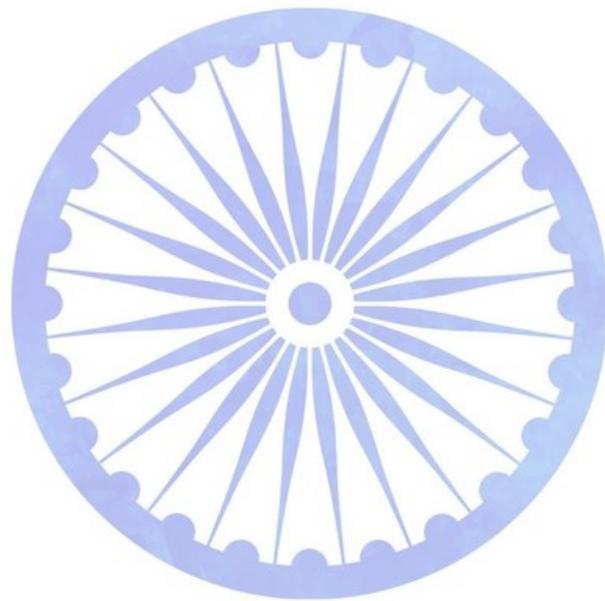
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बजट 2023 INDIA

Reviewed by
SHAH TEELANI & ASSOCIATES
CHARTERED ACCOUNTANTS

BUDGET ANALYSIS 2023-24



BY
SHAH TEELANI & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR PRIVATE CIRCULATION ONLY

THE G-20 BUDGET PRESIDENCY

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A) CHANGES IN PROVISIONS RELATED TO INCOME TAX

1. CHANGES IN PROVISION RELATED TO TAX RATES.

- ✓ For Individuals and HUF there is no change in tax slab if Income is declared in Old Regime, details of Tax Slabs for the Old and New Regime is mentioned below:-

Income	Tax Rate New Regime	Income	Old Tax Regime
(Applicable from 01.04.2023)		(Applicable from 01.04.2023)	
Upto 3,00,000	Nil	Upto 2,50,000	Nil
3,00,001 to 6,00,000	5%	2,50,001 to 5,00,000	5%
6,00,001 to 9,00,000	10%	5,00,001 to 10,00,000	20%
9,00,001 to 12,00,000	15%	Above 10,00,000	30%
12,00,001 to 15,00,000	20%		
Above 15,00,000	30%		

Under new Regime Total Income shall be computed without allowing Any Exemption or Deductions.

- Standard Deduction and amount paid in the **Agni veer** Corpus Funds shall be allowed under New Regime.
 - For Income from Business or Profession person has option to Change from Old to New or from New to Old Regime is allowed only Once.
 - Individual or HUF having income other than Business can opt for any Regime for each subsequent year.
- ✓ Surcharge reduced from Current 37.50% for income exceeding 5 Crores to 25% for the Individual and HUFs.
- ✓ Individual person will not require to pay any Income Tax for the income Earned upto 7 Lacs. Rebate under section 87A is allowed only to Resident Individual and only if New Regime is Opted by the Assessee. Rebate of 7 Lacs will not be available if one Files Return of Income under Old Regime (*Effective from 01st April, 2024 Onwards*)
- ✓ In order to clarify the provision of the section 140B(4) of the act, an amendment has been proposed in the said sub section that interest payable under section 234B shall be computed on an amount equal to the assessed tax as reduces by amount of advance tax. (applicable from 01.04.2022)

2. CHANGES IN PROVISIONS RELATED TO BUSINESS AND PROFESSIONALS.

- ✓ In order to promote timely payments to MSME, it is proposed that amount payable to MSME shall be allowed as deduction only on actual payments as per the section 43B(h).
 - As per MSME Act, every person is required to pay the amount outstanding to MSME in 15 days which can extend maximum up to 45 Days, but not beyond 45 days allowed even if there is written agreement.

Example:-

Inv. Date	Inv. Due for Payment	Inv. Paid Date	Year of Deduction allowed	Note
01 st March, 2025	15 th April, 2025	17 th April, 2025	F.Y. 2025-26	Note - 1
01 st March, 2025	15 th April, 2025	14 th April, 2025	F.Y. 2024-25*	Note - 2
01 st March, 2025	15 th March, 2025	01 st April, 2025	F.Y. 2025-26	Note - 3
01 st March, 2025	30 th May, 2025	17 th April, 2025	F.Y. 2025-26	Note - 4

Note - 1 - Maximum days allowed for payment as per MSME Act is 45 days, and amount is paid after 45 Days therefore Deduction shall be allowed in F.Y. 2025-26, as payment is made in April, 2025

Note - 2 - Maximum days allowed for the payment as per MSME Act is 45 Days and amount is paid before due dates of Invoice, therefore both the condition of paid before due date and before the 45 Days is satisfied and hence we can claim expenses in 2024-25, even it is paid in April, 2025.

Note - 3 - Invoice Due date for payment was 25th March and it is paid after due date of Invoice, therefore the deduction shall be allowed in F.Y. 2025-26.

Note - 4 - Even the Due Date for the Payment of Invoices was 90 Days, but MSME act Allows only 45 Days for making payment, therefore as payment is made after 45 Days it shall be taxable in the year in which payment is made.

- ✓ Sugar Factories are allowed to claim the deduction of the amount paid as Final Cane Price to sugarcane growers which is over and above the Statutory Minimum Price fixed by Central Government.
 - Deduction is allowed retrospectively from 01st April, 2016.

- Any amount paid to Sugar Cane Growers will not be considered as Appropriation/distribution of Profit and will be allowed as Business Expenditure in the year in which it is paid.
- ✓ Primary Agricultural Credit Societies and Rural Development bank is allowed to take loan from its member upto Rs. 2 Lacs in Cash and limit of Rs. 20,000 cash loan as per section 269SS shall not be applicable. *(Effective from 01st April, 2023 onwards)*.
- ✓ Startups can set off and carry forward Losses even if there is change in Shareholding pattern of more than 51%.
 - Further, Startup Companies are allowed to Carry Forward of Loss upto 10 years from the date of Incorporation instead of 7 Years which is allowed to other Companies. *(Effective from 01st April, 2023 onwards)*.
 - Startup companies setup before 01st April, 2024 are eligible for 100% of deduction from profit for 3 years if turnover does not exceeds 100 Crores. Previously companies setup before 01st April, 2023 were eligible for the Startup Tax B. *(Effective from 01st April, 2023 onwards)*
- ✓ Any Authority or board or trust or commission established under Central State or Provincial Act will be exempted under Income Tax, this amendment has Nullified the Supreme Court Judgment of Ahmedabad Urban Development Authority Vs. Assistant Commissioner of Income Tax (Exemptions). *(Effective from 01st April, 2024 onwards)*
- ✓ Carry Forward and Setoff of Accumulated Losses and Unabsorbed Depreciation shall be allowed in case of the Strategic Disinvestment of Public Sector Company even if there is change of 51% of Share Holding. *(Effective From 01st April, 2023)*
- ✓ Company can claim deduction on amortization of preliminary expenditure for any amount which may or may not be approved by the Board. Company will have to provide the Statement to Income Tax authority for the details of Expenses incurred for Amortization.
- ✓ Income tax exemption provided to News Agency under section 10(22B) is withdrawn therefore from 01st April, 2024 income of News Agency shall be taxable.
- ✓ Units setup in SEZ can claim Income Tax Deduction only if they had filed their return of Income within Due Date and Proceeds from the Export of Goods or Services are received in India within 6 Months.

- ✓ Increase in turnover limit for the Presumptive Taxation Schemes which is as under:-
- Presumptive Taxation under Section 44AD turnover limit shall be 3 Crores wherein Receipts and Payments in Cash Does not Exceeds 5% of the Total Turnover.
 - For Profession presumptive taxation under Section 44ADA limit is increased to 75 Lacs of receipts from the existing limit of 50 Lacs and does not includes the Cash Receipts and Payments more than 5% of the Total Turnover. *(Effective from 01st April, 2024 onwards)*

Particulars	Section 44AD	CASH Condition	Section ADA	Condition
Audit Not Required	Turnover Less Than 3 crore & New Profit is 8%/6% of the turnover or more	All payment and receipt in cash during PY do not exceed 5%	Gross receipt 75Lakh & New Profit is 50% of the gross receipt or more	All payment and receipt in cash during PY do not exceed 5%
Audit Required	Turnover Less Than 3 crore & New Profit is 8%/6% of the turnover or more	All payment and receipt in cash during PY exceed 5%	Gross receipt Less Than 75 lakh & New Profit is 50% of the gross receipt or more	All payment and receipt in cash during PY exceed 5%
Audit Required	Turnover more Than 3 crore or New Profit is less than 8%/6% of the turnover or more	--	Gross receipt more Than 75 lakh or New Profit is less than 50% of the Gross receipt or more	

Turnover	Condition	Condition of cash payment and cash receipt	Audit requirement
Upto 3 Crore	>8% or 6%	If cash payment and receipt is less than 5%	No
Upto 3 Crore	>8% or 6%	If cash payment and receipt is more than 5%	Yes
RS 3 crore to 10 crore	NA	If cash payment and receipt is less than 5%	No
RS 3 crore to 10 crore	Na	If cash payment and receipt is more than 5%	Yes
Above 10 crore	NA	NA	Yes

3. CHANGES IN PROVISIONS RELATED TO CAPITAL GAINS.

- ✓ Conversion of Physical Gold into Electronic Gold Receipts (EGR) shall not be considered as transfer and No Capital Gain shall be levied on such transfers. *(Effective from 01st April, 2024 onwards.)*
 - When Electronic Gold Receipts are Sold than Cost of Acquisition shall be the Cost of the Gold purchased in physical form and holding period for capital gain would include the period for which Gold was held in Physical Form prior to its Conversion into EGR.
- ✓ Income distributed by Real Estate Investment Trust (REIT) and Infrastructure Investment Trust (In VIT) to its unit holder will be taxable. Income distributed to unit holders are not the repayment of Loans but it's the redemption of Unit. *(Effective from 01st April, 2024 onwards)*
- ✓ Maximum Deduction for the Long Term Capital Gain is restricted up to 10 Crores under Section 54 and 54F of the Income Tax Act. *(Effective from 01st April, 2024 onwards)*
 - Even Capital Gains Account Scheme shall limit the amount that can be kept as deposit up to 10Crores rupees only.
- ✓ Market Linked Debenture will now be taxed as Short Term Capital Gain and not being taxed as Long Term Capital at 10% of tax rate.
 - Market Linked Debenture will be termed to any security which has Underlying Principal Component in the Form of Debt Security where return are linked to the market returns.
- ✓ Interest paid on borrowed Capital for the Purchase of Property shall be allowed as Deduction only under Section 24 from the Income of House Property.
 - Assessee will not be able to claim deduction as cost of Acquisition or Cost of Improvement if such amount of Interest is already claimed under Section 24 of House Property Income.
- ✓ For Intangible Assets like Goodwill, Copyrights or patents which are self-generated, cost of acquisition shall be considered as Nil for calculation of Capital Gains.

4. CHANGES IN PROVISIONS RELATED TO INCOME FROM OTHER SOURCES AND GIFT TAXATION.

- ✓ Any amount Paid as Gift in excess of Rs. 50,000 by Resident Indian to Non-Resident India shall be taxable in the hands of Non Resident. Currently Gift is taxable to Resident Indian and not to Non Resident Indian. *(Effective from 01st April, 2024 onwards)*

5. CHANGES IN PROVISIONS RELATED TO NON RESIDENTS.

- ✓ Income Distributed to Non-Residents on transfer of Offshore Derivative Instruments (ODI) shall be tax free.
 - Presently the exemption is provided only on the transfer of ODIs and not on the Distribution of Income to Non Resident ODI holders, now amendment is made where in the income Distributed to Non Resident ODI Holders will be exempted from Double Taxation. (*Effective from 01st April, 2023 onwards*).
- ✓ Non Resident Company providing Services or Facilities in Connection to Hiring of Machinery and Erection of Plant and Machinery are not allowed to Set Off and Carry Forward Losses and Unabsorbed Depreciation if they avail the Presumptive Taxation at the rate of 10%.
 - Currently Non Resident Companies declares loss and get the accounts audited in One Financial Year. Than in next financial year where book profit are more then companies declares 10% Profit based on Presumptive taxation and shows the Lower Profit compare to the Higher Book Profit, based on the Presumptive Income Companies Claims and set off the Previous year loss, this results in loss to the Revenue.
- ✓ Any person entered into International Transaction or Specified Domestic Transaction to furnish any information within 10 Days to the Assessing Officer or Commissioner Appeals as the case may be for the pending legal proceeding. Previously 30 Days time period was allowed for submission of the information.
- ✓ Premium Received from Non Resident Indian towards the Issue of Shares of Pvt. Ltd. In excess of Fair Market Value is to taxed in the Hands of Company issuing such Shares as Income From Other Sources.

6. CHANGES IN PROVISIONS REALTED TO ASSESSMENTS, APPEALS AND PENALTY.

- ✓ Joint and Additional Commissioner has been empowered with the Rights for being the Commissioner for Income Tax Appeals. This will help in speedy disposals of Appeals at the Commissionerate Levels.
- ✓ Assessing Officer can direct the Assessee to get the Inventory Valued by Cost Accountant.
 - It has been observed that Stock are not Valued properly by the Assessee and profits are adjusted by the Valuation of the Stock.

- Assessing Officer is now empowered to get the Correct Value of Stock from the Cost Accountant and any amount payable to Cost Accountants shall be paid by the Central Government.
- ✓ Budget 2021 has abolished the Settlement Commission as per Section 245D, however in the Current Budget of 2023 application before Settlement Commission shall be accepted upto 30.09.2023 and its shall be in place retrospectively from 01st February, 2021.
- ✓ Appeals before the Appellate Tribunal now can be filed for the Penalty Orders passed under Section 271AAB, 271AAC and 271AAD by Commissioner of Appeals. *(Effective from 01st April, 2023 onwards)*
- Commissioner of Appeals are also empowered to file the Memorandum of Cross Objection as per the section 253(4) for the Appeals filed under Penalty section as mentioned above.
- ✓ During the course of Search and Seizure as per Section 132 authorised officer may request for the services of any Person/Entity for proper analysis of the Undisclosed Income being held in the Form of Assets or Investment stored in cloud storage, digitization of data or other technology being used to keep the records of the Undisclosed Income. *(Effective from 01st April, 2022 onwards)*
- ✓ Time Limit for completion of Assessment is proposed to be increased from currently 9 Months to 12 Months from the end of relevant assessment year in which income is declared. *(Effective from 01st April, 2023 onwards)*

7. CHANGES IN PROVISION RELATED TO TDS AND TCS.

- ✓ TDS @ 2% is applicable if cash withdrawn exceeds 1 Crore from Bank as per section 194N, however if cash is withdrawn by any Co-operative Society than limit is increased to 3 Crores from the existing limit of 1 Crores. *(Effective from, 01st April, 2023 onwards)*.
- ✓ Non Resident unit holders of Business Trust can apply for the Lower TDS Deduction as per Section 197 for the Interest Income that is due from such Business Trust. Previously Section 197 does not allow for filing of Lower TDS for the Income earned from Business Trust *(Effective from 01st April, 2023)*
- ✓ Tds shall be applicable on the Interest Payment made by the Listed debentures to its unit holders. *(Effective from 01st April, 2023 onwards)*
- ✓ TDS on winnings from Online Games/Gambling/Betting or any Form shall be applicable if total amounts of winning exceeds Rs. 10,000 during the Financial year. Currently TDS is not

- levied as Rs. 10,000 is the limit for each transaction and company avoids TDS by showing winning amount less than Rs. 10,000 per transaction. *(Effective from 01st April, 2024 onwards)*
- From 01st July, 2023 new Section 194BA is inserted for the levy of TDS on the Net Winnings on each Withdrawal from the user account and not in the net wining at the end of the each year.
 - Further TDS shall also be applicable on the New Winnings in the user account at the End of the financial year even if such amount is not withdrawn by the user.
 - TDS applicable on both the amount, amount paid as Win by Cash or Partly in Cash and Partly in Kind.
 - ✓ TCS on the foreign remittance paid for the Overseas Tour Package is increased from current 5% to 20% without any threshold limit. *(Effective from 01st July, 2023 onwards)*
 - TCS on foreign remittance paid Overseas Person other than Education is also increased from 5% to 20% without any threshold limit.
 - ✓ Person not having taxable income will not be termed as Non – Filers of return of Income and not liable for Higher Rate of TDS as per the section 206AB. *(Effective from 01st April, 2023 onwards)*

8. CHANGES IN PROVISIONS RELATED TO TRUST, CO-OPERATIVE SOCIETIES AND DEDUCTIONS

- ✓ New Manufacturing Co-Operative Society Setup after 01.04.2023 will be eligible for the Concessional tax rate of 15%, which commences manufacturing or production activity before 31.03.2024 and does not avail any Incentive or Deductions. Surcharge @ 10% would be levied on the above tax rate. *(Effective From 01.04.2023 onwards)*
- ✓ Surcharge on Co-operative Societies effective from 01.04.2022 shall be as follow:-
 - Income of society between 1 Crores to 10 Crores – Surcharge @ 7%
 - Income of society exceeding 10 Crores – Surcharge @ 12%
 - Surcharge @ 10% for Society covered under section 115BAD and 115BAE *(New Section for Societies setup for Manufacturing activities)*
- ✓ Any contribution made to Agni veer Corpus fund by individual shall be exempt from tax and any payment received by Agni veer or his nominee from the fund shall also be exempted. Deduction will be available under section 80CCH. *(Effective from, 01st April, 2023)*

- ✓ Premium paid for the LIC policy other than ULIP in excess of Rs. 5 Lacs will be taxable at the time of maturity of the amount if such policy is issued after 01st April, 2023.
- Section 10(10D) is amended and Tax Free Maturity only if premium paid upto 5 Lacs per Pan Card.
- If deduction is claimed under section 80C on Premium Paid than full amount received on Maturity will be Taxed as per the Slab Rate applicable to that Individual.
- If deduction under section 80C is Not Claimed on Premium Paid that Amount Received on Maturity Less Premium Paid will be taxed as per the Tax Slab.
- Policies purchased till 31st March, 2023 will be considered as Tax Free Maturity as per section 10(10D).
- Policy amount received on Death of Person will continue to be exempted.

B) CHANGE IN PROVISIONS OF GOODS AND SERVICE TAX

- ✓ Composition Taxable persons also allowed to supply goods through e-commerce operator. (Section 10 is being amended)
- ✓ The value of supplies of warehouse goods to any person before clearance for home consumption would now be treated as exempted supplies for the purpose of reversal of ITC as per rule 42 & 43 of the CGST Rules 2017.
- ✓ Input Tax Credit of expenditure incurred towards CSR obligation shall not be allowed to a taxpayer. (Section 17(5) is being amended reversing the judgment of M/s. Bambino Pasta Foods Industries Private Limited –GST AAR Telangana)
- ✓ Persons engaged in supply of goods or services wholly exempt from tax are not required to obtain registration. (Retrospective amendment w.e.f. 01.07.2017)
- ✓ Monthly returns GSTR 1, GSTR 3B, and Annual Return GSTR 9 and GSTR 8 will not be allowed to be filed after a period of 3 years from the due date of filing of the said returns. (New Sections 37(5), 39(11), 44(2) and 52(15) introduced).
- ✓ E-commerce operator would be levied penalty of Rs. 10,000 or the Amount Involved which ever is higher for the following defaults:-
 - Allows an unregistered person to supply goods or services
 - Allows an interstate supply of services by a person registered under composition scheme
 - Fails to pay tax or furnish incorrect details.
- ✓ Following offence u/s 132 have been proposed to be de-criminalized:
 - Obstructs or prevents any officer in the discharge of his duties
 - Tampers with or destroys any material evidence or documents
 - Fails to supply any information which he is required to supply
- ✓ Monetary threshold limit for launching prosecution for the offences under the said Act is proposed to be increased from existing Rs. 1 crore to Rs. 2 crore, except for the offences related to issuance of invoices without supply of goods or services or both. (Amendment in Section 132(1)(iii))

- ✓ GST Act is being amended so as to provide for prescribing manner and conditions for sharing of the information furnished by the registered person in his return or in his application of registration or in his statement of outward supplies, or the details uploaded by him for generation of electronic invoice or E-way bill or any other details, as may be prescribed, on the common portal with such other systems, as may be notified. (New section 158A introduced).
- ✓ Place of supply of services by way of transportation of goods in case of export transactions shall be the location of recipient, irrespective of the place of destination of such goods. (Proviso to Section 12(8) of the IGST Act has been omitted).

C) IMPORTANT CURRENT YEAR PROVISIONS FOR F.Y. 2022-23

Income Tax Slab Rates In India

FY 2021-22 or AY 2022-23

1. Tax Rate Structure for the A.Y. 2023-24
Option - I (Old Regime)

➤ *Tax Rates for Individual, HUF*

Category	Exemption Limit	5%	20%	30%
		Individual/HUF, AOP, BOI	₹ 2,50,000	₹ 2,50,001 to ₹ 5,00,000
Senior Citizen (Age 60 to 79)	₹ 3,00,000	₹ 3,00,001 to ₹ 5,00,000	₹ 5,00,001 to ₹ 10,00,000	Above ₹ 10,00,000
Super Senior Citizen (Age Above 80)	₹ 5,00,000	NIL	₹ 5,00,001 to ₹ 10,00,000	Above ₹ 10,00,000

Note:-

- Surcharge is applicable as mentioned below

Income Slab	Rate
From ₹ 50 Lacs to ₹ 1 Crore	10%
Above ₹ 1 Crore to ₹ 2 Crore	15%
Above ₹ 2 Crore to ₹ 5 Crore	25%
Above ₹ 5 Crore	37%

- ✓ For 25% or 37% of surcharge income excluding dividend income or Sec 111A, 112A & 115AD shall be considered.
- ✓ In addition to above additional tax at the rate of 10% of gross amount of dividend shall be paid resident assesses except domestic company & certain funds, trust, institutions etc if dividend received by them exceeds ₹ 10 Lacs per annum.
- ✓ Rebate u/s. 87A of ₹ 12500 for resident individual if net total income is less than ₹ 5Lacs.
- ✓ Health and Education Cess will be levied 4%
- ✓ Marginal relief is available in case income exceeds ₹ 1Cr or ₹ 10Cr, as the case may be, to the extent marginal tax exceeds marginal income.

Option - II (New Regime)

Change in rate of taxation for Individual and HUF

Total Income	Rate of Tax
Up to ₹ 250000	Nil
From ₹ 250001 to ₹ 500000	5%
From ₹ 500001 to ₹ 750000	10%
From ₹ 750001 to ₹ 1000000	15%
From ₹ 1000001 to ₹ 1250000	20%
From ₹ 1250001 to ₹ 1500000	25%
Above ₹ 1500000	30%

Exercise of option for new Rates

- ✓ In case of individual or HUF having business income,

- The option once exercised for previous year i.e. AY 2021-22 shall be valid for that previous year and for all subsequent year. Once person withdrawn from new rates than after such withdrawal person cannot go again for new rates
- ✓ In case of individual or HUF having other than business income,
 - Can opt this option before due date of income tax return. The option will be for specific year only, can opt separately for each subsequent year.
- ✓ This option is optional. If any person does not want to go with new rates can continue in old tax rate regime.
- ✓ Section 115 JC also be amended the provision relating to AMT shall not be apply to such individual and HUF having business income and also carry forward and set off of AMT credit shall not apply.
- ✓ Individual and HUF opting for new taxation regime shall not be entitled to the following exemption/deductions
 - Leave Travel concession
 - House rent allowance
 - Some of allowance as per clause (14) of section 10
 - Allowance to MPs/MLAs
 - Allowance for income of minor
 - Exemption of SEZ unit contained in section 10AA
 - Standard deduction(₹ 50000), deduction for entertainment allowance and employment/ professional tax as contained in section 16
 - Interest under section 24 in respect of self-occupied or vacant property.
 - Additional Depreciation under section 32(1)(iia)
 - Deduction under section 32AD, 33AB, 33ABA
 - Various deduction for donation for expenditure of scientific research
 - Deduction under section 35AD or section 35CCC
 - Deduction from family pension under section 57(iia)
 - Any deduction under chapter VIA **except section 80CCD and 80JJAA**
- ✓ Transport allowance, conveyance allowance, any allowance granted to meet the cost of travel on tour or on transfer, daily allowance to meet the ordinary charges incurred by an employee on account of absence from his normal place of duty shall be allowed

➤ **Company Assesses**

Sr.No.	Total Income	Rate of Tax (%)	Rate of MAT/AMT
1	Tax Rate for Domestic Co.		
	Total turnover or Gross Receipt during the FY 2020-21 does not exceed ₹ 400 Crore		
	Where it opted for section 115BA	25%	15%
	Where it opted for section 115BAA (companies which does not claim certain specified deduction of exemption and also	22%	--

	does not take benefit of carry forward of unabsorbed depreciation/loss))		
	Where it opted for section 115BAB (Manufacturing Company, register on or after 1.10.2019 and commenced manufacturing on or before 31.3.2024)		--
	I. Income derived from or incidental to manufacturing or production of an article or thing	15	--
	II. Income which neither derived from nor incidental to manufacturing or production of an article or thing	22	--
	III. Short term capital gain derived from transfer of capital assets on which no depreciation is allowed.	22	--
	IV. Excess profit determined by AO under subsection (6)	30	--
	V. Any Other domestic Co (Total turnover or Gross receipt during FY 2018-19 exceed ₹ 400 Crore)	30%	15%
2	Tax Rate for Foreign Co.		15%
	Royalty received from Gov. or an Indian concern in pursuance of an agreement made with the Indian concern after March 31 1961 but before April 1, 1976	50%	15%
	Any other income	40%	15%

➤ Applicability of Surcharge and Education Cess

Particular	Applicable to Companies			Rate
	Total Income			
Surcharge	Total Income	Less than ₹ 1 Crore	All	Nil
		₹ 1 Crore to ₹ 10 Crore	Domestic Foreign	7% 2%
		Above ₹ 10 Crore	Domestic Foreign	12% 5%

- ✓ Health and Education Cess will be levied 4%
- ✓ Rate of Surcharge in case of Company opting for taxability under section 115BBA or Section 115BAB shall be 10% irrespective of amount of total income.
- ✓ Rate of surcharge in case of LLP, Partnership Firm or Local Authority if income exceeds ₹ 1 Crore shall be 12%.

- ✓ Surcharge shall be subject to marginal relief, marginal relief is available in case income exceed ₹ 1 Crore or ₹ 10 Crore as case may be to extent marginal tax exceeds marginal income.

➤ **Partnership Firm/Local Authority**

Sr. No.	Particular	Rate of Tax (%)	Rate of MAT
1	Partnership firm	30%	15%
2	Local Authority	30%	15%

- ✓ Health and Education Cess will be levied 4%
- ✓ If Total Income exceed ₹ 1 Crore than surcharge will be levied 12% of such tax.

➤ **Co-Operative Society**

Option I

Sr No	Amount of Total Income	Rate of Tax
1	Up to ₹ 10000 Rs	10%
2	From ₹ 10000 to ₹ 20000	20%
3	More than ₹ 20000	30%

- ✓ Health and Education Cess will be levied 4%
- ✓ If Total Income exceed ₹ 1 Crore but less than 10 crore than surcharge will be levied 7% of such tax.
- ✓ If Total Income exceed ₹ 10 Crore than surcharge will be levied 12% of such tax.

Option II

For Co-operative society option has been proposed under new section 115BAD to pay tax at the rate of 22% + 10% surcharge + 4% cess

For being eligible following exemption/deduction shall not be available:-

- ✓ Deduction under provision of section 10AA
- ✓ Deduction under provision of clause (ia) of subsection (1) of section 32
- ✓ Deduction under provision of section 32AD
- ✓ Deduction under provision of section 33AB or section 33ABA
- ✓ Deduction under provision of sub-clause ii or iia or iii of subsection 1 or subsection 2AA of section of section 35
- ✓ Deduction under provision 35AD or 35CCC
- ✓ Deduction under provision of chapter VIA

It is further proposed to amend section 115JC and 115JD so as to provide the provisions relating to AMT and carry forward and set off of AMT credit shall not apply to co-operative society on exercising the option under new section 115BAC.

The option once exercised under this section cannot be subsequently withdrawn for the same or any other previous year.

3) Tax Rate for AOP & BOI

Share of Members are Determinate			Share of Members are Not Determinate	
Members is an individual/HUF	Member is a Company		Members is an individual/HUF	Member is a Company
When None of Member has income in excess Basic exemption limit	When any of the member have income in Excess of Basic Exemption limit	When total income of member company is taxable at higher rate than the maximum Marginal Rate (i.e. in case of Foreign Companies)	Tax will be charged on the total income of AOP/BOI at Maximum Marginal Rate i.e. 35.88%	When income of AOP/BOI is taxable at rate higher than the maximum marginal rate then, the total income of AOP/BOI will be taxed at such higher rate. (i.e. in case of foreign Company)
AOP/BOI will be taxed at the slab rates as applicable to individual/HUF	AOP/BOI will be taxed at the Maximum Marginal Rate i.e. 35.88%	Tax will be charged on that portion of AOP/BOI at such higher rate		

2) Provision related to Presumptive Taxation.

Particulars	Business			Professional	
	Section 44AD/ADA	Section 44AB	Section 44AE	Section 44AD/ADA	Section 44AB
Audit Not Required	Turnover is less than ₹ 2 Crore & Net Profit is 8%/6%* of turnover or More	Turnover is less than ₹ 10 Crore**	Less than 10 Vehicles ₹ 7500 per month/part of month irrespective of vehicle capacity	Gross Receipts less than ₹ 50 Lacs & Net Profit is 50% of Gross Receipts or more	Gross Receipt is less than ₹ 50 Lacs

Audit Required	Turnover Exceeds ₹ 2 Crore OR Turnover is less than Rs 2 Crore and Profit is less than 8%/6%* of Turnover	Turnover is more than ₹ 10 Crore**	10 or more vehicles OR Income is less than ₹ 7500 per Month Per Vehicles	Gross Receipts More Than ₹ 50 Lacs & Net Profit is less than 50% of Gross Receipts	Gross Receipt is more than ₹ 50 Lacs
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✓ Eligible Assessee - For Section 44AD - Resident Individual, HUF or Partnership Firm (Other Than LLP), For Section 44ADA - Resident Individual or Partnership Firm (Other Than LLP)
*If Gross Receipt received by account payee cheque or account payee bank draft or use of ECS through a banking channel during the previous year.

** For the limit ₹ 10 Crore in case where aggregate of all the receipt and payment in cash during the Previous year do not exceed 5% of such receipt and payment, if cash transaction exceed 5 % then turnover limit is ₹ 1Crore.

Note:- if assessee declare profit on presumptive basis for any previous year but does not declare profit on presumptive basis for subsequent five year, he shall not be eligible to claim the benefit of presumptive taxation again for next five year subsequent to the year in which the profit has not been declare accordance with section 44AD.

Turnover	Condition of net Profit	Condition of CASH payment and CASH Receipt	Audit Requirement
Upto ₹ 2 Crore	> 8% or 6%	NA	NO
Upto ₹ 2 Crore	< 8% or 6%	NA	YES
₹ 2 Crore to ₹ 10 Crore	NA	If CASH payment and CASsH Receipt is More than 5%	YES
₹ 2 Crore to ₹ 10 Crore	NA	If CASH payment and CASH Receipt is Less than 5%	NO
More Than ₹ 10 Crore	NA	NA	YES

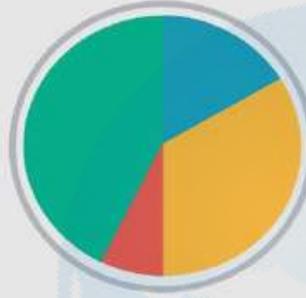
For Non Resident Tax payer

Section	Eligible Assessee	Presumptive income
44B & 172	Shipping business	7.5% of gross receipt
44BB	Exploration of minerals Oil	10% of gross receipt
44BBA	Operation of Aircraft	5% of gross receipt
44BBB	Trunkey Power projects	10% of gross receipt

TDS

Rate chart

FY 2022-23 & AY 2023-24



3. Rates & Exemption limit of TDS

Section	Nature of Payments made to resident	Threshold Limit	Company Firm	Individual HUF
192A	Pre Mature withdrawal from EPF	₹ 50000	10	10
192B	Salary (Other than Government Employee)	-	-	As per Slab Rates after providing Deduction of Chapter VI A
193	Interest on Securities	₹ 2500/₹10000	10	10
194	Deemed Dividends	₹5000	10	10
194A	Interest paid by Banks/Post Office*	₹40000	10	10
	Interest paid by Others	₹5000	10	10
194B	Winning from lotteries / Crossword Puzzle	₹10000	30	30
194BB	Winnings from horse race	₹10,000	30	30
194C	Payment to Contractors/ Advertisement/ Transporter**:-			
	✓ Single transaction	₹30000	2	1
	✓ Aggregate during FY	₹100000	2	1
194D	Insurance commission	₹15000	5	5
194DA	Maturity of Insurance Policy	₹100000	1	1

194EE	Payment out of deposit under NSS	₹ 2500	10	10
194F	Repurchase units by MFs	-	20	20
194G	Commission – Lottery	₹ 15000	5	5
194H	Commission/ Brokerage	₹ 15000	5	5
194I	Rent Land / Building	₹240000#	10	10
	Rent Plant/ Machinery	₹240000#	2	2
194IA	Transfer of Immovable Property, other than Agriculture Land	₹50,00,000	1	1
194IB	Rent payable by an individual/HUF not covered u/s 194I (w.e.f. 01.06.2017)	₹50000 p.m.	5	--
194IC	Payment of consideration (not in kind) under joint development agreement (w.e.f. 01.04.2017)	-	10	10
194J	Professional Fees	₹ 30000	10	10
	Director fee	-	10	10
	Payment to person engaged in the business of call centre (w.e.f.01.06.2017)	₹ 30000	2	2
194K	Payment of any income in respect of a) Units of a MF as per sec 10 (23D) b) Units from the administrator c) Units from specified companies	₹ 5000	10	10
194LA	Compensation on Property other than Agriculture Land	₹ 250000	10	10
194LBA	Income of units of business trust Distribution of retail income to the units holder	--	10	10
194LBB	Incoem in respect of units id investment fund	--	10	10
194LBC	Income in respect of investment in securitization fund	--	10	10
194M	Payment made by individual/HUF to contractor or professional for personal use (Even for unaudited assessee)	₹ 50,00,000	5	5
194N	Withdrawal CASH from Banks, Post office or Co-operative banks	₹ 1,00,00,000	2	2
194O	Applicable for E –Commerce operator for sale of goods or provision for service facilitated by it through its digital or electronics facility or platform (applicable from 01.10.2020)	₹ 500000 (Only for individual, HUF)	1	1

194Q	## Payment to resident for purchase of goods (Applicable from 01.07.2021)	₹ 50,00,000	0.1	0.1
194R	Payment of benefit or perquisite in respect of business or profession (Applicable from 01.07.2022)	20000	10	10
194S	Payment on transfer of virtual digital asset (Applicable from 01.07.2022) Specified Person	50000	1	1
	Any person other than specified person	10000	1	1

Note:

- ✓ In case PAN is not available rate shall be 20%.
*TDS is required to be deducted if Interest received by Senior Citizen from bank/Co-op Society/Post Office exceed ₹ 50,000
- ** TDS is not be deducted if Transport owing ten or less than ten goods carriage with Pan.
- # No TDS even if payment made exceeds ₹240000 provided landlord furnishes a self-declaration in prescribed Form 15G/15H to the payer (w.e.f 1.06.2016)
- ## Applicable on buyer of goods, where total sales, gross receipt or turnover from the business carried on by him exceed 10 crore during previous financial year.
 - a) Being an individual or a HUF whose total sales, gross receipts of turnover from the business carried on by him or profession exercised by him does not exceed 1 crore in case of business or 50 lakh in case of profession, during financial year immediately preceding the financial year in which such digital assets is transferred .
 - b) Being an individual or a HUF, not having income under the head "PGBP"



TCS on Sale of Goods

➤ TCS Description & Rates

Section	Description	Rate%
206C	Alcoholic Liquor for Human Consumption and Indian Made Foreign Liquor	1
	Timber obtained under a forest lease or any other mode and other forest produce	2.5
	Scrap and Minerals, being coal or lignite or Iron ore	1
	Parking Lots, Toll Plaza Lease and Mine Quarry Lease	2
	Tendu Leaves	5
	Bullion or Jewellery	1
	Cash Purchase for Bullion exceeding ₹ 2 Lacs & Jewellery exceeding ₹ 5 Lacs	1
	Cash Purchase for any Goods/Services Exceeding ₹ 2 Lacs	1
	Motor Vehicle of value Exceeding ₹10 Lacs	1
	Remittance out of India under the Liberalized Remittance Scheme of RBI of the value exceeding ₹ 7Lacs in a financial year (Applicable from 1.10.2020) TCS will be charged on excess amount above ₹ 7 lacs *	5
	Sale of overseas tour programme package (Applicable from 1.10.2020)	5
	Sale of goods (except goods on which TCS Applicable as per section 206C(1), 206C(1F) and 206C(1G)) of the value exceeding ₹ 50 Lacs (Applicable from 1.10.2020) – TCS will be charged on	0.10

	excess amount over ₹ 50Lacs – Applicable for Seller of goods having turnover more than ₹ 10 Crore #	
206CCA	Special Provisions for collection of TCS at higher rate for non-filers of income tax return (Applicable from 01.07.2021)	Higher of following Rates - At Twice rate specified in the act or - At the rate of 5%

Note: - If case of Non-Resident up to ` 1 Crore there will be Cess @ 3% and Above ` 1 Crore there shall be Surcharge @ 10% also. TDS is not applicable on Service Tax Part is Service Tax is shown separately.

If buyer is liable to deduct TDS us 194Q. The provision of tax collection at source (TCS) us 206C(1H) shall not be applicable.

*In case where the amount remitted for the purpose of pursuing education through a loan obtain from any financial institution as define in section 80E, the rate of TCS shall be 0.5% of amount exceeding 7 Lacs.

➤ **Various Important dates for TDS & TCS**

Due Dates of Payment of TDS & TCS		
Tax Deductible between April to February	7 th of next month.	
Tax Deductible in March	30 th April.	
Due Dates for Filing TDS & TCS Return		
Period	TDS	TCS
For 1 st Quarter ending on 30 th June	31 st July 2022	15 th July 2022
For 2 nd Quarter ending on 30 th September	31 st October 2022	15 th October 2022
For 3 rd Quarter ending on 31 st December	31 st January 2023	15 th January 2023
For 4 th Quarter ending on 31 st March	31 st May 2023	15 th May 2023

CAPITAL GAIN TAX



4. Provision Relating to Capital Gain

Particular	Short Term Capital Gain	Long Term Capital Gain
Sale transactions of equity shares/ unit of an equity oriented fund which attract STT	15%	10%*
Sale Transaction Other Than Above mentioned		
Non-resident Individual	Slab rate	Listed - 20% Unlisted - 10%
Resident Individual	Slab rate	20% with indexation 10%
Firm Including LLP (resident and non-resident)	30%	without Indexation
Resident Companies	30%	
Overseas financial organizations specified section 115AB	40% (corporate) 30% (Non-Corporate)	10%
FII's	30%	10%
Other Foreign Companies	40%	20%/10%
Local Authority	30%	20% with indexation 10%
Co-operative Society	Progressive slab Rate	without Indexation

* For AY 2019-20 onwards, if the amount of Long Term Capital Gain (including LTCG on Units of Mutual Fund) in a year exceeds ` 1, 00,000 the exceed amount above ` 1, 00,000 is taxable at the rate of 10%

Note:-

- ✓ Unlisted shares of Company would be treated as short term capital assets if it is held for a period of 24 months or less immediately preceding the date of his transfer
- ✓ Long term capital on sale of listed mutual funds (other than equity oriented funds) will be taxed at the flat rate of 20%.
- ✓ The cost of acquisition of shares would be Higher of:-
 - I. Actual cost at which share are bought and
 - II. Lower of following
 - a. Highest price of securities as on 31.1.2018 and,
 - b. Full value if consideration

RESTRAINTS ON CASH TRANSACTIONS UNDER TAX RULES



5. Restriction on Cash Transaction

Nature of Expenditure	IT Section	Ceiling Limit	In case of Violation
Capital - Payment of Fixed Assets Purchase	43	10000/- per day asset	The expenditure shall not be included in the cost of asset no depreciation benefit.
Payment of expenses on specified business	35AD	10000/- per day asset	No deduction shall be allowed in respect of such expenditure
Payment of business expenses	40A(3)	10000/- per day to a person	No deduction shall be allowed in respect of such expenditure
Payment made for plying, hiring of leasing goods carriage	Second proviso to 40A(3A)	35000/- per day to a person	No deduction shall be allowed in respect of such expenditure
Any payment received - in aggregate from a person in a day - in respect of single transaction - in respect of transactions	269ST	2,00,000/-	Penalty U/s 271DA equal to the amount of such payment received by a person

relating to one event or occasion from a person			
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6. Useful Charts

➤ Cost of Inflection Index

F.Y.	Index	F.Y.	Index	F.Y.	Index	F.Y.	Index
2000-01	100	2005-06	122	2011-12	184	2016-17	264
2001-02	105	2006-07	129	2012-13	200	2017-18	272
2002-03	109	2007-08	137	2013-14	220	2018-19	280
2003-04	113	2009-10	148	2014-15	240	2019-20	289
2004-05	117	2010-11	167	2015-16	254	2020-21	301
						2021-22	317
						2022-23	331

➤ Capital Gain - Sec 54 Exemption

Sec	Assets Sold	Assets Purchase	Time Limit	Exemption Amount
54	Residential House	Residential House*	For Purchase ✓ 1Year Before or ✓ 2Year After Sale	Actual amount invested in new asset or capital gain whichever is less
54F	Long term other than Residential House	Residential House	For Construction Completed within 3 years from sale	Capital Gain ✗ <u>Investment in new asset</u> net Sale Consideration
54B	Agriculture Land	Agriculture Land	Purchase within 2 years of sale	Actual amount invested in Agriculture Land
54EC	Any Long term Capital Assets	Bonds of NHAI or REC	Invest within 6 months of Sale	Max. Exemption is Rs. 50 Lacs
54GB	Residential House	Subscription of Equity Shares of Eligible Start up Companies	Before due date of furnishing return of income u/s 139(1)	Capital Gain ✗ <u>net Sale</u> Consideration Investment in new asset by eligible company

54EE	Any Long term Capital Assets	Gain to be re invested in long term specified assets to be notified by the Central Government to finance Start up	Invest within 6 months of Sale	Max. Exemption is Rs. 50 Lacs
54D	Long term or Short Term capital gain arising on transfer of land and building forming part of an industrial undertaking which is compulsory acquired by government and was used for industrial purpose for a period of 2 years prior to its acquisition	Gain to be re invested to acquire land or building for industrial purpose	Purchase within 3 years of sale	Actual amount invested in new asset or capital gain whichever is less
54G	Long Term or Short term capital gain arising on transfer of land, building, plant or machinery in order to shift an industrial undertaking from urban area to rural area	Gain to be re invested to acquired land, building, plant and machinery in order to shift an industrial undertaking to a rural area	Purchase within 1 years before or 3 years after the date on which transfer took place	Actual amount invested in new asset or capital gain whichever is less
54GA	Long Term or Short term capital gain arising on transfer of land, building, plant or machinery in order to shift an industrial undertaking from urban area to Special Economic Zone	Gain to be re invested to acquired land, building, plant and machinery in order to shift an industrial undertaking to any Special Economic Zone	Purchase within 1 years before or 3 years after the date on which transfer took place	Actual amount invested in new asset or capital gain whichever is less

* if amount of capital gain doesn't exceed 2 Crore the assessee can purchase or construct 2nd resident house properties from AY 2020-21, this concession is available only once in life time.

Assets	Duration of assets		Tax Rate	
	STCG	LTCG	STCG	LTCG
Immovable Property e.g House Property	Less than 2 years	More than 2 years	Income tax slab rate	20.8% with indexation
Movable property e.g. Gold/ Jewellery	Less than 3 years	More than 3 years	Income tax slab rate	20.8% with indexation
Listed Shares*	Less than 1 years	More than 1 years	15.75%	Exempt
Equity oriented Mutual fund	Less than 1 years	More than 1 years	15.75%	Exempt
Debt Oriented Mutual fund	Less than 3 years	More than 3 years	Income tax slab rate	20.8% with indexation

* Applicable only for the shares sold through stock exchange in India on which Security transaction tax (STT) has been paid & Capital gain up to 1 Lacs.

Tax Mentioned above are excluding surcharge @10% on income between 50 Lakh to 1 Crore & 15 on income above 1 Crore.

TAX ON GIFTS IN INDIA



➤ Provision relating to GIFT

With effect from	Recipient	Nature of Receipt	Taxable Amount
01.10.2019	Individual/HUF*	Any sum of money without consideration > ` 50,000	Entire Amount Received
		Immovable property without consideration > ` 50,000	Stamp Value
		Other property without consideration FMV > ` 50,000	FMV
		Immovable/Other property FMV less consideration > ` 50,000	Excess Amount
01.06.2010	Company/Firm	Property being shares without consideration: FMV > ` 50,000	FMV
		Property being shares FMV less consideration: FMV > ` 50,000	Excess Amount

Document the gift transaction for scrutiny by tax authority

It is recommended that you keep documents for all the gifts received, so that in case of any security by tax officials, you can present the details. Gift by way of movable property is required to be made in stamp paper and stamped. Registration of gift deed not required in this case. But for making a gift of

immovable property the transfer must be effected by a registered gift deed. Gift of immovable property which is not registered is not valid as per law and cannot pass any title to receiver.

*If gift received from following situation thane it would not be tax.

Sr No	Money Received From
1	From any relative. Relative is defined to include following a. Spouse of the individual b. Brother or sister of the individual c. Brother or sister of the spouse of the individual d. Brother or sister of either of the parents of the individual e. Any lineal ascendant or descendant of the individual f. Any lineal ascendant or descendant of the spouse of the individual g. Spouse of the person referred above (b) to (f)
2	On the occasion of the marriage of the individual or
3	Under a will or by way of inheritance or
4	In contemplation of death of the payer or
5	From any local authority or
6	From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 or
7	From any trust or institution registered under section 12AA

7. Depreciation Chart as per Income Tax

	Nature of Assets	Rate
Building		
Block -1	Residential Building other than hotels and boarding houses	5
Block -2	Office, factory, godowns or building – not mainly residential purpose	10
Block-3	Temporary erection such as wooden structures	40
Furniture		
Block-4	Furniture – Any Furniture/fittings including electrical fittings	10
Plant & Machinery		
Block-5	Any Plant or Machinery (not covered by block 6,7,8,9,10,11 or 12) & motor cars (other than those used in a business of running them on hire) acquired or put to use on or after April 1, 1990	15
Block-6	Motor Car , Motor cycle, Bike, scooter other than those used in a business of running them on hire, acquired on or after the 23th day of august 2019 but before the 1 st day of April 2020 and is put to use before the 1 st day of April 2020	30

Block-7	Ocean going ships, vessels ordinary operating on inland waters including speed boat	20
Block-8	Buses, lorries & taxis used in business of running them on hire, machinery used in semi-conductor industry, moulds used in rubber & plastic goods factories	30
Block-9	Motor Buses/ taxis/ lorries used in a business of running them on hire acquired on or after the 23th day of august 2019 but before the 1 st day of April 2020 and is put to use before the 1 st day of April 2020	45
Block-10	Airplanes , Life saving medical equipments	40
Block-11	Containers made of Glass & plastic used as refills , new commercial vehicle which is acquired during Jan 1, 2009 & Sept 30, 2009 & is put to use before Oct1, 2009 for the purpose of business/profession	50
Block-12	Computer including computer software, Books (other than annual publication) owned by a professional	40
Block-13	Energy saving devices; renewal energy devices; rollers in flour mills, sugar work & steel industry	40
Block-14	Air pollution control equipments; water pollution control equipments; solid waste control equipments, recycling & resource recovery systems; books (being annual publications) owned by assesses carrying on a profession or books (may or may not be annual publications) carrying on business in running lending libraries.	40
Block-15	Books owned by assessee carrying on profession being annual publication	40
Block-16	Books owned by assessee carrying on profession not being annual publication	40
Block-17	Books owned by assessee carrying on business being annual publication	40
Intangible Assets		
Block-18	Intangible assets (acquired after march 31, 1998) – Know-how, patents, copyrights, trademarks, licenses, franchises & any other business or commercial rights of similar nature.	25

8. Depreciation Chart as per Companies Act

Nature of Assets	Useful Life	Rate (SLM)	Rate (WDV)
Building			
Building (other than factory building`s) RCC Frame Structure	60year	1.58%	4.87%
Factory Building & building other than RCC Frame Structure.	30 year	3.17%	9.50%
Fences, wells, tube wells	05 year	19.00%	45.07%
Plant and Machinery			
a. General rate applicable to Plant and Machinery not covered under Special Plant and Machinery			
I. Plant and Machinery other than continuous process plant not covered under specific	15year	6.33%	18.10%
II. Continuous process plant for which no special rate has been prescribed under (ii) below	25year	3.80%	11.29%

b. Special Plant and Machinery			
I. Plant and Machinery related to production and exhibition of Motion Picture Films Cinematograph films - Machinery used in The production and exhibition of cinematograph films, recording and reproducing equipment, developing machines, printing machines, editing machines, synchronizers and studio lights	13 year	7.31%	20.58%
II. Plant and Machinery used in glass	13year	7.31%	20.58%
✓ Plant and Machinery except direct fire glass melting Furnaces- recuperative and regenerative glass melting furnaces	8 year	11.88%	31.23%
✓ Plant and Machinery except direct fire glass melting furnaces - Moulds [NESD]	10year	9.50%	25.89%
✓ Float Glass Melting Furnaces [NESD]			
Furniture and fittings [NESD]			
a. General furniture and fittings	10 year	9.50%	25.89%
b. Furniture and fittings used in hotels, restaurants and boarding houses, schools, colleges and other education institutions, libraries, welfare centres, meeting halls, cinema houses, theatres	8 year	11.88%	31.23%
Motor Vehicles [NESD]			
a. Motor cycles, scooters and other mopeds	10year	9.50%	25.89%
b. Motor buses, motor lorries, motor cars and motor taxis used in a business of running them on hire	6 year	15.83%	39.30%
Office equipments [NESD]	5 year	19.00%	45.07 %
Computers and data processing units [NESD]			
a. Servers and networks	6 year	15.83%	39.30%
b. End user devices, such as, desktops, laptops, etc.	3year	31.67%	63.16%
Electrical Installation and Equipment [NESD]	10year	9.50%	25.89%
Bridges & Roads			
a. Bridges, culverts, bunders, etc	30year	3.17%	9.50%
b. Carpeted Roads- RCC	10year	9.50%	25.89%
c. Non-Carpeted Roads	3year	31.67%	63.16%
Ships			
a. Ocean Going Ships	25year	3.80%	11.29%
b. Bulk Carriers and liner vessels	20year	4.75%	13.91%
Aircrafts & Helicopters	20year	4.75%	13.91%
Laboratory Equipment			
a. General Laboratory equipment	10year	9.50%	25.89%
b. Equipment used in Educational Institutions	5year	19.00%	45.07%



TRUST

Registration in India

Trust Registration

- ✓ Earlier registration of trust under 12AA and approval to take donation u/s 80G was available for life time
- ✓ But from financial year 2020-21 the summary of new provision related to registration of charitable and religious trust is as follow

Sr No	Type of entity	Timeline to make Application for registration	Applicability of exemption u/s 11 & 12	Validity of registration	Time limit to grant Registration
1	Trust already registered u/s 12A or 12AA before relevant provision of finance bill 2020 comes in to force	Within 3 months from the date on which this clause has come into force i.e. by 31.08.2020	From the assessment year from which such trust or institution was earlier granted registration	Registration shall be granted for the period of 5 years	Within 3 months from the end of the month in which the application is received
2	Trust registered under the proposed section 12AB and the period of the	At least 6 months prior to expire of the said	From the assessment year immediately	Registration shall be granted for a period of 5	Within 6 months from the end of the month in

	said registration is due to expire	registration period	following the financial year in which such application is made	years after satisfying about the condition of the section	which the application received
3	Trust provisionally registered under section 12AB	At least 6 months prior to expire of the provisional registration or within 6 months of commencement of its activities whichever is earlier	From the first of the assessment year for which it was provisionally registered	Registration shall be granted for a period of 5 years after satisfying about the conditions of the section	Within 6 months from the end of the month in which the application received
4	In any other case	At least one month prior to the commencement of the previous year relevant to the assessment year from which the said registration is sought	From the assessment year immediately following the financial year in which such application is made.	Provisional registration shall be granted for a period of 3 years from the assessment year from which the registration is sought	Within 1 months from the end of the month in which the application received

D) IMPORTANT CURRENT YEAR PROVISIONS UNDER GST for F.Y. 2022-231. Provisions relating to RCM under GST

Reverse Charge on specified Goods:

Sr.	HSN Code of Goods	Description	Supplier	Receiver	Notification Number
1	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person	Notification 4/2017-Central Tax (Rate)
2	14049010	Bidi wrapper leaves (tendu)	Agriculturist	Any registered person	Notification 4/2017-Central Tax (Rate)
3	2401	Tobacco Leaves	Agriculturist	Any registered person	Notification 4/2017-Central Tax (Rate)
4	5004 to 5006	Silk Yarn	Any person who manufactures silk yarn from raw silk or silk worm cocoons	Any registered person	Notification 4/2017-Central Tax (Rate)

			for supply of silk yarn		
4A	5201	Raw Cotton	Agriculturist	Any registered person	Notification 43/2017-Central Tax (Rate)
5		Supply of lottery	State Government, Union Territory or any local authority	Lottery Distributor of Selling Agent	Notification 4/2017-Central Tax (Rate)
6	Any Chapter	Used vehicles, seized and confiscation goods, old and used goods, waste and scrap	Central Government, State Government, Union territory or a local authority	Any registered person	Notification 36/2017-Central Tax (Rate)
7	Any Chapter	Priority Sector Lending Certificate	Any registered person	Any registered person	Notification 11/2018 - Central Tax (Rate)

Reverse Charge on specified Services:

Sr.	Description	Supplier	Receiver	Notification Number
1	GTA Services - Transportation of Goods by Road	GTA	i) Any Factory ii) Any Society iii) Any Co-operative Society iv) Any Registered Person under GST v) Any body corporate, vi) Any partnership firm vii) Any casual taxable person	Notification 13/2017-Central Tax (Rate)
2	Legal Services	An individual advocate including a senior advocate	Any business entity located in the taxable territory	Notification 13/2017-Central Tax (Rate)

		or firm of advocates		
3	Arbitral Tribunal Services	Arbitral Tribunal	Any business entity located in the taxable territory	Notification 13/2017-Central Tax (Rate)
4	Sponsorship Services	Any person	Any body corporate or partnership firm	Notification 13/2017-Central Tax (Rate)
5	Services by Govt to Business Entity excluding : i) Renting of immovable property ii) Services by Dept of Post iii) Services in relation to aircraft or vessel inside or outside precincts of a port or an airport iv) Transportation of goods or passengers	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory	Notification 13/2017-Central Tax (Rate)
5A	Services supplied by the Central Government, State Government, Union territory or local authority by way of renting of immovable property to a person registered under the Central Goods and Services Tax Act, 2017	Central Government, State Government, Union territory or local authority	Any Registered Person	Notification 13/2017-Central Tax (Rate)
5AA	Service by the way of renting of residential dwelling to a registered person	Any Person	Any registered person under CGST Act 2017	Notification No 5/2022 - CT (Rate) dated 13.7.2022
5B	Service supplied by any person by way of transfer of development right or Floor space Index (FSI) including additional FSI for a construction of project by a promoter.	Any person	Promoter	

5C	Long term lease of land (30year or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price development charges or by any other name) and/or periodic rent for construction of project by promoter	Any person	Promoter	
6	Services supplied by a director of a company or a body corporate to the said company or the body corporate	Director of a company or body corporate	Company or body corporate located in the taxable territory	Notification 13/2017-Central Tax (Rate)
7	Services supplied by an insurance agent to any person carrying on insurance business	Insurance Agent	Any person carrying on insurance business	Notification 13/2017-Central Tax (Rate)
8	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company.	Recovery Agent	A banking company or a financial institution or a non-banking financial company, located in the taxable territory.	Notification 13/2017-Central Tax (Rate)
9	Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright	Author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in the taxable territory.	Notification 13/2017-Central Tax (Rate)
9A	Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of subsection (1) of section 13 of the	Author	Publisher	Notification No 22/2019 dated 30.09.2019

	Copyright Act, 1957 relating to original literary works to a publisher.			
10	Supply of services by the members of Overseeing Committee to Reserve Bank of India	Members of Overseeing Committee constituted by the Reserve Bank of India	Reserve Bank of India	Notification 13/2017-Central Tax (Rate)
11	Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs)	Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm	A banking company or a non-banking financial company, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
12	Services provided by business facilitator (BF) to a banking company	Business Facilitator	A banking company, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
13	Services provided by an agent of business correspondent (BC) to business correspondent	Business Correspondent	A business correspondent, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
14	Security services (services provided by way of supply of security personnel) provided to a registered person with certain exceptions	Any person other than a body corporate	A registered person, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
15	Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, provided to a	Any person, other than a body corporate who supplies the service to a body corporate and does not issue an invoice charging central tax at the rate of	Any body corporate located in the taxable territory".	Notification 29/2019-Central Tax (Rate) dated 13.12.2019

	body corporate.	6% to the service recipient.		
16	Services of lending securities of Securities under Lending scheme, 1997 (Scheme). Securities and Exchange Board of India (SEBI), as amended.	Lender	Borrower	Notification 22/2019-Central Tax (Rate) dated 30.09.2019



2. Composition Scheme

Person opted Composition Scheme	Threshold Limit	Tax Rate	Turnover in the quarter for which the tax is payable
Person engage in exclusive supply of goods	Normal state - 1.5 Cr & Special category State - 75 Laks	Manufacturer - 1%	Taxable & exempted
		Traders - 1%	Taxable goods & Services

Person engage in restaurant service	Normal state - 1.5 Crore & Special category State - 1 Crore	5%	Taxable & exempted
Person engage in exclusive supply of service	All state - 50Lakh	6%	Taxable & exempted

- ✓ Following person is not eligible for composition scheme
- The person supplying goods/service through an E-commerce Operator who is required to collect tax under section 52.
 - Casual taxable person and Non-resident taxable person
 - Persons manufacturing goods notified under section 10(2)(e) section 10(2)(e) mentions the notified goods
 - manufacturer of tobacco and tobacco substitutes
 - manufacturer of pan masala
 - manufacturer of aerated waters
 - 9Manufacturer of edible ice and ice cream whether or not containing cocoa.
 - Persons engaged in making any supply of goods which are not eligible to tax under this act
 - Persons making any interstate outward supplies.



Due dates

For Different types of GST returns

3. Gst Returns Due Dates

Form	Type of return	Taxpayer	Frequency	Due Date
GSTR 1	Outward Supply	Regular	Monthly	11 th of next Month
		QRMP	Quarterly	13 th of next month from end of quarter
GSTR 3B	Return	Regular	Monthly	20 th of next Month
		QRMP	Quarterly	22 nd /24 th of next month from end of quarter
GSTR 4	Annual Return	Composition tax payer	Annual	30 th April of next FY
GSTR 5	Return	Non-resident tax payer	Monthly	20 th of next Month
GSTR 5A	Return	OIDAR	Monthly	20 th of next Month
GSTR 6	Return	Input service distributor	Monthly	13 th of next Month
GSTR 7	Return	Person liable to deduct TDS	Monthly	20 th of next Month
GSTR 8	Return	E-Commerce operator	Monthly	10 th of next Month
GSTR 9	Annual Return	Regular	Annual	31 st December of next FY
GSTR 9C	Reconciliation statement	Regular	Annual	31 st December of next FY

GSTR 10	Final Return	Registered person apply for cancelation	Once	3 month from date of cancellation or cancellation order w.e.l
GSTR 11	Details of taxable supply of goods and services	Special agencies having UIN	--	At the time of siling of application for refund
CMP 08	Quarterly return	Composition tax payer	Quarterly	18 th of next month

4. Block Credit under GST

Sr No	Type of ITC	Condition for eligibility	Credit Eligibility
1	Motor vehicle for transportation of person having seating capacity more than 13 person & related service	Any purpose	Yes
2	Motor vehicle for transportation of person having seating capacity up to 13 person & related service	a. used for further supply of motor vehicle	Yes
		b. used for provide passenger transportation service	Yes
		c. used for training on driving	Yes
		d. other than above	No
3	Motor vehicle for transportation of goods & related service	Used for transportation of goods	Yes
4	Vessels, Aircraft & Related service	a. used for further supply of vessels/ aircraft	Yes
		b. used for provide passenger transportation service	Yes
		c. used for training on navigating/flying	Yes
		d. other than above	No
5	Related Service as per point 2(d) and 4(e) above	Received by manufacture of such vehicle	Yes
		Received by supplier of general insurance service of such vehicle	Yes

6	Leasing, renting or hiring of motor vehicle, vessels/ aircraft as per point 2(d) and 4(e) above	a. for making an outward taxable supply of similar line of business or as an element of a taxable composite or mixed supply	Yes
		b. taxpayer engage in other line of business	No
7	Food and beverages, Outdoor catering, beauty treatment, Health services, cosmetic and plastic surgery, Life insurance and health insurance	a. for making an outward taxable supply of similar line of business or as an element of a taxable composite or mixed supply	Yes
		b. taxpayer engage in other line of business	No
8	Membership of club, health and fitness centre		No
9	Travel benefits extended to employee	a. On Vacation	No
		b. For business trip	Yes
10	ITC point no 7(b), 8, 9(a) as above	If it is obligatory for employer to provide to its employees	Yes
11	Works contract service (WCS) for construction of immovable service	a. used for further supply of WCS	Yes
		b. used for construction P&M (weather capitalised or not)	Yes
		c. other than above if capitalised in books of account	No
12	Goods or services for construction of immovable property on his own account (including used in the course or furtherance of business)	a. used for construction P&M (weather capitalised or not)	Yes
		b. other than above if capitalised in books of account	No
13	Goods or services or both received by NRTP	a. Goods Imported	Yes
		b. Other goods and services	No
14	Goods or services or both on which tax has been paid u/s 10	--	No

15	Goods or services or both used for personal consumption	--	No
16	Goods lost, Stolen, destroyed, written off or disposed of by way of gift or free sample	--	No
17	Any tax paid u/s 74,129,130	--	No

5. ITC availability in case of Works contract services

Sr No	Types of inward supply	Types of property	Use of the property for	Type of expenditure		Credit eligibility
				Capital	Revenue	
1	Work Contract	Immovable property	Own use	Capital	No	
				Revenue	Yes	
			Further supply of works contract service	Capital	Yes	
				Revenue	Yes	
		Further supply of other service (eg. renting)	Capital	No		
			Revenue	Yes		
Plant & Machinery	Any Business use	Capital or Revenue	Yes			
2	Goods or Services	Immovable property	Own use	Capital	No	
				Revenue	Yes	
			Further supply of works contract service	Capital	No	
				Revenue	Yes	
		Plant & Machinery	Any Business use	Capital or Revenue	Yes	

10 Landmark GST Case Laws 2022

Expert Analysis and
Explanations

E. LANDMARK JUDGEMENT ON GST

Case 1:- Union of India v. Mohit Minerals (P.) Ltd. - Supreme Court

Levying of GST on Ocean Freight is ultra vires

Facts of the Case:

The assessee had challenged the IGST levy on reverse charge basis on the Ocean Freight in respect of import of goods under CIF contracts for which it was already paying the IGST at the time of import with the value of imported coal under the Customs laws. The Hon'ble Gujarat High Court held that IGST levy on ocean freight is ultra-vires the levy provisions of the IGST Act. Against the said order, the Government filed the appeal before the Apex Court.

Judgement:

The impugned levy imposed on the 'service' aspect of the transaction is in violation of the principle of 'composite supply' enshrined under Section 2(30) read with Section 8 of the CGST Act. Since the Indian importer is liable to pay IGST on the 'composite supply', comprising of supply of goods and supply of services of transportation, insurance, etc. in a CIF contract, a separate levy on the importer for the 'supply of services' would be in violation of Section 8 of the CGST Act

Case 2:- Union of India & Another V/s. Filco Trade Centre Pvt Ltd & Another

Re-opening of GSTN Portal for allowing

Facts of the Case:

Transitional Credit	<p>The Revenue filed SLP before the Supreme Court as various High Courts had allowed writ petitions filed by the registered taxpayers seeking directions to avail Transitional Credit beyond statutory time limit</p> <p>Judgement: The Supreme Court directed the Goods and Service Tax Network (GSTN) to re-open common portal for filing forms for availing Transitional Credit through TRAN-1 and TRAN-2 for two months i.e. w.e.f. 01.09.2022 to 31.10.2022</p> <p>The Court also held that the concerned officers are given 90 days' time thereafter, to verify the veracity of the claim/transitional credit and pass appropriate orders</p>
Case 3: - Union of India v. Mohit Minerals (P.) Ltd. - Supreme Court	
Recommendations of GST Council are not binding on States	<p>Facts of the Case: In case related to Ocean Freight, the Role of GST Council, a statutory body established under the Constitution and its recommendation was also discussed at length. The Government argued that the recommendation of GST Council are mandatory and binding to all the States</p> <p>Judgment: The Hon'ble Supreme Court held that Merely because a few of the recommendations of the GST Council are binding on the Government under the provisions of the CGST Act and IGST Act, it cannot be argued that all of the GST Council's recommendations are binding. Even if it is Parliament that has enacted laws making the recommendations of the GST Council binding on the Central Government for the purpose of notifying secondary legislations, it would not mean that all the recommendations of the Council made by virtue of its power under Article 279A have a binding force on the legislature</p>
Case 4 : Oasis Realty v. Union of India - Bombay High Court	
Pre-deposit of 10% of disputed tax can be paid from credit available in Electronic Credit Ledger	<p>Facts of the Case: Any person aggrieved by the Order passed by the Officer, can prefer an appeal to the Commissioner (Appeals). At the time of filling Appeal, it is mandatory to deposit the amount of tax in full which is agreed to be paid and to the extent the amount is in dispute, it is mandatory to pay 10% of the amount in dispute. The assessee had filed appeal by paying 10% amount from electronic credit ledger. The Revenue contended that the 10% amount has to be paid from cash ledger and credit ledger cannot be utilized for making payment of the same</p> <p>Judgment:</p>

	<p>The Bombay High Court held that, "We are not in agreement with the submission made on behalf of the State. This is because clause (b) of Sub-section (6) of Section 107 provides a precondition, "unless the appellant has paid" (not deposited) a sum equal to 10% of remaining amount of Tax in dispute. It says 10% of Tax has to be paid as a precondition. That Tax can be Integrated Tax or Central Tax or the State Tax as in the case at hand, or Union Territory Tax. The amount of ITC available in the Electronic Credit Ledger can be utilised towards payment of Integrated Tax or Central Tax or State Tax or Union Territory Tax. Therefore, in our view, Petitioner having to pay 10% of the Tax in dispute under clause (b) of Sub-section (6) of Section 107, can certainly utilise the amount of ITC available in the Electronic Credit Ledger</p>
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Case 5: Munjaal Manishbhai Bhatt v. Union of India - Gujarat High Court

<p>Mandatory deduction of 1/3rd of total consideration towards the value of land is arbitrary</p>	<p>Facts of the Case : The petitioners were developers who have sold/intending to sell developed parcels of land. The Advance Ruling applications were filed seeking a ruling on the question whether there was any tax liability under the GST Act on supply of developed land. The Advance Ruling Authority held that the deduction of land was admissible only to the extent of 1/3rd of total consideration on basis of NN 11/2017. The said ruling was also affirmed by Appellate Authority for Advance Ruling. Hence, the petitioner has challenged the validity of the impugned notification</p> <p>Judgment: The Court held that Paragraph 2 of the Notification No. 11/2017-Central Tax (Rate) dated 28.6.2017, which provides for a mandatory fixed rate of deduction of 1/3rd of total consideration towards the value of land is ultra-vires the provisions as well as the scheme of the GST Acts. Application of such mandatory uniform rate of deduction is discriminatory, arbitrary and violative of Article 14 of the Constitution of India. In our considered view, while maintaining the mandatory deduction of 1/3rd for value of land is not sustainable in cases where the value of land is clearly ascertainable or where the value of construction service can be derived with the aid of valuation rules, such deduction can be permitted at the option of a taxable person particularly in cases where the value of land or undivided share of land is not ascertainable</p>
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Case 6: Bansal Earthmovers Pvt Ltd

<p>Circular issued by CBIC not binding on taxpayers</p>	<p>Facts of the Case: The Asst. Commissioner of State Tax, Siliguri Range, West Bengal, passed an Order under Section 129(3) of the CGST Act, 2017, imposing penalty in relation to E Way Bill on the taxpayer. The said Order was challenged by the taxpayer. Before passing the Order, a Notice was served upon the person-in-charge only, as per Circular No. 41/15/2018 - GST dated 13th April, 2018</p>
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	<p>Judgment: While dealing with the case, the Hon'ble Calcutta High Court held that, It is trite law that the Circular issued by the Central Board of Indirect Tax and Customs is only binding upon the authorities and not upon the assessee. I have to mention here that the Circular and the Form are not complying with the mandatory provision of giving notice to the person who is the owner of the goods and upon whom the imposition of penalty is to be made</p>
Case 7 : Torrent Power Ltd. V/s. UOI (Gujarat High Court)	
No GST on incidental charges such as meter rent charges, testing fees, etc. collected along with electricity supply	<p>Facts of the case: The Petitioner is engaged in electricity supply and distribution. Along with the electricity bill, it also collects various other service charges from its consumers such as application fees, meter rent charges, testing fees, duplicate bill charges, etc. The Revenue proposed to collect tax on incidental charges, collected by petitioner. Since the electricity is exempted from the levy of GST, the petitioner argued that the same is not taxable, because the principle supply is that of electricity, which is exempt from tax</p> <p>Judgment: The services provided by the petitioner are in the nature of composite supply and therefore, in view of the provisions of clause (a) of section 8 of the CGST Act, the tax liability thereof has to be determined by treating such composite supply as a supply of the principal supply of transmission and distribution of electricity. Consequently, if the principal supply of transmission and distribution of electricity is exempt from levy of service tax, the tax liability of the related services shall be determined accordingly</p>
Case 8 : Mahendra Janubhai Zala V/S. Office of Deputy Commissioner, State Tax - Gujarat High Court	
The Order cancelling the Registration of the taxpayer without giving an opportunity of personal hearing is cryptic and deserves to be quashed	<p>Facts of the Case: Show cause notice and Order was issued cancelling the registration of the taxpayer. The petitioner was not aware of any such order being passed. Further, he was not aware that his accountant had not filed GST returns for more than 6 months. The application for revocation of registration filed by the taxpayer was also rejected. The taxpayer approached High Court after a period of 4 years</p> <p>Judgment: Noticing the cryptic notice as also the order which again is very cryptic and impugned in this petition applying the decision of this Court Aggarwal Dyeing and Printing Works and the directions issued by this Court, according to us, challenge deserves to be entertained. This amounts to violation of principle of natural justice as the person concerned would have no opportunity to deal with the matter as otherwise required of him</p>
Case 9 : Aggarwal Dyeing and Printing Works V/s. State Of Gujarat - Gujarat HC	

<p>Non Speaking Order and not giving sufficient opportunity of being heard, is a violation principles of natural justice</p>	<p>Facts of the Case The writ applicant was served with a notice calling upon to reply as to why the registration should not be cancelled for the reason that the writ applicant had not filed his returns for a continuous period of six months. The writ applicant was asked to furnish his reply and hearing was fixed on 27.09.2018. The writ applicant, however, failed to submit his reply and on 30.09.2018, the Assistant Commissioner, passed an ex-parte order of cancellation of registration with effect from its date of registration i.e. 04.08.2017</p> <p>Judgment The Gujarat High Court held that the respondent authority has failed to extend sufficient opportunity of hearing before passing impugned order, in spite of specific request for adjournment sought for. Even the impugned order is not only non-speaking, but cryptic in nature and the reason of cancellation not decipherable therefrom. Thus, on all counts the respondent authority has failed to adhered to the aforesaid legal position - there are no hesitation in holding that the basic Principles of natural justice stand violated and the order needs to be quashed as it entails penal and pecuniary consequences</p>
<p>Case 10: Synergy Fertichem Pvt Ltd V/s. State of Gujarat (Gujarat HC)</p>	
<p>Confiscation before Seizure of goods or vehicle cannot be ordered on mere speculation</p>	<p>Facts of the Case: In the present case, the show cause notice dated was issued under section 130 of the CGST Act calling upon the petitioner to show cause as to why the goods in question as well as the vehicle should not be confiscated for non-payment of an amount of Rs.60,72,639/. On a query by the Court, the learned Assistant Government Pleader is not in a position to point out that the procedure, as contemplated under sub-sections (3) and (4) of section 129 of the CGST Act, has been followed</p> <p>Judgment: The Hon'ble Gujarat High Court held that In our opinion, the detention and seizure of goods on such ground cannot be justified. In such an eventuality, the correct procedure which the inspecting authority is expected to follow is to alert the Assessing Authority to initiate the proceedings "for assessment of any alleged sale at which the dealer will have his opportunities to put forward his pleas on law and on fact. What we want to convey is that the process of detention of the goods cannot be resorted to when the dispute is bona fide especially concerning the exigibility of tax and, more particularly, the rate of that tax</p>

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**"Great things in
business are never
done by one person.
They're done by a team
of people."**

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ONE FAMILY - ONE TEAM - ONE FUTURE - "SHAH TEELANI"

- CA Jinesh Shah
- CA Jitendra Teelani
- CA Utkarsh Desai
- CA K K Thakkar
- CA Reshma Maru
- CA Zalak Shah
- CA Prachi Bhagwat



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