



STBA BULLETIN

MEMBER'S MONTHLY E-NEWSLETTER
SILIGURI TAXATION BAR ASSOCIATION



AUGUST 2023



*WHEN YOU HAVE A DREAM,
YOU'VE GOT TO GRAB IT AND NEVER LET GO.*

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Dear esteemed members of Siliguri Tax Bar Association,

Greetings to all! As we bid adieu to the bustling month of July, I extend my heartfelt appreciation to each one of you for your unwavering commitment and dedication during this period of filing ITR returns. Your professional acumen and diligence have played a pivotal role in ensuring the smooth process of tax compliance for the clients.

In the contemporary era, technology has emerged as an indispensable ally in our profession. As tax professionals, it is imperative that we embrace and leverage the power of technology to optimize our work processes, enhance efficiency, and deliver superior services to our valued clients. By staying at the forefront of technological advancements, we fortify our position as competent and innovative practitioners.

I am delighted to share the success of our recent seminar on Income Tax Filing, which witnessed an overwhelming participation of over 80 attendees. The seminar proved to be a platform for insightful discussions and valuable knowledge sharing, empowering all present with a deeper understanding of the intricacies of income tax filing. Such initiatives reaffirm our commitment to continuous professional development and excellence in our practice.

I express my sincere gratitude to the esteemed speakers, whose expertise and guidance enriched the seminar, making it a resounding success. Their contributions have undeniably augmented our expertise in handling tax-related matters with utmost proficiency.

As our profession demands constant adaptation to the evolving landscape of taxation, it is crucial that we stay well-informed about the latest developments in the field. To fulfill this commitment, I am delighted to announce that we will be organizing seminars on GST and RERA in the near future. These seminars will provide valuable insights into these significant areas of taxation, ensuring our members remain at the forefront of industry trends and knowledge. The success and growth of our association rely on the collective wisdom and input of all members. As such, I encourage each one of you to actively participate and provide suggestions for the betterment of Siliguri Tax Bar Association. Your feedback is invaluable in shaping the future direction of our association, and together, we can achieve new heights of excellence.

In conclusion, I extend my sincere appreciation to all the members of our esteemed association for their unwavering support and enthusiasm. Your commitment to the profession and Siliguri Tax Bar Association is truly commendable.

Wishing you all continued success and prosperity in your professional endeavors.

Warmest Regards,

CA Sanjeev Agarwal
President
Siliguri Taxation Bar Association



Dear Members,

I hope this newsletter finds you in high spirits and enjoying the monsoon season. As the Secretary of STBA, I am thrilled to bring you the August Newsletter for our vibrant community.

At STBA, we take immense pride in the success of our seminars. I am proud to share that our recent Seminars have all been resounding successes. These events brought together esteemed professionals and industry experts who shared their insights on a wide range of topics. The active participation and engagement of our members played a crucial role in making these events meaningful and enriching. On behalf of STBA, I wish to express gratitude to the extinguished speakers for sharing their expert insights on various topics. I appreciate the enthusiasm and engagement of our members exhibited through their active participation in many thought provoking sessions and extend heartfelt thank you to all those who contributed to the success of these events.

At STBA, we place foremost importance on your feedback and suggestions, as they are essential in shaping our future endeavours and programs. Therefore I vehemently encourage you to share your thoughts with us. On behalf of Siliguri Taxation Bar Association I extend my heartfelt appreciation for your continued support and participation.

Wishing you a productive and fulfilling month ahead !

In conclusion, let us continue to uphold the principles of our esteemed profession embrace continuous learning and contribute to the growth and development of the Siliguri Taxation Bar Association. All the very best for the upcoming months and feel free to ask any kind of queries.

Long live our Association

Regards,

Vinit Agarwal, Advocate
Secretary
Siliguri Taxation Bar Association

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Members are requested to remit their annual membership fee by:

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- UPI: boism-8918395245@boi
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- Cash against money receipt to Mr Mritunjoy Dhar – 89183 95245



Connect with Treasurer, CA Rahul Agarwal, # 9832355580 for any queries.



Dear Readers,

Greetings from the editorial team of the STBA Newsletter! We hope this message finds you well and that you will enjoy the valuable insights and updates we will provide on taxation & other matters. Hope you had a fruitful Income Tax Return Filing month!

The Ministry of Finance has announced a significant achievement in the filing of Income Tax Returns (ITRs) for the Assessment Year 2023-24. The record-breaking number of ITRs filed till July 31, 2023, reflects a 16.1% year-on-year growth compared to the previous year. The report shows a remarkable growth in the number of ITRs filed for AY 2023-24, with over 6.77 crore returns received by the due date. The filing peaked on July 31, 2023, with 64.33 lakh ITRs filed on that single day, indicating the taxpayers' compliance with the deadline. Notably, 53.67 lakh first-time filers have contributed to the widening of the tax base, reflecting an encouraging trend.

The Ministry of Finance, along with the Income-tax Department, has appreciated taxpayers and tax professionals for their timely compliances, resulting in a remarkable surge in ITR filing for AY 2023-24. The growth in the number of ITRs filed, coupled with efforts to simplify the filing process, indicates a positive trajectory for tax compliance in the country. The Department also urged taxpayers to verify their ITRs within 30 days of filing and appealed for compliance by those who missed the due date to complete their filing promptly.

Taxation is a complex and dynamic field, with frequent updates, amendments, and interpretations. Our team of experts works diligently to stay abreast of these changes and distill them into practical, digestible information for our readers. We aim to cover a wide range of topics, including income tax, GST, Corporate Matters, Finance, Accounting & Audit, among others, to cater to the diverse needs of our readership.

We understand that each one of you has unique circumstances and requirements when it comes to taxation & related laws. While we endeavor to provide accurate and up-to-date information, we must emphasize that our newsletter should not be considered a substitute for professional advice. It is essential to refer to relevant laws or seek guidance from relevant authorities to address your specific concerns.

I request our members to please come forward and contribute your valuable insight by way of articles on various topics and areas related to our profession. Members can also send case studies on cases relating to Income Tax, GST & other areas, where they themselves attended before the appellate authorities. Case study may be submitted with fact of the case, grounds appealed for and outcome of the case. This would help our fellow members in enriching their practical knowledge.

Any suggestions, queries or articles on any matter may be mailed to us at manishslg@icai.org. Thank you for being a part of our community. We look forward to bringing you more informative content in the coming months.

With warm Regards

CA. Manish Agarwal
Editor & Chairman – Newsletter Committee
Siliguri Taxation Bar Association



Judicial Pronouncements – Direct taxes

| Order | Case Name | Brief Details |
|---|--|---|
| Share of Partnership Profit Not Taxable for Firm's Non-Payment of taxes | Jayesh Tokershi Shah Vs DCIT (ITAT Mumbai) Date: 01.07.2023 | In a recent ruling, the ITAT Mumbai held that the share of profit received from a partnership firm cannot be taxed in the hands of the partner due to non-payment of taxes by the firm. The ruling clarified the tax treatment of such income. The ITAT observed that the exemption under section 10(2A) of the Income Tax Act applies to the share of profit in the hands of the partner, irrespective of the firm's tax compliance. The ITAT's ruling provides clarity on the taxation of share of profit from a partnership firm, affirming that it remains exempt in the hands of the partner even if the firm has not paid taxes on the declared income. |
| Traffic Rule Violation: Compounding Fee allowable as Business Expense | Hindustan Coca Cola Beverages Pvt. Ltd. Vs ACIT (ITAT Delhi) Date: 18.07.2023 | ITAT Delhi held that payment of compounding fee for violation of provision under the Motor Vehicles Act, 1988 and Rules are allowable as business expenditure under section 37(1) of the Income Tax Act. |
| ITAT Deletes Penalty u/s 271(1)(c) for Non-Disclosure in ITR Due to Accountant's Ignorance | Dharmendrakumar B Mehta Vs ITO (ITAT Ahmedabad) Date: 21.07.2023 | The Income Tax Appellate Tribunal (ITAT) of Ahmedabad recently ruled in favor of the appellant, Dharmendrakumar B Mehta, deleting the penalty imposed under Section 271(1)(c) of the Income Tax Act. The case revolved around an accountant's error leading to the non-disclosure of income in the appellant's Income Tax Return (ITR), which resulted in the imposition of penalties. |
| Deduction for Marketing & Sales Expenses on Completed Work-in-Progress Project allowable in year of completion | Bengal Peerless Housing Development Company Limited Vs DCIT (ITAT Kolkata) Date: 01.03.2023 | ITAT Kolkata held that claim of deduction towards marketing and sales expenses relating to work-in-progress project is allowable in the year in which project is completed and sales are booked in the profit and loss account. |
| Calcutta HC Quashes Tax Assessment Order Due to Technical Snag in IT Portal | Dhour Jamua Samabay Krishi Unnayan Samity Limited Vs National Faceless Assessment Center (Calcutta High Court) Date: 13.06.2023 | In a recent case, Dhour Jamua Samabay Krishi Unnayan Samity Limited Vs National Faceless Assessment Center, the Calcutta High Court set aside a tax assessment order on the grounds of a violation of the principle of natural justice. The petitioner couldn't file their objection to a show-cause notice on time due to a technical glitch in the Income Tax Portal. |
| Calcutta High Court Quashes Assessment Notice Against Non-Existing Entity | Virender Kumar And Sons Jewellers LLP Vs ITO (Calcutta High Court) Date: 08.05.2023 | The case of Virender Kumar And Sons Jewellers LLP Vs ITO at the Calcutta High Court involves a challenge to an assessment order and notice issued under Section 148 of the Income Tax Act, 1961. The petitioner, Virender Kumar And Sons Jewellers LLP, argued that the notice was invalid as it was issued to a non-existing entity. |

Judicial Pronouncements – Indirect taxes

| Order | Case Name | Brief Details |
|---|--|--|
| Orissa HC Stays GST Demand Due to Non-Constitution of Second Appellate Authority | Trilochan Biswal Vs Commissioner of CT & GST (Orissa High Court) Date: 18.07.2023 | The Orissa High Court has issued a stay order on the demand of Goods and Services Tax (GST) in a case where the Second Appellate Tribunal has not been constituted. The petitioner has challenged the 1st appellate order and seeks relief from the court. |
| HC Quashes GST Refund Rejection Order in Form GST-RFD-08 for Lack of Reasons | Chegg India Pvt Limited Vs Commissioner of Central Goods And Services Tax Delhi East & Anr. (Delhi High Court) Date: 19.07.2023 | In a significant ruling, the Delhi High Court set aside the GST Refund claim rejection order concerning Chegg India Pvt Ltd. The court observed that the rejection order was passed without giving reasons in Form GST-RFD-08, thus violating the prescribed norms. |
| Refund claim of inadvertently charged IGST at 18% instead of 0.1% duty allowable | Tagros Chemicals India Pvt Ltd Vs Union Of India (Gujarat High Court) Date: 13.07.2023 | Gujarat High Court held that refund claim of inadvertently charged IGST @18% instead of concessional rate of 0.1% duty available as merely because by mistake, the duties are paid on the goods which are exempted from payment does not mean that the goods would become goods liable for the duty under the Act. |
| Buyer Not Liable For Seller's Default: Calcutta High Court Set Aside ITC Reversal Demand Against Buyer | Suncraft Energy Private Limited Vs The Assistant Commissioner, State Tax, Ballygunge (Calcutta High Court) Date: 02.08.2023 | The bench of Chief Justice T.S. Sivagnanam and Justice Hiranmay Bhattacharyya has observed that the issuance of a demand notice on the recipient of service on account of a mismatch in GSTR 2A and GSTR 3B ITC cannot be sustained without any investigation being done at the end of the supplier whose invoices are not reflecting in GSTR 2A. The allegation of non-payment of tax by the supplier and denial of ITC cannot be made without any investigation of the supplier. |

The CBIC has issued various notifications dated 31st July 2023. These are brief of the said notifications. (Compiled by GST Study Group Committee of STBA)

- ✓ 31/2023 Central tax - Provisions of sub-rule (4A) of Rule 8 of the CGST Rules regarding authentication of Aadhaar Number shall apply in the State of Puducherry.
- ✓ 32/2023 Central tax - Exempts the registered person whose aggregate turnover in the Financial Year 2022-23 is up to two crore rupees, from filing of Annual Return for the said FY
- ✓ 33/2023 Central tax - Notifies “Account Aggregator” as the systems with which information may be shared by the common portal based on consent under Section 158A of the CGST Act, 2017
- ✓ 34/2023 Central tax - Specifies conditions for the persons making supplies of goods through an electronic commerce operator as the category of persons exempted from obtaining registration
- ✓ 35/2023 Central tax - Appointment of Common Adjudicating authority for adjudicating the show cause notices
- ✓ 01/2023 Integrated tax - Notifies class of goods which may be exported on payment of integrated tax and on which the supplier of such goods may claim refund of tax so paid.

GST E-Invoice Applicability

E-invoicing has become a significant aspect of GST compliance in India. With the latest notification, there are new rules for E-invoicing applicability from **August 2023**.

If in any preceding year from FY 2017-18 (From 01.07.2017) onwards the Aggregate Turnover exceeds 5 crores then E-invoicing is mandatory.

What is Aggregate Turnover as per GST?

As per section 2(6) of the CGST/SGST Act “Aggregate turnover” includes the aggregate value of:

- (i) all taxable supplies,
- (ii) all exempt supplies,
- (iii) exports of goods and/or service, and,
- (iv) all inter-state supplies of a person having the same PAN.

Hence registered person with same PAN having multiple GSTINs must include the entire Taxable, Exempt, Export turnover incurred under various GSTINs under the same PAN. Aggregate turnover is calculated as per PAN and not according to individual GSTIN. The above shall be computed on all India basis and excludes taxes charged under the CGST Act, SGST Act, UTGST Act, and the IGST Act. Aggregate turnover shall include all supplies made by the Taxable person, whether on his own account or made on behalf of all his principals.

Aggregate turnover does not include: –

Value of Inward supplies on which tax is levied on reverse charge basis .

The value of goods after completion of job work is not includible in the turnover of the job-worker. It will be treated as supply of goods by the principal and will accordingly be includible in the turnover of the Principal.

Although exempt supply is to be included in Aggregate turnover calculation, but no e-invoicing is to be done for exempt supply. As for nil rated and wholly exempt supplies bill of supply is issued and not invoice Supplies and Documents:-

Documents and supplies for which E-invoicing is applicable, if Registered Persons Aggregate turnover on the basis of PAN in any preceding Financial Year from 2017-18 (01.07.2017) onwards is more than 5crores

Documents: –

1. Invoices Debit Notes Credit Notes
2. Supplies: – B2B Supplies: -Supplies made to registered persons having GSTIN

Extension of West Bengal SOD Scheme

No. 1292-F.T., the 31st day of July, 2023 – In exercise of the power conferred by sub-section (1) of Section 5 of the West Bengal Sales Tax (Settlement of Dispute) Act, 1999 (West Ben. Act IV of 1999), as subsequently amended, (hereinafter referred to as the said Act) the Governor is pleased hereby to further extend the last date of filing application for settlement under section 5 of the said Act till the **31st August, 2023**.

**8 Instances in which you are liable to file your Income Tax Returns even when income is less than Rs 2.5 lakhs
(Compiled by Income Tax Study Group Committee of STBA)**

A majority of people think that if their income is less than Rs. 2.5 Lakhs, they are not liable to file Income Tax Returns (ITR). However, this is a big misunderstanding. If any of the below criteria are met, such people must file Tax returns, even if their income is below the tax threshold as per Sec 139 Rule 12AB.

1) Business Sale Turnover is more than Rs 60 lakhs

If a person's annual total sales, turnover, or gross receipts in their business surpass Rs. 60 lakhs, they are required to file an income tax return.

2) Professional Income exceeding Rs 10 Lakh

The individual must file an ITR if the sum of their professional gross revenue for the preceding year exceeded Rs 10 lakh.

3) TDS or TCS exceeds Rs 25,000

A tax return is mandatory if TDS or TCS totaled Rs 25,000 or higher. This rule will apply to senior citizens if their combined TDS or TCS is Rs 50,000 or greater each fiscal year.

4) Saving account Deposits > Rs 50 Lakhs

A person must file an income tax return if they deposited amount of Rs 50 lakh in one or more savings accounts during the previous year.

5) Current account Deposits > Rs 1 Crore

If a person has deposited an amount or aggregate of amounts exceeding Rs. 1 crore in one or more current accounts maintained with a bank or co-operative bank.

6) Foreign Travel Expenditure > 2 Lakhs

If a person has spent an amount or aggregate of amounts exceeding Rs. 2 lakh for themselves or any other person to travel to a foreign country.

7) Electricity bill exceeding Rs. 1 lakh

If a person has paid electricity bill exceeding Rs. 1 lakh in a single bill or on an aggregate basis during the previous financial year.

8) Sale Resident Property and Reinvest in New Property

Many people assume they get deduction of capital gains automatically when they buy new resident property of value more than the one sold. However it's a myth. You need to file your Tax Returns to claim deduction under section 54.

| ITR filing milestone (Released by CBDT) | AY 2022-23 | AY 2023-24 |
|---|----------------------------|----------------------------|
| 1 crore | 8 th July 2022 | 26 th June 2023 |
| 2 crore | 20 th July 2022 | 11 th July 2023 |
| 3 crore | 25 th July 2022 | 18 th July 2023 |
| 4 crore | 28 th July 2022 | 24 th July 2023 |
| 5 crore | 30 th July 2022 | 27 th July 2023 |
| 5.83 crore | 31 st July 2022 | 30 th July 2023 |
| 6 crore | --- | 30 th July 2023 |
| 6.77 crore | --- | 31 st July 2023 |

Compliance Calendar for August 2023

| Due dates in August 2023 | Form to be filed | Period | Details |
|--------------------------|------------------|------------|---|
| 7 | Challan No.281 | Jul-23 | Payment of Income Tax TCS collected in July 2023 |
| 7 | Challan No.281 | Jul-23 | Payment of Income Tax TDS deducted in July 2023 |
| 10 | GSTR 7 | Jul-23 | GSTR-7-Monthly Return by Tax Deductors for July 2023 |
| 10 | GSTR 8 | Jul-23 | GSTR-8-Monthly Return by E-Commerce operators for July 2023 |
| 11 | GSTR 1 | Jul-23 | Taxpayers having an aggregate turnover of more than Rs. 5 Crores or opted to file Monthly Return |
| 13 | GSTR 6 | Jul-23 | GSTR-6-Monthly Return of Input Service Distributor for July 2023 |
| 13 | GSTR-1 / IFF | Jul-23 | GSTR-1 / IFF – Optional for Taxpayers who have opted for QRMP |
| 13 | GSTR 5 | Jul-23 | GSTR 5 Return for Non-Resident Taxable Person for the month of July 2023 |
| 15 | ESI Challan | Jul-23 | ESI payment for July 2023 |
| 15 | ECR | Jul-23 | E-payment of Provident Fund for July 2023 |
| 20 | GSTR 3B | Jul-23 | GSTR 3B Summary of Outward and Inward Supplies for the payment of Tax for July 2023 |
| 20 | GSTR 5A | Jul-23 | GSTR 5A Return for Non-Resident Taxable Person for the month of July 2023 |
| 21 | PTAX | Jul-23 | Monthly Employees Professional tax payment for July 2023 in WB |
| 25 | PMT-06 | Jul-23 | Payment of tax in PMT-06 by a registered person who has opted to file return under QRMP Scheme in PMT-06 – challan for July 2023 |
| 28 | GSTR-11 | Jul-23 | Due date for filing GSTR-11- Statement for Inward supplies by persons having UIN for claiming GST Refund |
| 30 | Challan | Jul-23 | Last date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of July 2023. |
| 31 | Form 9A | FY 2022-23 | Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on October 31, 2023) |
| 31 | Form 10 | FY 2022-23 | Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) (if the assessee is required to submit return of income on October 31, 2023). |

Programs of STBA in August 2023 (Tentative)

- 12th August – Executive Committee Meeting
- 15th August - Independence Day Celebration
- 19th August - Seminar on GST & RERA

**BECOME A MEMBER OF
Siliguri Taxation Bar Association**

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- Updates on Income Tax, GST & other laws
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Get in touch with

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- Open for members of STBA
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Treasurer, CA Rahul Agarwal, # 98323 55580

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PROGRAMS HELD IN THE MONTH OF JULY 2023



Tree Plantation & Social Visit to Bhimbar Snehashram Dristihin Vidyalay on the occasion of GST Day on 1st July 2023



Seminar on Income Tax Filing & Practical Issues held on 7th July 2023



Executive Committee Meeting held on 15th July 2023