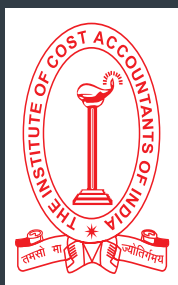


March, 2024

TAX Bulletin

Volume - 156
17.03.2024



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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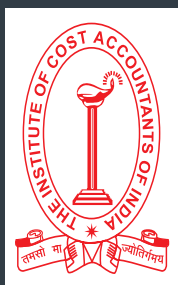
Objectives of Taxation Committees:

1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders and also Crash Courses on GST for Colleges and Universities.

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1. Certificate Course on GST (CCGST)
2. Advanced Certificate Course on GST (ACCGST)
3. Advanced Certificate Course on GST Audit and Assessment Procedure (ACGAA)
4. Certificate Course on TDS (CCTDS)
5. Certificate Course on Filing of Returns (CCFOF)
6. Advanced Course on Income Tax Assessment and Appeals (ACIAA)
7. Certificate Course on International Trade (CCIT)

Admission Link - <https://eicmai.in/advsc/DelegatesApplicationForm-new.aspx>

Modalities

Description	Course Name						
	CCGST	ACCGST	ACGAA	CCTDS	CCFOF	ACIAA	CCIT
Hours	72	40	30	30	30	30	50
Mode of Class	Offline/ Online	Online					
Course Fee* (₹)	10,000	14,000	12,000	10,000	10,000	12,000	10,000
Exam Fee* (₹)	1,000 per attempt						
Discounts	20% Discount for CMA Members, CMA Qualified and CMA Final Pursuing Students						

*18% GST is applicable on both Course fee and Exam fee

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Course Details

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Courses for Colleges & Universities by the Tax Research Department

Modalities

Eligibility

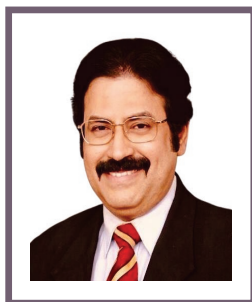
- ▲ B.Com/ BBA pursuing or completed
- ▲ M.Com/ MBA pursuing or completed

Description	Courses for Colleges and Universities	
	GST Course	Income Tax
Batch Size	Minimum 50 Students per Batch per course	
Course Fee* (₹)	1,000	1,500
Exam Fee* (₹)	200	500
Duration (Hrs)	32	32

For enquiry about courses, mail at: trd@icmai.in

*18% GST is applicable on both Course fee and Exam fee

Behind every successful business decision, there is always a **CMA**



CMA (Dr.) V. Murali
Chairman
Direct Taxation Committee, ICMAI

FROM THE DESK OF CHAIRMAN

Esteemed Professional Colleague,

POINT TO PONDER

Hellen Keller had said "Keep your face to the sunshine and you cannot see the shadows." Her positive attitude in life is something we should adopt to make our lives better. As the Dalai Lama said in your Life " Always be kind whenever possible. Remember, it is always possible." Life is a journey and a smile for all we meet, a sweet word when we greet always make life more liveable.

ICDS

As we learn about ICDS II it is to be remembered that it shall be applicable for valuation of inventories apart from:

- Work-in-progress arising under construction contract, dealt with by the ICDS III on construction contracts
- Work-in-progress which is dealt with by any other ICDS
- Shares, debentures and other financial instruments held as stock-in-trade, dealt with by the ICDS VIII on securities
- Producers' inventories of livestock, agriculture and forest products, mineral oils, ores and gases to the extent that they are measured at net realisable value
- Machinery spares dealt with by ICDS V on tangible fixed assets.

Also, Inclusions in the cost of inventories would be:

- Inventories shall be valued at cost, or net realizable value, whichever is lower.
- Cost of Inventories shall include all purchase costs, service costs, conversion costs and all other costs which is incurred to bring the inventories to their present location and condition.
 - Purchase cost shall include purchase price inclusive of duties and taxes, freight inwards and other expenses directly related to purchase. Trade discounts, rebates, etc. will not be included
 - Service cost shall consist of labour and other costs of personnel directly engaged in providing the service.
 - Conversion cost of inventories shall include costs directly related to the units of production.
- Interest and other borrowing costs shall not be included in the costs of inventories unless they meet the criteria for recognition of interest as a component of the cost as specified in the ICDS IX on borrowing cost.

And Exclusions from the cost of inventories would be:

- Abnormal amounts of wasted materials, labour, or other production costs
- Storage costs, unless those costs are necessary in the production process prior to a further production stage
- Administrative overheads that do not bring the inventories to their present location and condition
- Selling costs

ACTIVITIES AND PLAN OF ACTION

The department has organised an important webinar in this fortnight on 14.03.2024 on the topic 'ICDS II: Valuation of Inventories and Section 142(2A) of Income Tax Act, 1961'. The faculty for the session were CMA Navneet Kumar Jain, Council Member, ICAI and CMA Ravi Kumar Sahni, Practising Cost Accountant. The session has not only been a lecture delivery but it has mainly been an interactive session wherein various queries of the members have been addressed. The issues that were discussed included: (i) Method of computation of Inventory Valuation for the companies to which maintenance of cost records is applicable (ii) Capacity Determination (iii) Valuation of Work-in-Progress and Finished Stock (iv) Adjustment of Cost Variances (v) Treatment of Overheads among others. The webinar has been appreciated by senior members of the industry.

The classes are being continued for all the 7 taxation courses named below:

- i. Certificate Course on GST (Batch – 15)
- ii. Advanced Certificate Course on GST (Batch – 11)
- iii. Advanced Course on GST Audit and Assessment Procedure (Batch – 8)
- iv. Certificate Course on International Trade (Batch – 5)
- v. Certificate Course on TDS (Batch – 11)
- vi. Certificate Course on Filing of Returns (Batch – 11) and
- vii. Advanced Course on Income Tax Assessment & Appeals (Batch – 8)

WRAP UP POINT

Etienne De Grellet's immortal words hold true for all time and quote, ***"I expect to pass through this world but once; any good thing therefore that I can do, or any kindness that I can show to any fellow creature, let me do it now."*** This is something which needs to be inculcated in the minds of the youth who will be the future citizens of our country. I firmly believe we must Do all the good we can, to all the people we can, in all the places we can for as long as we ever can.

Wishing each and every one of you a peaceful Life filled with joy, fulfilment, prosperity and bliss at home.

With Warm Professional Regards,

Forever, yours in service,



CMA (Dr.) V Murali

Chairman

Direct Taxation Committee, ICAI

17.03.2024



CMA Rajendra Singh Bhati
Chairman
Indirect Taxation Committee, ICAI

FROM THE DESK OF CHAIRMAN

GST for this FY has seen some major changes, some of which are enumerated below:

- Clarificatory Revision to GST Section 138 Regarding Payment to the Supplier which now imposes a new requirement for either payment or ITC reversal
- GST Section 139: Supply of Warehoused Goods to Individual
- Changes in Section 17(5)(fa) of the CGST Act deals with the blocking of ITC for CSR activities which applied prospectively
- GST Section 137: Supply of Goods via ECO which outline a special procedure that E-commerce operators must follow when dealing with the supply of goods by individuals who are tax-paying Composition Dealers under Section 10 of the Act
- GST Section 146: Refunds and Interest on Late Refunds, harmonizing the treatment of input tax credit (ITC) by eliminating the mention of provisionally accepted ITC
- GST Section 141: Revocation or Cancellation of GST Registration
- GST Sections 142-145: Limitation of 3 years on GST Returns
- GST Section 148: Unregistered Person Assessments
- GST Section 157: Fake Invoice, leniency brought-in in the compounding of offenses
- GST Section 158: Provision Allows the Sharing of Data ie information or details provided by taxpayers on the GST Common portal with other systems, subject to the taxpayer's consent

In my view the implementation of GST has been the most path breaking decision taken in the history of Taxation in India. Implementation was a huge task and with the advent of time we move forward learning from our mistakes and mending our ways towards better compliance. GST has been the best example of 'One Nation One tax' wherein the applicability and the compliance of GST has been accepted with open arms and loop holes if any are being looked into carefully and sorted with care.

The Tax Research Department conducted GST Course for college and university students at two locations in the month of March, 2024, one has been at Providence College for Women, Kozhikode and the other at Surana Evening College, Bangalore. This course has been widely accepted by

students and colleges all across the country actively participate in it. It helps students to find a link between the practical filing and the theory which they learn academically.

On the departmental front all the regular activities of the department, like conduct of courses, update of Taxation Portal, quiz, courses for colleges and universities all are being carried on with utmost sincerity. I wish the department the best for their efforts.

Thank You.

A handwritten signature in dark ink, appearing to be 'Rajendra Singh Bhati', with a long horizontal stroke extending to the right.

CMA Rajendra Singh Bhati
Chairman
Indirect Tax Committee, ICAI
17.03.2024

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CONTENTS

ARTICLES		
INDIRECT TAX		
01	Role of Indirect Taxation in Potecting the Environment and Promoting Sustainability	
	CMA Yogesh Chatwani	Page - 1
DIRECT TAX		
02	Minimum Alternate Tax (MAT) and Alternate Minimum Tax (AMT)	
	CMA Yash Paul Bhola	Page - 6
PRESS RELEASES		
Indirect Tax		Page - 11
Direct Tax		Page - 15
NOTIFICATIONS AND CIRCULARS		
Indirect Tax		Page - 17
Direct Tax		Page - 36
JUDGEMENTS		
Indirect Tax		Page - 43
Direct Tax		Page - 45
TAX CALENDAR		
Indirect Tax		Page - 49
Direct Tax		Page - 49
PUBLICATIONS		
E-Publications of Tax Research Department		Page - 50

Articles on the Topics of Direct and Indirect Taxation are invited from readers and authors. Along with the article please share a recent passport-sized photograph, a brief profile and the contact details. The articles should be the author's own original.
Please send the articles to

trd@icmai.in /trd.ad1@icmai.in

Role of Indirect Taxation in Protecting the Environment and Promoting Sustainability



CMA Yogesh Chatwani
Practicing Cost Accountant, IP, and Registered Valuer (SFA)

Environmental protection has become a pressing issue in today's world and Governments around the world are taking several measures to address it. One of the key tools that Governments have at their disposal is indirect taxation. Indirect taxes, such as GST, Customs Duty, Excise Duty, and VAT, can be used effectively to discourage environmentally damaging activities and incentivize sustainable behavior. In this article, the author has tried to highlight as to how indirect taxes are used by various countries and in India to protect the environment and to promote sustainability.

1. Environmental concerns:

1.1 As we all know, the earth's climate is changing, and it is changing at a very rapid pace than what was expected originally. The primary reason behind this is human activities, which can broadly be classified as under:

A. Deforestation: Deforestation is a significant contributing factor to climate change as it affects the Earth's carbon cycle, which is the process through which carbon is exchanged between the Earth's atmosphere, oceans, and land. Forests are

natural carbon sinks as they absorb more carbon dioxide from the atmosphere than they release. Deforestation ultimately results in the release of carbon stored in trees within forests, and thereby the capacity of the land to absorb carbon dioxide is reduced.

B. Pollution: Pollution at a rapid pace is another major contributor to climate change because it has harmful effects on our planet's air, water, and soil. Air pollution is caused by the release of



toxic gases particles into the atmosphere from sources like factories, vehicles and burning fossil fuels. Water pollution occurs when chemicals and other pollutants are dumped into rivers, lakes and oceans, affecting drinking water quality and the aquatic ecosystem. Soil pollution is created when chemicals and waste materials are dumped into the ground, contaminating soil and groundwater. All these pollutants can have wide-ranging and severe impacts on the environment and human well-being.

- C. Plastic Pollution:** Plastic pollution is a significant environmental issue with wide-ranging impacts. It refers to the accumulation of plastic waste in the environment, particularly in oceans, rivers, and other natural areas. Plastic pollution is a major environmental issue that significantly impacts wildlife, ecosystems, and human health.
- D. Industrial Processes:** Industrial processes also significantly contribute to climate change. Some of the key industrial processes that contribute significantly are (a) cement production; (b) chemical manufacturing; (c) iron and steel production; (d) energy generation; and (e) mining. All these processes contribute significantly to greenhouse gas emissions, carbon dioxide emissions, etc.
- E. Waste Management:** Improper waste management substantially impacts climate change. Landfills are a significant source of methane emissions, a potent greenhouse gas that is much more powerful than carbon dioxide. Waste incineration also releases greenhouse gases into the atmosphere, including carbon dioxide and other air pollutants.
- F. Rapid urbanization:** Urbanization is another contributor to climate change through increased energy demand, use of home appliances at a massive scale, transportation emissions, large-scale construction activities, land use changes, etc.
- G. Agricultural pollution:** Use of fertilizer, soil degradation, biodiversity loss, water pollution, livestock farming, and land use changes can have significant negative impacts on the environment.
- H. Excessive burning of fossil fuels and transportation:** Burning coal, oil and gases releases carbon dioxide and other greenhouse gases into the

atmosphere. Transportation activities, particularly automobiles and airplanes, also contribute to greenhouse gas emissions.

- I. War and armed conflicts:** We all are aware of the 2022 Russian invasion of Ukraine and the resultant ongoing war between the two countries for more than one year now. Apart from this, the diplomatic relations between the major countries have been negatively impacted in the recent past due to one issue or the other, which has raised concern about more prospective arm conflicts. War and armed conflicts can significantly impact the environment through emissions from military activities, destruction of infrastructure, deforestation, displacement, and damage to natural resources.

1.2 Human activities, as listed above in particular, and other such activities in general, have significantly increased the concentration of greenhouse gases in the atmosphere leading to the warming of the Earth's surface and the acceleration of climate change. All this has the potential to create significant and far-reaching impacts on the planet and its inhabitants in the form of changes in weather patterns, rising sea levels, negative impacts on human health, economic impacts, etc. The need of the hour is to take immediate corrective action to alleviate the effects of climate change.

2. Global awareness and cooperation around environmental issues:

Over the years, the Governments and international organizations have played a crucial role in promoting global awareness and cooperation around environmental issues. The United Nations has established several international agreements and conventions aimed at addressing environmental problems. Some of the important international agreements and conventions include:

- A. The Stockholm Declaration 1972.
- B. The Montreal Protocol 1987.
- C. The United Nations Framework Convention on Climate Change (UNFCCC) 1992.
- D. The Rio Declaration on Environment and Development 1992.



E. The Kyoto Protocol 1997.

F. The Paris Agreement 2015.

2.2 Apart from the above prominent documents, there are several other international conventions and agreements, like United Nations Framework convention on climate change, the Convention on Biological

Diversity, and the Basel Convention on the Control of Transboundary movements of Hazardous waste. Most of the above documents share a focus on sustainable development and environmental protection, which are legally binding international treaties, whereas a few others are non-binding documents. Apart from this, environmental organizations and activists have highlighted the importance of protecting the environment and raised awareness through sustained campaigns, education and advocacy.

3. Levy of Environmental taxes in OECD countries:

3.1 The Organisation for Economic Co-operation and Development (OECD) has encouraged the use of environmental taxes as a policy instrument to promote sustainable development in its member countries. The Environmental taxes are taxes levied on goods, services or activities that hurt the environment. A brief overview of environmental taxes in OECD countries, including their limitations, is as under:

A. Carbon Taxes: Many OECD countries have introduced carbon taxes, which are taxes on the carbon content of fossil fuels. Carbon taxes are designed to discourage the use of fossil fuels and encourage a shift towards cleaner and more sustainable energy sources. The excessive use of carbon taxes can also become controversial, as they can be seen as regressive and can disproportionately affect low-income households.

B. Energy Taxes: Energy taxes are levied on energy consumption, including electricity and heating oil. These taxes are intended to encourage energy efficiency and the use of renewable energy sources. The excessive use of energy taxes can also be politically sensitive, as they can increase the cost of living and affect energy-intensive industries.

C. Pollution Taxes: Pollution taxes are levied on the

discharge of pollutants into the environment, including air and water pollution. These taxes prevent pollution and encourage businesses to adopt cleaner technologies. The pollution taxes can also be complex to design and implement, as it can be challenging to quantify the environmental impact of different pollutants.

D. Congestion Charges: Congestion charges are taxes levied on using roads or other transport infrastructure during peak periods. These charges are intended to reduce traffic congestion and encourage the use of public transport. However, congestion charges can also be politically sensitive, as they can be seen as an additional burden on drivers.

3.2 The OECD has recommended that countries adopt a mix of environmental policy instruments, including taxes, subsidies, and regulations, to address environmental issues. Strategies for successfully implementing environmental taxes include ensuring transparency and fairness in the tax system, designing taxes that align with environmental goals, and providing support for low-income households and affected industries. Moreover, the OECD has emphasized the importance of international cooperation on environmental issues to ensure that environmental taxes do not create a competitive disadvantage for any country.

4. Role of indirect taxes in the promotion of sustainable practices:

4.1 Indirect taxes can be a more politically feasible option than direct taxes, particularly concerning environmental issues. This is because direct taxes, such as income or property taxes, are often viewed as more burdensome and politically unpopular than indirect taxes, which are often hidden within the purchase price of goods and services. As a result, Governments may be more likely to implement indirect taxes on environmentally harmful products than to raise direct taxes, even if the overall impact on consumers is similar.

4.2 Indirect taxes can be used to target specific behaviors or industries that have a significant impact on the environment. For example, Governments can use taxes on fossil fuels to discourage the use of high-emission vehicles and promote the adoption of cleaner forms of transportation. Similarly, taxes on single-use plastics can help reduce the amount of plastic waste that ends up in



landfills or the ocean. Indirect taxes can be designed in ways that help offset the costs of transitioning to more sustainable practices. For example, revenue from a carbon tax could be used to invest in renewable energy infrastructure or to provide subsidies for low-income households to switch to electric vehicles. This type of revenue recycling can help address concerns about the regressive nature of some indirect taxes, which can disproportionately impact low-income households.

5. Examples of the use of indirect tax laws for environmental protection:

5.1 Carbon tax: Sweden was the first country to introduce a Carbon Tax in 1991, designed to incentivize using renewable energy sources and reduce greenhouse gas emissions. The tax has been successful in reducing carbon emissions and promoting the use of renewable energy sources. Apart from Sweden, the list of other countries that introduced carbon tax includes Finland, Norway, Switzerland, France, Canada, Ireland, Denmark, Netherlands, Australia, South Africa and the United Kingdom.

5.2 Plastic tax: In 2021, the European Union introduced a plastic tax designed to reduce plastic waste and promote the use of more sustainable packaging materials. The tax applies to

Non-recyclable plastic waste. Apart from this, countries like the United Kingdom, Canada, Italy, and Ireland, among others, also introduced the plastic tax.

5.3 Green Tax initiatives: Green Tax initiatives are measures introduced by Governments to encourage individuals and businesses to adopt environmentally friendly practices and technologies. These are in the form of incentives that are designed to help reduce greenhouse gas emissions, mitigate the effects of climate change, and promote sustainable development. A few examples of Green Tax incentives include (a) Tax credits for renewable energy; (b) Energy-efficient home improvements; (c) Electric Vehicle incentives; (d) Carbon pricing; (e) Green bonds, etc. Major countries that have introduced Green Tax initiatives include the USA, UK, Germany, Japan, Denmark, China, Canada, etc.

5.4 Beef Tax: A beef tax is a proposed tax on the production or consumption of beef, aiming to reduce

greenhouse gas emissions from the livestock industry and promote more sustainable land use practices. Major countries that have introduced beef tax include Denmark, Germany, UK, among others.

6. Use of indirect tax laws for environmental protection and sustainability promotion in India:

6.1 The initiatives and programs driven by the Central Government and various State Governments in India through the use of the tool of indirect taxation are aimed at achieving two goals: (a) discourage the use of goods and Services that create a negative impact on the environment; and (b) encourage the adoption of sustainable practices. The notable initiatives taken by the Government to protect the Environment and promote sustainable practices include (a) National Clean Air Programme (NCAP); (b) Swachh Bharat Abhiyan; (c) the National River Conservation Plan (NRCP); (d) Pradhan Mantri Ujjwala Yojana (PMUY); (e) National Mission for Enhanced Energy Efficiency (NMEEE); (f) National Solar Mission; (g) National Biofuel Policy; (h) Atal Mission for Rejuvenation and Urban Transformation (AMRUT); (i) National Green Tribunal; (j) Clean Ganga Mission; (k) National Mission for Sustainable Habitat; (l) Green India Mission; (m) Electric Mobility Mission; (n) National Biogas and Manure Management Programme; (o) National Mission for Sustainable Agriculture, etc. Apart from the use of indirect taxation in the form of specific tax and Cess, the above schemes are also funded through a (i) allocation of funds from the Central and State Government budgets; (ii) Public-Private Partnerships; (iii) External Assistance; (iv) Fundraising Campaigns, etc.

6.2 Few examples of concessions provided under the GST regime, either thru specific exemptions or levy of GST at a reduced rate, in India to protect the environment are:

- (a) Electric Vehicles (EVs).
- (b) Renewable Energy Devices.
- (c) Natural Fibres.
- (d) Handling of E-waste.
- (e) Organic Fertilizers.
- (f) Biodiesel.
- (g) Handmade paper.



(i) Biogas.

6.2 Few examples of levy of higher tax under the GST regime to discourage the use of polluting goods and services are:

- (a) Coal.
- (b) Petrol and Diesel vehicles.
- (c) Plastic products.
- (d) Air Conditioners, Refrigerators, and other such appliances.
- (e) Pesticides.

6.4 Specific indirect tax measures to control emissions in India:

6.4.1 Through Finance Bill 2010-2011, a corpus called National Clean Energy Fund (NCEF) was created, on the principle of “Polluters Pay,” to finance and promote clean energy initiatives, funding research in clean energy or for any purpose relating thereto. Subsequently, the scope of the fund was expanded to include clean environment initiatives also. Upon the introduction of GST effective from July 2017, the Cess imposed under NCEF, along with some other Cesses, was subsumed into GST Compensation Fund. The same was utilized to compensate States for a period of five years to compensate them for potential losses on account of GST implementation.

6.4.2 Five petroleum products are kept out of the ambit of GST even after 5+ years of GST implementation in India. These five petroleum products include Crude Oil, Natural Gas, Petrol, Diesel, and ATF. These five petroleum products are subject to Central Excise Duty and VAT. Crude Oil and

Natural Gas are significant constituents of the input side of the refining process – which is in the range of around 80% to 90%. On the other hand, Petrol, Diesel, and ATF are significant constituents of the outward/finished/end products of the refining process (in the range of around 65% to 70%). Apart from others, the levy of indirect tax on these five petroleum products is mainly driven by revenue and political considerations. Petrol and Diesel already suffer a high tax burden. Government’s ability to impose an additional tax on these products to address environmental concerns is limited.

6.4.3 The main drawback of the above scheme of levying indirect tax on petroleum products is that tax rates are unrelated to pollution. For example, the effective tax burden on Natural Gas is higher as compared to other fuels, which are under GST. Natural Gas is considered less pollutant as compared to other products like LPG, Naphtha, Furnace Oil, LDO, Petcock, Coal etc., which are part of GST. The products under GST have the advantage of set-off for input taxes paid against GST paid on output. However, the input tax credit is only available for products within GST, resulting in a cascading effect. Further, under GST, the tax revenue would accrue to the consuming states rather than producing conditions that experience the impact of emissions. This is due to the acceptance of the principle of a destination-based taxation system under GST.

Conclusion:

It is high time to bring five petroleum products under the GST regime, which may be commencing with Natural Gas, to address environmental concerns apart from others. The producing states, which cause emissions and suffer consequences, need to be compensated suitably from the tax revenue generated from the supply of polluting goods and services to empower producing states to address environmental concerns effectively.

TD

Minimum Alternate Tax (MAT) and Alternate Minimum Tax (AMT)



CMA Yash Paul Bhola
Former Dir (Fin),
National Fertilisers Limited

Introduction:

MAT and AMT are important concepts under Income tax Act. Initially the concept of MAT was introduced on companies and progressively it has been made applicable to all other taxpayers in the form of AMT. At times it may happen that a taxpayer, being a company, may have generated income during the year, but by taking advantage of various provisions of Income tax (like exemptions, deductions, depreciation etc.), it may have reduced its tax liability or may not have paid any tax at all. The objective of introduction of MAT was to bring into tax net, such companies, which in spite of having earned substantial book profits and having paid handsome dividends, do not pay tax due to various tax concessions and incentives.

Minimum Alternate Tax (MAT)

Applicability of MAT

MAT is levied as per provisions of section 115JB of Income Tax Act. Every tax payer being a company is liable to pay MAT, if the Income tax (including surcharge and cess) payable on the total income, computed as per provisions of Income tax Act is less than 15% of its book profit (including surcharge and cess).

However, MAT provisions are not applicable on:

1. The domestic companies which have opted for tax

regimes under section 115BAA or section 115 BAB.

2. Any income accruing or arising to a company from life insurance business referred to in section 115B.
3. Shipping company, the income of which is subject to tonnage taxation.

(Note: The section 115BAA provide for lower tax rate of 22% to certain domestic companies and section 115BAB provide or lower tax rate of 15% to certain newly established domestic manufacturing companies. The section 115B relates to tax on profits and gains of life insurance business)

MAT provisions shall not be applicable to a foreign company, whose total income comprises of profits and gains arising from business referred to in section 44B, 44BB, 44BBA or 44BBB and such income has been offered to tax at the rates specified in these sections. (Explanation 4A section 115JB)

(Note: Section 44B deals with profits of shipping business in case of non-residents, section 44BB deals with profit of business of exploration etc. of mineral oils in case of non-resident, section 44BBA deals with profits of business of operation of aircrafts in case of non-resident and section 44BBB deals with profits of foreign



companies engaged in business of civil construction etc. in certain turnkey power projects.)

MAT provisions shall not be applicable to a foreign company, if-

- ❖ It is a resident of a country or a specified territory with which India has an agreement under section 90(1) or 90A(1) and it does not have a permanent establishment in India in accordance with the provisions of such agreement; or
- ❖ It is a resident of a country with which India does not have an agreement and it is not required to seek registration under any law for the time being in force relating to companies. (Explanation 4 section 115JB)

Tax Liability and Rates of MAT

A company is liable to pay tax which is higher of the following:

❖ Tax liability of the company computed as per normal provisions of Income tax law, i.e., tax computed on the taxable income by applying the tax rate applicable to the company. The tax so computed is termed as normal tax liability.

❖ Tax computed @ 15% (plus surcharge and cess as applicable) on book profit. The tax so computed is termed as MAT liability.

MAT is levied @ 9% (plus surcharge and cess as applicable) in case of a company, being a unit located in International Financial Service Centre (IFSC) and deriving income solely in convertible foreign exchange.

Meaning of Book Profit

Book Profit means net profit as shown in the statement of profit and loss prepared in accordance with Schedule III to Companies Act, as increased or decreased by certain items detailed in section 115JB. It is computed in following manner:

Particulars	Amount (Rs)
Net Profit as per statement of profit and loss prepared as per Schedule III	xxxx
Add: Following items (if they are debited to statement of profit and loss), mainly includes:	
- Income tax paid/ payable	xxxx
- Amounts carried to any reserves	xxxx
- Provisions for unascertained liabilities	xxxx
- Provisions for losses of subsidiary companies	xxxx
- Dividends paid/ proposed	xxxx
- Amount representing notional loss	xxxx
- Amount of depreciation	xxxx
- Deferred tax	xxxx
- Provision for diminution in value of any asset	xxxx
- ~~~~~	xxxx
- Less: Following items (if they are credited to statement of profit and loss), mainly includes:	
- Amount withdrawn from any reserve or provision	xxxx
- Amount of depreciation	xxxx
- Items exempt under section 10, 11 and 12 (except 10(38))	xxxx
- Amount representing notional gain	xxxx
- Deferred tax	xxxx
-	
- Book profit to be used to compute MAT	xxxx



MAT Credit

If in any year the company pays liability as per MAT, then it is entitled to claim credit of MAT paid over and above the normal tax liability, in the subsequent year(s). The credit can be adjusted in the year in which the liability of the company as per the normal provisions is more than the MAT liability. The set off in respect of brought forward MAT credit shall be allowed in the subsequent year(s) to the extent of the difference between the tax on its total income as per the normal provisions and as per the MAT provisions. The MAT credit can be carried forward only for a period of 15 years after which it will lapse.

Report in Form 29B

Every company to whom MAT provisions are applicable, is required to obtain a report from a chartered accountant in Form No. 29B. It certifies that the book profit has been computed in accordance with the provisions of section 115JB. It further states that tax payable in respect of the assessment year xxxx-xx is Rs xxxxxx, which has been determined on the basis of the details provided in Annexure appended to this Form.

Examples/ Illustrations

Illustration-A1: The taxable income of ABC Pvt. Ltd. computed as per the provisions of Income-tax Act is Rs. 8,40,000. Book profit of the company computed as per the provisions of section 115JB is Rs. 18,40,000. What will be the tax liability of ABC Pvt. Ltd. (ignore cess and surcharge)?

The tax liability of a company will be higher of: (i) Normal tax liability, or (ii) MAT. Normal tax rate applicable to an Indian company is 30% (plus cess and surcharge as applicable). Tax @ 30% on Rs. 8,40,000 will amount to Rs. 2,52,000 (plus cess). Book profit of the company is Rs. 18,40,000. MAT liability (excluding cess and surcharge) @ 15% on Rs.18,40,000 will come to Rs. 2,76,000. Thus, the tax liability of ABC Pvt. Ltd. will be Rs. 2,76,000 (plus cess as applicable) being higher than the normal tax liability.

Note : A domestic Company is taxable at the rate of 25% if, its turnover or gross receipt does not exceed Rs. 400 crores in the previous year 2021-22. In this case, it has been assumed that the turnover of Company exceeds Rs. 400 in previous year 2021-22.

Illustration-A2: The tax liability of XYZ Ltd. for the financial year 2023-24 under the normal provisions of the

Income-tax Act is Rs. 18,40,000 and the liability as per the provisions of MAT is Rs. 18,00,000. It has brought forward MAT credit of Rs. 2,00,000. Can the company adjust the MAT credit? If, yes then how much and what will be the tax liability of the company after adjustment of MAT credit?

MAT credit can be adjusted in the year in which the liability of the company as per the normal provisions is more than the MAT liability. In this case, the company can adjust the MAT credit.

The set off in respect of brought forward MAT credit shall be allowed in the subsequent year(s) to the extent of the difference between the tax on total income as per the normal provisions and liability as per the MAT provisions. Thus, out of the credit of Rs. 2,00,000 the company can claim credit of Rs. 40,000 only and the balance credit of Rs. 1,60,000 can be carried forward to next year(s).

Alternate Minimum tax (AMT)

Applicability of AMT

AMT is levied as per provisions of section 115JC of Income Tax Act. The provisions of AMT will apply to every non-corporate taxpayer who has claimed (i) deduction under section 80H to 80RRB (except 80P), (ii) deduction under section 35AD and (iii) deduction under section 10AA. The AMT provisions are not applicable to a taxpayer, who has not claimed and deduction under these provisions. The following points to be kept in mind in this regard:

- ❖ The provisions of AMT shall apply to an individual or a Hindu undivided family or an association of persons or a body of individuals (whether incorporated or not) or an artificial juridical person only if the adjusted total income of such person exceeds Rs. 20,00,000.
- ❖ The provisions of AMT shall apply to every other person (i.e., other than an individual or a HUF or an AOP/BOI or an artificial juridical person) irrespective of its income.

(Note: Section 80 included in Chapter VIA deals with deductions to be made in computing total income, section 80P deals with deduction in respect of co-operative societies, section 35AD deals with deduction in respect of expenditure on specified business and section 10AA deals with newly established units in SEZ)



AMT provisions are not applicable to a person:

- ❖ Who has exercised the concessional tax regime available under section 115BAC, section 115BAD or section 115BAE; or
- ❖ Income tax payable in respect of total income of a person is computed under section 115BAC(1A).

(Note: Section 115BAC deals with giving individuals and HUF to choose between old regular tax rates and new concessional tax rates, section 115BAC(1A) provide that new concessional tax rates will be the default regime, section 115BAD provide for lower tax rate of 22% to certain co-operative societies and section 115BAE provide or lower tax rate of 15% to certain new manufacturing co-operative societies)

Tax Liability and Rates of AMT

The tax liability of a non-corporate taxpayer to whom the provisions of AMT applies will be higher of the following:

- ❖ Tax liability computed as per the normal provisions

of the Income-tax Law, i.e., tax computed on the taxable income of the taxpayer at the tax rate applicable to him. The tax so computed is termed as normal tax liability.

- ❖ Tax computed @ 18.5% (plus surcharge and cess as applicable) on adjusted total income. The tax so computed is termed as AMT.

With effect from Assessment Year 2023-24, the rate of AMT has been reduced from 18.5% to 15% in case of co-operative society.

MAT is levied @ 9% (plus surcharge and cess as applicable) in case of a non-corporate assessee, being a unit located in International Financial Service Centre (IFSC) and deriving income solely in convertible foreign exchange.

Meaning of Adjusted Total Income

Adjusted Total Income means taxable income of the taxpayer, as increased by certain items prescribed in this regard. It is computed in following manner:

Particulars	Amount (Rs)
Taxable Income of the taxpayer	xxxx
Add: Amount of deduction claimed under section 80H to 80 RRB (except 80P)	xxxx
Add: Amount of deduction claimed under section 35AD (as reduced by depreciation allowable as per section 32)	xxxx
Add: Amount of deduction claimed under section 10AA	xxxx
Adjusted Total Income	xxxx

AMT Credit

If in any year the taxpayer pays liability as per AMT, then he is entitled to claim credit in the subsequent year(s) of AMT paid over and above the normal tax liability. The credit can be adjusted in the year in which the liability of the taxpayer as per the normal provisions is more than the AMT liability. The set off in respect of brought forward AMT credit shall be allowed in the subsequent year(s) to the extent of the difference between the tax on its total income as per the normal provisions and as per the AMT provisions. The AMT credit can be carried forward only for a period of 15 years after which it will lapse.

Report in Form 29C

Every non-corporate taxpayer to whom AMT provisions are

applicable, is required to obtain a report from a chartered accountant in Form No. 29C. It certifies that the adjusted total income and the alternate minimum tax has been computed in accordance with the provisions of section 115JC of the Income-tax Act in respect of the assessment year xxxx-xx is Rs. xxxxxx, which has been determined on the basis of the details in Annexure appended to this Form.

Examples/ Illustrations

Illustration-B1: The taxable income for the financial year 2023-24 of Mr. Ajay (resident and age 34 years) computed as per the provisions of Income-tax Act is Rs. 20,84,000. The taxable income has been computed after deduction of Rs. 5,00,000 under section 80JJA. Will he be liable to



AMT? What will be his tax liability for the year?

In this case, Mr. Ajay has claimed deduction under section 80JJA and his adjusted total income exceeds Rs. 20,00,000 and, hence, the provisions of AMT would apply to him.

The normal tax liability on Rs. 20,84,000 by applying the tax rates applicable to an individual below the age of 60 years for the assessment year 2024-25 works out to Rs. 4,37,700. Tax liability after health & education cess of 4%

would work out to Rs. 4,55,208. Adjusted total income will come to Rs. 25,84,000 (Rs. 20,84,000 + Rs. 5,00,000, i.e., deduction under section 80JJA). AMT @ 18.5% on Rs. 25,84,000 will come to Rs. 4,78,040. AMT liability after cess of 4% will come to Rs. 4,97,162.

Hence, the tax liability of Mr. Ajay would work out to Rs. 4,97,162 (i.e., as per AMT). The excess tax paid by Mr. Ajay on account of AMT can be claimed as AMT credit and can be carried forward for adjustment to next year(s).

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Press Releases

Indirect Tax

Ministry of Finance

₹1,68,337 crore gross GST revenue collected during February 2024; records Year-on-Year (Y-o-Y) growth of 12.5%

Average monthly gross collection for FY 2023-24 is ₹1.67 lakh crore, exceeding ₹1.5 lakh crore for FY 2022-23

Gross GST collection reaches ₹18.40 lakh crore for FY 2023-24, grows 11.7% Y-o-Y

Net revenue at ₹1.51 lakh crore is up 13.6% for the month and up by 13% for the year at ₹16.36 lakh crore

Posted On: 01 MAR 2024 4:26 PM by PIB Delhi

Gross Goods and Services Tax (GST) revenue collected for February 2024 is ₹1,68,337 crore, marking a robust 12.5% increase compared to that in the same month in 2023. This growth was driven by a 13.9% rise in GST from domestic transactions and 8.5% increase in GST from import of goods. GST revenue net of refunds for February 2024 is ₹1.51 lakh crore which is a growth of 13.6% over that for the same period last year.

Strong Consistent Performance in FY 2023-24: As of February 2024, the total gross GST collection for the current fiscal year stands at ₹18.40 lakh crore, which is 11.7% higher than the collection for the same period in FY 2022-23. The average monthly gross collection for FY 2023-24 is ₹1.67 lakh crore, exceeding the ₹1.5 lakh crore

collected in the previous year's corresponding period. GST revenue net of refunds as of February 2024 for the current fiscal year is ₹16.36 lakh crore which is a growth of 13.0% over that for the same period last year. Overall, the GST revenue figures demonstrate continued growth momentum and positive performance.

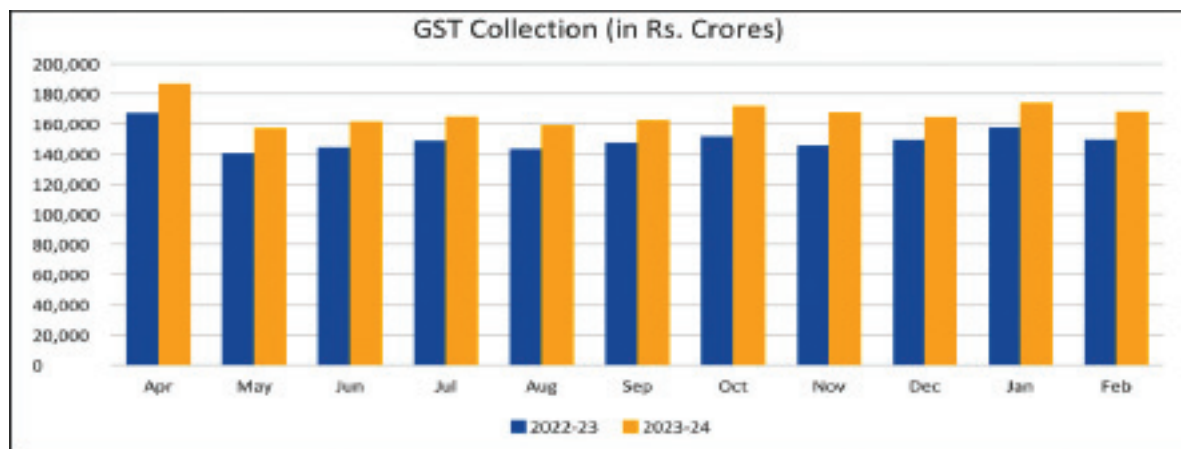
Breakdown of February 2024 Collections:

- Central Goods and Services Tax (CGST): ₹31,785 crore
- State Goods and Services Tax (SGST): ₹39,615 crore
- Integrated Goods and Services Tax (IGST): ₹84,098 crore, including ₹38,593 crore collected on imported goods
- Cess: ₹12,839 crore, including ₹984 crore collected on imported goods

Inter-Governmental Settlement: The central government settled ₹41,856 crore to CGST and ₹35,953 crore to SGST from the IGST collected. This translates to a total revenue of ₹73,641 crore for CGST and ₹75,569 crore for SGST after regular settlement.

The chart below shows trends in monthly gross GST revenues during the current year. Table-1 shows the state-wise figures of GST collected in each State during the month of February, 2024 as compared to February, 2023. Table-2 shows the state-wise figures of post settlement GST revenue of each State till the month of February, 2024.

Chart: Trends in GST Collection



**Table1: State-wise growth of GST Revenues during February, 2024 [1]**

State/UT	Feb-23	Feb-24	Growth(%)
Jammu and Kashmir	434	532	23%
Himachal Pradesh	691	746	8%
Punjab	1,651	1,955	18%
Chandigarh	188	211	12%
Uttarakhand	1,405	1,525	9%
Haryana	7,310	8,269	13%
Delhi	4,769	5,544	16%
Rajasthan	3,941	4,211	7%
Uttar Pradesh	7,431	8,054	8%
Bihar	1,499	1,491	-1%
Sikkim	265	299	13%
Arunachal Pradesh	78	101	29%
Nagaland	54	51	-5%
Manipur	64	56	-13%
Mizoram	58	49	-14%
Tripura	79	85	8%
Meghalaya	189	193	2%
Assam	1,111	1,390	25%
WestBengal	4,955	5,357	8%
Jharkhand	2,962	2,933	-1%
Odisha	4,519	5,136	14%
Chhattisgarh	3,009	3,124	4%
Madhya Pradesh	3,235	3,572	10%
Gujarat	9,574	11,029	15%
Dadra and Nagar Haveli and Daman & Diu	283	355	25%
Maharashtra	22,349	27,065	21%



Karnataka	10,809	12,815	19%
Goa	493	581	18%
Lakshadweep	3	2	-36%
Kerala	2,326	2,688	16%
TamilNadu	8,774	9,713	11%
Puducherry	188	231	23%
Andaman and Nicobar Islands	31	39	28%
Telangana	4,424	5,211	18%
Andhra Pradesh	3,557	3,678	3%
Ladakh	24	35	43%
OtherTerritory	211	204	-3%
Center Jurisdiction	154	232	51%
Grand Total	1,13,096	1,28,760	14%

Table-2:SGST & SGST portion ofl GST settled to States/UTs April-February (Rs. in crore)

State/UT	Pre-SettlementSGST			Post-Settlement SGST[2]		
	2022-23	2023-24	Growth	2022-23	2023-24	Growth
Jammu and Kashmir	2,133	2,680	26%	6,672	7,415	11%
Himachal Pradesh	2,150	2,371	10%	5,133	5,138	0%
Punjab	7,023	7,689	9%	17,810	20,240	14%
Chandigarh	577	626	9%	1,963	2,117	8%
Uttarakhand	4,365	4,934	13%	6,997	7,708	10%
Haryana	16,547	18,568	12%	28,469	31,975	12%
Delhi	12,504	14,235	14%	26,097	29,187	12%
Rajasthan	14,227	15,762	11%	32,008	35,505	11%
Uttar Pradesh	24,900	29,560	19%	60,572	69,782	15%
Bihar	6,678	7,478	12%	21,319	24,231	14%



Sikkim	274	387	42%	773	877	13%
Arunachal Pradesh	422	548	30%	1,451	1,721	19%
Nagaland	203	270	33%	884	955	8%
Manipur	288	310	8%	1,318	1,011	-23%
Mizoram	189	245	29%	798	879	10%
Tripura	390	455	17%	1,348	1,435	6%
Meghalaya	435	550	26%	1,370	1,557	14%
Assam	4,694	5,413	15%	11,524	13,347	16%
WestBengal	19,626	21,407	9%	35,884	38,335	7%
Jharkhand	7,034	7,967	13%	10,359	11,220	8%
Odisha	12,779	14,796	16%	17,636	22,636	28%
Chhattisgarh	6,765	7,417	10%	10,320	12,450	21%
Madhya Pradesh	9,893	11,865	20%	5,483	30,386	19%
Gujarat	34,364	38,465	12%	52,751	58,317	11%
Dadraand Nagar Haveli Diu and Dama	581	599	3%	1,093	1,006	-8%
Maharashtra	77,909	91,584	18%	1,18,392	1,34,593	14%
Karnataka	32,302	37,305	15%	60,218	68,428	14%
Goa	1,830	2,137	17%	3,270	3,752	15%
Lakshadweep	9	18	107%	37	79	114%
Kerala	11,247	12,809	14%	26,851	28,358	6%
TamilNadu	32,929	37,024	12%	53,091	58,904	11%
Puducherry	426	467	10%	1,069	1,255	17%
Andaman and Nicobar Islands	165	191	16%	445	487	9%
Telangana	15,294	18,175	19%	34,686	36,949	7%



Andhra Pradesh	1,462	12,695	11%	26,121	28,873	11%
Ladakh	160	230	44%	494	620	25%
Other Territory	165	218	32%	542	1,043	93%
Grand Total	3,72,937	4,27,449	15%	7,05,246	7,92,773	12%

direct Tax

Promoting Voluntary Compliance through e-Verification Scheme-2021

Last date for filing of updated returns (ITR-U) for A.Y. 2021-22 (i.e. for F.Y. 2020-21) is 31.03.2024

Posted On: 04 MAR 2024 7:36PM by PIB Delhi

The Income Tax Department receives information of specified financial transactions of taxpayers from various sources. To increase transparency and to promote voluntary tax compliance, this information is reflected in the Annual Information Statement (AIS) module and is available to the taxpayer for viewing.

In some cases of Income Tax Returns (ITRs) filed for A.Y. 2021-22 (F.Y. 2020-21), a 'mismatch' has been identified, between the information filed in the ITR vis-à-vis information of specified financial transactions, as available with the Department. In cases where ITRs for A.Y. 2021-22 have not been filed and, the Department is in possession of information of specified high value financial transactions, the same also needs to be examined.

Accordingly, as part of the e-Verification Scheme-2021, the Department is in the process of sending communication(s) to the taxpayers for the mismatch in information pertaining to A.Y. 2021-22 (F.Y. 2020-21). This information is being communicated to the taxpayers through their e-mail accounts as registered with the Income Tax Department. Vide the said communication, the Department is urging taxpayers, to view their AIS through the e-filing portal and file updated ITRs (ITR-U), wherever found necessary by the taxpayer. Eligible non-filers can also submit updated returns (ITR-U) u/s 139(8A) of the Income-tax Act, 1961.

Last date for filing of updated returns (ITR-U) for A.Y. 2021-22 (i.e. for F.Y. 2020-21) is 31.03.2024.

CBDT allows certain trusts / institutions to

furnish the audit report in the applicable Form No. 10B / 10BB on or before 31st March, 2024

Posted On: 05 MAR 2024 7:20PM by PIB Delhi

Income of any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in specified sub-clauses of section 10 (23C) of the Income-tax Act, 1961 (the 'Act') or any trust or institution registered under section 12AA/12AB of the Act is exempt, subject to fulfilment of certain conditions specified under various sections of the Act.

One of the conditions required to be fulfilled by the trust or institution in order to be eligible to claim exemption, is, that it is required to get its accounts audited and furnish the audit report in the prescribed Form No. 10B / 10BB before the specified date.

It has come to the attention of the Central Board of Direct Taxes (CBDT) that in a number of cases trusts / institutions have furnished audit report in Form No. 10B, where Form No. 10BB was required to be furnished for the A.Y. 2023-24. Similarly, in a number of cases trusts / institutions have furnished audit report in Form No. 10BB, where Form No. 10B was required to be furnished for the A.Y. 2023-24.

It is stated that, non-furnishing of audit report in the prescribed form would result in denial of exemption in such cases, as it is one of the conditions which is required to be satisfied for claim of exemption. The denial of exemption on this account may result in creation of tax demand.

In view of the above, the CBDT has allowed those trusts / institutions which have furnished audit report on or before 31st October, 2023 in Form No. 10B where Form No. 10BB was applicable and vice-versa, to furnish the audit report in the applicable Form No. 10B / 10BB for the A.Y. 2023-24, on or before 31st March, 2024.

CBDT Circular No. 2/2024 in F.No.370142/6/2024-TPL



dated 05.03.2024 has been issued. The said Circular is available on www.incometaxindia.gov.in.

CBDT clarifies provisions under Finance Act 2023 relating to donations made by a trust / institution to another trust / institution for purposes of application of income

Any trust or institution registered u/s 12AA or 12AB of the Income Tax Act 1961 is exempt, subject to the fulfilment of certain conditions

Posted On: 06 MAR 2024 4:50PM by PIB Delhi

Income of any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in specified sub-clauses of section 10 (23C) of the Income-tax Act, 1961 (the 'Act') or any trust or institution registered under section 12AA/12AB of the Act is exempt, subject to fulfilment of certain conditions specified under various sections of the Act.

Finance Act, 2023 provided that donations made by a trust / institution (other than towards corpus) shall be treated as application for charitable or religious purposes only to the extent of 85% of such donations.

Representations have been received by the Central Board of Direct Taxes (CBDT) raising concerns as to whether the balance 15% of donation to other trust / institution would be taxable or would be eligible for 15% accumulation, since the funds would not be available, having been already disbursed.

CBDT has examined the matter with reference to the issues raised above. Vide Circular No. 3/2024 in F.No.370142/5/2024-TPL dated 06.03.2024, issued today, the matter has been clarified by illustrative examples, for lucid understanding. The said Circular is available on circular-3-2024.pdf (incometaxindia.gov.in).

Income Tax Department to mount e-campaign for Advance Tax e-campaign for F.Y. 2023-24

Through e-campaign, persons/entities carrying out significant financial transactions will be informed through email/SMS to urge them to compute and deposit their due advance tax on or before 15.03.2024

Posted On: 10 MAR 2024 12:47PM by PIB Delhi

The Income Tax Department has received certain information on specific financial transactions undertaken by persons/entities during Financial Year (F.Y.) 2023-24. On the basis of analysis of the taxes paid so far during the current financial year, the Department has identified such persons/entities where payment of taxes for F.Y. 2023-24 (A.Y. 2024-25) is not commensurate with the financial transactions made by the persons/entities concerned, during the said period.

Hence, as a part of taxpayer service initiative, the Department is undertaking an e-campaign, which aims to intimate such persons/entities of significant financial transactions, through email (marked as Advance Tax e-Campaign-Significant Transactions for A.Y. 2024-25) and SMS, urging them to compute their advance tax liability correctly and deposit the due advance tax on or before 15.03.2024.

The Income Tax Department receives information of specified financial transactions of taxpayers from various sources. To increase transparency and to promote voluntary tax compliance, this information is reflected in the Annual Information Statement (AIS) module and is available to the persons/entities for viewing. The value of 'Significant Transactions' in the AIS has been used for carrying out this analysis.

For viewing the details of significant transactions, the persons/entities can login to their e-filing account (if already created) and go to the Compliance Portal. On this portal, e-Campaign tab can be accessed to view significant transactions.

Persons/entities who are not registered on the e-filing website have to first register themselves on the e-filing website. For registration, the 'Register' button on the e-filing website can be clicked and the relevant details can be provided therein. After successful registration, the e-filing account can be logged into and the Compliance portal can be accessed to view significant transactions through the e-Campaign tab.

This is another initiative of the Department towards easing compliance for taxpayers and reinforce its commitment towards enhancing taxpayer services

NOTIFICATIONS & CIRCULARS

Inirect Tax

Customs (Tariff)

GOVERNMENT OF INDIA MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE) Notification No. 13/2024 -
Customs

New Delhi, the 06th March, 2024

G.S.R (E).—In exercise of the powers conferred by sub-section(1) of section 25 of the Customs

Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in

the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section(i), vide number G.S.R.785(E), dated the 30th June, 2017, namely:-

In the said notification,

in the Table, after S.No.3AA and the entries relating there to, the following S.No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
"3AB.	0207 42 00; 0207 45 00	Meat and edible offal, of ducks, frozen	5%	-	116";

in the Annexure, after condition number 115 and the entries relating there to, the following condition number and entries shall be inserted, namely:-

(1)	(2)
"116.	<p>If, at the time of import,-</p> <p>(a) the importer furnishes a certificate to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, from the designated officer in form of O.M.No.L-110109(3)/1/2016-Trade (E-2625), dated 22nd February, 2024, issued by the Department of Animal Husbandry and Dairying, that the imported goods are meat and edible offal, of ducks, frozen (other than back of ducks, frozen), satisfying the parameters specified in the Annex to the said O.M.; and</p> <p>(b) the importer furnishes to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be,-</p> <p>i. a certificate from an officer not below the rank of a Deputy Secretary to the Government of India in the Ministry of Tourism recommending that the importer is a 3-Star and above operational hotel as per notification issued by Ministry of Tourism, Government of India, as amended; or</p> <p>ii. a valid restricted import authorisation issued under DGFT notification No.66/2023, dated 06th March, 2024, as amended";</p>



2. This notification shall come into force on the 07 th day of March, 2024.

[F.No.CBIC-190354/166/2023-TO(TRU-I)]

**GOVERNMENT OF INDIA MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE) NOTIFICATION No.
15/2024-Customs**

New Delhi, the 12th March, 2024

G.S.R.(E).— WHEREAS the Central Government on being satisfied that the import duty leviable on goods, falling under Chapter 90 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), should be increased and that circumstances exist which render it necessary to take immediate action.

NOW, therefore, in exercise of the powers conferred by sub-section (1) of section 8A of the said Customs Tariff Act, the Central Government hereby directs that the First Schedule to the said Customs Tariff Act shall be amended in the following manner, namely: -

In the First Schedule to the said Customs Tariff Act, in Chapter 90, against tariff items 9022 30 00 and 9022 90 90, for the entry in column (4), the entry “15%” shall be substituted. 2. This notification shall come into force on the 1st day of April, 2024.

[F. No. CBIC-190354/15/2023-TRU Section-CBEC]

**GOVERNMENT OF INDIA MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE) NOTIFICATION No.
16/2024-Customs**

New Delhi, the 12th March, 2024

G.S.R.(E).—In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.785(E), dated the 30th June, 2017, namely: -

In the said notification, in the Table,-

- (I) against S.No.563A, in column (3), in entry (ii), for item (e), the following item shall be substituted, namely: -
- (II) “(e) High Frequency X-Ray Generator (>25KHz) (90221410);”
- (III) after S.No.563A, the following S.Nos. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
“563B	90221410	High Frequency X-Ray Generator (>25KHz, >=500mA) for use in manufacture of X-ray machines for medical, surgical, dental or veterinary use (9022 14 20 or 9022 14 90)	10%	-	9
563C	90229090	The following goods for use in manufacture of X-ray machines for medical, surgical, dental or veterinary use (9022 14 20 or 9022 14 90), namely: - (i) Vertical Bucky; (ii) X-Ray Tube Suspension; (iii) X-Ray Grid;	10%	-	9
563D	90222900 or 90229090	Multi Leaf Collimator/Iris for use in manufacture of X-ray machines for medical, surgical, dental or veterinary use (9022 14 20 or 9022 14 90)	10%	-	9”;

against S.No.564, in column (3), for item (e), the following item shall be substituted, namely: -

“(e) High Frequency X-Ray Generator (>25KHz) (90221410);”.

2. This notification shall come into force on the 1st day of April, 2024.

[F.No.CBIC-190354/15/2023-TRU Section-CBEC]



GOVERNMENT OF INDIA MINISTRY OF FINANCE
(Department of Revenue)
NOTIFICATION No. 17/2024-Customs

New Delhi, the 14th March, 2024

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India, Ministry of Finance (Department of Revenue), No. 57/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 798(E), dated the 30th June, 2017, namely :-

In the said notification, in the Table, -

(i) against S. No. 20, in column (3), in item (a), for the symbols and words “(commonly known as smart watches);”, the symbols and words “(commonly known as smart watches) and other smart wearable de-vices including smart rings, shoulder bands, neck bands or ankle bands;” shall be substituted.

[F.No. CBIC-190341/22/2023-TRU Section-CBEC]

GOVERNMENT OF INDIA MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
Notification No.19/2024-Customs

New Delhi, the 15th March, 2024

G.S.R (E).—In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 785(E), dated the 30th June, 2017, namely:-

In the said notification,

in the Table, for S.No.526 A and the entries relating thereto, the following S.No. and entries shall be substituted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
“526A.	8703	Electrically operated vehicles, if imported,- (1) incomplete or unfinished, as a knocked down kit containing necessary components, parts or sub-assemblies for assembling a complete vehicle, including battery pack, motor, motor controller, charger, power control unit, energy monitor, contactor, brake system, electric compressor, whether or not individually pre-assembled, with- (a) none of the above components, parts or sub-assemblies interconnected with each other and not mounted on a chassis (b) any of the above components, parts or sub-assemblies interconnected with each other but not mounted on a chassis (2) in any other than (1) above,- (a) with a CIF value more than US \$40,000 (b) other than (a) above (c) with a minimum CIF value of US \$35,000 imported in terms of provisions of the ‘Scheme to promote manufacturing of electric passenger cars in India’ notified vide S.O. No. 1363 (E) dated 15th March, 2024, by the Ministry of Heavy Industries: Provided that nothing contained in item (2)(c) in this S. No. shall have effect after the 31st March,	15% 35% 100% 70% 15%	- - - - -	- 117



		<p><i>Explanation.</i> – For the removal of doubts, the exemption contained in items (1) (a) and (1) (b) of this entry shall be available, even if one or more of the components, parts or sub-assemblies required for assembling a complete vehicle are not imported in the kit, provided that the kit as presented, is classifiable under the heading 8703 of the Customs Tariff Act, 1975 as per the general rules of interpretation.</p>			
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in the Annexure, after condition number 116 and the entry relating thereto, the following condition number and entry shall be inserted, namely:-

(1)	(2)
“117.	<p>If the importer, at the time of import, furnishes a certificate from an officer not below the rank of a Joint Secretary to the Government of India in the Ministry of Heavy Industries (MHI) to the effect that,-</p> <p>(i) the importer holds a valid Approval Letter issued by the Ministry of Heavy Industries under the ‘Scheme to promote manufacturing of electric passenger cars in India’ notified vide S.O.No.1363(E) dated 15th March, 2024, by the Ministry of Heavy Industries;</p> <p>(ii) the importer satisfies the conditions of the aforesaid scheme and the quantity of the vehicles being imported is within the limits prescribed in Para.1.3.5 and para.1.3.6 of the aforesaid scheme; and</p> <p>(iii) the importer is eligible for grant of this exemption in respect of the goods being imported.”.</p>

[F.No.CBIC-190354/42/2024-TRU Section-CBEC]

GOVERNMENT OF INDIA MINISTRY OF FINANCE
(Department Of Revenue)
Notification No. 20/2024 -Customs

New Delhi, the 15th March, 2024

G.S.R.(E). -In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) read with section 110 of the Finance Act, 2018 (13 of 2018), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 11/2018-Customs, dated the 2nd February, 2018 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 114 (E), dated the 2nd February, 2018, namely :-

In the said notification, in the Table, against Sl. No 57, in column (2), after item (iv), and before the words “of the Table”, the following item shall be inserted, namely: -“(v) column (3), sub-item (c) of item (2) of S. No. 526A;”.

[F. No.CBIC-190354/42/2024-TRU Section-CBEC]

Customs (Non-Tariff)

GOVERNMENT OF INDIA MINISTRY OF FINANCE
Department of Revenue Central Board of Indirect Taxes
and Customs
Notification No.17/2024-CUSTOMS (N.T.)

New Delhi, 06th March, 2024 16 Phalguna, 1945 (SAKA)

S.O. ... (E). – In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S.O.748(E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted, namely:-

**“TABLE-1**

Sl.No.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US \$ Per MetricTonne)
(1)	(2)	(3)	(4)
1	15111000	Crude PalmOil	891(i.e.,nochange)
2	15119010	RBD PalmOil	902(i.e.,nochange)
3	15119090	Others–PalmOil	897(i.e.,nochange)
4	15111000	Crude Palmolein	907(i.e.,nochange)
5	15119020	RB DPalmolein	910(i.e.,nochange)
6	15119090	Others–Palmolein	909(i.e.,nochange)
7	15071000	Crude Soyabean Oil	903(i.e.,nochange)
8	74040022	Brass Scrap (allgrades)	4937(i.e.,nochange)

TABLE-2

Sl.No.	Chapter/heading/sub-heading/tariffitem	Description of goods	Tariffvalue(US\$)
(1)	(2)	(3)	(4)
1.	71or 98	Gold, in any form,inrespect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017is availed	687 per 10 grams
2.	71or98	Silver, in any form, in respect of which the benefit of entries at serial number 357of the Notification No. 50/2017-Customs dated 30.06.2017is availed	724 per kilogram (i.e.,no change)
3.	71	(i)Silver, in any form, other than medallions and silver coins having silver content not below 99.9%orsemi-manufactured forms of silver falling under sub-heading710692; (ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling undersub-heading710692,other than imports of such goods through post,courier or baggage.	724 per kilogra (i.e.,no change)
4.	71	Explanation.- For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made ofsilver. (i) Goldbars, other than to labars, bearing manufacturer's or refiner's engraved serial number and weigh tex pressed in metricunits; (ii) Gold coins having gold content not below 99.5% and gold findings,other than imports of such goods through post, courier or baggage.	687per10grams
		Explanation.- Forthepurposesofthisentry, "goldfindings" meansasmallcomponentsuchashook,clasp,clamp,pin,catc h,screwbackusedtoholdthewhole or a part of a piece of Jewellery inplace.	



TABLE-3

Sl.No.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US \$ Per MetricTon)
(1)	(2)	(3)	(4)
1	080280	Arecanuts	6259(i.e.,nochange)"

2. This notification shall come into force with effect from the 07th day of March, 2024.

[F.No.467/01/2024-Cus.V]

**GOVERNMENT OF INDIA MINISTRY OF FINANCE DEPARTMENT OF REVENUE
CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS
Notification No.18/2024-Customs(N.T.)**

New Delhi, dated the 7th March, 2024 17 Phalguna 1945 (SAKA)

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the Notification No. 13/2024-Customs(N.T.), dated 15th February, 2024 except as respects things done or omitted to be done before such supersession, the Central Board of Indirect Taxes and Customs hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or vice versa, shall, with effect from 8th March, 2024, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SCHEDULE-I

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	55.70	53.30
2.	Bahraini Dinar	228.45	211.85
3.	Canadian Dollar	62.30	60.35
4.	Chinese Yuan	11.70	11.30
5.	Danish Kroner	12.30	11.95
6.	EURO	91.90	88.75
7.	Hong Kong Dollar	10.75	10.45
8.	Kuwaiti Dinar	278.35	261.00
9.	New Zealand Dollar	52.05	49.70
10.	Norwegian Kroner	8.00	7.80
11.	Pound Sterling	107.25	103.80
12.	Qatari Riyal	23.50	22.05
13.	Saudi Arabian Riyal	22.80	21.50



14.	Singapore Dollar	62.95	60.95
15.	South African Rand	4.55	4.25
16.	Swedish Kroner	8.15	7.95
17.	Swiss Franc	95.75	92.20
18.	Turkish Lira	2.70	2.55
19.	UAE Dirham	23.25	21.90
20.	US Dollar	83.75	82.00

SCHEDULE-II

Sl. No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	56.60	54.85
2.	Korean Won	6.40	6.05

[F.No.468/01/2024-Cus.V]

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS)
NOTIFICATION

New Delhi, the 8th March, 2024 No. 19/2024-Customs (N.T.)

G.S.R. 167(E).—In exercise of the powers conferred by clause (a) of sub-section (1) read with sub-section

(2) of section 7 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs

hereby makes the following further amendment in the notification of the Government of India, Ministry of Finance (Department of Revenue) No. 61/94-Customs (N.T.) dated the 21st November, 1994, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 828 (E), dated the 21st November, 1994, namely:

In the said notification, in the Table, against serial number 10 relating to the State of Madhya Pradesh, in column (3), after the entry at (b) and corresponding entry in column (4), the following item and entries shall be inserted, namely:—

Sl. No.	State/Union Territory	Airport	Purpose
(1)	(2)	(3)	(4)
		“(c) Bhopal	Unloading of baggage and loading of baggage.”.

[F. No. 394/36/2020-Cus(AS)]

GOVERNMENT OF INDIA MINISTRY OF FINANCE
DEPARTMENT OF REVENUE (CENTRAL BOARD OF
INDIRECT TAXES AND CUSTOMS) Notification No.
20/2024 –Customs (N.T.)

New Delhi, the 11th March, 2024 G.S.R. xxx (E)

. – In exercise of the powers conferred by sub-section (1) of section 51B of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary and expedient to do so, hereby makes the following amendments in the notification of the



Government of India, Ministry of Finance (Department of Revenue), No. 24/2023-Customs (N.T.), dated the 1st April, 2023, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide G.S.R. 261(E), dated the 1st April 2023, namely:-

In the said notification,-

(i) in clause 2,

(a) in sub-clause (1), for item (b), the following shall be substituted, namely:- “(b) against export of goods notified in Appendix 4R of the Foreign Trade Policy or against export of goods under Advance Authorisation (except Deemed Exports) as notified in Appendix 4RE of the Foreign Trade Policy or export of goods manufactured by or exported by Export Orient Unit as notified in the said Appendix 4RE, at the respective rate and cap notified under the Appendix 4R or Appendix 4RE, as applicable: Provided that the value of the said goods for calculation of duty credit to be allowed under the Scheme shall be the declared export FOB value of the said goods or, up to 1.5 times the market price of the said goods, whichever is less;”

(b) in sub-clause (4), for the words “notified in the Appendix”, the words “notified in the said Appendix

4R or Appendix 4RE, as applicable” shall be substituted; (ii) in the TABLE, Sl. No’s. 6, 7, 8 and 10 and the entries relating thereto shall be omitted.

[F.No. CBIC-140605/14/2021-DBK]

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS)
NOTIFICATION

New Delhi, the 12th March, 2024

No. 21/2024-Customs (N.T.)

G.S.R. 185(E).— In exercise of the powers conferred by clause (aa) of sub-section (1) read with sub-section

(2) of section 7 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 12/97-Customs (N.T.) dated the 2nd April, 1997, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R 193 (E), dated the 2nd April, 1997, namely:-

In the said notification, in the Table, after serial number 2 and the entries relating thereto, the following serial number and entries shall be inserted, namely:—

S.No.	State/Union Territory	Place	Purpose
(1)	(2)	(3)	(4)
“2A.	Bihar	Bihta	Unloading of imported goods and loading of export goods.”

[F. No. 394/38/2021-Cus (AS)]

GOVERNMENT OF INDIA MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
Central Board of Indirect Taxes and Customs Notification
No.22/2024-CUSTOMS (N.T.)

New Delhi, 15th March, 2024 25 Phalgun, 1945 (SAKA)

S.O. ... (E).— In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to

do so, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S.O.748(E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted, namely:-

**“TABLE-1**

Sl. No.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US\$ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	15111000	Crude Palm Oil	902
2	15119010	RBD Palm Oil	912
3	15119090	Others–Palm Oil	907
4	15111000	Crude Palmolein	917
5	15119020	RBD Palmolein	920
6	15119090	Others–Palmolein	919
7	15071000	Crude Soyabean Oil	933
8	74040022	Brass Scrap (allgrades)	4867

TABLE-2

Sl. No.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US\$)
(1)	(2)	(3)	(4)
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	696 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50/2017- Customs dated 30.06.2017 is availed	809 per kilogram
3.	71	<p>(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 710692;</p> <p>(ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 710692, other than imports of such goods through post, courier or baggage.</p> <p>Explanation.-For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.</p>	809 per kilogram
		(i) Gold bars, other than to labars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units;	
4.	71	(ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage.	696 per 10 grams
		Explanation.- For the purpose of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.	



TABLE-3

Sl. No.	Chapter/heading/sub-heading/tariffitem	Description of goods	Tariff value (US \$ Per MetricTon)
(1)	(2)	(3)	(4)
1	080280	Arecanuts	6259(i.e.,nochange)"

2. This notification shall come into force with effect from the 16th day of March,2024.

[F.No.467/01/2024-Cus.V]

**GOVERNMENT OF INDIA MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE) Notification No. 23/2024 -
Customs (N.T.)**

New Delhi, the 15 March, 2024

G.S.R. _____ (E).- In exercise of the powers conferred by sub-section (2) of section 151B of the Customs Act, 1962 (52 of 1962), the Central Government hereby makes the following further amendments in the notification of the Government of India, Ministry of

Finance (Department of Revenue) No. 58/2021-Customs (N.T.), dated the 1st July, 2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 467(E), dated the 1st July, 2021, namely:-

In the said notification, in the TABLE, after S. No. 16 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

S.No	Name of contracting State	Agreement or Arrangement on Cooperation and Mutual Administrative Assistance (CMAA) in Customs matters
(1)	(2)	(3)
	Republic of Armenia	Agreement between the Government of the Republic of India and the Government of the Republic of Armenia on co-operation and mutual assistance in Customs matters."

Customs (Anti-Dumping Duty)

**GOVERNMENT OF INDIA MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
NOTIFICATION
No. 03/2024-Customs (ADD)**

New Delhi, the 14th March, 2024

G.S.R. (E).- Whereas in the matter of 'Printed Circuit Boards (PCB)' (hereinafter referred to as the subject goods) falling under tariff heading 8534 0000 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in, or exported from China PR and Hong Kong (hereinafter referred to as the subject countries), and imported into India, the designated authority in its final findings, vide notification No. 6/16/2022-DGTR dated the 29th December, 2023, published in the Gazette of India,

Extraordinary, Part I, Section 1, dated the 29th December, 2023, has interalia, come to the conclusion that—

- the subject goods have been exported to India from the subject countries below normal values;
- the domestic industry has suffered material injury on account of subject imports from subject countries;
- the material injury has been caused by the dumped imports of subject goods from the subject countries, and has recommended imposition of an anti-dumping duty on the imports of subject goods, originating in, or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the



Customs Tariff Act read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under sub heading or tariff item of the First Schedule to the Customs Tariff Act as specified in the corresponding entries in column

(2), originating in the countries as specified in the corresponding entries in column (4), exported from the countries as specified in the corresponding entries in column (5), produced by the producers as specified in the corresponding entries in column (6), and imported into India, an anti-dumping duty as a percentage of the CIF value of the subject goods as specified in the corresponding entries in column (7), of the said Table, namely:-

TABLE

S.No.	Sub Heading or Tariff Item	Description of Goods	Country of Origin	Country of Export	Producer	Duty as % of CIF
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	85340000	Printed Circuit Boards (PCBs)*	China PR	Any country including China PR	Ji'an Shengyi Electronics Co., Ltd.	Nil
					Shengyi Electronics Co., Ltd.	
2	-do-	-do-	China PR	Any country including China PR	WUS Printed Circuit KEPZ(Kunshan) Co., Ltd.	Nil
					WUS Printed Circuit (Kunshan) Co. Ltd.	
					WUS Printed Circuit (Huangshi) Co., Ltd.	
3	-do-	-do-	China PR	Any country including China PR	Jiangxi Xusheng Electronics Co., Ltd.	Nil
4	-do-	-do-	China PR	Any country including China PR	Jiangmen Suntak Circuit Technology Co., Ltd.	Nil
					Shenzhen Suntak Multilayer PCB Co., Ltd.	
					Dalian Suntak Electronics Co., Ltd.	
					Dalian Suntak Circuit Co., Ltd.	
					Zhuhai Suntak Circuit Technology Co., Ltd.	



5	-do-	-do-	ChinaPR	Any country including ChinaPR	Shenzhen Kinwong Electronic Co.,Ltd.	14.78%
					Jiangxi Kinwong Precision Circuit Co., Ltd.	
					Kinwong Electronic Technology (Longchuan) Co.,Ltd.	
					Kinwong Electronic Technology (Zhuhai) Co., Ltd.	
6	-do-	-do-	ChinaPR	Any country	Kin Yip Technology Electronics (Huizhou) Co., Ltd.	75.72%
7	-do-	-do-	ChinaPR	including China PR		Nil
				Any country including ChinaPR	Shennan Circuits Co., Ltd.	
					Nantong Shennan Circuits Co.,Ltd.	
					WuXi Shennan Circuits Co, Ltd.	
8	-do-	-do-	ChinaPR	Any country including ChinaPR	Kalex Multi-Layer Circuit Board (Zhongshan) Ltd.	Nil
					MerixPrintedCircuits Technology Limited	
					Guangzhou Termbray Electronics Technology Co., Ltd.	
					DongguanMeadville Circuits Co., Ltd.	
9	-do-	-do-	ChinaPR	Any country including ChinaPR	Jiangxi Longhai Circuit Technology Co., Ltd.	8.23%
10	-do-	-do-	China PR	Any country including ChinaPR	Shenzhen Xinweisai Electronics Co.,Ltd.	14.06%
11	-do-	-do-	China PR	Any country including ChinaPR	KaiPing Elec & Eltek Company Limited	Nil
					Kai Ping Elec & Eltek No.3CompanyLimited	
12	-do-	-do-	China PR	Any country including ChinaPR	Sunshine Global CircuitsCo.,Ltd.	Nil
					Jiu Jiang Sunshine Circuits Technology Co., Ltd.	
13	-do-	-do-	China PR	Any country including China PR	Inno Circuits Limited	10.14%



14	-do-	-do-	China PR	Any country including China PR	Any, Other than S.No. 1 to 13	30%
15	-do-	-do-	Any country other than China PR and Hong Kong	China PR	Any	30%
16	-do-	-do-	Hong Kong	Any country including Hong Kong	Any	30%
17	-do-	-do-	Any country other than China PR and Hong Kong	Hong Kong	Any	30%

**The following PCBs are excluded from the scope of the product under consideration:-*

- i. PCBs with more than 6 layer*
- ii. PCBs for use in mobile phone application*
- ii. Populated printed circuit boards of all sizes*
- iv. PCBs with embedded copper coin*

PCBs with embedded copper coin are those PCBs where a metal block is embedded in the middle of the boards. PCBs with embedded copper coin are mainly used for high powered devices requiring high heat dissipation such as base station amplifier products.

v. Inlay PCB

Inlay PCBs are those where copper, aluminium or other material is inlaid or pressed into the printed circuit board and serves to dissipate the heat of an electronic component through the printed circuit board to absorb the heat sink. The heat-emitting component (heat source) can be connected directly to the metal inlay. Inlay PCBs are mainly used for high-frequency and high-speed products.

vi. Plated Over Filled Via (POFV) PCB or Via-in-Pad PCB

POFV products are designed to save space by putting the conductive holes into the SMD (Surface

Mounted Components) pads to be soldered. In order to avoid subsequent soldering paste flowing into the holes and causing false soldering, the holes need to be filled with resin in advance. Afterwards, the surface is plated flat so that the surface of the pads with holes is smooth and does not affect the soldering. In POFV PCBs, the surface is plated with copper. POFV PCBs are mainly used in products with high reliability requirements like wireless base station products, switches, and routers.

vii. High Density Interconnect (HDI) PCB

HDIPC Bare those where in holes are drilled through laser technology with hole size of $\leq 0.1\text{mm}$. Drilling such small holes needs laser drilling. This is a technology with high processing severity. HDI PCBs are mainly used for high-density products like mobile phones, switches, and servers.

viii. Rigid-flex PCBs

Rigid-flex PCBs are the combination of flexible circuit boards and rigid circuit boards. Rigid-flex PCBs accommodate the good properties of both flexible boards and rigid boards. Rigid-flex products are mainly used in mobile phones, automobiles, industrial control and other applications where there is limited space for electronic parts installation.

ix. Packaging substrates / IC packaging

Packaging substrates or Integrated circuit (IC)



substrate is a baseboard used for packaging of bare integrated circuit (semi-conductor) chips. They play a crucial role in connecting the PCB to the semi conductor chip. IC Substrate serves to capture the semi conductor chip, routing to link the chip with the PCB, and safeguard, support, and reinforce the IC chip, thereby giving it a thermal dissipation tunnel.

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette, and shall be payable in Indian currency.

Explanation.- For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Act.

[F.No.CBIC-190354/29/2024-TRU Section-CBEC]

**GOVERNMENT OF INDIA MINISTRY OF
NCE (DEPARTMENT OF REVENUE)
NOTIFICATION
No.04/2024-Customs(ADD)**

New Delhi, the 14th March, 2024

G.S.R. ... (E).- Whereas, in the matter of “Para-Tertiary Butyl Phenol (PTBP)” (hereinafter referred to as the subject goods), falling under tariff item 2907 19 40 of the First Schedule of the Customs Tariff Act, 1975 (51 of 1975) (here in after referred to as the Customs

Tariff Act), originating in, or exported from Korea RP, Singapore and the United States of America (here in after referred to as the subject countries) and imported into India, the designated authority in its final findings, vide notification F. No. 6/14/2022-DGTR, dated the 20th December, 2023, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 20th December, 2023, has come to the conclusion, inter alia that- the product under consideration has been exported to India at a price below normal value, thus resulting in dumping; the dumping of the subject goods has materially retarded the establishment of domestic industry in India; the landed price of imports is below the level of selling price of the domestic industry and is under cutting the prices of the domestic industry, and has recommended imposition of anti-dumping duty on imports of the subject goods, originating in, or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the afore said final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under the tariff item of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (7), in the currency as specified in the corresponding entry in column (9) and as per unit of measurement as specified in the corresponding entry in column (8) of the said Table, namely :-

TABLE

Sl. No.	Tariff item	Description	Country of Origin	Country of Export	Producer	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	29071940	Para-Tertiary Butyl Phenol (PTBP)	Korea RP	Any country, including Korea RP	SI Group Korea Ltd.	208	MT	USD



2	-do-	-do-	Korea RP	Any country including Korea RP	Any producer other than	357	-do-	-do-
					(1)			
3	-do-	-do-	Any country other than Korea RP, USA and Singapore	Korea RP	Any	357	-do-	-do-
4	-do-	-do-	USA	Any country including USA	SI Group Inc.	790	-do-	-do-
5.	-do-	-do-	USA	Any country including USA	Any producer other than (4)	881	-do-	-do-
6.	-do-	-do-	Any country other than Korea RP, USA and Singapore	USA	Any	881	-do-	-do-
7.	-do-	-do-	Singapore	Any country including Singapore	Any	349	-do-	-do-
8.	-do-	-do-	Any country other than Korea RP, USA and Singapore	Singapore	Any	349	-do-	-do-

2. The anti-dumping duty imposed under this notification shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

(DEPARTMENT OF REVENUE)
NOTIFICATION
No.05/2024-Customs(ADD)

Explanation.- For the purposes of this notification, rate of exchange applicable for the purpose of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.CBIC-190354/24/2024-TRU Section-CBEC]

GOVERNMENT OF INDIA MINISTRY OF FINANCE

New Delhi, the 14th March, 2024

G.S.R...(E).- Whereas, the designated authority, vide notification number 7/12/2023-DGTR, dated the 20th September, 2023, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 20th September, 2023, had initiated the review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), and read with rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, in the matter of continuation of anti-dumping duty on imports of "Ethylene Vinyl Acetate (EVA) Sheet for Solar Module" (hereinafter referred to as the



subject goods) falling under tariff items 3920 1011, 3920 10 19, 3920 10 99, 392061 90, 392062 90, 3920 99 19, 3920 99 39 or 3920

99 99 of the First Schedule to the Customs Tariff Act, originating in or exported from China PR (hereinafter referred to as the subject country), imposed vide notification of the Government of India, Ministry of Finance (Department of Revenue), number 15/2019-Customs (ADD), dated the 29th March, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 272(E), dated the 29th March, 2019;

And whereas, in the matter of review of anti-dumping duty on imports of the subject goods, originating in or exported from the subject country, the designated authority in its final findings, published vide notification number 7/12/2023-DGTR, dated the 28th December, 2023, published in the Gazette of India, Extraordinary, Part-I, Section 1, dated the 28th December, 2023, has come to the conclusion that-

the subject goods continue to be exported to India at prices below then or malvalue, resulting in to dumping of the subject goods;

dumped imports from subject country are causing injury to the domestic industry;

there is like likelihood of not only continuation but also intensification of dumping and consequent injury to the Indian industry in the event of cessation of the existing anti-dumping duties at this stage,

and has recommended continued imposition of the anti-dumping duty on imports of the subject goods, originating in or exported from the subject country, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 read with rules 18, 20 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 and in supersession of the notification of the Government of India, Ministry of Finance (Department of Revenue), number 15/2019-Customs (ADD), dated the 29th March, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 272(E), dated the 29th March, 2019, the Central Government, after considering the afore said final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under tariff item(s) of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in or exported from the country as specified in the corresponding entry in column (4), produced by the producers as specified in the corresponding entry in column (5), and imported into India, an anti-dumping duty at the rate equal to the amount as indicated in the corresponding entry in column (6), in the currency as specified in the corresponding entry in column (7) and as per unit of measurement as specified in the corresponding entry in column (8) of the said Table, namely :-

TABLE

S. No.	Tariff Item(s)	Description of goods	Country of origin/ Country of Export	Producer	Amount	Currency	Unit of Measurement
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	3920 10 11, 3920 10 19, 3920		China PR	Changzhou Sveck Photo voltaic New Materials Co.,Ltd.	590	USD	MT



	10 99, 3920						
2.	61 90, 3920						
	62 90, 3920	Ethylene Vinyl Acetate (EVA)					
	99 19, 3920	Sheet for Solar Module					
	99 39, 3920		China PR	Any others	897	USD	MT
	99 99						

*Custom classification is only indicative and the determination of the duty shall be made as per the description of product under consideration.

2. The anti-dumping duty imposed under this notification shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

Explanation.- For the purposes of this notification, rate of exchange applicable for the purpose of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.CBIC-190354/25/2024-TRU Section-CBEC]

**GOVERNMENT OF INDIA MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE) FREVENUE)
NOTIFICATION**

No.07/2024-Customs(ADD)

New Delhi, the 15th March, 2024

G.S.R...(E).- Whereas, the designated authority, vide

notification number 7/13/2023-DGTR, dated the 30th September, 2023, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 30th September, 2023, had initiated the review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (here in after referred to as the Customs Tariff Act), and read with rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Article and for Determination of Injury) Rules, 1995, in the matter of continuation of anti-dumping duty on imports of "Cast Aluminium Alloy Wheels or Alloy Road Wheels (ARW) used in Motor Vehicles, whether or not attached with their accessories, of a size in diameters ranging from 12 inches to 24 inches" (here in after referred to as the subject goods) falling under sub-heading 8708 70 of the First Schedule to the Customs Tariff Act, originating in or exported from China PR (here in after referred to as the subject country), imposed vide notification of the Government of India, Ministry of Finance (Department of Revenue), number 17/2019-Customs (ADD), dated the 9th April, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.296(E), dated the 9th April, 2019;

And whereas, in the matter of review of anti-dumping duty on imports of the subject goods, originating in or exported from the subject country, the designated authority in its final findings, published vide notification number 7/13/2023-DGTR, dated the 6th January, 2024, published in



the Gazette of India, Extraordinary, Part-I, Section 1, dated the 6th January, 2024, has come to the conclusion that-

- I. the subject goods continue to be exported to India at prices below the normal value, resulting in to dumping of the subject goods;
- II. dumped imports from subject country are causing injury to the domestic industry;
- III. there is like likelihood of continuation of dumping and consequent injury to the Indian industry in the event of cessation of the existing anti-dumping duties at this stage,

and has recommended continued imposition of the anti-dumping duty on imports of the subject goods, originating in or exported from the subject country, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act,

1975 read with rules 18, 20 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 and insupersession of the notification of the Government of India, Ministry of Finance (Department of Revenue), number 17/2019-Customs (ADD), dated the 9th April, 2019, published in the Gazette of India, Extraordinary, Part III, Section 3, Sub-section (i), vide number G.S.R.296(E), dated the 9th April, 2019, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under sub-heading of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), exported from the country as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), and imported into India, an anti-dumping duty at the rate equal to the amount as indicated in the corresponding entry in column (7), in the unit as specified in the corresponding entry in column (8) of the said Table, namely:-

TABLE

Sr. No.	Sub-heading	Description of goods	Country of origin	Country of export	Producer	Amount	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	870870	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	China PR	Any country including China PR	Zhejiang Jinfei Kaida Wheels Co., Ltd.	0.52	USD/KG
2	870870	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	China PR	Any country including China PR	Zhejiang Shuguang Aluminium Industry Co., Ltd.	0.23	USD/KG
3	870870	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	China PR	Any country including China PR	Shandong Shuangwang Aluminium Industry Co., Ltd.	0.63	USD/KG
4	870870	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	China PR	Any country including China PR	Any producer other than at serial no. 1, 2 and 3 above.	1.71	USD/KG
5	870870	Cast Aluminium Alloy Wheels or Alloy Road Wheels*	Any other country	China PR	Any	1.71	USD/KG

*Cast Aluminium Alloy Wheels or Aluminium Alloy Road Wheels (ARWs) used in Motor Vehicles, whether or not attached with accessories, of a size in diameter ranging from 12 inches to 24 inches. ARWs other than 12 inches to 24 inches in diameter and ARWs meant for two-wheelers are out of this product scope.



2. The anti-dumping duty imposed under this notification shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

Explanation.- For the purposes of this notification, rate of exchange applicable for the purpose of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.CBIC-190354/36/2024-TRU Section-CBEC]

Central Excise (Tariff)

GOVERNMENT OF INDIA MINISTRY OF
FINANCE (Department of Revenue) Notification No.

10/2024-Central Excise

New Delhi, the 15th March, 2024

G.S.R.....(E).—In exercise of the powers conferred by section 5A of the Central Excise Act, 1944 (1 of 1944) read with section 147 of the Finance Act, 2002 (20 of 2002), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 18/2022-Central Excise, dated the 19th July, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 584(E), dated the 19th July, 2022, namely:—In the said notification, in the Table,—

(i) against S. No. 1, for the entry in column (4), the entry “Rs. 4900 per tonne” shall be substituted;

2. This notification shall come into force on the 16th day of March, 2024.

[F. No. 354/15/2022-TRU]

16



NOTIFICATIONS & CIRCULARS

Direct Tax

Circular No. 2/2024

F, No.370142/6/2024-TPL

GOVERNMENT OF INDIA MINISTRY OF FINANCE
Department of Revenue
Central Board of Direct Taxes
(TPL Division)

Dated 05" March, 2024

Sub: Order under section 119 of the Income-tax Act, 1961 - reg.

Income of any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (tv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 (hereinafter referred to as trust or institution under the first regime) of the Income-tax Act, 1961 (hereinafter referred to as the Act) or any trust or institution registered under section 12AA or section 12AB of the Act (hereinafter referred to as trust or institution under the second regime) is exempt subject to fulfilment of certain conditions specified under various sections of the Act.

2. One of the conditions required to be fulfilled by the trust or institution in order to be eligible to claim exemption under the first regime, is laid down in clause (b) of the tenth proviso to clause (23C) of section 10 of the Act. This states that in case the total income of the trust or institution, as computed under the Act without giving effect to the provisions of exemption under the first regime, exceeds the maximum amount which is not chargeable to income-tax in any previous year, the trust or institution is required to get its accounts audited and furnish the audit report in the prescribed Form before the specified date.

2.1. A similar condition is in place for trust or institution under the second regime in sub-clause (ii) of clause (b) of sub-section (1) of section 12A of the Act.

3. Rule 16CC and 17B of the Income-tax Rules, 1962 (hereinafter referred to as the Rules) prescribe the form of audit report for trust or institution under the first and second regime respectively. They provide that the report of audit of the accounts of a trust or institution,

shall be furnished in - :

- (a) Form No. 10B where,
 - (i) the total income of trust or institution, exceeds rupees five crores during the previous year; or
 - (ii) such trust or institution has received any foreign contribution during the previous year; or
 - (iii) such trust or institution has applied any part of its income outside India during the previous year;
 - (b) Form No. 10BB in other cases.
4. The new forms, Form No. 10B I Form No. 10BB, were notified vide Notification No. 7 of 2023 dated 21st February, 2023. The above prescription was put in place w.e.f. 01.04.2023, vide the Income-tax (Third Amendment) Rules, 2023, and is therefore, effective for assessment year 2023-24 and subsequent assessment years. The due date for furnishing such audit reports for the A.Y. 2023-24 was 31st October, 2023.
 5. Prior to the aforesaid amendment of the Rules, the earlier prescribed form for audit report was Form No. 10BB for trust I institution in the first regime and Form No. 10B for trust I institution in the second regime.
 6. Thus, A.Y. 2023-24 is the first year when changes described in paragraphs 3 and 4 take effect.
 7. It has come to the attention of the Board that in a number of cases trusts I institutions have furnished audit report in Form No. 10B, where Form No. 10BB was required to be furnished for the A.Y. 2023-24. Similarly, in a number of cases trusts I institutions have furnished audit report in Form No. 10BB, where Form No. 10B was required to be furnished for the A.Y. 2023-24. As noted above, non-furnishing of audit report in the prescribed form would result in denial of exemption in such cases as it is one of the conditions which is required to be satisfied for claim of exemption.
 8. In view of the above, the Central Board of Direct Taxes, in exercise of its powers under section 119 of the Act hereby allows those trusts I institutions which have furnished audit report on or before 31st October, 2023 in Form No. 10B where Form No. 10BB



was applicable and vice-versa, to furnish the audit report under clause (b) of the tenth proviso to clause (23C) of section 10 and sub-clause (ii) of clause (b) of sub-section (1) of section 12A of the Income-tax Act, 1961, in the applicable Form No. IOB I 10BB for the assessment year 2023-24, on or before 31st March, 2024.

F. No.370142/S/2024-TPL

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
(TPL Division) Circular No. 3 12024

Dated 06th March, 2024

Sub: Circular under section 119 of the Income-tax Act, 1961 - reg.

Income of any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 of the Income- tax Act, 1961 (the Act) (hereinafter referred to as the first regime) or any trust or institution registered u/s 12AA or 12AB of the Act (hereinafter referred to as the second regime) is exempt, subject to the fulfilment of certain conditions provided for the two regimes in the Act. These conditions inter-alia include the following for the entities (hereinafter referred to as trust 1 institution in the two regimes):-

- (a) at least 85% of income of the trust 1 institution should be applied during the year for the charitable or religious purposes;
- (b) Trusts or institutions are allowed to apply mandatory 85% of their income either themselves or by making donations to the trusts with similar objectives; and
- (c) If donated to other trust 1 institution, the donation should not be towards corpus to ensure that the donations are applied by the donee trust 1 institution for charitable or religious purposes.

2. In order to ensure intended application towards charitable or religious purposes, Finance Act, 2023 has provided that eligible donations made by a trust 1 institution shall be treated as application for charitable or religious purposes only to the extent of 85% of such donations. Accordingly, Finance Act, 2023 has made the following amendments:-

- (a) inserted clause (iii) in Explanation 2 to third proviso

of clause (23C) of section 10 of the Act;

- (b) inserted clause (iii) in Explanation 4 to sub-section (1) of section 11 of the Act.

These amendments read as under:-

(a) clause (iii) in Explanation 2 to third proviso of clause (23C) of section 10 "any amount credited or paid out of the income of any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), other than the amount referred to in the twelfth proviso, to any other fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via), or trust or institution registered under section 12AB, as the case may be, shall be treated as application for charitable or religious purposes only to the extent of eighty-five per cent of such amount credited or paid"

(b) clause (iii) in Explanation 4 to sub-section (1) of section 11 any amount credited or paid, other than the amount referred to in Explanation 2, to any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, as the case may be, or other trust or institution registered under section 12AB, as the case may be, shall be treated as application for charitable or religious purposes only to the extent of eighty-five per cent of such amount credited or paid

3. Representations have been received raising the concern that whether the balance 15% of donation to other trust / institution would be taxable or is eligible for 15% accumulation since the funds would not be available having been already disbursed.

4. The matter has been examined with reference to the issues raised in paragraph 3 and it is reiterated that eligible donations made by a trust / institution to another trust / institution under any of the two regimes referred to in para 2 shall be treated as application for charitable or religious purposes only to the extent of 85% of such donations. It means that when a trust / institution in either regime donates Rs. 100 to another trust / institution in either regime, it will be considered



to have..applied 85% (Rs. 85) for the purpose of charitable or religious activity. It is clarified that 15% (Rs. 15) of such donations by the donor trust / institution shall not be required to be invested in specified modes under section 11(5) of the Act as the entire amount of Rs. 100 has been donated to the other trust / institution and is accordingly eligible for

exemption under the first or second regime.

This is illustrated by following example where Trust1, Trust2 and Trust3 are trusts or institutions under any of the two regimes. Further, Trust1 is making eligible donation to Trust2 and Trust2 is further making eligible donation to Trust3.

Sl. No	Particulars	Trust1		Trust 2		Trust 3	
1	Income (A)	300		100		100	
2	Income which is required to be applied 255 85 85(B = 85% of A).		255		85		85
3	Application of income						
4	Donation to other trusts under the first or second regime (C)	100		100			Nil
5	Amount to be considered as application 85 85 of income against the donations at row no. 3 [as per clause (iii) of the Explanation 2 to third proviso to clause (23C) of section 10 or clause (iii) of the Explanation 4 to sub-section (1) of section 11 of the Act]. (D = 85% of C)		85			85	
6	Balance income for application (E = A-C)	200		Nil		100	
7	Application other than Sl. No.4 (F = 85% of E)		170		Nil		85
8	Remaining income which may be accumulated without Form No. 10 I 9A (G = 15% of E)		30		Nil		15
9	Funds required to be invested in section 11(5) modes (H = G)		30		Nil		15
10	Exemption of income (I = C + F + G)	300		100		100	

Circular No. 04/2024

F. No. 275/01/2023-IT(B)

Government of India Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, the 07th March, 2024

Sub: Ex-post facto extension of due date for filing Form No. 26QE which was required to be filed during the period 01.07.2022 to 28.02.2023 (pertaining to F.Y. 2022-23) — reg.

As per section 194S of the Income-tax Act, 1961 (hereinafter referred to as “the Act”), any person responsible for paying to any resident person any sum by way of consideration for the transfer of a virtual digital asset is required to deduct an amount equal to 1% of such sum as income

tax thereon. Further, as per sub-rule (4D) of rule 31A, a ‘specified person’ is required to report such deductions in a challan-cum- statement electronically in Form No. 26QE within thirty days from the end of the month in which such deduction is made.

- It has come to the notice of the Central Board of Direct Taxes (“the Board”) that Specified persons who deducted tax under section 194S of the Act during the period from 01.07.2022 to 31.01.2023, could not file Form No. 26QE and pay corresponding TDS on or before the due date, due to unavailability of Form No. 26QE. This has resulted in consequential levy of fee under section 234E and interest under clause (ii) of sub-section (1A) of section 201 of the Act. Further, the specified persons who deducted tax under section 194S during the period from 01.02.2023 to 28.02.2023 had insufficient time to file Form No. 26QE and pay corresponding TDS thereon.

3. In order to address the grievances of such specified persons and in exercise of the powers conferred under section 119(2)(a) of the Act, the Board has decided to, ex-post facto, extend the due date of filing of Form No. 26QE for specified persons who deducted tax under section 194S but failed to file Form No. 26QE. The due date is hereby extended to 30.05.2023 in those cases where the tax was deducted by specified persons under section 194S of the Act during the period from 01.07.2022 to 28.02.2023. Fee levied under section 234E and/or interest charged under section 201(1A)(ii) of the Act in such cases for the period upto 30.05.2023, shall be waived.
4. It is clarified that the above extension is a one-time exception in view of the circumstances referred to above.
5. Hindi version shall follow.

Circular No. 5/2024

F, No. 279/Misc.142/2007-ITJ (Pt.)

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi the 15th March, 2024

Subject: Circular u/s 268A of the Income-tax Act, 1961 for filing of appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPs/ appeals before Supreme Court-measures for reducing litigation-Reg.

Refi: Circular No. 3/2018 dated 11.07.2018

Ref 2: Circular No. 17/2019 dated 08.08.2019

Ref 3: Board's letter in F.No.279/Misc. 142/2007-ITJ (Pt) dated 20.08.2018

Reference is invited to the above wherein monetary limits and other conditions for filing Departmental appeals under the Income-tax Act, 1961 (hereinafter referred to as the Act) before Income Tax Appellate Tribunals ("ITAT"), Hon'ble High Courts ('HCs') and Special Leave Petitions ('SLPs')/ appeals before Hon'ble Supreme Court ('SC') were specified by the Central Board of Direct Taxes ("CBDT" or 'Board')

2. In supersession of the above referred communications issued by CBDT, the following may be noted in respect of departmental appeals to be filed before ITATs and HCs and SLPs/ appeals before SC:

3.1 Monetary limits given in paragraph 4 with regard to filing appeal/SLP shall be applicable to all cases including those relating to TDS/TCS under the Act with the following exceptions where the decision to appeal/ file SLP shall be taken on merits, without regard to the tax effect and the monetary limits:

- a. Where any provision of the Act or the Rules or notification issued thereunder has been held to be constitutionally invalid, or
- b. Where any order, notification, instruction or circular of the Board or the Government has been held to be illegal or ultra vires the Act or otherwise constitutionally invalid, or
- c. Where the assessment is based on information in respect of any offence alleged to have been committed under any other law received from any of the law enforcement or intelligence agencies such as CBI, ED, DRI, SFIO, NIA, NCB, DGCI, state law enforcement agencies such as State Police, State Vigilance Bureau, State Anti-Corruption Bureau, State Excise Department, State Sales/ Commercial Taxes or GST Department, or
- d. Where the case is one in which prosecution has been filed by the Department in the relevant case and the trial is pending in any Court or conviction order has been passed and the same has not been compounded, or
- e. Where strictures/adverse comments have been passed and/or cost has been levied against the Department of Revenue, CBDT or their officers, or
- f. Where the tax effect is not quantifiable or not involved, such as the case of registration of trusts or institutions under sections 10(23C), 12A/ 12AA/12AB of the Act, order passed u/s 263 of the Act etc. The reference to cases involving sections referred here, where it is not possible to quantify tax effect or tax effect is not involved, is for the purpose of illustration only.
- g. Where addition relates to undisclosed foreign income/undisclosed foreign assets (including



financial assets)/undisclosed foreign bank account, or

- h. Cases involving organized tax evasion including cases of bogus capital gain/loss through penny stocks and cases of accommodation entries, or
- i. Where mandated by a Court's directions, or
- j. Writ matters, or
- k. Matters related to wealth tax, fringe benefit tax, equalization levy and any matter other than the Income Tax Act, or
- l. In respect of litigation arising out of disputes related to TDS/TCS matters in both domestic and International taxation charges:-
 - i. Where dispute relates to the determination of the nature of transaction such that the liability to deduct TDS/TCS thereon or otherwise is under question, or
 - ii. Appeals of International taxation charges where the dispute relates to the applicability of the provisions of a Double Taxation Avoidance Agreement or otherwise
- m. Any other case or class of cases where in the opinion of the Board it is necessary to contest in the interest of justice or revenue and specified so by a circular issued by Board in this regard.

3.2 Attention is drawn to Circular No. 8/2023 issued vide F.No. 279/Misc./M-93/2018-ITJ(Pt.) dated 31.05.2023 in respect of deferral of appeals u/s 158AB of the Act. Exceptions in such cases operate as follows:

- a. When judicial finality is achieved in favour of Revenue in the 'other case', appeal in the 'relevant case' is contested on merits subsequent to the decision in the 'other case' Irrespective of the extant monetary limits.
- b. If the judicial outcome in the 'other case' is not in favour of Revenue and is not accepted by the Department, appeal against the same may be contested on merits in the 'other case' irrespective of the extant monetary limits, to arrive at judicial finality.

4.1 Appeals/ SLPs, not falling in the exceptions as detailed in para 3 above, shall not be filed in cases where the tax effect does not exceed the monetary limits given hereunder:

S. No.	Appeals/ SLPs in Income-tax matters	Monetary Limit (~)
1	Before Appellate Tribunal	50,000,000
2	Before High Court	1,00,00,000
3	Before Supreme COU11	2,00,00,000

4.2 It is clarified that an appeal should not be filed merely because the tax effect in a case exceeds the monetary limits prescribed above. Filing of appeal in such cases is to be decided on merits of the case. The officers concerned shall keep in mind the overall objective of reducing unnecessary litigation and providing certainty to taxpayers on their Income-tax assessments while taking a decision regarding filing an appeal.

5.1 For this purpose, 'tax effect' means the difference between the tax on the total income assessed and the tax that would have been chargeable had such total income been reduced by the amount of income in respect of the issues against which appeal is intended to be filed (hereinafter referred to as 'disputed issues'). Further, 'tax effect' shall be tax including applicable surcharge and cess. However, the tax will not include any interest thereon, except where chargeability of interest itself is in dispute. In case the chargeability of interest is the issue under dispute, the amount of interest shall be the tax effect. In cases where returned loss is reduced or assessed as income, the tax effect would include notional tax on disputed additions. In case of penalty orders, the tax effect will mean quantum of penalty deleted or reduced in the order to be appealed against.

5.2. Further, where income is computed under the provisions of section 115JB or section 115JC, for the purposes of determination of 'tax effect', tax on the total income assessed shall be computed as per the following formula-

$$(A-B) + (C-D)$$

where,

A = the total income assessed as per the provisions other than the provisions contained in section 115JB or section 115JC (herein called general provisions);



B = the total income that would have been chargeable had the total income assessed as per the general provisions been reduced by the amount of the disputed issues under general provisions;

C = the total income assessed as per the provisions contained in section 115JB or section 115JC;

D = the total income that would have been chargeable had the total income assessed as per the provisions contained in section 115JB or section 115JC was reduced by the amount of disputed issues under the said provisions:

However, where the amount of disputed issues is considered both under the provisions contained in section 115JB or section 115JC and under general provisions, such amount shall not be reduced from total income assessed while determining the amount under item D.

5.3. The Assessing Officer shall calculate the tax effect separately for every assessment year in respect of the disputed issues in the case of every assessee. If, in the case of an assessee, the disputed issues arise in more than one assessment year, appeal can be filed in respect of such assessment year or years in which the tax effect in respect of the disputed issues exceeds the monetary limit specified in para 4.1. No appeal shall be filed in respect of an assessment year or years in which the tax effect is less than the monetary limit specified in para 4.1. Further, even in the case of composite order of any High Court or appellate authority which involves more than one assessment year and common issues in more than one assessment year, no appeal shall be filed in respect of an assessment year or years in which the tax effect is less than the monetary limit specified in para 4.1. In case where a composite order/judgement involves more than one assessee, each assessee shall be dealt with separately. It is clarified that the contents of this paragraph are subject to para 3.2, above.

5.4 For calculating the tax effect of cases involving TDS/TCS, the cumulative effect, of all orders passed for an assessment year of a deductor, shall be taken into account and shall include interest u/s 201(1A) of the Act.

6.1 In a case where appeal before a Tribunal or a Court

is not filed only on account of the tax effect being less than the monetary limit specified above, the Pr. Commissioner of Income-tax/Commissioner of Income-tax shall specifically record that,

"Even though the decision is not acceptable, appeal is not being filed only on the consideration that the tax effect is less than the monetary limit specified in the CBDT Circular dated < >".

6.2. Further, in such cases, there will be no presumption that the Income Tax Department has acquiesced in the decision on the disputed issues. The Income Tax Department shall not be precluded from filing an appeal against the disputed issues in the case of the same assessee for any other assessment year, or in the case of any other assessee for the same or any other assessment year, if the tax effect exceeds the specified monetary limits.

7. In the past, a number of instances have come to the notice of the Board, whereby an assessee has claimed relief from the Tribunal or the Court only on the ground that the Department has implicitly accepted the decision of the Tribunal or Court in the case of the assessee for any other assessment year or in the case of any other assessee for the same or any other assessment year, by not filing an appeal on the same disputed issues. The Departmental representatives/counsels must make every effort to bring to the notice of the Tribunal or the Court that the appeal in such cases was not filed or not admitted only for the reason of the tax effect being less than the specified monetary limit and, therefore, no inference should be drawn that the decisions rendered therein were acceptable to the Department. Accordingly, they should impress upon the Tribunal or the Court that such cases do not have any precedent value and also bring to the notice of the Tribunal/ Court the provisions of sub section (4) of section 268A of the Act which read as under:

"(4) The Appellate Tribunal or Court, hearing such appeal or reference, shall have regard to the orders, instructions or directions issued under sub-section (1) and the circumstances under which such appeal or application for reference was filed or not filed in respect of any case.

8. As the evidence of not filing appeal due to this Circular may have to be produced in courts, the judicial folders in the office of Pr.CsIT/CsIT must be maintained in a systematic manner for easy retrieval. In cases where



appeals are not being filed due to low tax effect despite the judgment not being acceptable on merits or appeals are being filed despite low tax effect in view of exceptions, the Pr. CIT/CIT shall submit a monthly report, to the CIT(J)/Addl./Jt. CIT(J) office, as per Annexures-A1 and A2, respectively of CBDT's Instruction No. 1/2024 dated 09.02.2024 (issued in F.No. 279/Misc./33/2014-ITJ). Further, the CIT(J)/Addl./Jt CIT(J) office shall collate and disseminate the departmental stand, as regards filing of appeals, in respect of the issues involved in such appeals, within

the region.

9. The above may be brought to the notice of all concerned.
10. This issues under section 268A of the Act and shall come into effect from the date of issue of this Circular. This Circular will apply to SLPs/appeals to be filed henceforth before the SC/HCs/Tribunals.
11. Hindi version will follow.

TB

JUDGEMENT INDIRECT TAX

Services of loading, unloading, packing, storage or warehousing of imported wheat would be exempt: HC

Facts of the case -

Naga Ltd. v. Puducherry Authority for Advance Ruling - [2024] (Madras)

The petitioner was engaged in business of milling wheat into wheat products such as maida, atta, sooji, bran etc. It imported wheat through various seaports and engaged service providers for clearing the imported wheat from seaports. It filed an application for advance ruling to determine whether services of loading, unloading, packing, storage or warehousing of imported wheat would be exempt under GST.

The Authority for Advance Ruling rejected application on ground of lack of jurisdiction as only a supplier on whom incidence of tax lies can seek an Advance Ruling. Thereafter, service provider filed an application for advance ruling and Authority ruled that services would not be exempt exemption applies only to services rendered till products are taken to primary market for disposal. The petitioner filed writ petition against the advance ruling and contended that the services provided by the service provider would be exempt from GST.

Decision of the case :

- ❖ The Honorable High Court noted that the services of loading, unloading, packing, storage or warehousing of agricultural produce are exempt from GST. The Court also noted that the test for exemption would be whether services are rendered in relation to 'agricultural produce' or not. In the instant case, the services were provided for imported wheat which would be agricultural produce. Therefore, the Court held that the services provided by the service provider would be exempt from GST.

HC directs AO to permit assessee to withdraw 10% of amount required for filing appeal from frozen bank a/c

Facts of the case -

Rathinavel Pandian v. Assistant Commissioner (ST) - [2024] (Madras)

The petitioner was a registered dealer under GST. The

department issued a demand notice for recovery of ITC along with interest and penalty. The petitioner filed writ petition against the demand and also contended that the bank account was also frozen.

Decision of the case :

- ❖ The Honorable High Court noted that the petitioner was having a statutory appeal remedy against the demand order. Therefore, the Court directed the petitioner to file statutory appeal before the Appellate Authority within a period of four weeks. In the event of filing the appeal within a period of four weeks, the Court directed the Deputy Commissioner to entertain the appeal and pass orders on its merits.
- ❖ The Court also noted that the issue with regard to the freezing of petitioner's bank account shall be decided by the Deputy Commissioner. However, as an interim arrangement enabling the petitioner to file the appeal, the Court directed to permit the petitioner to take 10% of the amount required for filing the appeal from his Bank Account.

HC directed dept. to consider assessee's representation regarding refund claim problems because of faulty GSTN portal

Facts of the case -

Dharmdeep Commodities (P.) Ltd. v. State of Gujarat - [2024] (Gujarat)

The petitioner was a registered dealer and it filed application of refund for the months of December 2017 and January 2018. The refund was denied due to technical problems in the GSTN portal. It filed a writ petition before the Gujarat High Court contending that the refund application for the month of December 2017 and January 2018 was denied due to technical problems in the GSTN portal.

Decision of the case :

- ❖ The Honorable High Court noted that the petitioner was entitled to the refund for the month of November 2017, however, the portal had taken the outstanding balance in the Electronic Credit Ledger as on February 2018 when the petitioner filed refund application. The facility for re-credit of the



excess amount was not available on the portal at the relevant time and was made available only in the year 2019.

- ❖ However, the refund application for December 2017 and January 2018 was considered for lower amount as the sufficient balance in the Electronic Credit Ledger was already utilized by the portal while considering the refund application for November 2017. Therefore, the Court directed the department to consider representation of the petitioner and submit findings and conclusion before the Court.

Penalty can't be imposed if there was no intention to evade tax by not filling up part B of E-way bill: HC

Facts of the case -

Roli Enterprises v. State of U.P. - [2024] (Allahabad)

The petitioner was aggrieved by an order passed under Section 129(3) of the GST Act, 2017 levying penalty upon the petitioner and the subsequent appellate order dismissing the appeal. It filed writ petition against the demand.

The only controversy involved in the present petition was with regard to non-filling up of Part 'B' of the e-Way Bill. The department contended that the vehicle No. in Part-B of e-way bill was not mentioned and the invoice itself contained the details of the truck.

Decision of the case :

- ❖ The Honorable High Court noted that in the instant case, the error committed by the petitioner was of a technical nature only and without any intention to evade tax. The facts were quite similar to the facts in the case of *M/s Citykart Retail Pvt. Ltd. v. State of U.P.* (2018) 17 GSTL 191 (All) where it was held that there would be no requirement to levy penalty under Section 129(3) of the Act if error committed was of a technical nature only and without any intention to evade tax. Therefore, it was held that the impugned orders were liable to be set aside.

State can't refuse to incorporate enhanced GST rates in quoted amount of successful bidder before hike: HC

Facts of the case -

Asha Construction v. State of West Bengal - [2024] (Calcutta)

The petitioner participated in a tender and was declared successful bidder. The acceptance order was issued to it indicating GST payable at 12%. Subsequently, the GST rate was enhanced from 12% to 18% by a notification. The petitioner sought to incorporate enhanced 6% in rates quoted by it but the department refused to grant work order and also forfeited Earnest Money Deposit (EMD) made by the petitioner.

It filed writ petition against the refusal of department to grant work order and forfeiture of EMD and contended that as per a Memorandum issued by the Finance Department, Government of West Bengal, the petitioner should be allowed to enhance 6% GST in rates quoted.

Decision of the case :

- ❖ The Honorable High Court noted that as per tender document, the contractor whose tender shall be accepted shall make formal agreement within seven days and if he fails to do so, tender would be liable to be cancelled and earnest money forfeited. However, in the present case, there were subsequent correspondences between the petitioner and department even after expiry of seven days, amounting to acknowledgement and by such conduct, the department waived its rights of cancellation under clause 19 of tender document.
- ❖ Therefore, the department was duty bound to permit petitioner to enhance GST rates by 6% in terms of their own Memorandum. The Court also noted that the State actions have to be scrutinized on a higher standard of fairness than the action of private employers. Therefore, the Court held that the refusal by department to give work order to petitioner was to be set aside. TB



JUDGEMENT DIRECT TAX

Discrimination in taxability of leave encashment of bank employees vis-à-vis Govt. employees is valid: Patna HC

Facts of the case -

Purnendu Shekhar Sinha vs. Union of India - [2024] (Patna)

The assessee, a retired State Bank of India employee, received a sum as a leave encashment after 36 years of service. The assessee received such amount after the deduction of income tax. There is no tax deduction if he had been a Central or State Government employee on such sum as per section 10(10AA).

Thus, the assessee contended that section 10(10AA) discriminates between the similarly placed group of employees. Considering it violated Article 14 of the Constitution of India, the assessee filed a writ petition before the Patna High Court.

Decision of the case :

- ❖ The High Court held that the distinction made between the Central and State Government employees vis-a-vis others is a reasonable classification that was found to be proper in various cases decided by Hon'ble the Apex Court.
- ❖ Though it was accepted that a taxation law cannot claim immunity from the equality clause enshrined in Article 14 of the Constitution of India and it has to pass the test, the Court was also conscious of the fact that considering the intrinsic complexity of fiscal adjustments of diverse elements, the State had wide discretion in the matter of classification for the taxation purposes.
- ❖ The legislature must have the freedom to select and classify persons, properties and income which it would tax or not. Thus, the differentiation made by the State between the employees of the Central and State Governments on the one hand and the other employees on the other in Section 10(10AA) was neither discriminating nor violative of Article 14 of the Constitution of India.
- ❖ Accordingly, it was held that the petitioner, a retired State Bank of India employee, cannot claim

parity with the employees of the Central and State Governments.

No Sec. 194H TDS on income of franchisee/distributor from sale of prepaid coupons/ starter-kits: SC

Facts of the case -

Bharti Cellular Ltd. vs. Assistant Commissioner of Income-tax - [2024] (SC)

The assessee is a cellular mobile telephone service provider. The assessee provides starter kits (SIM Cards) and prepaid coupons of a specified value at discounted prices to its distributors. Further, such SIM cards are sold by distributors to end users. The Assessing Officer (AO) considered that the difference between the discounted price and the actual sale value is commission or brokerage. Accordingly, the AO contended that the assessee failed to comply with the provisions of tax deduction under section 194H.

The High Courts of Delhi and Calcutta have held that the assessee was liable to deduct tax at source under Section 194H. In contrast, the High Courts of Rajasthan, Karnataka and Bombay have held that Section 194H is not attracted.

The matter reached before the Supreme Court.

Decision of the case :

- ❖ The Supreme Court held that Explanation (i) to Section 194H defines that "commission or brokerage" includes any payment received or receivable, directly or indirectly, by a person acting on behalf of another person for services rendered (not being professional services) or for any services in the course of buying or selling of goods or in relation to any transaction relating to any asset, valuable article or thing, not being securities.
- ❖ The expression "direct or indirect" used in Explanation (i) to Section 194H is no doubt meant to ensure that "the person responsible for paying" does not dodge the obligation to deduct tax at source, even when the payment is indirectly made by the principal-payer to the agent payee. However, tax deduction at source in terms of Section 194H is not to be extended and widened in the ambit to apply to true or genuine business transactions,



where the assessee is not responsible for paying or crediting income.

- ❖ In the present case, the assessee neither pays nor credit any income to the person with whom it has contracted. The word “indirectly” does not regulate or curtail how the assessee can conduct business and enter into commercial relationships. Neither does the word “indirectly” create an obligation where the main provision does not apply.
- ❖ The legal position of a distributor is generally regarded as different from that of an agent. The distributor buys goods on his account and sells them in his territory. The profit made is the margin of difference between the purchase price and the sale price. The reason is that the distributor is an independent contractor in such cases. Unlike an agent, he does not act as a communicator or creator of a relationship between the principal and a third party. The distributor has rights of distribution and is akin to a franchisee.
- ❖ Further franchise agreements provide a mechanism whereby goods and services may be distributed. In franchise agreements, the supplier or the manufacturer, i.e. a franchisor, appoints an independent enterprise as a franchisee through whom the franchisor supplies certain goods or services. There is a close relationship between a franchisor and a franchisee because a franchisee's operations are closely regulated, and this possibly is a distinction between a franchise agreement and a distributorship agreement.
- ❖ Franchise agreements are extremely detailed and complex. They may relate to distribution franchises, service franchises and production franchises. Notwithstanding the strict restrictions placed on the franchisees – which may require the franchisee to sell only the franchised goods, operate in a specific location, maintain premises which are required to comply with certain requirements, and even sell according to specified prices – the relationship may in a given case be that of an independent contractor.
- ❖ An independent contractor is free from control on the part of his employer and is only subject to the terms of his contract. However, an agent is not entirely free from control, and the relationship to

the extent of tasks entrusted by the principal to the agent is fiduciary. The distinction is that independent contractors work for themselves, even when they are employed to create contractual relations with third persons. An independent contractor is not required to render accounts of the business, as it belongs to him and not his employer.

- ❖ Thus, the term ‘agent’ denotes a relationship that is very different from that existing between a master and his servant, or between a principal and principal, or between an employer and his independent contractor. However, servants and independent contractors are parties to relationships in which one person acts for another and thereby possesses the capacity to be involved in liability. Yet, the nature of the relationship and the kind of acts in question are sufficiently different to justify the exclusion of servants and independent contractors from the law relating to agency.
- ❖ In other words, the term ‘agent’ should be restricted to one who has the power of affecting the legal position of his principal by the making of contracts or the disposition of the principal's property, viz., an independent contractor who may, incidentally, also affect the legal position of his principal in other ways.
- ❖ Accordingly, it was held that the assessee would not be under a legal obligation to deduct tax at source on the income or profit component in the payments received by the distributors or franchisees from the third parties or customers or while selling or transferring the prepaid coupons or starter-kits to the distributors.

No relief if assessee failed to prove source of income even if wrong section was invoked by AO: HC

Facts of the case -

Rajmeet Singh v. Income Tax Officer - [2024] (Jharkhand)

For the relevant assessment year, assessee's case was selected for scrutiny. During the scrutiny proceedings, the Assessing Officer (AO) noticed that the assessee deposited cash in the Corporation Bank. The assessee submitted the copy of Income Tax Return, sale deed, Bank Account, and other details when asked. However, the assessee failed



to explain the source of such cash deposit, AO proceeded to make additions to the income of the assessee under section 68.

The assessee contended that section 68 had no application in his case as the assessee was not maintaining any books of accounts.

On appeal, CIT(A) and the Tribunal confirmed the additions made by AO. Aggrieved by the order, the assessee filed a writ petition before the Jharkhand High Court.

Decision of the case :

- ❖ The High Court held that it was true that the passbook itself could not be treated as a book of accounts. However, only by not mentioning the correct provision in the assessment order can an amount that may be an income under the provisions of the Act not be allowed to go untaxed.
- ❖ Admittedly, under section 69, there is a provision for undisclosed investment, and an amount deposited in the Bank will come under the purview of investment. Otherwise, no prejudice has been caused to the assessee as he failed to show any prejudice even when a wrong provision was mentioned in the assessment order. Further, it is a settled legal principle that if a source of power can be traced, the mere mentioning of the wrong section/provision will not invalidate the order.
- ❖ In the instant case, the source of income was not proved, and the assessee failed to establish the identity/creditworthiness/genuineness of the creditors who gave cash loans as he claimed.
- ❖ Usually, the matter would have been remitted to the AO for mentioning the correct provision and proceeding per law. But in the instant matter, as the source of income and the creditors' identity/creditworthiness/genuineness were not proved, it will be tantamount to a futile exercise.
- ❖ Accordingly, the additions made by the AO were justified.

Following CBDT'S digital evidence investigation manual during search and seizure is mandatory & not optional: HC

Facts of the case -

Saravana Selvarathnam Retails (P.) Ltd. vs. Assistant Commissioner of Income-tax - [2024] (Madras)

A search under section 132 was conducted on the assessee's premises. During the search proceedings, electronic data was seized, and a show cause notice was sent. Subsequently, an assessment order was passed.

The assessee approached the Madras High Court and contended that the digital data evidence was collected from unknown locations without any valid search warrant and without following the CBDT's guidelines laid down in the 'Digital Evidence Investigation Manual'.

Decision of the case :

- ❖ The High Court held that section 119 provides that the CBDT may issue such orders, instructions and directions from time to time to other income tax authorities for proper administration of the Income-tax Act. Such authority and other persons shall observe and follow such orders, instructions and directions of the Board. Therefore, if the CBDT issued any orders, instructions, directions, etc., for the Authorities, the same must be observed or followed by the Authorities concerned.
- ❖ In the instant case, an issue of suspicion was involved about the collection and maintenance of data by the Department, whereby more than 52,000 files were corrupted, and the Department misplaced some of them due to the storage of data or files in a very poor and negligent manner.
- ❖ Under these circumstances, before passing the assessment order, the data relied upon by the Assessing Officer (AO) had to be corroborated by any additional evidence since the same was a mandatory requirement as per the Digital Evidence Investigation Manual. The electronic data was collected without following the various procedures laid down in the Digital Evidence Investigation Manual.
- ❖ Since AO had not followed the Digital Evidence Investigation Manual while collecting and preserving the evidence, as per the law laid down by the Apex Court in *Dhakeswari Cotton Mills Limited v. Commissioner of Income Tax* (1954) 26 ITR 775 (SC), if there is no corroborative evidence and proved in the manner known to law, the digital data



collected by the Department in the course of search and seizure and thus, the said search and seizure is against the law and ab initio bad.

- ❖ Therefore, the manual issued by the CBDT would be in the nature of orders, instructions and directions as prescribed under section 119(1). In such cases, the Department must follow it.

Outsourcing of work to Indian Co. not to give rise to fixed place PE if it only renders support services: HC

Facts of the case -

CIT v. ESPN Star Sports Mauritius S.N. CET Compagnie - [2024] (Delhi)

The assessee, ESPN Star Sports, was engaged in the business of distribution of television channels in India. The assessee executed an agreement with an Indian entity pertaining to the distribution of Star Sports and ESPN channels in India. Such an Indian entity was engaged in the business of acquiring airtime from the assessee and allotting it to various Indian advertising agencies.

The Assessing Officer contended the Indian entity to be a fixed place i.e, Permanent Establishment (PE) of the assessee as per Article 5 of the India- Mauritius DTAA and in the alternative by virtue of distribution agreements, the Indian entity could be treated as Dependent Agent PE (DAPE).

On appeal, CIT(A) upheld the order of AO. Disagreeing with the order, the Tribunal allowed the assessee's appeal. Subsequently, the matter reached the Delhi High Court.

Decision of the case :

- ❖ The High Court held that the case of a DAPE was raised in the backdrop of Article 12(4)(i) of the India-Mauritius DTAA. However, the contract stipulations would unerringly point towards a manifest absence of a right having been conferred or an authority granted to conclude contracts.
- ❖ The Indian entities stood conferred with an independent right to enter into contracts with cable operators for channel distribution and the assessee was not privy to those agreements. In terms of those agreements, it was the Indian entities which bore associated distribution costs and expenses. The agreements unequivocally establish that the assessee was in no manner connected with the contracts executed by the Indian entities with cable operators and other intermediaries. Even the right to initiate legal action by the latter is available to be exercised only against the Indian entities.
- ❖ The Indian company only renders support services which enable the assessee in turn to render services to their clients abroad, this outsourcing of work to India would not give rise to a fixed place PE. Accordingly, the appeal was dismissed. TB



Tax Calendar

(Indirect Tax)

Due Date	Returns
March 10 th , 2024	GSTR-3B-Other than QRMP scheme
	GSTR-5A-OIDAR Services

Direct Tax

Due Date	Returns
March 30 th , 2024	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, IB & M in the month of February, 2024
March 31 st , 2024	Country-By-Country Report in Form No. 3CEAD for the previous year 2022-23 by a parent entity or the alternate reporting entity, resident in India, in respect of the international group of which it is a constituent of such group
	Country-By-Country Report in Form No. 3CEAD for a reporting accounting year (assuming reporting accounting year is April 1, 2022 to March 31, 2023) by a constituent entity, resident in India, in respect of the international group of which it is a constituent if the parent entity is not obliged to file report under section 286(2) or the parent entity is resident of a country with which India does not have an agreement for exchange of the report etc
	Uploading of statement [Form 67], of foreign income offered to tax and tax deducted or paid on such income in previous year 2022-23, to claim foreign tax credit [if return of income has been furnished within the time specified under section 139(1) or section 139(4)]



E-PUBLICATIONS OF TAX RESEARCH DEPARTMENT

Guide Book for GST Professionals	Handbook on GST on Service Sector
Handbook for Certification for difference between GSTR-2A & GSTR - 3B	Handbook on Works Contract under GST
Impact of GST on Real Estate	Handbook on Impact of GST on MSME Sector
Insight into Customs-Procedure & Practice	Assessment under the Income Tax Law
Input Tax Credit and In depth Discussion	Impact on GST on Education Sector
Taxation on Co-operative Sector	International Taxation and Transfer Pricing
Guidance notes on Preparation and Filing of Form GSTR 9 and 9c	Handbook on E-Way Bill
Guidance Note on Anti Profiteering	Filing of Return
	Handbook on Special Economic Zone and Export Oriented Units

For E-Publications, Please Visit Taxation Portal-

<https://icmai.in/TaxationPortal/>

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TAXATION COMMITTEES - PLAN OF ACTION

Proposed Action Plan:

1. Successfully conduct all Taxation Courses.
2. Publication and Circulation of Tax bulletin (both in electronic and printed formats) for the awareness and knowledge updation of stakeholders, members, traders, Chambers of Commerce, Universities.
3. Publication of Handbooks on Taxation related topics helping stakeholders in their job deliberations.
4. Carry out webinars for the Capacity building of Members - Trainers in the locality to facilitate the traders/ registered dealers.
5. Conducting Seminars and workshops on industry specific issues, in association with the Trade associations/ Traders/ Chamber of commerce in different location on practical issues/aspects associated with GST.
6. Tendering representation to the Government on practical difficulties faced by the stakeholders in Taxation related matters.
7. Updating Government about the steps taken by the Institute in removing the practical difficulties in implementing various Tax Laws including GST.
8. Facilitating general public other than members through GST Help-Desk opened at Head quarter of the Institute and other places of country.
9. Introducing advance level courses for the professionals on GST and Income Tax.
10. Extending Crash Courses on Taxation to Corporates, Universities, Trade Associations etc.

Disclaimer:

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