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LLB & CO

# CONNECTION



# BUDGET

## INSIDE THIS ISSUE

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**"Without continual growth and progress, such words as improvement, achievement, and success have no meaning."  
—Benjamin Franklin**

Just to Remind You:

- Aug 11 - Due date for GST 1 of July 2024
- Aug 13—Due Date for GST 1 of July 2024 IFF Case.
- Aug 15 - Due date for Payment of ESIC & PT.
- Aug 20 - Due date for GST 3b of July 2024

**Budget 2024 Updates**

Budget Day is an eagerly anticipated event in India, with both businesses and the general public waiting with bated breath to understand the schemes and initiatives that could potentially benefit them. This year, due to the elections, Budget 2024 has been announced later than usual i.e. February 1.

The FM announced the Final Budget on 23rd August 2024. She stated that this year's budget is focused on employment, skilling, MSME and the middle class. She also stated the priorities of the budget which were as follows:

- Productivity and Resilience in Agriculture
- Employment and Skilling
- Inclusive Human Resource Development and Social Justice
- Manufacturing and Services
- Urban Development
- Energy Security
- Infrastructure
- Innovation, Research and Development

• Next Generation Reforms  
There were also many reforms under Direct taxes and Indirect taxes in the Budget.

**1. Direct Tax Proposals**

- **Enhanced Limit of Standard Deduction and Family Pension Deduction Under New Regime**

Under the new regime, the standard deduction for salaried individuals has been increased to Rs. 75,000 from Rs. 50,000. Similarly, a deduction on family pension for persons having pension income has been increased to Rs. 25,000 from Rs. 15,000 if they file taxes under the new regime.

- **Changes in Tax Structure Under the New Regime**

Under the New tax regime, the

tax structure is revised as follows:

1. ₹0-3 lakh Nil
2. ₹3-7 lakh 5%
3. ₹7-10 lakh 10%
4. ₹10-12 lakh 15%
5. ₹12-15 lakh 20%
6. Above ₹15 lakh 30%

Note: As a result of the above changes, a salaried employee in the new tax regime can save up to Rs. 17,500 in taxes.

**Simplification of Taxation of Capital Gains**

- For classifying assets into long-term and short-term, there will only be two holding periods: 12 months and 24 months. The 36-month holding period has been removed.
- The holding period for all listed securities is 12 months. All listed securities with a holding period exceeding 12 months are considered Long-Term. The holding period for all other assets is 24 months.
- Unlisted bonds and debentures are brought in line with the taxation on debt mutual funds and market-linked debentures. They will attract tax on capital gains at applicable slab rates. (i.e., they will be treated as short-term irrespective of the period of holding.)
- The taxation of Short-Term Capital Gain for listed equity shares, a unit of an equity-oriented fund, and a unit of a business trust has been increased to 20% from 15%. Other financial and non-financial assets which are held for short term shall continue to attract the tax at slab rates.
- For the benefit of the lower and middle-income

classes, the limit on the exemption of Long-Term Capital Gains on the transfer of equity shares or equity-oriented units or units of Business Trust has increased from Rs.1 Lakh to Rs.1.25 lakh per year. However, the rate at which it is taxed has increased from 10% to 12.5%.

- The exemption limit to Rs. 1.25 lakhs has been increased for the whole of the year, whereas the tax rate changed on 23rd August 2024.
- The tax on long-term capital gains on other financial and non-financial assets is reduced from 20% to 12.5%. While on the other hand, the indexation benefit that previously was available on sale of long-term assets, has now been done away with. So, any sale of long term asset made from 23rd August, 2024, will attract tax rate of 12.5% only without indexation benefit.
- However, it is to be noted that the provision regarding availing the benefit of FMV of asset as on 01.04.2001 as cost while selling the asset, is still available even after the recent changes.
- In a significant relief for home buyers, the government has amended the Long-Term Capital Gains (LTCG) regime for real estate. Taxpayers can now choose between a lower tax rate of 12.5% without indexation or a higher rate of 20% with indexation for properties acquired before August 23, 2024.

**Changes in TDS Rates**

Budget 2024 reduced the TDS

rates on specified payments to facilitate business and improve taxpayer compliance. However, TDS rates are effective only either after 1st Oct 2024 or 1st April 2025. The table below shows the specified payments.



1. **Section 194D** - Payment of insurance commission in case of other than company—2% From 1st April 2025
2. **Section 194DA** - Payment in respect of life insurance policy- 2% From 1st Oct 2024
3. **Section 194G** - Commission on sale of lottery tickets- 2% From 1st Oct 2024
4. **Section 194H** - Payment of commission or brokerage- 2% From 1st Oct 2024
5. **Section 194-IB** - Payment of Rent by certain individuals or HUF 2% From 1st Oct 2024
6. **Section 194M** -Payment of certain sums by certain individuals or HUFs 2% From 1st Oct 2024
7. **Section 194-O** - Payment of certain sum by e-commerce operator to e-commerce participants - 0.1% From 1st Oct 2024
8. **Section 194F** - Payment on account of repurchase of units by mutual funds or UTI -Proposed to be Omitted from 1st Oct 2024



#### Introduction of TDS on Payments Made to Partners by Firms(Section 194T)

This budget introduced a new TDS provision for payments made by the firms (i.e., it covers both partnership firms as well as LLPs), to the partners by way of salary, remuneration, interest, bonus or commission. So, now any payment by a firm of the above nature exceeding Rs. 20,000 shall be subjected

to the TDS at the rate of 10% u/s 194T.

#### Increase in limit for Partner's Remuneration

Under section 40(b), the partner's limit for remuneration has been increased in the Budget 2024 as follows,

1. On the first Rs.6,00,000 of book profit or loss—Rs.3,00,000 or 90% of the book profit, whichever is higher
2. On the remaining balance of book-profit- 60% of the book-profit

#### Abolishment of Angel Tax

The Angel tax provisions of Section 56(2)(viib) has been proposed to be removed.

Angel Tax is a tax levied on companies that issue fresh shares to investors at a price above the company's Fair Market Value. The excess of the Issue Price over and above the FMV was made taxable u/s 56(2)(viii) as an angel tax in the hands of the Company. This provision is proposed to be removed.

The startup ecosystem will benefit considering the frequent fund raise that can happen in startups and the compliance cost and the time that is consumed by the said provision while conducting a fund raise in start up.

#### Corporate Taxes on Foreign Companies

Corporate taxes are imposed on the company's net income or profit. In the Budget 2024, Finance Minister Nirmala Sitharaman has proposed to reduce the corporate tax on foreign companies from 40% to 35%.

#### Increased Deduction on Employer's Contribution to Pension Scheme

Section 80CCD provides a deduction for the employer's contribution to the Pension scheme up to 10%. Budget 2024 has now increased the limit deduction limit to 14% of

the salary of the employee during the previous year.

#### STT on Futures and Options

The Securities Transaction Tax (STT) on futures has been increased from 0.0125% to 0.02% and STT on options has been increased from 0.0625% to 0.1%.

#### Other Direct Tax Updates

1. **Reopening of ITR**—Only if the escaped income is Rs 50 lakh or more can an assessment be reopened beyond three years from the end of the assessment year, up to a maximum period of five years from the end of the assessment year. In the case of search cases, the time limit of 10 years is reduced to six years.
2. **Income Tax Appeals**—To reduce the number of pending cases, the monetary limits for filing tax dispute appeals in tax tribunals, high courts, and supreme courts have been raised to Rs.60 Lakh, Rs.1 Crore, and Rs.2 Crore.
3. **Vivaad se Vishwas Scheme**—This scheme has been reintroduced to facilitate the settlement of income tax disputes and eliminate litigation.

#### 2. Indirect Tax Proposals

##### Customs Duties reductions and exemptions for critical goods

- Mobile phone, mobile PCBA and chargers - 15%
- Gold and silver — 6%
- Platinum - 6.4%
- Broodstock, polychaete worms, shrimp and fish feed - 5%
- Alkali or alkaline earth metals, 25 rare earth minerals (like lithium), Capital goods for manufacturing of solar panels, Cancer



drugs (Trastuzumab Deruxtecan, Osimertinib and Durvalumab) - Exempted from customs duty

- Ferro nickel and blister copper removed - Nil BCD
- Ammonium nitrate - 10%
- PVC flex banners—25%
- PCBA of specific telecom equipments—15%

#### Major GST Reforms and Amendments

- Un-denatured Extra Neutral Alcohol used in the manufacture of alcoholic liquor for human consumption to be kept out of the purview of GST. (Sec 9 of the CGST Act, Sec 5 of the IGST Act and Sec 7 of the UTGST Act are amended).
- Section 74A is introduced to determine tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to the Financial Year 2024-25 onwards.
  - As per the new Section 74A, if any tax is unpaid, underpaid, erroneously refunded, or if the input tax credit is wrongly availed or utilised, the proper officer will serve a notice to the responsible person to explain why they should not pay the due amount with interest and penalty. However, no notice will be issued if the amount in question for a financial year is less than Rs. 1,000.
  - The notice must be issued within 42 months from the due date of the annual return or erroneous refund date.
  - It also provides for

the same limitation period for issuing demand notices and orders in respect of demands from the financial year 2024-25 onwards.

- The time limit for the taxpayers to avail the benefit of reduced penalties under this Section, by paying the tax demanded along with interest, is being increased from 30 days to 60 days.
- Sections 10(5), 35(6), 39(3), 49(8), 50(1), 51(7), 61(3), 62(1), 63, 64(2), 65(7), 66(6), 104(1), 107(11), and 127 provides reference to this section.
- Section 11A is being inserted to empower the government to regularise non-levy or short levy of central tax due to any general practice prevalent in trade.
- Section 13(3) is amended for the time of supply in case the invoice is issued by the recipient of supply to be the date of invoice.
- Sub-section (5) is inserted in Section 16 retrospectively from 1st August 2017 to allow ITC claims on invoices or debit notes for the FY 2017-18, 2018-19, 2019-20 and 2020-21 in the GSTR-3B filed up to 30th November 2021. Furthermore, sub-section (6) is inserted in Section 16 retrospectively from 1st August 2017 to allow ITC claims on invoices and debit notes in GSTR-3B filed for the period from the GST registration cancellation date or the effective date, as the case may be, till the date of revocation order for GST registration cancellation, provided it is filed within thirty days of the date of the revocation order of cancellation of registration. However, the time limit for ITC claims for such documents must not have expired under Section 16(4) as on the date of the cancellation order. In case the tax is paid or ITC is reversed, no refund can be admitted.
- A new item is added under the blocked credits under Section 17(5). ITC is not allowed on taxes paid under Section 74 for demands up to FY 2023-24, removing references to Sections 129 and 130 of the CGST Act.
- A new proviso in sub-section (2) of section 30 of the CGST Act is being inserted, adding conditions and restrictions for revocation of GST registration cancellation, which will be prescribed in the CGST Rules at a later date.
- Section 31(3)(f) is amended to provide a time limit to issue invoices by the recipient for RCM supplies. It will include suppliers registered solely for TDS under GST.
- GSTR-7 for TDS under GST shall be filed whether or not TDS is deducted during a month under Section 39(3).
- Section 54(15) provides that GST refund of unutilised ITC or IGST will not be allowed for the zero-rated supply of goods subject to export duty.
- A summoned person can authorise another person to appear on their behalf in compliance with GST summons issued by the GST officer under the new Section 70(1A).
- New Sections 73(12) and 74(12) restrict the applicability of demand and recovery provisions for determining tax demands



Central Board of Direct Taxes  
(CBDT)



for FY up to 2023-24.

- Under the new Section 74A, the penalty shall be redetermined in a notice where it is proven that it is no longer a case of fraud, wilful misstatement, or suppression of facts.
- Under Section 107 of the CGST Act, the maximum pre-deposit for filing appeals before the appellate authority is reduced from Rs.25 crores to Rs.20 crores. Similarly, under the IGST Act, Section 20 has been amended to reduce the pre-deposit amount from Rs.50 crore to Rs.40 crore.
- The government can notify the types of cases for hearing by the Principal Bench of the Appellate Tribunal by amending Section 109.
- **In Section 112,**
  - Effective 1st August 2024, the deadline for filing an appeal to the Appellate Tribunal by taxpayers will be the later of either the date of order communication or a date notified by the government based on Council recommendations.
  - The same change applies to commissioners/GST officers filing applications before the Appellate Tribunal.
  - Applications may be filed within three months after the standard appeal period expires.
  - The pre-deposit requirement for appeals is reduced from 20% to 10% of the disputed amount.
  - The maximum amount required for pre-deposit is lowered from Rs.50

crore to Rs.20 crore.

- Penalty under Section 122 (1B) is amended to restrict this to cases involving the e-commerce operators subjected to TCS under GST retrospectively from 1st October 2023.
- Conditional waiver of interest and penalty is given through Section 128A for demand notices under Section 73 for all FY from 2017-18 to 2019-20 except for erroneous refunds and where interest/penalty is already paid for the said years.
- Transitional credit for the CENVAT credit for input services by an ISD is allowed under Section 140 retrospectively.
- The appellate authority replaces the anti-profiteering authority from the date to be notified for accepting applications for cases of anti-profiteering under Section 171.
- New items through Paras 8 and 9 are inserted under Schedule III to declare the following as neither supply of goods nor supply of services-
  - The activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, provided the lead insurer pays the tax liability on the entire amount of premium paid by the insured.
  - The services by the insurer to the reinsurer, for which the ceding commission or the reinsurance commission is deducted from the reinsurance

premium paid by the insurer to the reinsurer.

- Section 146 states that no refund shall be made of the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed had the said clause 114 been in force at all material times.

**\*Important note: All direct and indirect tax amendments will come into force once notified by the CBDT or CBIC respectively.\***

#### Highlights of Various Sectors

##### Highlights of Priority 1: Agriculture

- The government has made a provision of Rs.1.52 lakh crore for agriculture and allied sectors.
- The government will release 109 new high-yielding and climate-resilient varieties of 32 field and horticulture crops for cultivation by farmers.
- One crore farmers across the country will be initiated into natural farming in the next two years, which will be supported by certification and branding. For this purpose, the government will establish 10,000 need-based bio-input resource centres.
- The government will promote Farmer-Producer Organisations, startups and cooperatives for vegetable supply chains, including storage, collection and marketing.
- A strategy is being developed to achieve 'Atmanirbharta' for oil seeds such as groundnut, mustard, soybean, sesame, and sunflower.
- The government will facilitate the implementation of



## EDUCATION

the Digital Public Infrastructure (DPI) in agriculture in partnership with the states to cover farmers and their lands in 3 years. The details of 6 crore farmers and their lands will be recorded in the farmer and land registries. The Jan Samarth-based Kisan Credit Cards will be issued and enabled in 5 states.

- Financial support will be provided to set up a network of Nucleus Breeding Centres for Shrimp Broodstocks.

### Highlights of Priority 2: Employment and Education

- The government will implement 3 new schemes for 'Employment Linked Incentive' based on EPFO enrolment:
  - Scheme A: First Timers - This scheme will provide a direct benefit transfer of one month's salary in 3 instalments of up to Rs.15,000 to first-time employees in the formal sector registered in the EPFO.
  - Scheme B: Job Creation in Manufacturing - An incentive will be provided at a specified scale directly to the employee and the employer based on their EPFO contribution in the first 4 years of employment.
  - Scheme C: Support to Employers - The government will reimburse employers up to Rs.3,000 per month for 2 years based on their EPFO contribution for each additional employee. All additional employment within a salary of Rs.1 lakh per month is included.
- A new centrally sponsored scheme for skilling will be

introduced in collaboration with the Industry and state governments. Under this scheme, 20 lakh youth will be skilled over a 5-year period, and 1,000 Industrial Training Institutes (ITI) will be upgraded in hub-and-spoke arrangements with outcome orientation.

- The Model Skill Loan Scheme will be revised to facilitate loans up to Rs.7.5 lakh for students with a guarantee from a government-promoted Fund.
- The government has announced financial support for loans up to Rs.10 lakh for higher education of students in domestic institutions. E-vouchers will be given directly to 1 lakh students every year for an annual interest subvention of 3% of the loan amount.

### Highlights of Priority 3: Inclusive Human Resource Development and Social Justice

- The government has provided Rs.2.66 lakh crore for rural development and rural infrastructure.
- The government will formulate a plan, Purvodaya, for the all-round development of the eastern region of India, covering Jharkhand, Bihar, Odisha, West Bengal, and Andhra Pradesh.
- The government will support the development of the industrial node at Gaya, i.e. Amritsar Kolkata Industrial Corridor. This corridor will catalyse the industrial development of the eastern region.
- The government will also support the development of road connectivity projects, i.e. Patna-Purnea Expressway, Buxar-Bhagalpur Expressway, Bodhgaya, Rajgir, Vaishali and Darbhanga spurs, and

additional 2-lane bridge over river Ganga at Buxar at a total cost of Rs.26,000 crore.

- The government will take up power projects, including setting up of a new 2400 MW power plant at Pirpainti at a cost of Rs.21,400 crore.
- The government is committed to fulfilling the Andhra Pradesh Reorganization Act and will facilitate special financial support through multilateral development agencies. The government will arrange Rs.15,000 crore in the current financial year, with additional amounts in future years.
- The government will provide finance for the early completion of the Polavaram Irrigation Project. It will also provide funds for essential infrastructure such as power, water, roads and railways in the Kopparthy node on the Vishakhapatnam-Chennai Industrial Corridor and the Orvakal node on the Hyderabad-Bengaluru Industrial Corridor.
- The government has announced three crore additional houses under the PM Awas Yojana in rural and urban areas.
- The government has allocated more than Rs.3 lakh crore to promote women-led development and benefit women and girls.
- The government will launch a new scheme, Pradhan Mantri Janjatiya Unnat Gram Abhiyan, to improve the socio-economic condition of tribal communities. It will cover 63,000 villages, benefitting 5 crore tribal people.
- To expand banking services, more than 100 branches of India Post Payment Bank will be set



up in the North East region.

#### Highlights of Priority 4: Manufacturing and Services

##### Promotion of MSMEs

- The government will introduce a credit guarantee scheme to facilitate term loans to MSMEs to purchase machinery and equipment without collateral or third-party guarantee. It will be a separately constituted self-financing guarantee fund that will provide a guarantee cover up to Rs.100 crore for each applicant.
- Public sector banks will build an in-house capability to assess MSMEs for credit instead of relying on external assessment. They will also develop or get a new credit assessment model based on the scoring of digital footprints of MSMEs in the economy.
- The government announced a new mechanism to facilitate the continuation of bank credit to MSMEs during their stress period.
- The limit of the Mudra loans is enhanced to Rs.20 lakh from the current Rs.10 lakh under the 'Tarun' category for those entrepreneurs who have successfully repaid previous loans under the same category.
- The turnover threshold of buyers for mandatory onboarding on the TReDS platform is reduced from Rs.500 crore to Rs.250 crore.
- SIDBI will open new branches to expand its reach to serve major MSME clusters and provide direct credit to them within 3 years.
- Financial support will be provided to set up 50 multi-product food irradiation units in the MSME sector.

The government will facilitate the setting up 100 food quality and safety testing labs with NABL accreditation.

- E-Commerce Export Hubs will be set up in public-private-partnership (PPP) mode to enable MSMEs and traditional artisans to sell their products in international markets.

##### Promotion of Manufacturing and Services

- The government will launch a comprehensive scheme to provide internship opportunities to 1 crore youth in 5 years in the top 500 companies. An internship allowance of Rs.5,000 per month and a one-time assistance of Rs.6,000 will be provided.
- The government will facilitate the development of investment-ready "plug and play" industrial parks with the states and private sector.
- The government will sanction 12 industrial parks under the National Industrial Corridor Development Programme.
- The government will set up a Critical Mineral Mission to recycle critical minerals, promote domestic production, and overseas acquisition of critical mineral assets.
- The government will launch the first tranche auction of offshore blocks for mining, building on the exploration already carried out.
- An Integrated Technology Platform will be set up to improve the outcomes under the Insolvency and Bankruptcy Code (IBC).
- The Centre for Processing Accelerated Corporate Exit (C-PACE) services will be extended for the voluntary closure of LLPs.
- Additional National Com-

pany Law Tribunals to speed up insolvency resolution. Out of these, some Tribunals will be notified to decide cases exclusively under the Companies Act.

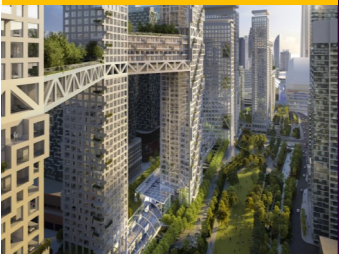
- Additional Debt Recovery Tribunals will be established to speed up the recovery process.

##### Highlights of Priority 5: Urban Development

- The government will formulate a Transit Oriented Development plan for 14 large cities with a population of above 30 lakh.
- Under the PM Awas Yojana Urban 2.0, the housing needs of 1 crore urban middle-class and poor families will be addressed with an investment of Rs.10 lakh crore. This will include the central assistance of Rs.2.2 lakh crore in the next 5 years.
- State Governments and Multilateral Development Banks will promote sewage treatment, water supply and solid waste management projects and services for 100 large cities through bankable projects.
- The government will launch a scheme to support the development of 100 weekly 'haats' or street food hubs in select cities over the next five years.
- The government will encourage states to moderate stamp duty rate which charge high stamp duty for all, and consider further lowering duties for properties purchased by women.

##### Highlights of Priority 6: Energy Security

- PM Surya Ghar Muft Bijli Yojana has been launched to achieve 300 units of free electricity per month for 1 crore households





through rooftop solarisation.

- A policy for promoting pumped storage projects will be introduced for electricity storage and facilitate smooth integration of the growing share of renewable energy.
- The government will partner with the private sector to set up Bharat Small Reactors, research and development of Bharat Small Modular Reactor, and research and development of newer technologies for nuclear energy.
- A joint venture between NTPC and BHEL will establish a full-scale 800 MW commercial plant using the Advanced Ultra Super Critical (AUSC) technology.
- The government will facilitate an investment-grade energy audit of traditional micro and small industries in 60 clusters, provide financial support to shift them to cleaner forms of energy and implement energy efficiency measures.

#### Highlights of Priority 7: Infrastructure

- The government has provided Rs.11,11,111 crore for capital expenditure.
- The government has provided Rs.1.5 lakh crore for long-term interest-free loans to support the states in their resource allocation.
- Phase IV of the Pradhan

Mantri Gram Sadak Yojana (PMGSY) will be launched to provide all-weather connectivity to 25,000 rural habitations.

- The government will provide financial support through the Accelerated Irrigation Benefit Programme and other sources for projects with an estimated cost of Rs.11,500 crore, such as the Kosi-Mechi intra-state link and 20 other ongoing and new schemes, including river pollution abatement, barrages and irrigation projects.
- The government will undertake the comprehensive development of the Vishnupad Temple Corridor and Mahabodhi Temple Corridor in Rajgir, Nalanda, and Odisha.

#### Highlights of Priority 8: Innovation, Research and Development

- The government will set up a mechanism for boosting private sector-driven research and innovation at commercial scale with a finance pool of Rs.1 lakh crore.
- The government will operationalise the Anusandhan National Research Fund for basic research and prototype development.
- A venture capital fund of Rs.1,000 crore will be set up to expand the space economy by five times in

the next 10 years.

#### Highlights of Priority 9: Next Generation Reforms

- The government will work with the states to initiate land-related reforms, rural land-related actions, and urban land-related actions.
- There will be a comprehensive integration of e-shram portal with other portals to facilitate such a one-stop solution to provide a wide array of services to labour.
- Shram Suvidha and Samadhan portals will be revamped to enhance trade and industry ease of compliance.
- The government will develop a taxonomy for climate finance to enhance the availability of capital for climate adaptation and mitigation.
- The rules and regulations for Foreign Direct Investment and Overseas Investments will be simplified to nudge prioritisation, facilitate foreign direct investments, and promote opportunities for using Indian Rupee as a currency for overseas investments.
- The government will start NPS Vatsalya, a plan for the contribution by parents and guardians for minors.
- The government is working on Jan Vishwas Bill 2.0 to enhance 'Ease of Doing Business'.



## GST Appellate Tribunal Established wef 1st Sep 2024: State-wise Bench Details

In exercise of the powers conferred by the sub-sections (1), (3) and (4) of section 109 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and in supersession of the Ministry of Finance, De-

partment of Revenue's notification numbers S.O.1(E), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 29th December, 2023, and S.O.4073(E), published in the

Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 14th September, 2023 except as respect things done or omitted to be done before such supersession, the Central Government, on the





recommendation of the Goods and Services Tax Council, hereby- Govt notifies Goods and Services Tax Appellate Tribunal (GSTAT), with effect from the 1st day of September, 2023 (i) establishes the Goods and Services Tax Appellate Tribunal (GSTAT), with effect from the 1st day of September, 2023; (ii) constitutes the Principal Bench of the Goods and Services Tax Appellate Tribunal (GSTAT) at New Delhi; and (iii) constitutes the number of State Benches of the Goods and Services Tax Appellate Tribunal as specified in column (3) of the table below, with respect to the State specified in the corresponding entry in column (2) of the said table, at the location specified in corresponding entry in column (4) thereof, with the Sitting or Circuit Bench specified in column (5) thereof, namely: –

- Andhra Pradesh: One bench in Vijayawada with a circuit bench in Vishakhapatnam.
- Bihar: One bench in Patna.
- Chhattisgarh: One bench in Raipur.

- Delhi: One bench in New Delhi.
- Gujarat: Two benches in Ahmedabad, with circuit benches in Surat and Rajkot.
- Haryana: One bench in Gurugram with a circuit bench in Hissar.
- Jammu and Kashmir: One bench in Jammu with a circuit bench in Srinagar.
- Jharkhand: One bench in Ranchi.
- Karnataka: Two benches in Bengaluru.
- Kerala: One bench in Ernakulam with a circuit bench in Thiruvananthapuram.
- Madhya Pradesh: One bench in Bhopal.
- Maharashtra: Three benches in Mumbai, Pune, and Nagpur with circuit sittings in Panaji (Goa), Thane, and Chhatrapati Sambhajanagar.
- Odisha: One bench in Cuttack.
- Punjab: One bench in Jalandhar with a circuit bench in Chandigarh.
- Rajasthan: Two benches

in Jaipur and Jodhpur.

- Tamil Nadu: Two benches in Chennai and Madurai with a circuit bench in Puducherry and Coimbatore.
- Telangana: One bench in Hyderabad.
- Uttar Pradesh: Three benches in Lucknow, Varanasi, and Ghaziabad with circuit benches in Prayagraj and Agra.
- Uttarakhand: One bench in Dehradun.
- West Bengal and North-eastern States: One bench in Kolkata, with circuit benches in Aizawl, Agartala, Guwahati, Kohima, and other locations.

#### Explanations –

(i) Locations shown as 'Circuit' shall be operational in such manner as the President may order, depending upon the number of appeals filed by suppliers in the respective States/jurisdiction; (ii) the additional sitting associated with the Bench shall be operated by one Judicial Member and one Technical Member.

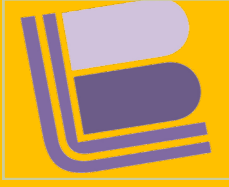
## Lokenath Construction (P.) Ltd. Vs. Tax/Revenue Government of West Bengal 2024-VIL-432-CAL (Calcutta High Court)

The Revenue issued a SCN to the petitioner alleging that the ITC was claimed without the proof that the suppliers had paid the GST to the Government. The petitioner submitted certificates from Chartered Accountants confirming that the suppliers had discharged their tax liabilities in their GSTR-3B. However, the Revenue rejected these certificates, claiming that they did not match with the data on GST portal and

passed the adjudication order confirming the demand raised in the SCN. Aggrieved by the adjudication order, the petitioner filed a writ petition before Calcutta HC. The Court noted that the Revenue ignored the tax invoices and Chartered Accountants' certificates provided by the petitioner which was erroneous. The HC held that if GST was not remitted to the State exchequer, the Revenue should have in-

vestigated the supplier instead of penalizing the petitioner. Consequently, the adjudication order was set aside with a direction to the revenue authorities to first proceed against the supplier and only under exceptional circumstances as clarified in the press release issued by the CBIC, proceedings can be initiated against the petitioner.





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### Bank of Baroda - [2024] 165 taxmann.com 189 (SC)

SLP dismissed on ground of delay against order of High Court that where it was only in giving effect to Commissioner (Appeal)'s order by Assessing Officer which resulted in refund therefore it could not be stated that proceedings resulting in refund were delayed for reasons attributable to assessee wholly or in part for denying assessee interest under section 244A.

Section 244A of the Income-tax Act, 1961 - Refunds - Interest on (Illustrations) - Assessment year 2007-08 - Assessee-bank had filed return of income for assessment year 2007-08 declaring total income - Subsequently, revised return was filed by assessee and assessment was completed - On appeal, Commissioner (Appeals) decided some issues

in favour of assessee - An effect to Commissioner (Appeals) order had been given by Assessing Officer resulting in revised income being accepted which resulted in refund of certain sum - Subsequently, on verification of records, Commissioner noticed that Assessing Officer had failed to conduct proper enquiries and examine issues in an appropriate manner which gave rise to an erroneous assumption inasmuch as in original return assessee had claimed lesser amount of refund as against enhanced claim of refund made in revised return - Commissioner felt that delay in claiming enhanced refund was attributable to assessee and accordingly interest under section 244A was not allowable on said refund - Consequently, notice under section 263 was issued -

High Court by impugned order held that since there was nothing in findings of Commissioner as to how assessee delayed proceedings that resulted in refund or what were reasons that could be attributable to assessee and it was only in giving effect to Commissioner (Appeal)'s order by Assessing Officer which resulted in refund therefore it could not be stated that proceedings resulting in refund were delayed for reasons attributable to assessee wholly or in part - Whether there being gross delay of 265 days in preferring SLP by revenue against impugned order of High Court and there being no satisfactory explanation to condone same, said SLP was to be dismissed on ground of delay - Held, yes [Paras 1 and 4] [In favour of assessee].



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