

List of our recommendations and expectations for Union Budget 2023-24.

A. TAXATION: a) INCOME TAX:

| SL.No. | ISSUE TOPICS | Difficulties / Obstacles / Hurdles faced | SUGGESTIONS |
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| 1 | Complex Income Tax Law- certain stage requires help from Tax experts Eg.,: Calculation of capital gain on shares, MF, Immovable properties, representation before authorities of faceless assessment etc., | Day by day Number of Tax assesseees are increasing. "Ease of doing business" can be done only by assistance through Tax experts. | 1.Modification required in certain areas where cumbersome work involved in preparation of IT returns, computations etc., 2.Re-drafting the taxation law and simplification in provisions of income tax law will help in broadening the tax base. It also reduces the litigation and disputes. 3.The proposed Direct Tax Code shall be brought during this Budget session. |
| 2 | Face-less-Assessment in respect to Senior Citizens aged more than 70 years | Factors like old age and lack of computer skill Senior Citizens aged <u>more than 70 years</u> are not digitally capable to file ITR, represent face-less assessments, to comply notices and compliances etc., Further, uploading of documents in large numbers is also a tough task for senior citizens. <i>(Letter received from one of the stake holder enclosed herewith for honors kind reference)</i> | Option to file Returns manually or through help desk to the senior citizens should be given. Provision for representing Face-to-face Assessment options to senior citizens aged more than 70 years should be provided. Desk compliance reporting and filing should be provided to Senior Citizens. |
| 3 | Income Tax on Interest to Super senior citizens | Senior citizens aged above 80 years of age also required to pay income tax on deposit | Interest on deposits earned by Super Senior Citizens shall be exempted. Any other income like, business |

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| | | interest. | income, Capital Gain, rental income may be taxed as Prevaling. |
| 4 | Service of Notices, intimations etc., | Service of notices, letters through e-filing portal or emails or any digital mode are not reaching out a large number of assesseees as most of Individual business peoples are not aware of the same due to lack of knowledge and un-aware of the Income Tax Provisions. | Physical issue of Notices should be made available even though the notices and letters are communicated through any digital mode like, e-portal, emails, SMS etc., which prevents the businessman and assesseees to comply the same within the time allowed in the notices and letters. |
| 5 | Make in India concept | Tier-2 and Tier -3 cities are ignored. | De-centralisation and encouragement through proper channel to industries in tier-2 and tier-3 cities is much needed by granting special exemption and relaxation through tax holidays. |
| 6 | Tax Collection at Source under section 206C(1H) of the IT Act. | <p>The compliance burden under TDS and TCS has been substantially increased. Default in compliance resulting into penal consequences/interest etc.,</p> <p>Further, Sec 194Q has been introduced for TDS on purchases made by the recipient of goods i.e. buyer.</p> <p>This creates confusion, complexity and unnecessary burden on the part of the Deductor as well as Deductee.</p> | <p>Section 206C(1H) should be deleted for the following reasons; The data relating to sale per buyer for the threshold limit of 50Lakhs has already been available in GSTN Portal with Collated GST Number easily with PAN. CBIC and CBDT have already made arrangement to exchange the data as per their MOU between among them. Accordingly, they have achieved the objective of Sec 206C(1H) i.e. widening and deepening the tax net.</p> <p>Section 194Q have been introduced- where buyer who is responsible to pay the sum to the seller exceeding Rs.50 lakhs is</p> |

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| | | | required to deduct the TDS there by Govt. captures the data of supply and receipt of goods of both seller and buyer. |
| 7 | Rebate U/s 87A of IT Act | Individual Tax payer up to 5 Lakhs is not required to pay any amount of tax in view of rebate U/s 87A. However, if income exceeds even by Rs.10/- then he has to pay Income Tax of Rs.12,802/-. It is irrational. | The rationale in the provision for relief should be given according to the tax liability which should be equal to the tax payable. |
| 8 | Deductions in computing total Income u/s 80C | At present the purchasing power of person is more. And most of the assesseees invest more in tax savings products with the expectation of higher deduction from Income Tax. However, The Eligible Savings U/S 80C etc. are stagnant to Rs.1,50,000/- (excluding NPS) since A.Y.2015-16) | The limit of Deduction u/s 80C etc. should be increased according to present purchasing power by applying inflation index rate . This helps increase in saving culture among Assesseees. |
| 9 | Section 24- Interest on borrowings for self- occupied property | Limit for availing deduction u/s 24 for self-occupied property restricted to Rs.2 lakhs even tax payer has two Self Occupied properties. However, for let-out property, interest paid or payable allowed as deduction without any limit. It is unfair, because it shows inequality and over burden to the borrowers as they have to pay more tax even | The limit to avail deduction is to be increased to full extent for One self-occupied property and maintain Rs.2 Lakhs for 2nd House property there by there is no disparity. |

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| | | though they have nil property income. | |
| 10 | Exemption u/s 54EC of I T Act | Maximum exemption u/s 54EC is Rs.50 Lakhs. It is too small when compared to present value of Capital Assets, sold | It is fair to increase the Maximum limit upto Rs.1 Crore for investment in notified infrastructure bonds u/s 54EC. |
| 11 | Tax structure | Different business has different regional adoption and types. It is difficult for a person from other regions to understand the modus operandi. | It is better if you impose transaction tax and collecting more taxes without harassment to people. You can also save on staff and the office to collect taxes. |
| 12 | Section 44AD and Taxation for Partnership Firms | Partnership firms are in 30% tax bracket even though the limit under Sec 44AD increased to 2 Crores and whose business without getting benefit of deduction for remuneration and interest on capital even though it is expenditure to be debited for appropriation of profit. | A partnership firms still taxable at 30%. The Govt shall extend concessional tax regime for partnership firms; Deduction on remuneration and interest on capital to partner's capital shall be allowed as deduction while calculating tax under presumptive profit scheme u/s 44AD, as stood earlier. |
| 13 | Due dates of filing ITR | Present due date u/s 139(1) is for non-Audit cases -31 st July For Audit Cases 30 th September These dates are extended every year for various reasons. | The assesseees are getting information in 26AS and AIS and TIS due to belated uploading by Diductors and more Complex return forms need more information to fill and time consuming hence the due dates should be fixed as follows; For Non audit cases- 31st August For Audit cases U/s 44AB – 31st October |
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B. TAXATION: a) GOODS AND SERVICE TAX:

| SL.No. | ISSUE TOPICS | Difficulties / Obstacles / Hurdles faced | SUGGESTIONS |
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| 1 | TAX ON ARECA LEAF PLATES, CUPS ETC., | <p>Areca leaf plates, cups etc., Where exempted from 1-07-2017 to 21-09-2017.</p> <p>Subsequently after introduction of entry No.198A of sch.1 of Notification No. 11/ 2017 based on HSN number 4601 and 4602 are interpreted to introduce and include in this code as per Advance Ruling issued by the authority on advance ruling in Karnataka in the case of M/S CONSERVIA ECOCRAFTS INDIA PRIVATE LTD.,B'LORE.</p> <p>There after tax on Areca leaf plates, Cups etc., is declared to be exempted in the GST council meeting held on 20-09-2019 held in Goa. But exemption notification given effect of exemption prospectively from 01-10-2019.</p> | <p><u>The stake holders not aware of their liability until advance ruling issued on 25-09-2019. The matter has been pursued before appropriate authorities for issue of notification exempting commodity retrospectively with affect from 01.07.2017. At the same time the proper officer directed to keeping pending till such time.</u></p> |
| 2 | GSTR- 3B | Negative data not permitted to report in case of any wrong entry or errors made in GSTR 3B | In GST there is no provision for revised return for any errors or mistakes. Hence, Provision to report negative figures/data to be made to rectify the same in next month GSTR 3B return. |
| 3 | Rule 56(2)- Maintenance of Books of accounts | Small and petty dealers having GSTIN dealing with multiple commodities are | It is advisable to introduce 'SPECIAL ACCOUNTING SCHEME' as laid down under erstwhile KVAT Act 2003 where the dealer |

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| | | mandated to maintain specified Books of account including Stock register. This is a difficult task Eg., For Retail provision stores, grocery shops, Canteen and Hoteliers etc., Tax payer is required to pay minimum penalty of Rs. 20,000.00 for these laps. | maintain the books for the inward supplies and calculate the tax by adding prescribed percentage as gross margin and pay the tax on the outward supply. |
| 4 | Section 16(2)(aa) of CGST Act | Recent amendment given effect from 01.01.2022, restricting the ITC is a harassing, dangerous and illogical move. Further, the rule 36(4) specifically provides that ITC should be taken only to the extent amount reflected in GSTR-2B, etc., | This provision should be withdrawn as it put restriction on taking ITC in respect of Invoices whose details are not furnished in GSTR 1. It is unconstitutional one and It is already been pronounced in various High court Judgements. For the fault of the supplier, the recipient cannot be made liable. |
| 5 | Section 122 of the GST Act, 2017 | The tax payers are still in the process of various complex provisions and taxability of various transactional issues under GST Law. The tax payers receiving Show cause notices demanding penalty reasons of small issues. Prompt tax payers are suffered from this act and they treated at par with mischievous dealers. | Strict instructions to the Jurisdictional offices providing levying penalty without affecting the 'ease of doing business, should be issued. Eg. Non display of Trade Name board attract minimum penalty of Rs. 20,000.00, which excessive for small traders. Test purchase effected u/s 67(12) attract penalty of Rs. 20,000.00 u/s 122, even for composition and small traders. This shall be looked into and reduced. |
| 6 | GST Structure | Present GST structure and its compliances are very difficult to common tax payers | More straightforward GST Rate structure and over all simplification of GST Compliances is required. |
| 7 | Section 129(3) CGST Act | Mandatory Pre-deposit 25% of amount for appeal against penalty order | Mandatory pre-deposit for filing of appeal against penalty order passed on conveyance in transit at 25% of the penalty levied is to |

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| | | | be removed as the entire levy of penalty under the said section has been discharged in full before release of seized goods/vehicles. |
| 8 | FORM GSTR – 1 | As per the Explanation introduced to Sec 75(12) of the CGST Act from 01.01.2022 mandate treat the tax liability declared in GSTR-1 as self-assessment tax. As per which even for inadvertent errors, the tax payer needs to pay GST even without the transaction being affected and consideration not received. | This new provision is against the concept of GST Law. Any errors In GSTR 1 which has no transaction effect and there is no involvement of consideration, lead to harassment and the tax payers are unjustified and in the absence of revised return facility. Any error the tax payer is allowed to correct while filing return in GSTR-3B and any error in GSTR-1 is modified in future returns. Hence, this new provision should be withdrawn. |
| 9 | Enhancement of GST rate on construction Contracts/ Civil structures, Educational Buildings etc., | The concessional rate of GST at 12% on Works contracts and construction services relating to civil structure, educational buildings etc., provided to Govt Authorities or Government entity is withdrawn w.e.f. 01.01.2022 and GST Rate is fixed at 18%. It increases the Budgeted cost of the infrastructure works. | The increase in rate from 12% to 18% on Works contracts and construction services relating to civil structure, educational buildings etc., provided to Govt. Authorities or Government entity will lead to increased cost of budget for the Government. Hence, it needs to be withdrawn and Concessional rate as existed shall be continued. |
| 10 | Construction contracts- composite supply | w.e.f. 01.01.2022 works contracts involving earth work is made taxable at 18%. This was 5% earlier. | The new GST Rate 18% on such composite works contracts involving earth work shall be withdrawn as these kind of composite supply of goods and services involves very meagre quantity of goods to incorporate |

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| | | | in such process. |
| 11 | GST on Health Insurance | High GST at the Rate of 18% on Health insurance | GST on Health Insurance need to be slotted in 5% GST Tax slab to make it more affordable to access quality Health care and Senior Citizens Health care Insurance GST rate to be exempted. |
| 12 | Miscellaneous issues: | <p>GST on Electrical Vehicle Higher GST of 18% on personal line of products eg., By-cycle, medicines etc.</p> <p>GST on solar Panel, systems, accessories etc.,</p> | <p>More encouragement and relaxation shall be given to Electrical Vehicle Significant reduction is required in GST Rate on personal line of products from existing 18% to 5%.</p> <p>More encouragement and relaxation shall be given to Solar Panels, accessories etc., by giving <u>special exemption</u> under GST as it is considered as necessary for environment protection.</p> |
| 13 | GST Amnesty Scheme | Huge late fee and interest burden to number of tax payers, who were in default in filing return for F.Y.2017-18, 2018-19,2019-20, 2020-21 like GSTR -9,9C monthly returns and numerous cases are pending with AO relating to interest disputes etc., on account of un aware of the provisions. | Introduction of GST amnesty scheme to clear the dues and one time opportunity to file with minimum late fee will reduce the burden on the shoulders of the businessman as they already suffered on account of Pandemic. |
| 14 | Re-introduction of SVLDRS or AMNESTY Scheme | Un-settled Erstwhile indirect tax disputes over burdens the Tax Payers. | Re-introduction of SVLDRS or any Amnesty Scheme will reduce the cost to the Government and it helps the entrepreneurs to get rid of the tension and financial burden. |