

JANUARY, 2020

TAX Bulletin

★ ★ VOLUME - 56 ★ ★



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

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MISSION STATEMENT

“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

Objectives of Taxation Committee:

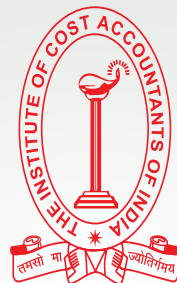
1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to 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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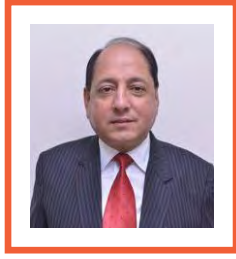
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CMA Rakesh Bhalla
Chairman, Direct Taxation Committee



CMA Niranjana Mishra
Chairman, Indirect Taxation Committee

FROM THE DESK OF CHAIRMAN

Dear Friends, Members and Professional Colleagues,

We extend our warm wishes to all the members, resource persons and stakeholders for their continued support towards the Tax bulletin month on month. We would like to inform that we have successfully conducted a valedictory session in Umeschandra College-Kolkata on the occasion of Certificate distribution ceremony of Crash Course on GST for College and University. The Vice President of The Institute of Cost Accountants of India, CMA Biswarup Basu motivated the students for successful and bright future and the event was appreciated by the college authorities.

This Crash course on GST for Colleges and Universities is also undergoing at various locations PAN India and some are in pipeline at locations like Punjab, Chennai, and Madurai etc.

Tax research department in association with Southern India Regional Council of the Institute and Commercial Tax Department, Tamilnadu have started Training Program on Advanced GST for Senior Level Officers of Commercial Tax, Tamilnadu. Second batch and third batch of this training program will also be conducted in Madurai and Coimbatore for Senior Level Officers of Commercial Tax, Tamilnadu. CMA H Padmanabhan, Council member and CMA Jyothi Satish, Chairperson SIRC were the instrumental in initiating discussion and administering the Training program.

Beside this, admissions for Certificate Course in GST, Advanced Certificate Course in GST and Certificate Course in Filing of Returns and Certificate Course on TDS are going on and we are getting a good response for the same. We urge the learners to take part in the courses and upgrade their knowledge.

During this fortnight, we have organized two webinars i.e “*New TDS Return & Certificate under Section 194M & 194N (Form 26QD & 16D)*” and “*Warehousing in Customs*”.

On behalf of the Institute, we met Shri Bhruhari Mahatab, Hon’ble MP Loksabha from Cuttack constituency and Dr. Rajashree Mallick, Hon’ble MP Loksabha from Jagatsinghpur constituency and apprised them the role of CMA’s in the Direct Taxation regime.

We pledge our best efforts in continuing our service for highest possible level to serve our fraternity and stakeholders.

Jai Hind



(Rakesh Bhalla)

CMA Rakesh Bhalla
20th January 2020



CMA Niranjana Mishra
20th January 2020

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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.adl@icmai.in



SCRUTINY OF RETURNS – A WEAPON TO THE DEPARTMENT

CMA Utpal Kumar Saha
AGM – Indirect Tax, McNally Bharat Engineering Co. Ltd.

Now a days department is sending notice in the FORM ASMT 10 to the registered persons stating that there are discrepancies in the returns they have filed till date. Currently, two returns are functionally effective. One is GSTR 3B and another is GSTR 1. Under GSTR 3B, we are disclosing outward supply, input tax credit, output tax payable, inward supply liable to reverse charge, exempted supply etc. However, GSTR 1 is mainly a statement of detailed outward supply. Sometimes it may happen that the registered person has considered the credit note in filing GSTR 3B and calculate tax considering such credit note. However, at the time of filing GSTR 1 it has been unintentionally ignored. As a result of that there is a difference of liability in GSTR 3B and GSTR 1. There is another difference with respect to input tax credit availed in GSTR 3B and GSTR 2A. Despite of these two there may be several reasons that the department is issuing notices to the registered person.

In this given article, we want to explore the relevant sections read with the rules and how to tackle such notices in a prudent manner to avoid any future litigation.

Analysis of section 61 read with rules 99 –

Section 61 of GST Act has empowered GST officer to verify the correctness of returns and the related particulars furnished by the registered persons. After scrutiny of the returns if any discrepancies is noticed then the proper officer shall inform by serving notice in FORM ASMT-10.

The registered person shall within a period of 30 days or further extended period as allowed by the CGST officer, shall either accept the discrepancies and pay the tax including interest and penalty or furnish an explanation for the said discrepancies in FORM ASMT 11.

Where the explanation in ASMT 11 is found acceptable then the proper officer shall inform the acceptance in ASMT 12 and no further action is required and accordingly the proceeding is dropped.

Where the explanation in ASMT 11 is not satisfactory, then the proper officer may initiate appropriate action under section 65 or 66 or 67 or proceed to determine tax under section 73 or 74. Here no personal hearing is required before the proper officer to explain the case.

Some important FAQ issued by GSTN in this matter are as follows:

- (i) Does a taxpayer get any intimation about the notice or order issued to him?**
Taxpayer will get intimation of issue of all notices and orders issued to him/her through SMS and e-mail.
- (ii) From where can I view notice issued for Scrutiny of Returns?**
Navigate to **Services > User Services > View Additional Notices/Orders > View > NOTICES** option.
- (iii) From where can I reply to notice issued for Scrutiny of Returns?**
Navigate to **Services > User Services > View Additional Notices/Orders > View > REPLIES** option.
- (iv) From where can I view order issued for Scrutiny of Returns?**
Navigate to **Services > User Services > View Additional Notices/Orders > View > ORDERS** option.
- (v) What is the relevance of amount admitted and paid while replying to notice issued for Scrutiny of Returns?**

The notice issued by the tax official may indicate some discrepancies which were observed during scrutiny of return by him. If due to any of the indicated discrepancy, taxpayer is liable to pay differential tax, and he agrees to the discrepancy and pays the tax due on this count, he may mention the said agreed amount paid and enter the payment particulars in its reply to notice in Form GST ASMT 11. If he is yet to pay the admitted amount, he can pay it either by using Form DRC-03 or he may furnish the outward supply invoice/debit note/amended invoice/amended debit note, in Form GSTR-1 or by paying tax or do cenvat reversal, as the case may be, at the time of filing Form GSTR-3B, in reply to the notice.

Some scenarios of differences and important tips to tackle the issues –

a. Difference in liability declared in GSTR 3B and GSTR 1:

Scenario- There may be a case that there is a difference between GSTR 3B and GSTR 1 with respect to the liability amount.

Tips to tackle- Assessee first reconcile its books with respect to GSTR 3B. It may happen that some credit note has not been considered while filing GSTR 1 or debit note, as the case may be. It may also happen that at the time of filing GSTR 1 credit note has wrongly been entered as debit note and as a result there is a double difference in GSTR 3B and GSTR 1. At the time of furnishing reply to the notice, it is advisable to upload the respective credit note/ debit note along with the reconciliation statement. A certificate from CMA may be taken towards the reconciliation statement.

b. Difference in input tax credit declared in GSTR 3B and GSTR 2A:

Scenario- There may be a case that there is a difference between GSTR 3B and GSTR 1 with respect to the input tax credit.

Tips to tackle- This is a very common matter. Till date most of the persons have taken input tax credit based on the valid tax invoices of the suppliers as entered in their books of accounts. There are several cases where suppliers have issued tax invoices but they have not filed the returns in GSTR 1 or filed GSTR 3B returns but not filed GSTR 1 returns. As a result there is a difference in 2A and 3B. There are several other cases where recipient has availed input tax credit of the tax paid under reverse charge basis as well as IGST paid on import of goods. These are not reflected in GSTR 2A and as a result there are differences. A clear reconciliation, GSTN number wise, is advisable so that the main reason could be found out. Reply to such difference should be made carefully so that any future litigation issues will be properly dealt with.

c. Difference in e-Way bill generated and outward supply in GSTR 1:

Scenario- There may be a case that there is a difference between total amount of supply declared in GSTR 1 or 3B and the value of outward e-way bills generated.

Tips to tackle- E-way bills are generated for movement of goods and all movement of goods may not be the supply of goods. Movement of goods may be other than supply e.g. repairing of goods, supply for job work, returns of goods etc. Detailed reconciliation is to be uploaded and for every e-way bill number the reason will be properly defined in order to avoid future litigation.

Note: The above scenarios are examples only. There could have been many reasons. Assessee may reconcile its books with GSTR 1 return and 3B returns. If there are no discrepancies in books and 3B then assessee upload the suitable reply reconciling the turnover of books with 3B and tax payable is NIL. If any difference is noticed during reconciliation then prefers to pay tax voluntarily to ignore penalty or proceedings for tax determination under section 73 or 74, as the case may be.



DEMYSTIFYING CIRCULAR NO 129 OF CGST

CMA Bhogavalli Mallikarjuna Gupta
 Chief Taxologist & Head of Cloud Business
 Logo Infosoft Business Technology Private Limited

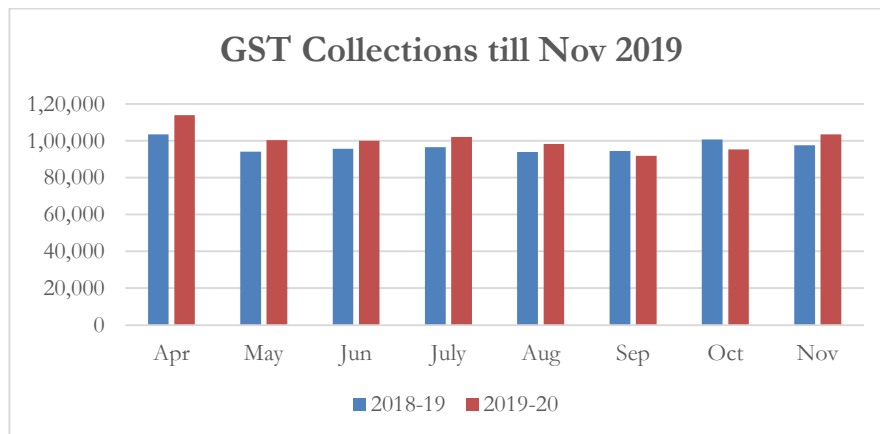
GST has been rolled out about 30 months back, and it is dubbed to a major tax reform post-independence, but the reality is it is a business process reform. As it is a new tax regime and in the initial days of implementation, the Government is lenient on the taxpayers. This is given as legroom for the trade and industry to adapt to the new laws but some sections of the taxpayers are misusing the same as there is not much activity happening on search, seizure and inspection. In the initial days, the Government has instructed the officers not to make field visits and inspections but this is being continued for quite some time. This has resulted in a lot of fraud taking place in the ecosystems. Every alternative day we see in newspapers on ITC frauds, or fake invoices etc., All this has resulted in lower tax collections and also lower compliance in return filing.

Return Type*	Particulars	Apr'19	May'19	June'19	July'19
GSTR-1	Eligibility	57,58,955	55,64,504	1,03,58,399	51,33,194
	Returns Filed	27,91,052	27,01,021	61,38,878	22,30,815
	Return Filing%	48.46%	48.54%	59.26%	43.46%
GSTR-3B	Eligibility	1,02,33,313	1,02,86,063	1,03,58,399	1,04,26,762
	Returns Filed	83,24,486	82,77,220	81,53,056	77,36,519
	Return Filing%	81.36%	80.47%	78.71%	74.20%

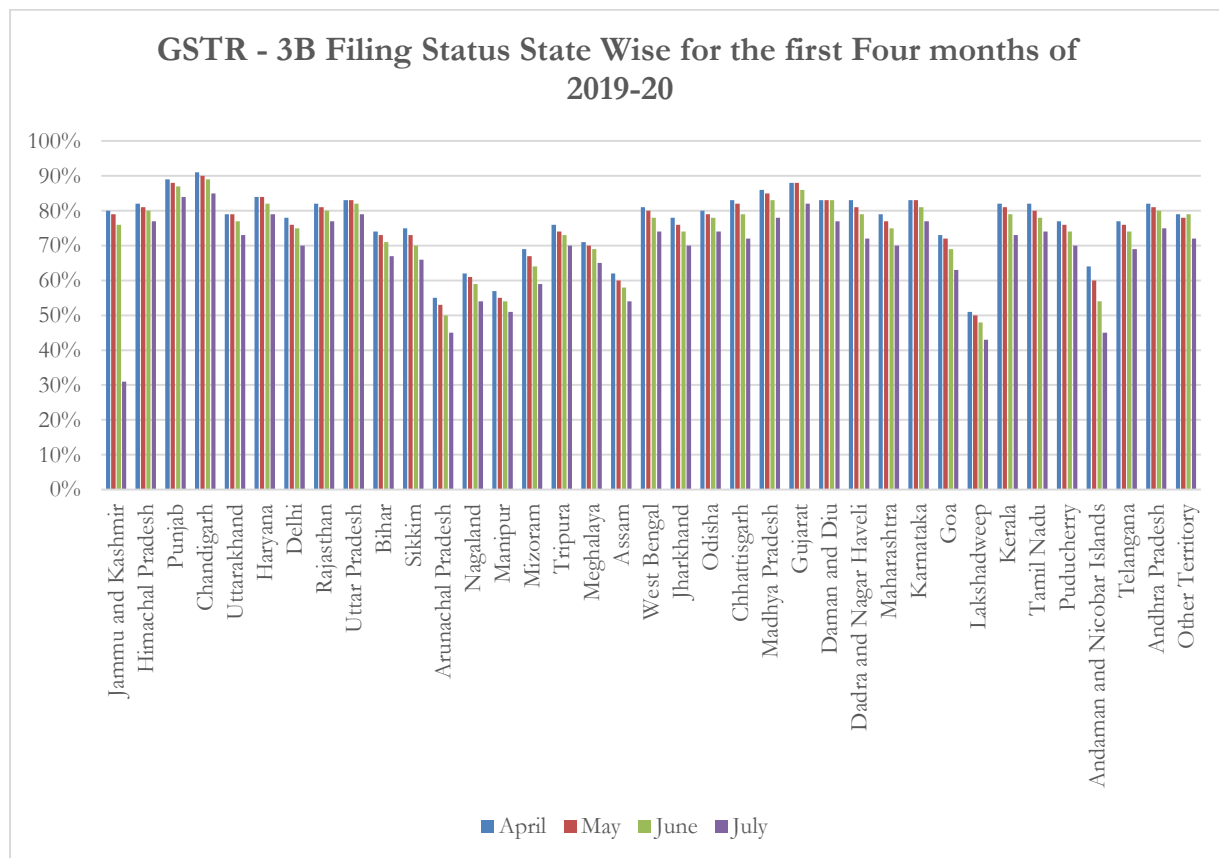
If we see the above table, we could see a constant dip in the return filing percentage for the first four months of the current Fiscal year.

*Source - <http://gstcouncil.gov.in/sites/default/files/gst-statistics/Return-Filing-Summary-2019-20.pdf>

GST Collections started with a bang in April 2019 but after that, we could observe a gradual fall in the collections. There was a clear dip in Aug/Sep & Oct but improved during Nov 2019. All these trends are giving a room of suspicion on the tax evasion by some unscrupulous taxpayers in the system. To ramp up the tax collections tax evasion measures have been rolled out from time to time. As part of it, the e-invoice is being introduced, and matching is being made mandatory and restrictions on the availing input tax credit.



Apart from these measures, the department is using data analytics and started issuing notices to errant taxpayers who are not filing their returns at regular intervals. As a part of this process, notices have been issued to such taxpayers.



As the notices are being issued from various field formations on the same, the process of issue of notices and the subsequent steps taken are not alike across the country as it is a new law. To make the process simple and standard across the country, in the same manner, the Central Board of Indirect Taxes and Customs has issued Circular No 129/148/2019-GST on 24th Dec 2019 has been issued under the provisions of Section 168 of CGST Act 2017. This Circular applies to all the central government officials or all other persons employed in the implementation of the CGST Act. We can also expect similar circulars being issued by states and union territories.

Every Registered taxpayer in GST has to file returns at periodic intervals and the same is as per the provisions of Section 39 of the CGST Act 2017 as per the due dates are given below

Sl.No	Section	Taxpayer Type	Due Date
1	Section 39(1)	Regular Taxpayer	20 th of next month
2	Section 39((2)	Composition Taxpayer	18 th of day of end of each quarter
3	Section 39((3)	TDS Deductor	10 th day of the next month
4	Section 39(4)	Input Service Distributor	13 th Day of next month
5	Section 39(5)	Non-resident taxable person	20 th day of the next month
6	Section 44(1)	Regular Taxpayer for filing of Annual Return	31 st Day of December of the following year
7	Section 44(2)	Regular Taxpayers having turnover above Rs 2 crores have to file GST Audit	31 st Day of December of the following year
8	Section 45	Final Return	To be filed within three months from the date of cancellation of from three months of issue of the order for cancellation, whichever is later.

As per provisions of Section 46 of the CGST Act 2017 and Rule 68 of the CGST Rules 2017, taxpayers who do not file returns under Section 39, 44 & 45 will be issued a notice in Form GSTR – 3A.

For taxpayers who do not file their returns under Section 39, 44 & 45, the assessment procedure is given in Section 62 of the CGST Act 2017. As per the provisions of Section 62, the concerned officer can issue an assessment order for tax liability based on the best judgment basis on the material available or gathered by him. The assessment order can be issued within five years from the date of filing of the Annual Return relating to the period where taxes have been not paid. The assessment order is deemed to be withdrawn if the taxpayers file the returns and pay taxes within 30 days but the provisions related to interest under Section 50(1) and for a late fee under Section 47 will be applicable.

The Circular also provides the format of the Notice to be issued by the proper officer

Notice to return defaulter u/s 46 for not filing return

Tax Period -

Type of Return –

Being a registered taxpayer, you are required to furnish return for the supplies made or received and to discharge resultant tax liability for the aforesaid tax period by due date. It has been noticed that you have not filed the said return till date.

- 1. You are, therefore, requested to furnish the said return within 15 days failing which the tax liability may be assessed u/s 62 of the Act, based on the relevant material available with this office. Please note that in addition to tax so assessed, you will also be liable to pay interest and penalty as per provisions of the Act.*
- 2. Please note that no further communication will be issued for assessing the liability.*
- 3. The notice shall be deemed to have been withdrawn in case the return referred above, is filed by you before issue of the assessment order.*

The proper office an issue the assessment under best judgment in Form GST ASMT – 13 if the taxpayer does not file returns within 15 days.

The following guidelines have been issued for the Officers across India

- a) System-generated alerts will be sent to all the taxpayers before three days of the due date of the filing of GSTR – 3B
- b) After the due date, system-generated messages/mail will be sent to all the taxpayers who have not filed returns as per provisions of Section 39 of the CGST Act 2017 to the authorized signatory, directors, partners, proprietor etc.,
- c) Five days after the due date of filing of returns as per provisions of Section 39, notice is sent under Form GSTR – 3A to all the non-filers intimating them to file returns within 15 days.
- d) The taxpayers who have not filed the returns within the due date, Assessment order under Section 62 of the CGST Act 2017 will be issued in Form GST ASMT – 13 under best judgment will be issued.
- e) For arriving the tax liability under Section 62 (best judgment), the officer may rely on the data available in GSTR – 1, e-waybills and purchase data from GSTR – 2A or based on inspection under Section 71 of the CGST Act 2017.
- f) If the default taxpayers file the returns within 30 days, it is deemed that the assessment order is withdrawn as per provisions of Section 62(2) of the CGST Act 2017. In case if the default taxpayers do not file returns within 30 days after the issue of the order, recovery proceedings under Section 78 and Section 79 will be carried out.

The proper officer may follow the above process in normal cases, but in certain cases, based on the facts, the Commissioner may provisionally attach the properties of the default taxpayers to safeguard the revenue under provisions of Section 83 of the CGST Act 2017 before the issue of Form GST ASMT – 13.

The proper officer may initiate the proceedings under Section 29 for the cancellation of the registration if the taxpayers do not file returns.



GST 2019 – A QUICK GLANCE

CMA Kanchan Agarwal
Tax Consultant

The implementation of Goods and Services Tax Act in the nation from mid 2017 is one of the most significant landmarks in the history of Indian Tax reforms.

Since its advent, the law has effortlessly managed to be a favourite topic of discussion and thoughtful deliberation amongst the trade, industry and the tax-consultants. Rather, everyone who forms a part of the supply chain including the final consumer i.e. the common Indian have connected with the law to quite an impressive level and also faced the inevitable difficulties with relentless patience.

Looking at it from the government's perspective, there have been instances where department has manifested its authoritative powers but its comprehensive approach was to be of enormous support to the business. This is evident from the relaxations granted time and again in terms of extended due-dates for periodic compliances, annual reports, waiver of late-filing fees and delayed enforcement of various statutory rules.

With the passage of time, the law now seems to have been considerably absorbed both in terms of understanding and practicality by the country. Thus, the department is now expected to be lesser lenient and demonstrate its intrinsic role of identifying and restricting tax evasion, non-compliance, suppression of turnover, undue claim of refunds/credits. In fact, measures by the officials in this direction are visible in form of notices, alarming emails and departmental audits initiated for various corporates-big and small.

As we bid adieu to the year 2019, let us have a quick glance and go through the key events in the field of GST that the year witnessed.

Major Events in GST – 2019

I. Coming into force of GST Amendment Act, 2018

- GST (Amendment) Act, 2018 came into force nation-wide from 01 February 2019.
- The Amendment Act rectified various drafting and typographical errors in the original Act, saw insertion of explanations and notes for clarification of doubts. There were replacements, modifications and even omissions of certain provisions from the main Act.
- Corresponding changes in rules, earlier circulars and notifications were made to align the same with the amended Act.

Key Highlights of the Amendment Act:

- *Changes in important definitions including those of 'business' and 'services'*
- *Schedule II to be classificatory in nature (i.e. would only determine whether the supply is of goods or of services)*
- *Supplies from customs bonded warehouse, high seas sales and drop shipments inserted in Schedule III i.e. would neither be a supply of goods nor of services*
- *Reverse charge mechanism on procurements from unregistered persons to be applicable only on notified supplies for notified class of persons*
- *Raises the turnover threshold for registration under composition scheme from 1 crore to 1.5 crores*
- *Section 16 amended to provide for input tax credit in case of 'bill-to ship-to' model in case of supply of services*
- *Expands the scope of eligible credit on motor vehicles by virtue of seating capacity*

- *Increases threshold of turnover for registration from 10 lacs to 20 lacs in case of special category states*
- *Separate registration distinct from regular registration made mandatory for SEZ units/developers*
- *Provides for temporary suspension of registration while cancellation application is under process*
- *Issuance of consolidated debit/credit notes in respect of multiple invoices*
- *Services to qualify as export even if consideration received in INR, subject to RBI regulations*
- *Transport services for goods transported outside India to qualify as export*

II. Important Notifications/Rules

- *Exemption from furnishing of Annual Return / Reconciliation Statement for suppliers of Online Information Database Access and Retrieval Services (“OIDAR services”).*
- *The blocking and unblocking of e-way bill facility as per the provision of CGST Rules brought into force from 21 November 2019.*
- *Waiver from filing of FORM GST ITC-04 for the FY 2017-18 & FY 2018-19.*
- *Filing of annual return for FY 2017-18 and FY 2018-19 made optional for small taxpayers whose aggregate turnover is less than Rs 2 crores.*
- *Further extension of deadlines to file GSTR 9 and GSTR 9C for FY 2017-18 till 31 January 2020 and FY 2018-19 till 31 March 2020.*
- *Simplification of GSTR 9 and GSTR 9C forms with various fields made optional for the FY 2017-18 and FY 2018-19.*
- *Restriction on availment of input tax credit on un-reconciled input invoices i.e. ITC in respect of those invoices which are not reflecting in GSTR 2A cannot exceed 20% of matched ITC. Cap of 20% has been further reduced to 10% by way of a superseding notification.*
- *Introduction of mandatory e-invoicing for registered persons with aggregate turnover exceeding 100 crores from 01 April 2020.*
- *Introduction of mandatory QR code on the invoice issued by a registered person exceeding turnover of 500 crores to an unregistered person from 01 April 2020.*
- *Waiver of late fees for non-filing of FORM GSTR-1 from July 2017 to November 2019 provided the said returns are furnished within prescribed dates.*

III. Advance Rulings

- A plethora of substantive advance rulings have been passed by respective State AAR's to which they were applied for.
- Though the advance ruling is applicable only to the case and to the applicant, it does have a persuasive value and makes the taxpayers cognizant of position usually adopted by the department in those scenarios.

All-in-all, 2019 has been quite a crucial year as far as GST is concerned with major amendments, various notifications, and clarificatory circulars being issued through the year. Assessors and consulting firms should be prepared to welcome GST 2020 with more of litigation and departmental co-ordination. Further, implementation of new return mechanism and e-invoicing in 2020 could be a major challenge to cope up with during its initial phase.



CASE LAWS ON SECTION – 54F OF THE INCOME TAX ACT, 1961

CA Saurabh Tibrewal
Practicing Chartered Accountant

About Section 54F: Section 54F of the Income Tax Act allows one to claim exemption from tax on long-term capital gains, if the same is used for the purchase or construction of a house within specified time limits. Following are the key points in respect of this section:

- Assessee is an Individual or HUF.
- Capital Gain arises from the Sale of any capital asset other than Residential House.
- Time limit of Purchase or Construction: Purchase should be made within 1 year before or 2 years after the date of transfer; Construction should be *complete* within 3 years from date of transfer.

Let's discuss certain issues in respect of the above section using relevant judicial pronouncements as references:

1. **Issue:** Can exemption under section 54F be denied solely on the ground that the new residential house is purchased by the assessee exclusively in the name of his wife?

Reply: Reference-[2013] 30 taxmann.com 34 (Delhi) HIGH COURT OF DELHI, Commissioner of Income-tax-XII v. Kamal Wahal

In the above case, the seller has sold a property owned by him; in order to claim the exemption u/s 54F he made an investment in a new property in the name of his wife. However, she had not contributed any fund to purchase the said property. In this case, the High court has clarified that a new residential house need not be purchased exclusively in the name of the seller. Further the court held that the assessee had not purchased the new house in the name of a stranger or somebody who is unconnected with him, but had purchased in the name of his wife. In addition to the above, the entire investment for purchase of the new residential house had come out of the sale proceeds of the asset of the seller.

Hence, the assessee is entitled to claim exemption under Section 54F in respect of utilization of sale proceeds of capital asset for investment in residential house property in the name of his wife.

2. **Issue:** In case of a house property registered in joint names whether the exemption under Section 54F can be allowed fully to the co-owner who has paid whole of the purchase consideration of the house property or will it be restricted to his share in the house property?

Reply: Reference-[2011] 15 taxmann.com 307 (Delhi) HIGH COURT OF DELHI Commissioner of Income-tax v. Ravinder Kumar Arora

In the given case, the assessee sold a land owned by him and claimed exemption of capital gain under section 54F on account of purchase of new house. The Assessing Officer took the view that the assessee was entitled to exemption under section 54F only to the extent of his right in the new residential house purchased jointly with his wife thereby allowing only 50 per cent of the exemption claimed under section 54F as against total claim.

However, the high court held that the assessee was the real owner of the residential house in question and mere inclusion of his wife's name in the sale deed would not make any difference. The court also observed that Section 54F mandates that the house should be purchased by the assessee but it does not stipulate that the house should be purchased *only* in the name of the assessee.

Hence, the conditions stipulated in Section 54F stand fulfilled and the entire exemption claimed in respect of purchase price of the house property shall be allowed to the assessee.

3. **Issue:** Can exemption under section 54F be denied to an assessee in respect of investment made in construction of a residential house, on the ground that the construction was not completed within 3 years after the date on which transfer took place, on account of pendency of certain finishing work like flooring, electrical fittings, fittings of door shutter, etc?

Reply: Reference- [2012] 19 taxmann.com 17 (Karnataka) HIGH COURT OF KARNATAKA Commissioner of Income-tax v. Sambandam Udaykumar

In the given case, the assessee sold shares of a company and part of the proceeds of the said sale consideration was invested in purchase of house property. Accordingly, the assessee claimed exemption under section 54F to the extent of such investment. The Assessing Officer found that the construction activities with regard to the residential property were stopped and the flooring work, electrical work, fitting of door shutters and window shutters were still pending thereby concluding that construction was not complete even after lapse of three years of time from the date of transfer of the shares on which capital gain was derived.

However, the court observed that condition for claiming the benefit u/s 54F is that capital gains realized from sale of capital asset should have been invested either in purchasing a residential house or in constructing a residential house within the stipulated period. Merely because the construction was not completed in all respects and possession could not be taken within the stipulated period, would not disentitle the assessee from claiming exemption u/s 54F

Hence, the assessee would be entitled to exemption u/s 54F in respect of the amount invested in construction within the prescribed period.

TAX UPDATES, NOTIFICATIONS AND CIRCULARS

INDIRECT TAX

CGST Notification

Notification No. 05/2020 – Central Tax

Date – 13th January 2020

Seeks to appoint Revisional Authority under CGST Act, 2017

Central Government vide notification no.05/2020-CT- dated 13-01-2020 has appointed revisional authority for the purpose of disposal of appeal under GST law.

Appointment of revisional authority has been tabulated as below-

Order Passed by	Revisional Authority under CGST
Additional or Joint Commissioner of Central Tax	Principal Commissioner or Commissioner
Deputy Commissioner or Assistant Commissioner or Superintendent	Additional or Joint Commissioner

Customs - Non Tariff Notifications

Notification No. 04/2020-CUSTOMS (N.T)

Date – 15th January 2020

Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seed, Areca nut, Gold & Silver - reg.

CBIC has made amendment in 36/2001-Customs (N.T) dated the 3rd August, 2001.

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	1511 10 00	Crude Palm Oil	838
2	1511 90 10	RBD Palm Oil	865
3	1511 90 90	Others – Palm Oil	852
4	1511 10 00	Crude Palmolein	869

For more details, please follow - http://cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt_04.pdf

Notification No. 05/2020-CUSTOMS (N.T)

Date – 16th January 2020

Exchange Rates Notification No.05/2020-Custom (NT) dated 16.01.2020.

CBIC has determined the rate of exchange of conversion of each of the foreign currencies, into Indian currency or vice versa, 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	
		(For Imported Goods)	(For Exported Goods)
1	Australian Dollar	50.10	47.90
2	Bahraini Dinar	194.00	181.95

3	Canadian Dollar	55.30	53.30
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For more details, please follow - http://cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt_05.pdf;jsessionid=415E4549488644BC71A2182EFE4A0DD3

Customs Circulars

Circular No. 02/2020-Customs

Date – 10th January 2020

Levy and Collection of Social Welfare Surcharge (SWS) on imports under various schemes such as Merchandise Exports from India Scheme (MEIS), Services Exports from India Scheme (SEIS) etc

SWS is not exempted and has to be levied and collected on the imported goods

For more details, please follow - <http://cbic.gov.in/resources/htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-02-2020.pdf>

Circular No. 03/2020-Customs

Date – 15th January 2020

Implementation of PGA e-SANCHIT– Paperless Processing under SWIFT Uploading of Licenses/Permits/Certificates/Other Authorizations (LPCOs) by PGAs – reg

The objective of the E-SANCHIT' application is to further reduce physical interface between Customs/regulatory agencies and the trade and also to increase the speed of clearance in both imports & exports.

For more details, please follow - <http://cbic.gov.in/resources/htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-03-2020.pdf>

DIRECT TAX

Notifications and Circulars

Notification No. 02/2020

Date – 3rd January 2020

Notification in respect of MIs Indian Institute of Technology (Indian School of Mines), Dhanbad

It is hereby notified for general information that the organisation M/S Indian Institute of Technology (Indian School of Mines), Dhanbad has been approved by the Central Government for the purpose of clause (ii)/(iii) of sub-section (I) of section 35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5F of the Income-tax Rules, 1962 from Assessment year 2019-2020 and onwards under the category of "University, College or other Institution", subject to the following conditions, namely:-

- i. The sums paid to the approved organisation shall be used for, scientific research and research in social science statistical research;
- ii. The approved organization shall carry out scientific research, research in social science or statistical research through its faculty members or its enrolled students;

For more details, please follow –

https://www.incometaxindia.gov.in/communications/notification/notification_2_2020.pdf

Notification No. 03/2020

Date – 6th January 2020

Amendment of rule 10DA and rule 10DB regarding furnishing of information and maintenance of documents by Constituent Entity of an international group

CBDT has made amendments in the Income-tax Rules, 1962, namely:

In the Income-tax Rules, 1962 (hereinafter referred to as the said rules), in rule 10 DA, with effect from the 1 st day of April, 2020, —

(a) for the marginal heading, the following marginal heading shall be substituted, namely: - “Maintenance and furnishing of information and document by certain person under section 92D”;

(b) for sub-rules (2), (3), (4) and (5), the following sub-rules shall be substituted, namely: -

“(2) The information and document specified under sub-rule (1) shall be furnished to the Joint Commissioner referred to in sub-rule (1) of rule 10DB, in Form No. 3CEAA on or before the due date for furnishing the return of income as specified under sub-section (1) of section 139.

(3) The constituent entity shall furnish Part A of Form No. 3CEAA even if the conditions specified under sub-rule (1) are not satisfied.

(4) Where there are more than one constituent entities resident in India of an international group, the Form No. 3CEAA may be furnished by any one constituent entity, if, —

(a) the international group has designated such entity for this purpose; and

(b) the information has been conveyed in Form No. 3CEAB to the Joint Commissioner referred to in sub-rule (1) of rule 10DB, in this behalf thirty days before the due date of furnishing the Form No. 3CEAA.”;

(c) sub-rules (6), (7) and (8) shall be re-numbered as sub-rules (5), (6) and (7) respectively.

3. In the said rules, in rule 10DB, —

(a) for sub-rules (1) and (2), the following shall be substituted, namely: - “(1) The income-tax authority for the purposes of section 286 shall be the Joint Commissioner as may be designated by the Director General of Income-tax (Risk Assessment). (2) The notification under sub-section (1) of section 286 shall be made in Form No. 3CEAC two months prior to the due date for furnishing of report as specified under sub-section (2) of said section.”;

(b) in sub-rule (3), the words and brackets “to the Director General of Income-tax (Risk Assessment)” shall be omitted;

(c) for sub-rule (5), the following sub-rule shall be substituted, namely: -

“(5) The information required to be conveyed under proviso to sub-section (4) of section 286 regarding the designated constituent entity shall be furnished in Form No. 3CEAE.”

Circular No. 1/2020
Date – 3rd January 2020

Relaxation of time-Compounding of Offences under Direct Tax Laws-One-time measure-Extension of Timeline

This circular has been issued with reference to Circular No. 2512019 F. No. 285/08/2014-TT (Inv. V)/350 dated 09.09.2019, whereby, the condition for filing of applications for compounding of offences under the Income-tax Act, 1961 (the Act), to be filed within 12 months from filing of complaint in the court, was relaxed by CBDT till 31.12.2019, as a one-time measure.

Later it has been brought to the notice of CBDT that the taxpayers could not avail the benefit of the one-time relaxation window due to genuine hardships.

With a view to give a final opportunity to such taxpayers, and to reduce the pendency of existing prosecution cases before the courts, the CBDT in exercise of powers u/s 119 of the Act, read with explanation below sub-section (3) of section 279 of the Act, issues this Circular, whereby para 4. 1 i) of the Circular No. 25/2019 F. No. 285/08/20 14-IT(Inv. V)/350 dated 09.09.2019 stands modified as under:

“Such application shall be filed before the Competent Authority i.e. the Pro CCIT/CCIT/Pr. DGIT/DGIT concerned, on or before 31.01.2020.”

It is clarified that all other prescriptions/conditions of the Circular No. 25/2019 shall remain unchanged and shall apply to all such applications.

Circular No. 4/2020
Date – 16th January 2020

Relaxation of time-Compounding of Offences under Direct Tax Laws-One-time measure-Extension of Timeline

Income-Tax deduction from salaries during the financial year 2019-20 under section 192 of the income-tax act, 1961 has been notified under this Circular

PRESS RELEASE

DIRECT TAX

CBDT grants relaxation in eligibility conditions for filing of Income-tax Return Form-1 (Sahaj) and Form-4 (Sugam) for Assessment Year 2020-21

In order to ensure that the e-filing utility for filing of return for assessment year (A.Y) 2020-21 is available as on 1st April, 2020, the Income-tax Return (ITR) Forms ITR-1 (Sahaj) and ITR-4 (Sugam) for the A.Y 2020-21 were notified vide notification dated 3rd January, 2020. In the notified returns, the eligibility conditions for filing of ITR-1 & ITR-4 Forms were modified with an intent to keep these forms short and simple with bare minimum number of Schedules. Therefore, a person who owns a property in joint ownership was not made eligible to file the ITR-1 or ITR-4 Forms. For the same reason, a person who is otherwise not required to file return but is required to file return due to fulfilment of one or more conditions in the seventh proviso to section 139(1) of the Income-tax Act, 1961 (the Act), was also not made eligible to file ITR-1 Form.

After the aforesaid notification, concerns have been raised that the changes are likely to cause hardship in the case of individual taxpayers. The taxpayers with jointly owned property have expressed concern that they will now need to file a detailed ITR Form instead of a simple ITR-1 and ITR-4. Similarly, persons who are required to file return as per the seventh proviso to section 139(1) of the Act, and are otherwise eligible to file ITR-1, have also expressed concern that they will not be able to opt for a simpler ITR-1 Form.

The matter has been examined and it has been decided to allow a person, who jointly owns a single house property, to file his/her return of income in ITR-1 or ITR-4 Form, as may be applicable, if he/she meets the other conditions. It has also been decided to allow a person, who is required to file return due to fulfilment of one or more conditions specified in the seventh proviso to section 139(1) of the Act, to file his/her return in ITR-1 Form.

JUDGEMENTS

INDIRECT TAX

ITC Claim not shown in VAT Return can't be
availed through merely Filing Form 240:
Karnataka HC

M/S MFAR Construction Pvt. Ltd. and others
vs. Additional Commissioner of Income tax and
Deputy Commissioner of Income Tax

Writ Petition No. – 35989/2016
Date – 6th December 2019

Fact of the Case

- ❖ The petitioners are the dealers registered under the provisions of the Act.
- ❖ Based on the annual audit statement of accounts the assessee filed in Form VAT 240 notwithstanding no claim made in the return of turnover filed under Section 35 of the Act.
- ❖ The ITC claim of the petitioners based on Form VAT 240 has been rejected by the Authorities.

Decision of the Case

- ❖ Justice S. Sujatha observed that all the registered dealers are not required to file such Form VAT 240 but only depending on the total turnover for the year, Form VAT 240 has to be filed.
- ❖ In cases where no such VAT 240 is filed, it would certainly result in discrimination if VAT 240 has to be accepted as the basis for determining the Input Tax Credit (ITC). VAT Form 240 cannot replace the “return”.
- ❖ While dismissing the writ petition Court also said that, When the statutory provision mandates compliance in a particular manner, it should be done in that particular way alone not by any other method.
- ❖ The Karnataka High Court has held that the Input Tax Credit ITC claim not shown in the VAT Return cannot be availed through merely filing Form 240.

Head Office adopting the Value for Supply to
other branches Outside State is eligible for

ITC: AAAR
Spacemakers Opticians Pvt. Ltd. vs.
Tamilnadu AAR
Appeal No. – 7/2019/AAR
Date -13th November 2019

Fact of the Case

- ❖ The appellant is carrying on business activities in respect of spectacle frames, sunglass lenses, contact lenses as well as reading lenses. They procure these items locally as well as by way of import.
- ❖ The appellant has their head office in the State of Tamil Nadu and has branches in various States outside Tamil Nadu. The goods procured/imported are transferred to various branches for subsequent supply to customers by those branches.
- ❖ Under GST Law, supply to branches outside the State is considered as supply between distinct persons and accordingly, appropriate tax is to be paid.
- ❖ Since the branches of the appellant located in various other States are eligible to take the full Input tax credit in respect of supplies made to them.
- ❖ The appellant sought the authority for the advance ruling to determine the value to be adopted in respect of the transfer to branches located outside the State.

Decision of the Case

- ❖ The Order was rendered by the bench comprising of Ajith Kumar and T.V. Somanathan.
- ❖ The Bench ruled that the appellant is eligible to adopt the value as per Second Proviso to Rule 28 of the CGST/TNGST Rules 2017, at the time of supply of goods from the State of Tamilnadu in the terms of the scenario discussed, in as much as the recipient distinct person is eligible for full Input Tax credit as required under the said proviso.

No GST Exemption to Agricultural Products
from Foreign Markets: AAAR

Fact of the Case

- ❖ The Appellant provided loading and unloading services to imported raw whole yellow peas and there is no dispute that raw whole yellow peas are agricultural produce covered under serial no. 45 of the Rate Notification and are exempted goods.
- ❖ However, this particular consignment of raw whole yellow peas was harvested in a foreign land and the concerned primary market or the farmers' market is located in that foreign land.

Decision of the Case

- ❖ The Appellate Tribunal comprising of A.P.S Suri and Devi Prasad Karanam has rendered judgement on an appeal made by M/s T.P. Roy Chowdhury & Company Pvt' Ltd.
- ❖ While dismissing the appeal the Appellate Tribunal observes that the primary market in the instant case being, located in foreign shores does not conform to the definition as stated above.

AAR does not have Jurisdiction to go beyond issue referred, rules Kerala HC

Abbott Healthcare Pvt Ltd vs. The Commissioner of State Tax , Kerala and others

Case No. – 17012 of 2019

Date – 17th January 2020

Fact of the Case

- ❖ Abbott Healthcare Pvt Ltd is the petitioner in the present case and The petitioner company is engaged in the sale of pharmaceutical products, diagnostic kits, etc.
- ❖ It places its diagnostic instruments at the premises of unrelated hospitals/laboratories for their use for a specified period without any consideration.
- ❖ The petitioner also enters into Agreements with various hospitals, laboratories, etc., where under the arrangement between parties is for supply of medical instruments to the hospital/laboratory concerned, for their use, without any consideration for a specified period and for the supply of specified quantities at prices specified in agreement, through its distributors on payment of applicable GST.
- ❖ The petitioner had sought a ruling before the respondents Kerala AAR and AAAR on the issue of – whether in the facts of the present case, the provision of specified medical instruments by the Applicant to unrelated parties like hospital(s), Lab (s), for uses without any consideration, constitutes a “supply” or whether it constitutes “movement of goods otherwise than by way of supply” as per provisions of the CGST/SGST Act, 2017?”
- ❖ In the opinion of the AAR was that the petitioner was effecting two supplies, namely, of medical instruments and of reagents/calibrators/disposables to be used along with the instrument and it is to be treated as composite supply

Decision of the Case

- ❖ A single-judge bench of Justice A.K. Jayasankaran Nambiar held that the findings as regards a composite supply are whole without jurisdiction. The matter is hence remitted back to AAR for fresh consideration.
- ❖ It was observed that it is only open to AAR to enquire based on terms of the agreement. In the present case, the AAR went beyond the terms of reference in embarking upon an enquiry as to whether supplies under agreement constituted a composite supply.

Builders Should Pass the Benefit of ITC to the Buyers: NAA

Dharmendra Gaud and Director General of Anti Profiteering vs. M/S JMK Holdings Pvt. Ltd.

Case No. – 80/2019

Date – 26th December 2019

Fact of the Case

- ❖ Dharmendra Gaud is the applicant in the present case
- ❖ The Applicant had purchased a flat in the Respondent’s project “Grand IV A” situated at Haryana and he alleged that the Respondent had increased the price of the flat after the introduction of GST and had not passed on the benefit of the input tax credit by way of commensurate reduction in the price.
- ❖ The Haryana State Screening Committee on Anti-profiteering having satisfied that the Respondent had not passed on the appropriate benefit of input tax credit to the Applicant and the said application was forwarded to the DGAP for detailed investigation.

Decision of the Case

- ❖ The DGAP submitted that the respondent had benefited from the additional ITC 2.51% of the total turnover which he was required to pass on to the flat buyers of this project.
- ❖ The respondent not submitted evidence to prove that CENVAT credit of the pre-GST period, pertaining to unsold units was not carried forward to the post-GST period. The respondent denying them a benefit for more than 4 years and use the additional ITC in his business at the same time.
- ❖ The Respondent submitted that the DGAP’S report had made incorrect finding that he had benefited from additional ITC of the turnover

and the above finding was based on the average Method applied by the DGAP on his own accord.

- ❖ The provisions of Section 171 of the CGST Act, 2017 have been contravened by the Respondent as he has profiteered an amount of which includes GST from all the flat buyers. He has committed an offense under section 171(3A) of the Act.
- ❖ This Authority under Rule 133 (3) (a) of the CGST Rules, 2017 orders that the respondent shall reduce the prices to be realized from the buyers of the flats commensurate with the benefit of ITC received by him. And also as per Rule 136 of CGST Rules 2017 directs the commissioners of CGST/SGST to monitor this order for ensuring that the amount profiteered by the respondent is passed on to all the eligible buyers.

DIRECT TAX

Gujarat HC sets aside Reassessment Notice issued to Amalgamated Company which ceased to exist after Approval of Composite Scheme of Arrangement

Gayatri Microns Ltd. vs. The Assistant Commissioner of Income Tax

Civil Application No. – 13871 of 2019
Date – 24th December 2019

Fact of the Case

- ❖ The petitioner filed before this court by the petitioner company Gayatri Mine-Chem Private Limited as well as by three companies viz. Gayatri Mine-Chem Private Limited, Gayatri Integrated Services Private Limited and Gayatri Fillers Private Limited inter alia praying for sanction of the composite scheme of arrangement in the nature of amalgamation with the petitioner company under the provisions of the Companies Act.
- ❖ During the said proceedings before this court, the Regional Director, North-Western Region, Ministry of Corporate Affairs, had filed his affidavit dated 13th May 2015.
- ❖ As per one of the explanations, an objection was invited from the Income Tax Department; however, within the statutory period of 15 days, no objection was raised by the Income Tax Department and it was presumed that the Income Tax Department had no objection to the proposed scheme of arrangement.

- ❖ Thus the court upon being satisfied that the amalgamation under the scheme resulted in three companies.
- ❖ Thereafter Income Tax Department issued a notice indicating that the department has reason to believe that income chargeable to tax.

Decision of the Case

- ❖ The division bench comprising of Justice Harsha Devani and Justice Sangeeta K. Vishen on a writ petition filed by Gayatri Microns Ltd.
- ❖ Relying on the decisions on other cases the division bench stated that once the assessee company gets amalgamated with the transferee company, its independent existence does not survive
- ❖ It is well-settled proposition of law that upon its amalgamation the transferor company ceases to exist and becomes extinct, and it would no longer be amenable to the assessment proceedings considering the fact that the extinct entity would not be covered within the ambit of the provisions of the Act.
- ❖ The Court also observed that the notice dated 25th March 2019 issued by the respondent under the provisions of section 148 of the Act for the assessment year 2012-13, being without jurisdiction, is not sustainable.

Financial Stringency would not justify Non-Remittance of TDS amount to Govt: Karnataka HC

M/S KBR Infratech Ltd vs. Assistant Commissioner of Income Tax

I.T.A No. – 117 of 2017
Date – 18th December 2019

Fact of the Case

- ❖ M/S KBR Infratech Ltd. Is the applicant in the present case
- ❖ Assessee collected TDS but did not remit the same to the Govt. due to acute financial stringency.
- ❖ The A.O and subsequently ITAT issued demand notice and later issued show cause notice to the assessee and levied penalty of Rs. 77,95,195
- ❖ The Assessee has preferred this appeal questioning the correctness and legality of the order dated 07.10.2016 passed by Income Tax Appellate Tribunal (ITAT)

Decision of the Case

- ❖ Bangalore Bench (for the assessment year 2013-14) where under order passed by Commissioner of Income Tax (Appeals)-13, Bangalore dated 14.08.2015 setting aside the levy of penalty of Rs.77,95,155/- came to be modified by restricting the quantum of penalty to Rs.20,55,573/-
- ❖ The division Bench of the Karnataka High Court has observed that financial stringency would not justify the non-remittance of TDS to the Government, in as much as, it would amount to the utilization of money payable to the appropriate government.

TDS Benefit is to be given for Assessment Year for which Corresponding Income is Assessable: ITAT

M/s. Mahesh Software Systems vs. ACIT

I.T.A No. – 1288/Pun/2017
Date – 20th September 2019

Fact of the Case

- ❖ M/s. Mahesh Software Systems is the applicant in the present case
- ❖ The assessee is engaged in the business of providing software services. It claimed credit for TDS amounting to Rs.8,41,050/- which was not appearing in Form No.26AS.
- ❖ On being called upon to explain as to how the benefit of this TDS was claimed, the assessee submitted that it raised invoice on Ashoka Leyland, Chennai, for Rs.84,10,500/- in March, 2011.
- ❖ But Ashoka Leyland deposited TDS in April 2011. So the A.O did not accept the contention of the assessee

Decision of the Case

- ❖ The Tribunal noted that the benefit of TDS to be given to the assessee for the assessment year for which such income is assessable
 - ❖ In the present case Rs. 8,41,050 was deducted at source is patently assessable in the year under consideration
 - ❖ It was held that the benefit of the TDS should also be allowed in the same year, namely, the year under consideration. We, therefore, overturn the impugned order and direct accordingly.
-

Delay in Furnishing Audit Reports is mere Technical Breach, No Penalty: ITAT

Arka Eduserve Pvt. Ltd vs. The Income Tax Officer

ITA No. – 718/Bang/2018
Date -13th December 2019

Fact of the Case

- ❖ In the present case Arka Eduserve Pvt. Ltd is the applicant
- ❖ The assessee filed its return of income and the tax audit report for AY 2014-15 on 30-03-2015. As per the provisions of Sec.44AB of the Act, the tax audit report should have been furnished to the AO before the due date for filing return of income prescribed u/s 139(1) of the Act. In the instant year, the due date was 30.11.2014. In view of the above-said failure, the AO initiated penalty proceedings u/s 271B of the Act.
- ❖ The assessee submitted that it was under the impression that the tax audit report could be filed any time before 31.3.2015 and the major source of income of the assessee was rental income and the TDS deducted by the tenants were not fully reflected in Form No.26AS, which resulted in delay in filing return of income as well as tax audit report.
- ❖ Not satisfied with the explanations of the assessee, the AO levied a penalty of Rs.1.50 lakhs u/s 271B of the Act. The Ld CIT(A) also confirmed the penalty.

Decision of the Case

- ❖ The assessee has stated that it was under bonafide belief that the audit report could also be filed before 31.3.2015.
- ❖ Hence the view taken by the Cochin bench of Tribunal that the delay in furnishing audit report has resulted only in the technical venial breach which does not cause any loss to exchequer could be applied here also.
- ❖ Accordingly, set aside the order passed by Ld CIT(A) and direct the AO to delete the penalty levied u/s 271B of the Act.

No TDS on Purchase of Copyrighted Software Licenses: ITAT

Tetra Pack India Pvt. Ltd. vs. The Deputy Director of Income Tax

ITA No. – 1857 to 1859/PUN/2014
Date – 9th September 2019

Fact of the Case

- ❖ Here the assessee has purchased internally developed software from Sweden and payment had been done without TDS
- ❖ The A.O held that the assessee is liable to be deducted tax @20% and without doing the same he was defaulted
- ❖ The assessee submitted that no requirement to deduct tax out of such payments and hence, the assessee had not defaulted.
- ❖ In relation of tax deduction at source (TDS) out of training charges paid, he referred to the provisions of section 9(1)(vii) of the Act pointed out that it refers to managerial services and once it is not covered by DTAA, then it would become business income in the hands of assessee.
- ❖ He further pointed out that since all these concerns had no Permanent Establishment (PE), then there no business income arises in India and in the absence of any PE, there was no question of any taxability under Article 7 of DTAA.

Decision of the Case

- ❖ The division bench held that the assessee had only purchased internally developed software by the Sweden entity and it had not passed the copyright and only 'right to use' had been given to the assessee and in the absence of purchase of any copyright in the article, the assessee cannot be held liable to deduct tax at source out of such payments.
- ❖ Hence, the assessee has not defaulted in not deducting the tax at source. So no TDS is required to be deducted on purchases of copyrighted software licenses.
- ❖ Considering the training charges paid by the assessee to Tetra Pak group companies, payments made to the entities residents of countries of category III i.e. Singapore, USA, Switzerland and Sweden are not exigible to tax deduction at source.
- ❖ The assessee in such circumstances cannot be held to be in default for not deducting tax out of said payments. The Assessing Officer is directed to apply the said decision and re-compute the demand, if any, under section 201(1) and 201(1A) of the Income Tax Act.

TAX COMPLIANCE CALENDAR AT A GLANCE

GST CALENDAR

Date	Return Type
18.01.2020	CMP – 08:- Statement-cum- challan to declare the details or summary by Composition dealer for tax payable for October-December 2019 quarter
20.01.2020	GSTR-5 & 5A for the month of December 2019- to be filed by the Non-Resident taxable person & OIDAR
20.01.2020	GSTR 3B - for the month of December 2019.
31.01.2020	GSTR-1 for Dec 2019 Quarter - Applicable for taxpayers with Annual Aggregate turnover below Rs. 1.50- Crore
31.01.2020	GSTR 9 for the financial year 2017-18- Annual return in GST for regular taxpayers for F.Y 2017-18 to be filed (Turnover up to Rs. 2 crores –it is not compulsory)
31.01.2020	GSTR 9C for the financial year 2017-18- GST Audit for F.Y 2017-18 to be filed whose Turnover more than Rs. 2 crores

DIRECT TAX CALENDAR - JANUARY, 2020

30.01.2020

- Quarterly TCS certificate in respect of tax collected for the quarter ending December 31, 2019
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA and section 194-IB in the month of December, 2019
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M in the month of December, 2019

31.01.2020

- Quarterly statement of TDS deposited for the quarter ending December 31, 2019
- Quarterly return of non-deduction at source by a banking company from interest on time deposit in respect of the quarter ending December 31, 2019
Intimation under section 286(1) in Form No. 3CEAC, by a resident constituent entity of an international group whose parent is non-resident

DIRECT TAX CALENDAR - FEBRUARY, 2020

07.02.2020

- Due date for deposit of Tax deducted/collected for the month of January, 2020. However, all the sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan

14.02.2020

- Due date for issue of TDS Certificate for tax deducted under section 194-IA and section 194-IB in the month of December, 2019
- Due date for issue of TDS Certificate for tax deducted under section 194M in the month of December, 2019

15.02.2020

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of January, 2020 has been paid without the production of a challan
- Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending December 31, 2019

COURSES OFFERED BY TAX RESEARCH DEPARTMENT

Eligibility criterion for admission in TRD Courses

- ✓ Qualified Cost & Management Accountants
- ✓ Other Professionals (CS, CA, MBA, M.Com, Lawyers)
- ✓ Executives from Industries and Tax Practitioners
- ✓ Students who are either CMA qualified or CMA pursuing

CERTIFICATE COURSE ON GST

Course Fee - Rs. 10,000+18% GST
*20% Discount for Members, CMA
Final Passed Candidates and CMA
Final pursuing Students*

Exam Fees - Rs. 1,000+18% GST
Duration – 72 Hours
Mode of Class – Offline and Online
**_Special Discount for Corporate*

ADVANCED CERTIFICATE COURSE ON GST

Course Fee - Rs. 14,000+18% GST
*20% Discount for Members, CMA
Final Passed Candidates and
CMA Final pursuing Students*

Exam Fees - Rs. 1,000+18% GST
Duration – 40Hours
Mode of Class – Online

CERTIFICATE COURSE ON TDS

Course Fee - Rs. 10,000+18% GST
*20% Discount for Members, CMA
Final Passed Candidates and
CMA Final pursuing Students*

Exam Fees - Rs. 1,000+18% GST
Duration – 30Hours
Mode of Class – Online

CERTIFICATE COURSE ON INCOME TAX RETURN FILLING

Course Fee - Rs. 10,000+18% GST
*20% Discount for Members, CMA
Final Passed Candidates and
CMA Final pursuing Students*

Exam Fees - Rs. 1,000+18% GST
Duration – 30Hours
Mode of Class – Online

CRASH COURSE ON GST FOR COLLEGE AND UNIVERSITY

Batch Size – 50 (Minimum)

Eligibility criterion - B.COM/B.B.A pursuing or completed
M.COM/M.B.A pursuing or completed

Course Fee - Rs. 1,000+ 18% GST

Exam Fees - Rs. 200+18% GST
Course Duration - 32 Hours

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

SNAPSHOTS OF MOU ENTERED BETWEEN ICAI AND UMESCHANDRA COLLEGE, KOLKATA



In presence of CMA Biswarup Basu, Vice President of ICAI, CMA Niranjan Mishra, Chairman Indirect Taxation Committee, ICAI signing the MOU with the Principal of Umeschandra College, Kolkata for the crash course on GST on 16.01.2020.



Students & Teachers being part of the valedictory session at Umeschandra College on 16.01.2020 at the college premises.

OTHER SNAPSHOTS



CMA Niranjan Mishra, Chairman of Indirect Taxation Committee and CMA Saktidhar Singh Chairman Bhubaneswar Chapter meeting with Dr Rajashree Mallick MP Loksabha from Jagatsinghpur constituency on the role of inclusion of Cost Accountants in Direct Taxation.





CMA Niranjan Mishra, Chairman of Indirect Taxation Committee and CMA Saktidhar Singh Chairman Bhubaneswar Chapter meeting with Shri Bhartruhari Mahatab MP Loksabha from Cuttack constituency to appraise him regards the role of Cost Accountants in Direct Taxation.

TAXATION COMMITTEE - PLAN OF ACTION

Proposed Action Plan:

1. Successful conduct of Certificate Course on GST.
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:

The Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, users should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in these documents does not cover every situation and is not intended to replace the law or change its meaning.

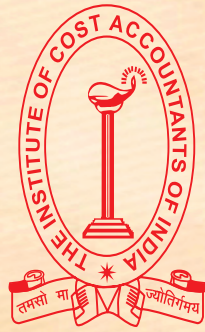
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Behind every successful business decision, there is always a CMA