

OCTOBER, 2020

TAX Bulletin

★ ★ VOLUME - 74 ★ ★



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

Headquarters: CMA Bhawan, 12 Sudder Street, Kolkata - 700016

Ph: 091-33-2252 1031/34/35/1602/1492

Delhi Office: CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

Ph: 091-11-24666100

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 Committees:

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

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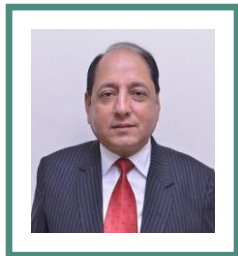
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CMA Rakesh Bhalla
Chairman, Direct Taxation Committee



CMA Chittaranjan Chattopadhyay
Chairman, Indirect Taxation Committee

FROM THE DESK OF CHAIRMAN

Dear Friends and Professional Colleagues,

One month has passed since the Committees have taken the charge and we are glad that there have been quite some good achievements during this period.

As members are already aware the Institute has taken an aggressive stand for amending the "Accountants" definition under Income Tax Act, 1961 for including Cost Accountants for the purpose of conducting Income Tax Audit and submitted various representations to relevant authorities followed by explanations and discussions. Further implementation of proposed Direct Tax Code was put on hold. However due to abnormal situation arisen due to Covid 19 our efforts were little slowed down, which will be accelerated now.

Faceless Assessment is the new era in Direct Tax World in India, and Tax Research Department is organizing Online WEBINT on "Faceless Assessment 2020" on a pan India basis from 1st September 2020 through the Institute's vast network of RCs, Chapters, CMA Support Centers and Recognised Oral Coaching Centres (ROCCs).

Again another important webint on E-Invoicing: Understanding the System & FAQ was organized by the department along with WIRC on 13.10.2020. The Session was addresses by Shri Ravi Kiran Edara, VP, GSTN and Shri Suresh Medi, Technical Director, NIC. A webint session on Faceless Assessment and Benami Property Transaction Act was organized on 19.10.2020 where Dr. Girish Ahuja, an eminent tax expert has been the Speaker.

Webinars have been organized on the topics (i) Practical Issues in filing GSTR 9 & 9C by CMA B M Gupta, (ii) Faceless Assessment under Income Tax Act - Recent Amendments by CMA Niranjana Swain and on (iii) Matching Concept under GST by CMA S Natarajan.

In the courses front, 7th Batch of Certificate Course on GST along with 3rd Batch of Advanced Certificate Course on GST, Certificate Course on Filing of Returns and 3rd Batch of Certificate Course on TDS has been started.

Apart from these in D.G Vaishnav College of Chennai Crash Course on GST has been completed and Exam conducted on 16th October 2020.

The admission to the next batch of all the above taxation courses has started very recently, among which Advanced Course on GST Audit and Assessment Procedure and Advanced Course on Income Tax Assessment and Appeal are two New Courses.

In representation to the Government, Recommendations for E-invoicing Mechanism has been submitted to Shri Yogendra Garg, Principal Commissioner (GST) on 13th October 2020

Beside this Taxation portal is being updated time to time with latest amendments in DT & IDT and Anniversary Bulletin has been released.

Jai Hind

CMA Rakesh Bhalla
19th October 2020

CMA Chittaranjan Chattopadhyay
19th October 2020

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ACKNOWLEDGEMENTS

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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.ad1@icmai.in



TO-DO'S FOR SEP MONTH GSTR – 3B FILING

CMA Bhogavalli Mallikarjuna Gupta
Chief Taxologist – Logo Info Soft

The month of September is very critical for GST Registered taxpayers as it provides the last chance for any corrections of errors that were reported or for availing input tax credit, etc., for the transactions related to the period 1st April 2019 to 31st March 2020. These rectifications or corrections have to be carried out in GSTR – 3B for the month of September and the due date for filing is 20th Oct 2020.

One of the basic questions which comes to any one's mind is, Is the due date for the month of September or the date of filing of the September month return for carrying out the rectifications and availing input tax credit?

There should not be any confusion on this point as the provisions of the law are very clear and the wording used in the provisions is "due date for the September months return."

For availing input tax credit - Section 16(4)

A registered **person shall not be entitled to take input tax credit** in respect of any invoice or debit note for supply of goods or services or both **after the due date of furnishing of the return under section 39 for the month of September** following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Rectification - Section 39(9) first proviso

Provided that **no such rectification** of any omission or incorrect particulars shall be **allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year**, or the actual date of furnishing of relevant annual return, whichever is earlier.

Rectification for TCS – Section 52(6) first proviso

Provided that **no such rectification** of any omission or incorrect particulars shall be **allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year**, or the actual date of furnishing of relevant annual return, whichever is earlier.

For Rectifications - Section 37 (3), First Proviso

Provided that **no rectification** of error or omission in respect of the details furnished under sub-section (1) shall be **allowed after furnishing of the return under section 39 for the month of September following the end of the financial year** to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.

Issue of Credit Notes - Section 34(2)

Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but **not later than September following the end of the financial year** in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:

For rectification and availing input tax credit, it is clearly worded in **Section 39(9) first proviso, Rectification for TCS – Section 52(6) first proviso & Section 37 (3), First Proviso** as “no such rectification & allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year” and same in the case for availing input tax credit under **Section 16(4)**.

The taxpayers and professional have to consider the following aspects while filing the GSTR – 3B for the month of September 2020 are

Availing Input Tax Credit & Matching

One of GST rollout's major benefits for the trade and industry is the availability of input tax credit seamlessly across the supply chain cycle. Though input tax credit is available, there are certain restrictions on the same, and they are given in Section 16, Section 17(5), and in the corresponding rules.

The input tax credit can be availed only when the recipient has received the goods or services as per the provisions of Section 16(2)(b) of the CGST Act 2017. In this context, verify that the goods and services are received. There can be challenges, especially in the case of services like Annual Maintenance Contracts, the invoice is issued before the completion of service, and it is spread over some time. In such cases, properly informed decisions have to be taken else the input tax credit claimed has to be reversed along with the interest if found during scrutiny or audit or as part of some investigation by the departments.

Verify the inward register maintained at the factory gate with the Purchase register and ensure that the input tax credit is claimed on all the supplier's invoices and if any are not claimed, claim the same before filing the GSTR – 3B for September 2020.

Section 16(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Verify for any invoices filed by suppliers in GSTR – 1, and the same is missing in the purchase register. Track such invoices in the organization, account for the same, and avail the input tax credit else will lapse.

Matching is applicable in GST from the day of rollout as Matching is falling under section 42 of the CGST Act 2017 and notified wide Notification No 9/2017 – Central Tax dated 28th June 2017. Though it is notified, enforcement was lacking, and some of the errant taxpayers were claiming input tax credits without receipt of goods or services. To curb this menace, the Government has notified with restriction of matching wide Notification No 49/Central Tax – dated 9th Oct 2020, where it made mandatory for matching with 20% restriction. The same was relaxed with effective from 1st Jan 2020 wide Notification No 75/Central Tax dated 26th Dec 2020. The same has been relaxed on account of the pandemic like situation, and matching for availing input tax credit has been relaxed for the months Feb 2020 to September 2020 wide Notification No 30/2020 – Central Tax dated 3rd April 2020.

The taxpayers have to do matching of their purchase registers with the GSTR – 2A, and then only the final input tax credit has to be claimed. The input tax credit, if reversed or claimed, has to be done only in the September GSTR – 3B only else the same will lapse. Matching has to be especially for February and March 2020 and included in the September GSTR – 3B.

Verify from the purchase register that all the invoices are reflected in GSTR – 2A else escalate the same with the supplier of goods or services. In case if they do not file their returns and the same is not reflected, the loss of input tax credit can be recovered from the supplier in future purchases or adjusting the same from the payment due to him / her if any or issuing a financial debit notes based on the circumstances and relation with the supplier.

In some cases, the supplier must have updated the B2B supply as B2C supply, resulting in the same not being reflected in GSTR – 2A, advise the supplier to rectify the same through Amendments functionality provided in GSTR – 1.

There can be some cases, the GSTIN may be mentioned of another state and updated while reporting in GSTR – 1 by the supplier, in such cases escalate the same and get it rectified. In case, if input tax credit is wrongly taken in another state based on the GSTR – 1 of the suppliers, the same should be reversed and interest has to be paid for wrong availing and utilising the input tax credit else, the department may issue notice under Section 74 for wrong availing input tax credit.

Issue of Debit / Credit Notes

In the normal course of business process, the supplier of goods or services, or both issues tax invoices. If there is any change in price or issues in the quality of goods or services delivered for any other business reason, it is common to issue a Debit or a Credit Note. There is a time limit for the issue of Credit Notes but not for the issue of Debit Notes.

The sales and billing department has to be advised to issue the credit notes before the filing of GSTR – 3B for Sep 2020. This will help in closing the pending issues and minimize the cash flows as the Credit Notes being issued, will reduce the tax liability. Many taxpayers would be required to issue Credit Notes on account of lockdowns and business disruptions caused due to the pandemic.

Though there is no time limit for the issue of Debit Note but is advised to issue the same as the same will minimize the pending issues, the issue of debit notes brings in additional cash into the system, which has become scarce due to the business disruptions on account of the pandemic.

Reconciliation between GST Returns & Books of Accounts

The outward supplies return filed from 1st April 2019 to 31st March 2020 has to be matched or reconciled with the books of accounts and the liability declared and paid through GSTR – 3B. This will ensure no differences between the three sets of data and enabled filing of GSTR – 9 and GSTR – 9C easily without any issues.

If there are any missing invoices where they are updated in GSTR – 1 but liability is not paid, the same should be included in the GSTR – 3B liability for Sep 2020.

If any excess tax paid for the said period through GSTR – 3B, then the same should be reduced from the GST liability in Sep 2020, this will reduce the cash outflows. Also, do prepare a reconciliation statement for the same for future reference.

If any accounting entries are missing in the books of accounts but recoded in GSTR – 1 and the corresponding tax has been paid, update the books of accounts accordingly.

Identify all the debit notes and credits notes have been accounted for properly, and they are reported in GSTR – 1 and tax liability is adjusted in GSTR – 3B.

Rectification of Errors

To error is human, and it is a human tendency to commit errors. While filing the GST returns, the data may be wrongly punched. All such records have to be identified and rectified before filing of GSTR – 3B of September.

- GSTIN may be entered wrongly
- The GSTIN of the supplier entered wrongly – for state A, state B might be entered
- B2B supplies wrongly classified under B2C
- Date of the tax invoice wrongly entered
- GSTIN of customer A is entered as customer B

- Invoice amount wrongly entered - Rs 10,000 entered as Rs 1,000 or Rs 1,00,000
- SEZ supplies reported as B2C supplies
- Exempted supplies not reported
- Non-GST Supplies not reported

Above mentioned above are some of the errors, and they have to be rectified in the GST Returns before the filing of the GST Return for Sep 2020. As per the provisions and the taxpayer has to rectify the above errors. Most of the above-reported errors have to be rectified in GSTR – 1 / GSTR – 6,7 & 8.

The above data entry errors have to be rectified through the Amendments, and the provision of rectifying through amendments may be disabled after the filing of Sep 2020 returns. To avoid any challenges in the filing of GSTR – 9 and 9C, it is recommended for the taxpayers to rectify the same through amendments else it will be a challenge while preparing the data for the annual or audit return.

The points mentioned above are indicative and may vary from taxpayer to taxpayer. It is also recommended to address the following during the September return filing

1. Inputs sent on job work if not returned within the stipulated period; tax invoice has to be issued
2. Avail the input tax credits if any is missed out
3. If the supplier is not paid within 180 days, the input tax credit claimed should be reversed
4. There is an exemption for reporting input tax credit by classification for the first two years only; the taxpayers must classify and claim input tax credit accordingly. If not done, prepare a reconciliation statement and validate that the same match the input tax credit claimed in GSTR – 3B.
5. Verify if any employee gifts above Rs 50,000 on which tax liability has to be paid
6. Verify if any input tax credit has to be reversed for the goods given without any consideration
7. Verify if any shortages or damage to stock on which input tax credit has been claimed? If any such items are there, reverse the input tax credit
8. Validate the input tax credit reversed on common inputs for taxable and exempted supplies being reversed
9. Verify input tax credit has been reversed on a pro-rata basis on capital goods from one state to another state
10. Verify the financial credit notes and debit notes issued are as per the provisions of the law else issue GST Credit / Debit Notes.
11. Validate and verify that physical copy of invoices are received and filed properly from the supplier of goods or services or both. If any are missing, do the needful.
12. Validate and verify if the input tax credit has been claimed only receipt of the goods or services or both.
13. Validate and verify all the invoices, debit and credit notes are reported in GSTR – 1 and if any missing and GSTR – 1 for the month of the September is filed, verify the tax liability has been discharged in the previous months, if not pay the same through GSTR – 3B of September 2020.
14. In case of supplier of services, verify and validate that the advance receipts from the customers are accounted and GST is paid on them along with issue of Receipt Voucher.
15. In case of any return of advances to customers, validate and verify the same is adjusted in the GST returns and Refund Voucher is issued.
16. Reconcile the Cash Ledger, Input Tax Credit Ledger and Liability Ledger generated on GST portal with the books of accounts and rectify the same if any differences are observed.
17. If stock transfer is applicable, verify and validate the goods are received and input tax credit claimed.
18. Validate and verify all B2B invoices are reported correctly in GSTR – 1 else rectify the same.
19. Verify and validate that GST liability has been discharged properly in applicable RCM transactions.
20. Review the foreign currency payments for ascertaining the RCM
21. Verify and validate if input tax credit has been claimed on Reverse Charge transactions as per the provisions of the law.

22. Verify and validate if interest is paid on input tax credit wrongly availed and reversed on voluntary basis if any.
23. In case of TCS applicability, the returns have been filed and TCS liability has been discharged correctly.
24. In case of TDS applicability, the returns have been filed and TCS liability has been discharged correctly.
25. Verify and validate, the TCS and TDS recovered by the customer and supplier is reflected correctly in Cash Ledger.

The above-mentioned points are indicative list only and may vary from taxpayer to taxpayer and professional. Administrator proper care and due diligence before filing of GSTR – 3B for the month of Sep 2020. Also, wherever possible, maintain a reconciliation statement along with the document number and date as it will help if preparation of GSTR – 9 without any challenges. Though the above tasks are time consuming, it is required to complete the above steps as it will save the cash outflows and also litigation down the line. Ideally speaking some of the above steps can be avoided and minimize the complexity, if the taxpayers and professional do reconciliation before filing of GSTR – 1 and GSTR – 3B.

Disclaimer

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FREQUENTLY ASKED QUESTIONS WHILE FILING INCOME TAX RETURN (ITR) – 1

CMA Amara Surendra Kumar
Practicing Cost Accountant

- What are the points to be reviewed before filing Income Tax return?
 - Enclosed points are to be reviewed before filing Income Tax return.
 - Make sure the Contact (Mobile) Number, email address and Contract address present in Income Tax website are upto date.
 - Review the contents Form 26AS
 - Check the status of previous year's Income Tax Return.
 - Review if there are any previous year's Income Tax return that are yet to be e-verified.
 - Check if there are any items in "For Your Actions" (present in Worklist menu item).
 - Check if there are any items present in Compliance portal (can be accessed by clicking Compliance menu item).
 - Form 16 (if applicable)

- What is the tax treatment when an individual moves (changes job) from one employer to another employer, and holds multiple Form 16s in a Financial Year?
 - Income (Salary) from all the employers are to be aggregated and to be shown while filing Income Tax return. When employees move from one employer to the another, it is advisable to disclose the previous employer's income to the current employer based on which Income Tax TDS is calculated and deducted during the year. In many cases, when employees do not disclose previous employer's Salary / Income, Income Tax TDS is deducted based on the current employer's earning and Tax might be deducted on lower slabs and additional Income Tax is to be paid while filing Income Tax Return. Interest on additional tax to be paid is applicable.

- What is the last date for filing Income Tax return for ITR1?
 - The last date for filing Income Tax return is July 31st. But considering the Corona Pandemic, the last date for the Financial Year 2019 – 20 (Assessment Year 2020 – 21) is extended to 30th November 2020.
 - The last date for payment of Self-assessment tax has been extended to 30th November in all cases except where the self-assessment tax payable is more than Rs. 1 Lakh. In case the self-assessment tax of more than Rs 1 Lakh is paid after 31st July, Interest u/s 234A is applicable.

- Does Income Tax Department charge any Interest on Income Tax while filing Income Tax returns?
 - Interest is charged on Income Tax in the below situations.
 - 234A – Late filing of Income Tax return.
 - 234B – Interest on Unpaid Advance tax. if, The Advance tax paid is less than 90% of the total tax to be paid. Subject to self-assessment Tax is greater than Rs. 10,000.
 - 234C – Interest for default in payment of instalment(s) of advance tax. This can be either late payment of Advance Tax or Non-payment of advance Tax.

Section	Rate of Interest	Interest charged on	Period on which Interest is calculated
234A	1% per month (or part of the month)	Self-Assessment Tax	Last Date of Filing ITR to Actual Date of Filing ITR
234B	1% per month (or part of the month)	Unpaid Advance Tax	From the first day of the assessment year, i.e., from 1st April till the date of payment of Self-Assessment Tax
234C	1% per month (or part of the month)	Short paid amount of Instalment(s) of advance Tax	From the due date of payment of Instalment of Advance Tax to next due date of payment of Instalment of Advance Tax.

However, any delay in payment of tax which is due for payment from 20-03-2020 to 29-06-2020 shall attract interest at the lower rate of 0.75% for every month or part thereof if same is paid after the due date but on or before 30-06-2020.

- What happens if the Income Tax return is not filed on time?
 - Penalty is charged u/s 234F of the Income Tax Act.
- Treatment of Other Incomes in Filing of Income Tax Return
 - Review all other incomes like Rent, Interest on Fixed Deposits, Interest on Income Tax Refund, Interest on Savings Account received during the year and disclose them in Income Tax return. Form 26AS can be used to review these details that are already disclosed to Income Tax Department. Also review the details of other Incomes that are disclosed in the previous year's Income Tax Return.
 - Appropriate deductions like 80TTA on Savings Account Interest, etc., can be claimed.
- Should Income Tax return be filed for Deceased (expired) person for the period he is alive?
 - Income Tax return has to be filed for expired persons for the period, he / she is alive by their legal heirs.
 - Legal heir / Family member has to register (apply) themselves as the Authorised Representative of the Expired person in the Income Tax website in the login of Legal Heir / Family member by providing the below documents
 - Death Certificate of the expired
 - PAN of the expired
 - Legal Heir Certificate / Family member certificate issued by the appropriate authority
 - PAN of the Legal Heir / Family member.
 - Once approval is received from Income Tax department for the appointment of Legal Heir / Authorised Representative. The Legal Heir / Authorised representative can file the Income Tax return of the deceased for the period he / she is alive.
 - Legal Heir / Authorised representative has to be pay the Tax / Interest / Penalty, etc., of the deceased person. The maximum amount payable by the legal heir can be limited to the amount he receives from the property of the deceased person.
- Can deductions that are not present in Form 16 be claimed while filing Income Tax return?
 - Bills relating to Deductions that are present in Form 16 are reviewed by the employer and included in Form 16.
 - Additional deductions can be claimed valid documentary evidences are available.



“INFORMATION OIL” FOR INCOME TAX RETURN FILING DEVICE

CMA Abhijit Khasnobis
Practicing Cost Accountant

Current Scenario:

The drums of destiny starts beating once the New Year celebrations are over. It is the time for the final tax investments. A period of hectic calculation commences to overcome the income tax dragon. As tax professionals, our time starts ticking faster to counter the workload. This high activity schedule period continues till the end of the quarter i.e. 31st of March every year. But why this hullabaloo – because everyone wants to catch the bus of 31st July or 31st October as the case may be, and have a perfect compliance. However, this year there was an exception - due to the viral attack of COVID-19 pandemic followed by series of pan India lockdowns – resulting in extension of the due date of filing return to 30th of November from 31st of July.

Knowledge search:

Although income tax return filing has become a routine phenomenon and as a matter of fact it has become system driven to quite a large extent but each year some amount of modifications and fresh information intakes are noticed in the return format – an effective knowledge of which shall boost the confidence level of the filers and facilitate smooth filing. Also every year the Central Board of Direct Taxes (CBDT) publishes several clarifications by way of circulars and notifications to update people about the various changes incorporated in the return forms and how to approach them while filing the returns. Moreover, information galore is also available in different social media platforms like Facebook, Twitter, Instagram, YouTube etc.

Some important information updates for Assessment Year 2020-21:

1) Compulsory filing of return [Seventh proviso to section 139(1)]:

- Finance (No. 2) Act, 2019 has inserted this new proviso to section 139(1) to provide for mandatory filing of return of income for persons undertaking certain high –value transactions even though they are otherwise not required to file return of income due to the fact that the total income is below the threshold limit of ₹ 2.50 lakh.
- Furnishing of return is mandatory if such persons have undertaken the following high value transactions during the previous year –
 - **Deposit of ₹ 1 crore or more in current accounts:** Deposits may be in cash, cheque or online fund transfer. Further only deposits in current accounts are included i.e. savings account and other accounts are outside the purview of this provision.
 - **Expenditure on foreign travel for more than ₹2 lakh for himself or any other person:** It means the person who incurs the expenditure may or may not travel to a foreign country. It is not necessary that the expenses should be incurred in foreign currency. Also it is immaterial whether the travel to a foreign country is for a business trip or personal leisure trip. However, it is not clarified what will constitute foreign travel expenditure.
 - **Expenditure on the consumption of electricity for more than ₹ 1 lakh:** Here, expenses incurred for getting the electricity connection or deposits made with electricity authority are not to be covered. Further it is immaterial whether the consumption of electricity is for commercial use or personal use. Also it is not necessary that the expenses incurred on electricity connection are in the name of the person himself. This provision also covers situations where the expenses incurred for

consumption of electricity, even if the connection is in the name of someone else, but the electricity is consumed by the person concerned. Moreover, if the person concerned has more than one electric connection, all the expenses will be aggregated to determine the threshold limit of ₹ 1 lakh.

- **Other prescribed conditions:** CBDT is empowered to prescribe other conditions or other high- value transactions under this seventh proviso. However, no such conditions have been prescribed till date.
- The notified ITR forms ITR-1 to ITR-5 for the assessment year 2020-21 contains the information on seventh proviso to section 139(1). These amendments came in force from 1st April, 2020 and are applicable for the assessment year 2020-21 and subsequent years.
- The tabular structure of the seventh proviso is shown in the annexure below.

2) Details of Investment/Deposit/Payment etc. for the purpose of claiming deduction under Chapter VIA [Schedule DI].

- *The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020*, dated 29th September, 2020 has extended the time limit to make investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purpose of claiming any deduction, exemption or allowance from 31-3-2020 to 31-7-2020 or 30-9-2020 as the case may be.
- The information in regard to such extended period of investment etc is captured in a separate schedule i.e. 'Schedule DI'. The format of it is shown in the annexure below.
- This schedule is classified into three parts-
 - Part A captures details of the investment, deposit or payments made to claim deduction under Chapter VI- A. The time limit of such investments etc. was extended to 31-7-2020 from 31-3-2020.
 - Part B captures details of eligible amount of deduction available under section 10AA for SEZ operations. The time limit of such investments etc. was extended to 31-7-2020 from 31-3-2020.
 - Part C captures details of payment, acquisition, purchase or construction made to claim deduction under section 54 to 54GB. The time limit of such payments etc. was extended to 30-9-2020 from 31-3-2020.
- The claim of any deduction, exemption or allowance captured in 'Schedule DI' is part of the aggregate deduction and cannot exceed the yearly limit applicable for the previous year 2019-20. Also the information in 'Schedule DI' is linked with the Chapter VIA detail in ITR forms and gets activated only by choosing the '**YES**' option provided therein.

Conclusions:

Apart from the above changes in Income Tax Return (ITR) forms introduced this year, the return filers should also pay attention to various modifications introduced in the return format in the previous two assessment years - like furnishing ISIN details and scrip-wise computation of Long Term Capital Gains arising on sale of shares / mutual funds as per the new sections 112A / 115AD(1)(iii) or new disclosure criteria regarding declaring income under presumptive income scheme such as section 44AD/44ADA/44AE/ 44BB/ 44BBA/ 44BBB etc.

On the whole, due to the robustness of the income tax return filing system, the return filers should adequately equip themselves to perceive the information requirement and also must be well conversant with the continual structural changes taking place in the income tax return scenario. Moreover, in order to simplify the return filing process and to cross-check the information filed therein, CBDT has introduced a system of auto-populating certain information in ITR forms. Earlier this facility was available only in case of ITR 1 (Sahaj) and ITR 4 (Sugam) but it is now available for all other ITR forms. This is no doubt a quantum leap in facilitating and streamlining the return filing process and the filers must always take advantage of this prefilled data while finalising their income tax returns.

Annexure:

1) Seventh proviso to section 139(1) of Income tax Act, 1961

Are you filing return of income under Seventh proviso to section 139(1) but otherwise not required to furnish return of income? [Note: To be filled only if a person is not required to furnish a return of income under section 139(1) but filing return of income due to fulfilling one or more conditions mentioned in the seventh proviso to section 139(1)]		Select
Have you deposited amount or aggregate of amounts exceeding Rs. 1 Crore in one or more current account during the previous year? (Yes/No)		YES NO
Amount		0
Have you incurred expenditure of an amount or aggregate of amount exceeding Rs. 2 lakhs for travel to a foreign country for yourself or for any other person? (Yes/No)		Select
Amount		0
Have you incurred expenditure of amount or aggregate of amount exceeding Rs. 1 lakh on consumption of electricity during the previous year? (Yes/No)		Select
Amount		0
If revised/defective then enter		
Receipt number	Date of filing of original return (DD/MM/YYYY)	
If Filed in response to notice u/s 139(9)/142(1)/148/153A/153C or order u/s 119(2)(b)-		
Unique Number/Document Identification Number (DIN)	Date of such Notice/Order	

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2) Details of Investment/Deposit/Payments for the purpose of claiming deduction under Chapter VIA.

Section	Eligible amount of deduction during FY 2019-20(As per Part C- Deductions and taxable total income)	Deduction attributable to investment/expenditure made between 01.04.2020 to 31.07.2020(Out of Col No.2)
80C-Life insurance premia, deferred annuity, contributions to provident fund, subscription to certain equity shares or debentures, etc.	150000	50000
80CCC-Payment in respect Pension Fund, etc.	0	0
80CCD(1)-Contribution to pension scheme of Central Government	0	0
80CCD(1B)-Contribution to pension scheme of Central Government	0	0
80CCD(2)-Contribution to pension scheme of Central Government by employer	0	0
80D Deduction in respect of Health Insurance premium	0	0
80DD -Maintenance including medical treatment of a dependant who is a person with disability	0	0
80DDB-Medical treatment of specified disease	0	0
80E-Interest on loan taken for higher education	0	0

RECENT UPDATES IN DIRECT AND INDIRECT TAX

Team TRD

Direct Tax

Save draft option is now available in Form 35 in accordance with faceless scheme

Indirect Tax

GSTR 3B Return filling are being staggered for the Tax Period September 2020 onwards

For more details, please follow- <https://www.gst.gov.in/newsandupdates/read/407>

E-Way Bill (EWB) generation facility for taxpayers with AATO over Rs 5 Cr., will be blocked after 15th October, 2020

For more details, please follow- <https://www.gst.gov.in/newsandupdates/read/406>

GSTR 1 due date has been notified for the registered persons having aggregate turnover of up to Rs. 1.5 Crores

Quarter for Which GSTR 1 is to be filed	Time period to furnish such information
October to December 2020	13th January 2021
January to March 21	13th April 2021

For more details, please follow- <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-74-central-tax-english-2020.pdf>

GSTR 1 due date has been notified for the registered persons having aggregate turnover of more than Rs. 1.5 Crores

Month	Due Date
October 2020	11th November 2020
November 2020	11th December 2020
December 2020	11th January 2021
January 2021	11th February 2021
February 2021	11th March 2021
March 2021	11th April 2021

For more details, please follow- <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english-2020.pdf>

CBIC has given exemption for the registered persons from filing annual return for the FY 19-20 for the registered persons having aggregate turnover less than 2 Crore.

For more details, please follow- <https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-77-central-tax-english-2020.pdf>

The due date for filing GSTR 3B has been notified for the registered persons having aggregate turnover more than Rs. 5 Crores

Month	Due Date
October 2020	20th November 2020
November 2020	20th December 2020
December 2020	20th January 2021
January 2021	20th February 2021
February 2021	20th March 2021
March 2021	20th April 2021

The due date for filing GSTR 3B has been notified for the registered persons having aggregate turnover less than Rs. 5 Crores

Principal Place of Business	Month	Due Date
Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep	October 2020	22nd November 2020
	November 2020	22nd December 2020
	December 2020	22nd January 2021
	January 2021	22nd February 2021
	February 2021	22nd March 2021
	March 2021	22nd April 2021

Principal Place of Business	Month	Due Date
Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi	October 2020	24th November 2020
	November 2020	24th December 2020
	December 2020	24th January 2021
	January 2021	24th February 2021
	February 2021	24th March 2021
	March 2021	24th April 2021

For more details, please follow- <https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-76-central-tax-english-2020.pdf>

It has been mandatory that a registered person will have to mention the HSN Code for the all products sold the HSN Digits

Aggregate Turnover in the preceding Financial Year	Number of Digits of Harmonised System of Nomenclature Code (HSN Code)
Up to rupees five crores	4
more than rupees five crores	6

Exemption has been given to the registered persons having turnover less than Rs. 5 Crores that they need not mention the HSN code in the Tax Invoice in respect of supplies made to unregistered persons.

For more details, please follow- <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-78-central-tax-english-2020.pdf>

The registered person opted to pay tax under composition scheme can now file NIL GST CMP 08 through SMS

CBIC has extended the Exemption for the registered persons having turnover less than 5 Crores from getting the books of accounts audited (GSTR 9C). Now the registered person having aggregate turnover more than 2 Crore but less than 5 Crores is required to file GSTR 9 but not required to file GSTR 9C.

For more details, please follow- <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-79-central-tax-english-2020.pdf>

TAX UPDATES, NOTIFICATIONS AND CIRCULARS

INDIRECT TAX

GST NOTIFICATIONS & CIRCULARS

Central Tax

Notification No. 73/2020 – Central Tax **Dated – 1st October, 2020**

Seeks to notify a special procedure for taxpayers for issuance of e-Invoices in the period 01.10.2020 - 31.10.2020

Central Government on the recommendations of the Council has issued a notification that the registered persons required to prepare the tax invoice in the manner specified in the rules. who have prepared tax invoice in a manner other than the said manner, as the class of persons who shall, during the period from the 1st October, 2020 to the 31st October, 2020, follow the special procedure such that the said persons shall obtain an Invoice Reference Number (IRN) for such invoice by uploading specified particulars in FORM GST INV-01 on the Common Goods and Services Tax Electronic Portal, within thirty days from the date of such invoice, failing which the same shall not be treated as an invoice.

For more details, please follow: <https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-73-central-tax-english-2020.pdf>

Notification No. 74/2020 – Central Tax **Dated – 15th October, 2020**

Seeks to prescribe the due date for furnishing FORM GSTR-1 for the quarters October, 2020 to December, 2020 and January, 2021 to March, 2021 for registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year.

CBIC has notified the registered persons having aggregate turnover of up to Rs. 1.5 crore in the preceding financial year or the current financial year shall follow the special procedure as mentioned below for furnishing the details of outward supply of goods or services or both. The said registered persons shall furnish the details of outward supply of goods or services or both in **FORM GSTR-1**

Table

Sl. No.	Quarter for which details in FORM GSTR-1 are furnished	Time period for furnishing details in FORM GSTR-1
(1)	(2)	(3)
1	October, 2020 to December, 2020	13 th January, 2021
2	January, 2021 to March, 2021	13 th April, 2021

Notification No. 75/2020 – Central Tax **Dated – 15th October, 2020**

Seeks to prescribe the due date for furnishing FORM GSTR-1 by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from October, 2020 to March, 2021

Commissioner has extended the time limit for furnishing the details of outward supplies in **FORM GSTR-1** by such class of registered persons having aggregate turnover of more than Rs. 1.5 crore in the

preceding financial year or the current financial year, for each of the months from October, 2020 to March, 2021 till the eleventh day of the month succeeding such month.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-75-central-tax-english-2020.pdf>

Notification No. 76/2020 – Central Tax
Dated – 15th October, 2020

Seeks to prescribe return in FORM GSTR-3B of CGST Rules, 2017 along with due dates of furnishing the said form for October, 2020 to March, 2021

Commissioner has specified that the return in FORM GSTR-3B of the said rules for each of the months from October, 2020 to March, 2021 shall be furnished electronically through the common portal, on or before the twentieth day of the month succeeding such month.

Provided that, for taxpayers having an aggregate turnover of up to Rs. five crore in the previous financial year, whose principal place of business is specified in **State A category** the return in **FORM GSTR-3B** of the said rules for the months of October, 2020 to March, 2021 shall be furnished electronically through the common portal, on or before the **twenty-second day of the month succeeding such month**.

Provided further that, for taxpayers having an aggregate turnover of up to Rs. five crore rupees in the previous financial year, whose principal place of business is **specified in State B** category the return in **FORM GSTR-3B** of the said rules for the months of October, 2020 to March, 2021 shall be furnished electronically through the common portal, on or before the **twenty-fourth day of the month succeeding such month**

State A category - Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.

State B category - Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-76-central-tax-english-2020.pdf>

Notification No. 77/2020 – Central Tax
Dated – 15th October, 2020

Seeks to make filing of annual return under section 44 (1) of CGST Act for F.Y. 2019-20 optional for small taxpayers whose aggregate turnover is less than Rs 2 crores and who have not filed the said return before the due date

Central Government made the following amendment in the notification No. 47/2019 – Central Tax which was issued on 9th October, 2019. In the opening paragraph of the notification the words and figures “financial years 2017-18 and 2018-19” and the words and figures “financial years 2017-18, 2018-19 and 2019- 20” shall be substituted.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-77-central-tax-english-2020.pdf>

Notification No. 78/2020 – Central Tax

Dated – 15th October, 2020

Seeks to notify the number of HSN digits required on tax invoice

CBIC, on the recommendations of the Council, made the following amendment in the notification No.12/2017 – Central Tax, was issued on 28th June, 2017. In this notification the following the Table shall be substituted with effect from the 1st April, 2021.

Table

SI N	Aggregate Turnover in the preceding Financial Year (2)	Number of Digits of Harmonised System of Nomenclature Code (HSN Code)
(1)	(2)	(3)
1	Up to Rs. 5 crores	4
2	more than Rs. 5 crores	6

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-78-central-tax-english-2020.pdf>

Notification No. 79/2020 – Central Tax

Dated – 15th October, 2020

Seeks to make the Twelfth amendment (2020) to the CGST Rules.2017

Central Government made the following rules further to amend the Central Goods and Services Tax Rules, 2017.

In rule 46 of the Central Goods and Services Tax Rules, the first proviso, the following proviso shall be substituted.

“Provided that the Board may, on the recommendations of the Council, by notification, specify-

- (i) the number of digits of Harmonised System of Nomenclature code for goods or services that a class of registered persons shall be required to mention; or
- (ii) a class of supply of goods or services for which specified number of digits of Harmonised System of Nomenclature code shall be required to be mentioned by all registered taxpayers; and
- (iii) the class of registered persons that would not be required to mention the Harmonised System of Nomenclature code for goods or services.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-79-central-tax-english-2020.pdf>

Notification No. 5/2020 – Central Tax (Rate)

Dated – 16th October, 2020

To amend notification No. 12/ 2017- Central Tax (Rate) so as to exempt satellite launch services provided by ISRO, Antrix Co. Ltd and NSIL as recommended by GST Council in its 42nd meeting held on 05.10.2020

Central Government has made the following further amendments in the notification No.12/2017- Central Tax (Rate), dated the 28th June, 2017. As per this notification the following shall be inserted in the Table, after serial number 19B and the entries relating thereto:

19C	9965	Satellite launch services supplied by Indian Space Research Organisation, Antrix Corporation Limited or New Space India Limited.	NIL	NIL
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For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-05-2020-cgst-rate-english.pdf>

Notification No. 6/2020 – Integrated Tax (Rate)

Dated – 15th October, 2020

Seeks to notify the number of HSN digits required on tax invoice

CBIC, on the recommendations of the Council, made the following amendment in the notification No.5/2017 – Integrated Tax, was issued on 28th June, 2017. In this notification the following the Table shall be substituted with effect from the 1st April, 2021.

Table

SI N	Aggregate Turnover in the preceding Financial Year (2)	Number of Digits of Harmonised System of Nomenclature Code (HSN Code)
(1)	(2)	(3)
1	Up to Rs. 5 crores	4
2	more than Rs. 5 crores	6

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-6-2020-igst-english.pdf>

Notification No. 5/2020 – Union Territory Tax (Rate)

Dated – 16th October, 2020

To amend notification No. 12/ 2017- Union Territory Tax (Rate) so as to exempt satellite launch services provided by ISRO, Antrix Co. Ltd and NSIL as recommended by GST Council in its 42nd meeting held on 05.10.2020.

Central Government has made the following further amendments in the notification No.12/2017- Union Territory Tax (Rate), was issued on 28th June, 2017. As per this notification the following shall be inserted in the Table, after serial number 19B and the entries relating thereto:

19C	9965	Satellite launch services supplied by Indian Space Research Organisation, Antrix Corporation Limited or New Space India Limited.	NIL	NIL
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For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-05-2020-utgst-rate-english.pdf>

Circular No. 142/2020

Dated – 9th October, 2020

Clarification of issues relating to application of sub-rule (4) of rule 36 of the CGST Rules, 2017, cumulatively for the months of February, 2020 to August, 2020

Various issues relating to implementation of sub-rule (4) of rule 36 of the Central Goods and Services Tax Rules, 2017 to availment of input tax credit (ITC) in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37 of the Central Goods and Services Tax Act, 2017 were clarified. Keeping the situation prevailing in view of measures taken to contain the spread of COVID-19 pandemic, it had been prescribed that the condition made under sub-rule (4) of rule 36 of the CGST Rules shall apply cumulatively for the tax period February, March, April, May, June, July and August, 2020 and that the return in **FORM GSTR-3B** for the tax period September, 2020 shall be furnished with the cumulative adjustment of input tax credit for the said months.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular Refund 142 11 2020.pdf>

CUSTOMS NOTIFICATIONS & CIRCULARS

Tariff Notification

Notification No. 36/2020 - Customs

Dated – 5th October, 2020

Seeks to amend notification No.13/2020-Customs dated 14.02.2020 for extending the RoSCTL scheme validity from 31.03.2020 to 31.03.2021 or until such date the RoSCTL scheme is merged with RoDTEP scheme, whichever is earlier

Central Government has made the following amendment in the notification No. 13/2020- Customs which was issued on 14th February, 2020, in this notification, in paragraph 2, in clause (1) in sub-clause (c), for the figures, letters and word “31st March, 2020”, the figures, letters and words “31st March, 2021 or until such date the RoSCTL scheme is merged with the Remission of Duties and Taxes on Exported Products scheme, whichever is earlier”, shall be substituted.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs36-2020.pdf;jsessionid=B9789F4511021DC761B7B3DE0D603076>

Non-Tariff Notification

Notification No. 96/2020-Customs (NT)

Dated – 12th October, 2020

Notification for amendment of Notification No.50/2020-Customs (N.T.) dated 05.06.2020.

CBIC has made the amendments in the Notification No.50/2020-Customs (N.T.) which was issued on 5th June, 2020, in this notification the following item shall be inserted in Table, against serial number 1, in column (3), after item (a):

“(b) Section 149 (before grant of order for clearance of goods under section 47 or section 68 of the Customs Act, 1962 or before grant of order permitting removal under Section 60 of the Customs Act, 1962, as the case may be)

For more details, please follow: cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt96-2020.pdf

Notification No. 98/2020-Customs (NT)

Dated – 14th October, 2020

Amendment in M.F. (D.R.) Notification No. 31/86-Cus, dated 05.02.1986 so as to include certain goods under Section 110 (1A) of the Customs Act, 1962- regd.

Central Government has made the following amendment in Notification No. 31/86-Cus, was issued on 05.02.1986

- (i) in the opening paragraph, after the word “perishable”, word “or hazardous” shall be inserted;
- (ii) in the schedule, after item number 18 and the entry relating thereto, the following item number and entries shall be inserted:
 19. Ammunition;
 20. Explosive and other combustible materials and articles made thereof;
 21. Hazardous goods.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt98-2020.pdf>

Notification No. 99/2020-Customs (NT)

Dated – 15th October, 2020

Exchange rate Notification

CBIC has determined the rate of exchange of conversion of each of the foreign currencies into Indian currency or vice versa which is specified in Schedule I and Schedule II and shall effect from 16th October, 2020.

Schedule I

Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
	For Imported Goods	For Exported Goods
Australian Dollar	53.55	51.25
Bahraini Dinar	200.95	188.60
Canadian Dollar	56.85	54.85
Chinese Yuan	11.10	10.75
EURO	87.80	84.70
US Dollar	74.25	72.55

Schedule II

Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
	For Imported Goods	For Exported Goods
Japanese Yen	71.05	68.40
Korean Won	6.60	6.20

For more details, please follow: <https://www.cbic.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt99-2020.pdf>

Notification No. 100/2020-Customs (NT)

Dated – 15th October, 2020

Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver

CBIC has made the amendments in the notification No. 36/2001-Customs (N.T.) which was issued on 3rd August, 2001. In this notification, the following Table has substituted.

TABLE - 1

Sl. No	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	755
2	1511 90 10	RBD Palm Oil	787
3	1511 90 90	Others – Palm Oil	771
4	1511 10 00	Crude Palmolein	793
5	1511 90 20	RBD Palmolein	796
6	1511 90 90	Others – Palmolein	795
7	1507 10 00	Crude Soya bean Oil	898
8	7404 00 22	Brass Scrap (all grades)	3846
9	1207 91 00	Poppy seeds	3623

TABLE - 2

Sl No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)

1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	615 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50	780 per kilogram
3	71	(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92; (ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	780 per kilogram
4	71	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units; (ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.	615 per 10 grams

TABLE - 3

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1 080280	Areca nuts	3709

For more details, please follow: <https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt100-2020.pdf>

Anti-Dumping Duty

Notification No. 30/2020- Custom (ADD)
Dated – 13th October, 2020

Seeks to amend notification No. 48/2015-Customs (ADD), dated 21st October, 2015 to extend the levy of ADD on imports of "Plain Medium Density Fibre Board of thickness 6mm and above" originating in or exported from China PR, Malaysia, Sri Lanka & Thailand, for a period of three months i.e. upto 20th January, 2021.

Central Government made the following amendment in the notification No. 48/2015-Customs (ADD) which was issued on 21st October, 2015. In this notification, after paragraph 2, the following paragraph shall be inserted.

3. Notwithstanding anything contained in paragraph 2, the anti-dumping duty imposed under this notification shall remain in force up to and inclusive of the 20th January, 2021, unless revoked, superseded or amended earlier.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd30-2020.pdf>

Countervailing Duty

Notification No. 2/2020- Custom (ADD)
Dated – 9th October, 2020

Seeks to amend notification No. 48/2015-Customs (ADD), dated 21st October, 2015 to extend the levy of ADD on imports of “Plain Medium Density Fibre Board of thickness 6mm and above” originating in or exported from China PR, Malaysia, Sri Lanka & Thailand, for a period of three months i.e. upto 20th January, 2021.

The matter of “Flat Products of Stainless Steel” falling under headings 7219 and 7220 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in or exported from Indonesia and imported into India and if Designated Authority in its preliminary findings that-

(i) the subject goods have been exported to India from subject country at subsidised prices;
(ii) the domestic industry has suffered material injury due to subsidisation of the subject goods;
(iii) the material injury has been caused by the subsidised imports of the subject goods originating in or exported from the subject country;
and has recommended the imposition of provisional countervailing duty on imports of the subject goods originating in, or exported, from the subject country.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-others2020/csot02-2020.pdf>

Circulars - Customs

Circular No. 44/2020-Customs
Dated – 8th October, 2020

Procedure for inspection of ICDs/CFSs/AFSs

Board has decided to put in place a proper system for regular inspection for ICDs/CFSs, Such a system would ensure better functioning of ICDs/CFSs in future and would be of great benefit to the importers and exporters using these facilities. Periodical inspections and remedial actions would also avoid these kinds of audit objections. It will bring accountability, standardization and better facility for cross-border trading and in turn improve case of doing business.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-44-2020.pdf>

Circular No. 45/2020-Customs
Dated – 12th October, 2020

Faceless Assessment - Measures for timely assessment of Bills of Entry and clarification on defacement of physical documents

Board has reviewed the implementation of Faceless Assessment. While the implementation has been largely smooth, the attention has been drawn to some issues impacting the pace of assessment and clearances of consignments. As the prompt and timely assessment of Bills of Entry and clearance of imported consignments are key objectives of Turant Customs, these issues have been examined and remedial measures have been identified. Accordingly, Board also prescribes the measures for Faceless Assessment.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-45-2020.pdf>

Circular No. 46/2020-Customs
Dated – 15th October, 2020

Testing of outside samples by Revenue Laboratories

Central Revenues Control Laboratories (CRCL), assist the field formations in chemical analysis of samples of various trade commodities to enable appropriate assessment of duties. These laboratories also assist in enforcement of Customs Act, NDPS Act, GST Laws, Central Excise Act and other allied Acts including for the purpose of environment protection, food safety etc. CRCL laboratories are now equipped to test samples which are hitherto forwarded to Food Safety and Standards Authority of India (FSSAI), Central Drug Standard and Control Organization (CDSCO) and Textile Committee in order to improve proficiency, ensure optimum utilization of equipment and other resources.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-46-2020.pdf>

DIRECT TAX

Notifications & Circulars

Notification No. 82/2020
Dated – 1st October, 2020

Income-tax (22nd Amendment) Rules, 2020

CBDT has made the following rules further to amend the Income-tax Rules, 1962.

In the Income-tax Rules, 1962 (hereafter referred to as the principal rules)

(a) in rule 5, in sub-rule (1), for the proviso, the following proviso shall be substituted

“Provided that the allowance under clause (ii) of sub-section (1) of section 32 in respect of depreciation of any block of assets entitled to more than forty per cent. shall be restricted to forty per cent. on the written down value of such block of assets in case of

(i) a domestic company which has exercised option under sub-section (4) of section 115BA, or under sub-section (5) of section 115BAA, or under sub-section (7) of section 115BAB; or

(ii) an individual or Hindu undivided family which has exercised option under sub-section (5) of section 115BAC; or

(iii) a co-operative society resident in India which has exercised option under sub-section (5) of section 115BAD:

Provided further that, for the purposes of section 115BAA, if the following conditions are satisfied

(i) option under sub-section (5) thereof is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2020;

(ii) there is a depreciation allowance, in respect of a block of asset, from any earlier assessment year or allowance of unabsorbed depreciation deemed so under section 72A, which is attributable to the provisions in clause (iia) of sub-section (1) of section 32; and

(iii) such depreciation or allowance for unabsorbed depreciation is not allowed to be set off under clause (ii) or clause (iii) of sub-section (2) thereof, the written down value of the block of asset as on the 1st day of April, 2019 shall be increased by such depreciation or allowance for unabsorbed depreciation not allowed to be set off

Provided also that, for the purposes of section 115BAC and section 115BAD, if the following conditions are satisfied,

(i) the option under sub-section (5) of the respective section is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2021;

(ii) there is a depreciation allowance, in respect of a block of asset, from any earlier assessment year which is attributable to the provisions in clause (iia) of sub-section (1) of section 32; and

(iii) such depreciation is not allowed to be set off under sub-clause (a) of clause (ii) of sub-section (2) of section 115BAC or clause (ii) of sub-section (2) of section 115BAD, the written down value of the block of asset as on the 1st day of April, 2020 shall be increased by such depreciation not allowed to be set off.

For more details, please follow:

https://www.incometaxindia.gov.in/communications/notification/notification_82_2020.pdf

PRESS RELEASE

DIRECT TAX

7th October, 2020

Income Tax Department conducts searches in Bihar & UP

The Income Tax Department, on the basis of actionable intelligence received, conducted search and seizure actions on 06-10-2020 in Patna, Sasaram and Varanasi in the case of a person, who is in the business of mining and hotel industry. Search was also conducted in the case of a Chairman of a large cooperative bank.

During the search, an amount of Rs 75 lakh was found in a car belonging to this person. Subsequent investigations led to the finding that this amount was unaccounted and was also linked to the Chairman of a cooperative bank. During the search, unaccounted cash and documents having details of substantial cash transactions were found and seized. These transactions are not reflected in the corresponding Returns of Income.

The Department is also investigating the sources of investment in houses, a hotel and various vehicles of this individual. The documents found during the search also reveal that unaccounted and illegal mining of stone was also undertaken by the group. Further, it is seen that the books of accounts reflect crores of credits, which are also being examined for genuineness.

Unexplained cash totaling up to Rs. 1.25 crore has been seized, while FDRs worth Rs. 6 crore have been placed under prohibitory orders.

Further investigations are going on.

9th October, 2020

Income Tax Department conducts search in Ahmedabad

The Income Tax Department, based on credible intelligence, conducted a search & seizure action on 08.10.2020 at Ahmedabad in the case of a group engaged in the businesses of real estate, construction and land trading. Search was conducted at 27 premises, which included offices and residences of some associates also.

During the search unexplained cash of around Rs. 69 lakh and jewellery of around Rs. 82 lakh have been seized till now. Besides, 18 bank lockers have been found and placed under restraint. A large number of incriminating documents and digital data in mobile phones, pen-drives and computers have also been found and seized.

The group had around 96 companies at a few common addresses, which were being used for routing money and for land holding. Most of the companies are found to have no real business and very few returns of income have been filed. Many have not filed returns with ROC. Some directors of these concerns, other than main family members, have accepted to be dummy directors with mere signing roles.

Innovative methods of tax evasion by increasing the cost of properties through intra-group transactions, on which tax is not paid, have been noticed. Substantial evidences of transactions outside the regular books of accounts, unaccounted cash expenses, and cash advances received and interest paid in cash have been found. Evidences of on-money transactions and corresponding unaccounted investments of about Rs. 100 crore in real estate projects-flats, shops and land deals have been found.

A large number of documents relating to properties, held in the names of several cooperative societies, have been found from a secret location. The real owners of these land holdings are being investigated and applicability of the Prohibition of Benami Property Transactions Act, 1988 is also being examined. Registered and notarized sale-purchase agreements of agricultural lands with substantial cash component have also been found. At one of the premises, evidences pertaining to unaccounted property transactions upto Rs. 150 crore have been found.

Further investigations are in progress.

15th October, 2020

Income Tax Department carries out searches in Delhi, NCR and Haryana

The Income Tax Department has carried out a search and seizure action on 14.10.2020 in the case of a leading advocate practicing in the field of commercial arbitration and alternate dispute resolution. He was suspected to be receiving substantial amounts in cash from his clients, to settle their disputes. During the search 38 premises spread over Delhi, NCR and Haryana have been covered.

During the search, cash of Rs. 5.5 crore has been seized, while 10 lockers have been placed under restraint. Incriminating documents of unaccounted cash transactions and investments made by the assessee over several years have been found. Substantial digital data reflecting unaccounted transactions of the assessee and his associates, who are financiers and builders, has also been recovered. In one case, the assessee had received Rs. 117 crore from a client in cash, whereas he had shown only Rs. 21 crore in his records, which was received through cheque. In another case, he received more than Rs. 100 crore in cash from an infrastructure and engineering company for its arbitration proceedings with a public sector company.

The unaccounted cash received, has been invested by the assessee in purchase of residential and commercial properties and in taking over of trusts engaged in running of schools. Evidences recovered indicate investment of more than Rs. 100 crore in cash in several properties in posh areas in the last two years. The assessee and his associates have also purchased several schools and properties, for which also more than Rs. 100 crore was paid in cash. He has also taken accommodation entries worth several crores.

Further investigations are in progress.

JUDGEMENTS

INDIRECT TAX

Conversion of Waste Sand to usable sand is 'Manufacture' and not 'Job Work',

MAHARASHTRA AUTHORITY FOR ADVANCE RULING

Advance Ruling No. GST-ARA- 55/2019-20/B-47

Date of Judgement/Order: 26/08/2020

Fact of the Case

The submission made by the Ms. Kolhapur Foundry & Engineering Cluster, the applicant is as under:-

- Applicant is involved in promotion of commercial activities relating to Foundry Industry & preservation of environment through its Sand Reclamation Plants.
- Used/waste sand of Foundry Industry is neither capable of being reused nor being capable of being dumped anywhere in open, due to environmental reasons like, contamination of fertile Soil/ water pollution. Applicant processes such waste sand vide heat treatment & various other set of small procedures and sand is thus reclaimed and made re-usable.

Decision of the Case

- The applicant sought an advance ruling on the issues that whether the activity of Applicant is Supply of Goods or Supply of Job Work Services.
- The another issue raised was in respect of the used waste sand which is of the value Nil (Refer separate Valuation Certificate by Engineer) will have any impact on valuation.
- The Authority has gone through the facts of the case, documents on record and submissions made by both, the applicant as well as the departmental officer.
- The first question raised by the applicant is whether the activity of Applicant is Supply of Goods or Supply of Job Work Services. To answer this question, we need to examine whether the subject activity undertaken by the applicant is under supply of goods or Job work, for which we will examine the definition of "Goods",

"Manufacture" and "Job work" under the provisions of CGST ACT.

- The Authority has ruled that conversion of waste sand sent by principal to job worker by the latter to get sand which is usable in foundries would be a process which has to be regarded as manufacture. This cannot be regarded as mere job work. Consequently taxability of the final product as goods would be appropriate.
- The waste sand received at NIL value from principal can also be said to influence the value of the final product where it was found to be marginally lower than market price for fresh sand. The Authority, while addressing the another issue ruled that used waste sand which is of the value Nil (Refer separate Valuation Certificate by Engineer) will have the impact on valuation.

Therefore, the waste sand received at NIL value from principal can also be said to influence the value of the final product where it was found to be marginally lower than market price for fresh sand.

Renting of E-bikes and Bicycles without operator attracts 18% GST: Karnataka Authority of Advance Ruling (AAR)

**Advance Ruling No. KAR ADRG 49/2020
Date of Judgement/Order: 30/09/2020**

Fact of the Case

- The Applicant, Yulu Bikes Pvt. Ltd. is engaged in renting vehicles like e-bikes (Miracle), bicycles (Move) in Bengaluru, Karnataka through a technology-driven mobility platform. They enter into a contract/agreement with the customers with regard to usage or renting of the e-bikes (Miracle), bicycles (Move), and charge based on the Advent of usage of such vehicles.

The applicant sought the advance ruling on the issue of whether the renting of e-bikes (Miracle), bicycles (Move) without operator can be classified under the SAC 9973-Leasing or rental services without operator Sl.No.17

(vii) of Notification No.11/2017 Central Tax (Rate) dated 28th June-2017 as amended.

Decision of the Case

- The mobility is provided through a smart lockless electrical vehicle powered by state-of-the-art IoT technology. The vehicle is Light Weight, lighter than a scooter, faster than a bicycle then 18% GST was discharged.
- The mobility is provided 18% through a smart lock enabled bicycle Powered by GPS, GPRS, and Bluetooth technologies, then 18% GST was discharged.
- The Heading 9966 reads as Rental Services of transport vehicles with or without operators.
- Heading 9973 reads as Leasing or rental services with or without an operator and includes rental or operational leasing of machinery and equipment, personal and household goods, but does not include leasing services of machinery and equipment of personal and household goods on a purely financial service basis her subheadings of 9973 pertain to other goods, IPR, etc with no mention of transport goods/vehicle.
- The Authority of Advance Ruling consisting of ruled that renting of e-bikes/bicycles without operator cannot be classified under SAC 9973, Leasing or rental services without operator and Sl.no. 17(viia) of Notification no. 11/2017 CT/R) dated 28th June 2017 as amended is not applicable to the instant case. Thus, the applicant's services are squarely covered under SAC 9966.

The Karnataka Authority of Advance Ruling (AAR) ruled that renting e-bikes and bicycles without an operator cannot be taxed at the rate of 5% and 12% respectively.

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5% GST applicable on Irrigation and Flood control Department, Govt of Jammu & Kashmir: West Bengal Authority of Advance Ruling (AAR)

**Advance Ruling No. 07/WBAAR/2020-21
Date of Judgement/Order: 10/08/2020**

Fact of the Case

- The Govt of Jammu and Kashmir possesses the applicant, Reach Dredging Ltd. a

contract for the building of channels crossed Hokersar Wetland on the old alignment from RD 13182m to RD 16713m of flood spill channel, which also has a side slope safeguard and dredging of drainage flows into Hokersar Wetland said by the Irrigation and Flood control Department

- The applicant gives the order of allotment for work and other associated documents according to the work and its value he has provided a price for the work and states that he is supplied with the work contract services which involves earthwork and re-excavation of the drainage channels, and its value is higher than 75% of the value of the contract.

The applicant wants whether Sl No. 3 (vii) of Notification No 8/2017 Integrated Tax (Rate) dated June 28, 2017, as to be changed with time.

Decision of the Case

- Under section 2(119) of the GST Act, Entry No. 3 (vii) of the IGST declares that the tax is applicable on 5% if the contract type is a composite supply of works, AAR sees. It consists of earthwork more than 75% of the contract value and the beneficiary is the central government, Union Territory, a government authority, state government, or a government entity.
- The two judges held with the rule that the applicant will be taxable for the supply to the Irrigation and Flood control department Govt of Jammu and Kashmir, under Entry No. 3(vii) of Notification No 8/2017 - Integrated Tax (Rate) on 28/06/2017, as changed with time.

The West Bengal Authority of Advance Ruling (AAR) ruled that a 5% tax applicable to the Irrigation and Flood control Department, Govt of Jammu & Kashmir.

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AAR's ruling on 18% GST applicable on Whole Wheat Parota & Malabar Parota is void ab initio, rules Karnataka Appellate Authority of Advance Ruling (AAAR)

**Advance Ruling No. KAR/AAAR/02/2020-21
Date of Judgement/Order: 21/09/2020**

Fact of the Case

- The Applicant, ID Fresh Food (India) Pvt. Ltd is a food Products Company involved in the preparation and supply of a wide range of ready to cook, fresh foods including idli&dosa batter, Parotas, Chapatis, curd, paneer, whole wheat paratha, and Malabar Parota.
- The Appellant manufactures Parotas using natural ingredients. The Parotas need to be heated on a pan or Tawa, before consumption, for improved taste and crispiness. In summary, the Parota is in ready to cook conditions. The Parotas have a shelf life ranging from 3-7 days.
- The Malabar Parotas can be stored in a cool and dry place and have a shelf life of up to 4 days. The wheat parotas are recommended to be refrigerated for retaining the freshness up to 7 days. These products are not frozen products but only needs to be refrigerated to retain its freshness for its stated shelf life of 7 days.

The Appellant approached the AAR seeking a ruling on the issue of whether the preparation of Whole Wheat paratha and Malabar parotta be classified under Chapter heading 1905, attracting GST at the rate of 5%.

Decision of the Case

- The AAR vide its order ruled that the product parota is classified under Chapter Heading 2106 and is not covered entry No. 994 of Schedule I to the Notification No.1/2017-Central Tax (Rate) dated June 28, 2017, as amended vide Notification No.34/2017-Central Tax (Rate) dated October 13, 2017. So 18% of Goods and Service Tax is applicable.
- However, the AAAR abstain from giving any ruling on the issue whether the preparation of Whole Wheat paratha and Malabar parotta be classified under Chapter heading 1905, attracting GST at the rate of 5% as the matter is pending in the proceedings.

The Karnataka Appellate Authority of Advance Ruling (AAAR) while setting aside the order of Authority of Advance Ruling (AAR) ruled that the ruling on 18% GST applicable on Whole Wheat Parota and Malabar Parota is void ab initio.

18% GST applicable on Assignment of Leasehold Right on Land: West Bengal Authority of Advance Ruling (AAR)

**Advance Ruling No. 05/WBAAR/2020-21
Date of Judgement/Order: 10/08/2020**

Fact of the Case

- The applicant is under liquidation and one of the assets under liquidation is the leasehold property, taken on lease for 99 years from the West Bengal Industrial Development Corporation Ltd.
- One of the conditions of lease was that it can be sub-leased after five years from the date of signing of deed after taking approval of the West Bengal Industrial Development Corporation Ltd. on payment of transfer fees being 10% of the prevailing market value of the property as assessed by the Registering Authority of the State Government.

The question before the AAR was whether GST is payable on the consideration received on assignment of leasehold right in property to another person and whether input tax credit can be claimed on transfer fees.

Decision of the Case

- The paragraph 2 of Schedule II of the CGST Act provides that with respect to transactions relating to land and buildings, any lease, tenancy, easement, license to occupy the land, letting out of a building including a commercial, industrial or residential complex for business or commerce is the supply of services.
- In other words, 'benefits arising from land' in the forms specified in paragraph 2 of Schedule II are not to be treated as transactions in immovable property but as the supply of service for the purpose of the GST Act. Now, the question arises is whether activity of assignment of leasehold right in factory can be considered as sub-leasing so as to attract GST? It was observed that the West Bengal
- Development Corporation has no title or ownership, which is central to sale of any immovable property within the meaning Transfer of Property Act, 1882. Activity of assignment is in the nature of agreeing to transfer one's leasehold rights which does not amount to further sub-leasing.

- Neither does it create fresh benefit from land other than the leasehold right. It is like a compensation for agreeing to do the transfer of rights in favour of the assignee. Thus, it classifies to be a service under 'Other miscellaneous services' and liable to GST at 18%.
- Furthermore, it was held that as GST is payable on the activity of assignment of leasehold right in immovable property, the input tax credit of tax paid on transfer fee is admissible to the applicant. The above decision is interesting one as it does not treat the activity as that of sub-leasing but rather considers it as a declared service entry of Schedule II of CGST Act, 2017.

The West Bengal Authority of Advance Ruling (AAR) ruled that assignment of leasehold right on land is taxable at the rate of 18% under GST.

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DIRECT TAX

No disallowance of non-deduction of TDS for expenses incurred on trade offers provided to distributors: ITAT grants relief to Nokia

Fact of the Case

- In the present problem Nokia India is the assessee.
- Nokia India is wholly owned subsidiary of Nokia Corporation, Finland and is stated to be primarily engaged in the business of trading and manufacturing of mobile handsets, spare parts and accessories.
- It was noted by the AO that assessee had offered trade incentives to the distributors which included the amount offered to HCL Infosystems Ltd. The assessee was asked to show-cause as to why the amounts not be disallowed under section 40(a)(ia) on account of non-deduction tax at source.
- The assessee made the detailed submissions inter alia contending that the provision of section 194H, 194C, 194J were not applicable to the case because the payment was not for any contractor of services or work, there was no relationship of agency. The submissions of the assessee were not found acceptable to AO.
- AO disallowed Rs.130,37,78,222 since the amounts paid were in the nature of commission and therefore the assessee was liable to deduct tax under section

194H of the Act. Due to non deducted TDS on the payment made to HCL Infosystem Ltd., provision of section 40(a)(ia) were attracted and he accordingly, disallowed the amount of Rs.61,36,65,228.

Decision of the Case

- The two-member bench explained that "Agreement for the Supply of Cellular Mobile Phones" between HCL and the assessee that relationship between the assessee and HCL is that of principal to principal and not that of principal to agent. The discount which was offered to distributors is given for promotion of sales. This element cannot be treated as commission.
 - There is absence of a principal-agent relationship and benefit extended to distributors cannot be treated as commission under Section 194H of the Act
 - As regards to applicability of Section 194J of the Act, the Assessing Officer has not given any reasoning or finding to the extent that there is payment for technical service liable for withholding under Section 194J.
 - Therefore, the tribunal held that disallowance under section 40(a)(ia) of the Act was not warranted in the present case and set aside the action of AO.
-

No TDS on Rent If Accommodation Services were taken on Casual Basis: ITAT

Fact of the Case

- In the present case Dadiba kali Pundole Esplanade House is the assessee
- The assessee is engaged in the business of auctioning fine and decorative arts, promoting, publishing, documenting, executing, and selling arts.
- During the course of assessment proceedings, the Assessing Officer noticed that the assessee has paid Rs.4,68,543 towards rent of hotel accommodation to Royal Bombay Yacht Club on which no TDS was deducted.
- A show cause notice was served from the end of A.O on the reply of the assessee also submitted that no single payment was made in excess of Rs.1,80,000 at any point in time.
- The assessee also submitted that in the said Circular the Board clarified that the

TDS is applicable to the payments made by persons other than individual and HUF for hotel accommodation taken on a regular basis which will be in the nature of rent would be subject to TDS under section 194-I of the Act.

- The AO disallowed and added the same under section 40(a)(ia) of the Act for non deduction of TDS. The CIT(A) confirmed the addition by holding that the assessee has paid accommodation charges for the hotel accommodation which is on a regular basis from the club without deduction of TDS at source.

Decision of the Case

- The two-member bench headed by the Vice-President, Mahavir Singh observed that the accommodation was booked by the assessee in the club not on a regular basis but on casually and occasionally as and when the foreign consultants visited the assessee in connection with the assessee's business.
- Therefore, the tribunal while setting aside the order passed by CIT(A) held that the Circular has very clearly mentioned that the provision of section 194(I) is applicable where the accommodation is taken on a regular basis, which means that a specific accommodation is earmarked to be let out for the specific period but in the present case the facts are different.

Expenditure on Lease premises towards Civil Works, Furniture, etc. can't be Capital Expenditure: Madras High Court

Fact of the Case

- In the present problem a partner of business concern is the assessee
- The tribunal held that the expenditure incurred by the assessee on the leased premises towards civil works, furniture, etc., is a revenue expenditure, when Explanation 1 to Clause (ii) of Sub-Section (1) of Section 32 of the Income Tax Act, 1961 provides that any capital expenditure on the leased premises is to be taken as capital expenditure.
- These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961 are directed against the common order on the file of the Income Tax Appellate

Tribunal, Chennai 'B' Bench respectively for the assessment years 2008-09 and 2009-10.

Decision of the Case

- The Division Judge Bench of T.S. Sivagananam and Justice V. Bhawani Subbarayan observed that the Assesses had incurred substantial expenditure towards renovation leading to enduring benefit. They are not merely repairs.
- The Assessee had also incurred expenditures towards the improvement and construction of the building. These cannot be termed as 'repairs'.
- Therefore, the court while answering in favor of the Revenue and against the Assessee held that expenditure on the leased premises towards civil works, furniture, etc. cannot be capital expenditure.

Madras High Court disallows Interest and Additional Expenditure incurred on account of Exchange Fluctuation

Fact of the Case

- In the present case M/s.Continuum Wind Energy (India) Pvt. Ltd. Is the assessee
- The assessee is engaged in generation of wind energy.
- For the assessment year under consideration, the assessee filed a return of income admitting loss.
- Subsequently, the case was selected for scrutiny and a notice under Section 143(2) of the Act along with a questionnaire and thereafter, the assessment was completed.
- The assessee has filed the appeal challenging the disallowance of the premium paid on forward contract reasoning that the premium paid on forward contracts was to be considered as speculative transaction under Section 43(5) of the Act.
- The counsel appeared for the assessee contended that the foreign exchange fluctuation on the loan taken for the purpose of the assessee's business could not have been brought under Section 43A of the Act
- It was further argued by the assessee that the assessee did not purchase any asset in any previous year from any country

outside India and this aspect was noted by the CIT(A) in the order.

- Before the Tribunal, the assessee made an alternate submission because the Tribunal appeared to have come to a conclusion that the loss suffered by the assessee was a capital loss.
- The question was how the loss had to be treated in the hands of the assessee namely whether as a capital expenditure or as revenue expenditure.

Decision of the Case

- The Division Judge Bench following the decision of the supreme court in the case of Elecon Engineering Co. Ltd. held that the Tribunal was right in confirming the disallowance of interest and additional expenditure incurred on account of exchange fluctuation.
- The court while answering against the assessee held that if any part of the loan was not used for the purchase of a capital asset, the corresponding loss had to be treated as a capital expenditure.

.....
Roaming charges paid by Reliance Communications aren't in the nature of 'fee for technical services', TDS not liable to be paid: ITAT

Fact of the Case

- In the present situation Reliance Communications ltd. is the assessee
- The assessee, is engaged in providing telecommunication services to its subscribers across the country. For providing uninterrupted services to its subscribers, the assessee pays roaming charges/interconnect usage charges to other telecom operators.
- The ACIT-TDS held that roaming/interconnect usage charges paid by the assessee to Reliance Telecom Ltd. are in the nature of 'fee for technical services', therefore, the assessee was required to deduct tax at source under section 194J of the Act, on such payments.
- Since the assessee did not deduct tax at source on the said payments the assessee was held as 'assessee in default'.
- The ACIT-TDS vide order fastens tax liability of Rs.4,24,07,479 on account of withholding tax under section 194J and

interest of Rs.57,05,216 under section 201(1A) of the Act.

- Aggrieved against the aforesaid order the assessee filed an appeal before CIT(A) wherein it was held that the payment made by the assessee/respondent to other telecom company for utilization of the network cannot be termed as 'Technical Services' as access to the network during the calls is fully automatic and does not require any human intervention.

Decision of the Case

- The issue was considered by the Supreme Court of India in the case of CIT vs. Bharti Cellular Ltd. The Apex Court restored the issue to the file of the Assessing Officer for reconsideration after seeking the support of technical experts to ascertain if any human intervention is required in providing interconnect/roaming services.
- The two-member bench of Judicial Member, Vikas Awasthy, and Accountant Member Rajesh Kumar while upholding the order of the CIT(A) held that roaming charges paid by the assessee are not in the nature of 'fee for technical services'. Therefore, not liable for deduction of tax at source under section 194J of the Income-tax Act, 1961.

TAX COMPLIANCE CALENDAR AT A GLANCE

GST CALENDAR

Revised Due Date for GSTR-3B			
State	Turnover in Preceding F.Y.	Month	Due Date
For All State	Turnover is more than Rs. 5 Crore	September, 2020	20 th Oct, 2020
Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, TamilNadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep	Turnover is upto Rs. 5 Crore	September, 2020	22 nd Oct, 2020
Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi	Turnover is upto Rs. 5 Crore	September, 2020	24 th Oct, 2020

Revised Due Date for GSTR-1		
Sl. No.	Month/Quarter	Date
1	October	11 th November, 2020
2	July to September, 2020	31 st October, 2020

Composition Scheme Due Dates		
From	Description	Extended Due Date
GSTR-4	Return for Composite Supplier for F.Y. ending 31 st March, 2020-2021	31 st October, 2020
CMP - 08	Return for Composite Supplier for Jul to Sep, 2020	18 th October, 2020

Others Returns		
From	Description	Due date for the month of August, 2020
GSRT - 5 & 5A	Filed by Non-resident taxable person and OIDAR respectively(For September, 2020)	20 th October, 2020
GSTR - 6	For input Services Distributor who are required to furnish details of invoice on which credit has been received (For October, 2020)	13 th November, 2020
GSTR - 7	Filed by person required to deduct TDS under GST (For October, 2020)	10 th November, 2020
GSTR - 8	E-commerce operator who are required to deduct TDS(For October, 2020)	10 th November, 2020
ITC 04	To Claim Input Tax Credit On Job Work (Jul, 2020 to Sept, 2020)	25 th October, 2020

Annual Return				
From	Description	Original Due Date for F.Y. 2018-19	Extended Due Date Extended Due Date for F.Y. 2018-19	Late Fee
GSRT - 9	Annual Return	31 st December, 2019	31 st October, 2020	Liability is Rs. 200 per day of default (CGST+SGST). This is subject to a maximum of 0.25% of the taxpayer's turnover in the relevant state or union territory
GSTR - 9C	Reconciliation Statement & Certificate	31 st December, 2019	31 st October, 2020	

DIRECT TAX CALENDAR - OCTOBER, 2020

30.10.2020

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB & 194M in the month of September, 2020
- Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2020

31.10.2020

- Intimation by a designated constituent entity, resident in India, of an international group in Form no. 3CEAB for the accounting year 2019-20.
- Quarterly statement of TDS deposited for the quarter ending September 30, 2020
- Due date for furnishing of Annual audited accounts for each approved programmes under section 35(2AA)
- Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending September 30, 2020
- Copies of declaration received in Form No. 60 during April 1, 2020 to September 30, 2020 to the concerned Director/Joint Director
- Due date for filing of return of income for the assessment year 2020-21 if the assessee (not having any international or specified domestic transaction) is (a) corporate - assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited).
The due date for filing of return has been extended from October 31, 2020 to November 30, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No.35 /2020, dated 24-06-2020
- Audit report under section 44AB for the assessment year 2020-21 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E
- Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction
- Due date for e-filing of report (in Form No. 3CEJ) by an eligible investment fund in respect of arm's length price of the remuneration paid to the fund manager (if the assessee is required to submit return of income on October 31, 2020).

Note: The report is required to be furnished by the due date of furnishing the return of income under section 139(1). The due date for submission of return of income for the Assessment Year 2020-21 has extended from October 31, 2020 to November 30, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No. 35 /2020, dated 24-06-2020

- Due date for filing of audit report under section 44AB for the assessment year 2020-21 in the case of a corporate-assessee or non-corporate assessee
The due date for filing of audit report for the assessment year 2020-21 has been extended from September 30, 2020 to October 31, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No.35 /2020, dated 24-06-2020.
- Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is October 31, 2020)
Note: The statement is required to be furnished by the due date of furnishing the return of income under section 139(1). The due date for submission of return of income for the Assessment Year 2020-21 has extended from October 31, 2020 to November 30, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No. 35 /2020 , dated 24-06-2020
- Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on October 31, 2020)
Note: The application is required to be furnished by the due date of furnishing the return of income under section 139(1). The due date for submission of return of income for the Assessment Year 2020-21 has extended from October 31, 2020 to November 30, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No. 35 /2020 , dated 24-06-2020
- Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or 11(1) (if the assessee is required to submit return of income on October 31, 2020)
Note: The statement is required to be furnished by the due date of furnishing the return of income under section 139(1). The due date for submission of return of income for the Assessment Year 2020-21 has extended from October 31, 2020 to November 30, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No. 35 /2020 , dated 24-06-2020
- Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2019-20 and of foreign tax deducted or paid on such income in Form no. 67. (If due date of submission of return of income is October 31, 2020)
Note: The statement is required to be furnished by the due date of furnishing the return of income under section 139(1). The due date for submission of return of income for the Assessment Year 2020-21 has extended from October 31, 2020 to November 30, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No. 35 /2020 , dated 24-06-2020.
- Submit copy of audit of accounts to the Secretary, Department of Scientific and Industrial Research in case company is eligible for weighted deduction under section 35(2AB) [if company does not have any international/specified domestic transaction]*
Note: The report is required to be furnished by the due date of furnishing the return of income under section 139(1). The due date for submission of return of income for the Assessment Year 2020-21 has extended from October 31, 2020 to November 30, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No. 35 /2020 , dated 24-06-2020

COURSES OFFERED BY TAX RESEARCH DEPARTMENT

Eligibility criterion for admission in TRD Courses

- The members of the Institute of Cost Accountants of India
- Other Professionals (CS, CA, MBA, M.Com, Lawyers)
- Executives from Industries and Tax Practitioners
- Students who are either CMA qualified or CMA pursuing

EXISTING COURSES

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 – 30 Hours

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 – 30 Hours

Mode of Class – Online

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 – 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 – 40 Hours

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

NEW COURSES

ADVANCED COURSE ON GST AUDIT AND ASSESSMENT PROCEDURE

Course Fee - Rs. 12,000 + 18% GST [Including Exam Fee]

Duration – 30 Hours

Mode of Class – Online

ADVANCED COURSE ON INCOME TAX ASSESSMENT AND APPEAL

Course Fee - Rs. 12,000 + 18% GST [Including Exam Fee]

Duration – 30 Hours

Mode of Class – Online

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

E-PUBLICATIONS OF TAX RESEARCH DEPARTMENT

Impact of GST on Real Estate	Handbook on GST on Service Sector
Insight into Customs - Procedure & Practice	Handbook on Works Contract
Input Tax Credit & In depth Discussion	Handbook on Impact of GST on MSME Sector
Exemptions under the Income Tax Act, 1961	Insight into Assessment including E-Assessment
Taxation on Co-operative Sector	Impact on GST on Education Sector
Guidance Note on GST Annual Return & Audit	Addendum_Guidance Note on GST Annual Return & Audit
Sabka Vishwas-Legacy Dispute Resolution Scheme 2019	An insight to the Direct Tax- Vivad se Vishwas Scheme 2020
Guidance Note on Anti Profiteering	International Taxation and Transfer Pricing
Advance Rulings in GST	Handbook on E-Way Bill
Handbook on Special Economic Zone and Export Oriented Units	Taxation on Works Contract

For E-Publications, Please visit Taxation Portal -
<https://icmai.in/TaxationPortal/>

TAXATION COMMITTEES - 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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Contact Details:

Tax Research Department
12, Sudder Street, Kolkata - 700016

Phone: +91 33 40364747/ +91 33 40364798/ +91 33 40364711

E-mail: trd@icmai.in



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

Headquarters: CMA Bhawan, 12 Sudder Street, Kolkata - 700016

Ph: 091-33-2252 1031/34/35/1602/1492

Delhi Office: CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

Ph: 091-11-24666100