



SURAT BRANCH OF WIRC OF ICAI

E – NEWSLETTER MAY 2020



<i>INDEX</i>		
Sl.No.	Particulars	Page No.
1.	Message from Chairman & RCM	1 & 2
2.	Vivaad Se Vishwas” Or “Vishwas Se Vivaad	3
3.	Change In Calculation of Refund Amount For Zero – Rated Supply of Goods Under Bond /LUT	4
4.	Impact of COVID-19 to Indian as well as global economy	5
5.	Cross Empowerment of GST – Controversies	7
6.	Familiarising With Indian Accounting Standards	11
7.	Important Common Commands In Core Banking Solution For Bank Audits	14
8.	Some Major Amendments Tax Deducted At Source & Tax Collected At Source Applicable From Assessment Year 2021-22	17
9.	Direct Tax Recent Judgments	18



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CHAIRMAN's MESSAGE

Dear Professional Colleagues,

*"Opportunities don't happen,
You create them." --Chris Grosser*



By the time you will be reading this May 2020 issue we will be nearing the end of Lockdown 2.0, but here in after the new era will begin and it will bring new economic conditions and ample opportunities that were never been witnessed before. This is the time when we as 'Partner in Nation Building' have to bring out our collective efforts for reviving our economy and make it once again a 'Golden Bird' of the new era.

Our government and Frontline warriors are working tirelessly 24*7 to subside the impact of the pandemic and overcoming the economic challenges. With the significance of that, I would urge our Professional fraternity to support at least one family that is in dire need in this time, as it is said 'बूंद बूंद से सागर भरता है'. this period has provided us much required time to equip ourselves with new skills and knowledge and to facilitate the same our esteemed institute has started various courses on virtual platform <https://learning.icaai.org>, I am positive that our members will take maximum benefit of this facility.

In this edition of May 2020 issue of e-Newsletter wide range of topics has been covered with the vision to provide latest professional developments and certain topics that would be helpful to every member to enrich their priceless knowledge. And with the closing of my message, I on behalf of Managing Committee Members wish you a healthy and safe life ahead and educate others of the same with the use of technology. Further, I envisage that our fraternity will emerge as "Partner in Social wellbeing" too. # stay home stay safe

CA. Ishwar Jivani

Dear Professional Colleague,

Hope you are safe staying at your home and maintaining good health.

We are grateful to the overwhelming response given by professional brethren for their valuable contribution. There always remains scope for improvement. We request for a crisp concise article with pictorial presentation so that the matter could be stated in one to one and

half pages. Formulation of newsletter involves various tasks such as

editing , graphics, adjustment of content, we tried to incorporate maximum

received articles. For example, for the month of June Newsletter, we would be able to consider only the articles received till 20th May. As we all are aware, lockdown will soon be lifted and future will come with some new opportunities not unleashed till now. For the coming month, we would lay more emphasis on articles covering the topics such as, Safety measures to be adopted in operating CA offices in future, how to unlock the new opportunities and how to have a new beginning with positive mindset, etc.

Stay healthy, stay safe...

CA IP Pradeep Kabra





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Message from RCM

My dear Professional Colleagues,

**“Once you start working on something,
don’t be afraid of failure and don’t abandon it”- Chanakya.**



Our vision should be based on diligence, transparent communication, a strong emphasis on team-work and a high level of responsibility. Although the economy around the globe is facing a lot of challenges, we need to take this challenging situation as an opportunity and keep improving our skill sets and bounce back stronger.

This visionary culture allows and emphasizes our fraternity to not only adopt the present-day challenges but also to foster individual responsibilities towards the society and our nation at large.

The nation is facing a huge challenge in the form of a pandemic- COVID 19. I request you all to follow all the government norms and take necessary actions to keep your family, society and yourself safe. We always aim for the improvement of our fellow members and the country through them. So stay updated and share your requirements and vision to help us improve further.

"We are the nation-builders. We are the agents of change." It is our fervent hope that we would enable you to equip with leadership and managerial skills with learning aspects.

We should be thankful that we are currently in a position to be able to help others and we should utilise this opportunity for the same. I would request you to generously contribute to “ICAI COVID-19 Relief Fund” which shall be utilised to support government initiatives to strengthen infrastructure and fight the pandemic.

The Details are available at https://www.icai.org/new_post.html?post_id=16403

I conclude my writing with best wishes for all the members and request all to be optimistic. Napoleon Hill rightly said- **“Patience, Persistence and Perspiration make an unbeatable combination of SUCCESS.”**

Best wishes, stay safe and healthy!

Regards,

CA Balkishan Agarwal

Regional Council Member

WIRC of ICAI

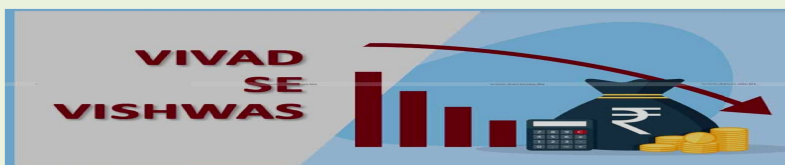


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“VIVAAD SE VISHWAS” OR “VISHWAS SE VIVAAD”- **Reducing Direct Tax Litigation, a questionable subject**

Inspired by the success of the Sabka Vishwas Scheme for Indirect Tax, the Finance Minister tabled “The Direct Tax Vivad se Vishwas Bill, 2020” in Parliament on February 5, 2020 with an key objective to reduce Pending Tax Litigation in over 4.83 lakh cases involving Rs.9.32 lakh crore disputed tax across courts tribunals and other fora. Since the introduction of the IT Act, 1961, multiple schemes and numerous attempts of government have somehow made it difficult for a taxpayer to believe the success of any such scheme. The biggest example is Income Declaration Scheme, 2016(IDS) where the declaration sought the tax payer to pay Tax + 25% on tax as KKC + further 25% on tax as Penalty making 45% cumulative. Although many people opted in for the scheme but this new Scheme of VSV with as low as 30% tax rate has created a mindset amongst the people about being exploited with high tax rates in earlier scheme such as IDS,2016. What has been noticed is that the number of litigations has only increased with time due to these ever increasing doubts.

Recently also while addressing a video conference organized by ITAT on VSVS, the Chairman, CBDT said that no scheme could be conceived with all the perfections. In most of the instances the cause is a lack of clarity in few sections. Few of such instances are as follows: -



a) **Deeming Provision**-Particularly in case of deeming sections, there is an urgent need of clarity with respect to the taxation. If you take a simple example, Section 36 (1)(va) of I.T Act, 1961, thousands of cases are pending in different forums related to this section, which can be avoided by making suitable amendments saving time spent and the compliance cost pursuing such litigation.

b) **Re-opening u/s 148 of I.T Act, 1961**- Once the department receives any information from AIR, Investigation Wings etc, the AO mechanically re-opens the cases and permission from Higher Authorities is sought easily. In last few years, instance shows cases being reopened on Simple Purchases made out of regular Bank accounts known and visible in the ITRs and further cases with amounts as low as 1 lakh. The only redressal left with the assessee is to file an appeal, which leads to this increase in numerous cases of litigation. c) **Non-Deduction of TDS**- A new trend of reopening cases on the basis of Audit objections u/s 148 or u/s 263 of IT Act, 1961 has been seen. The 2 classic examples to this are: 1. Interest expenditure without TDS claimed by the assessee because of Form 15G from the lender. Case initially assessed u/s 143(3) of the I.T Act, but due to audit objection re- opened and information passed to the TDS dept. Demands raised u/s 201/201(1A), penalty levied. In short 3 appeals filed by the assessee. Conclusion-Quantum proceedings in favour of assessee but TDS and Penalty litigation still pending. 2. Case of a company assessed u/s 143(3), information received that Deemed Dividend applicable to lenders of Company. Info further passed to TDS Dept. and to Jurs. AO of the assessee (lenders). Demand of lakhs raised u/s 201/201(1A) against Company, case of the lender re-opened u/s 148. Interestingly, AO accepts assessee's contention in quantum proceedings, passed order as per ROI filed by assessee. Conclusion, the company had no option for demand raised than to file an appeal and opt in for litigation.

In Conclusion, theoretically, it seems that the government is putting in all efforts to reduce litigations, but like other schemes of the government, the end results have been miserable. This calls for the government to focus on the reasons of failure, rather than introducing new schemes. It's sad to say, that irrespective of great ideations in the schemes, the outcome is dreadful, what is needed is to also pursue the view of taxpayers in mind. If proper actions are not taken just yet, schemes like 'Vivaad se Vishwas' will soon be 'Vishwas se Vivaad'



Contributed by:- CA Harishankar Toshniwal



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CHANGE IN CALCULATION OF REFUND AMOUNT FOR ZERO – RATED SUPPLY OF GOODS UNDER *BOND /LUT* -

1) Govt. vide notification 16/2020 C.T. dated 23/03/2020 substituted the definition of “Turnover of zero rated supply of goods” given under CGST Rule 89(4) , clause (c).

New Clause (c):-

“Turnover of Zero rated supply of goods “means:-

- The value of zero rated supply of goods made during the relevant period without payment of tax under bond or LUT -

Or the value which is 1.5 times the value of like goods domestically supplied by the same, -

Or similarly placed , supplier , as declared by the supplier

➤ **Which ever is less**

- Other than the turnover of supplies in respect of which refund is claimed under sub rule (4A) or (4B) or both

Note: Bold portion has been added in old clause(c).

2) Formula for computation of amount:- ➤ Refund Amount = (Turnover of Zero Rated supply of goods + Turnover of zero rated supply of servicers) * Net ITC divide by Adjusted Total Turnover.

Example:

(A) Zero rated supply of goods (export)	=	Rs.10,00,000
(B) Domestic Sale (Of identical goods	=	Rs.6,00,000
(C) Aggregate Total Turnover (A+B)	=	Rs.16,00,000
(D) NET ITC	=	Rs.1,00,000

We assume 10,000 pieces of sarees sold in domestic markets and 10,000 pieces of Sarees exported. So quantity is same but value is different.

Formula of calculation of refund = A*D/C

➤ Refund amount under old provision: - $10,00,000 * 1,00,000 / 16,00,000 = \text{Rs.}62,500$

➤ Refund amount under new provision

- Value of export	=	Rs.10,00,000
- 1.5 times value of identical goods, same quantity , sold in domestic market. (6,00,000*1.5)	=	Rs.9,00,000
Similarly placed, supplier , as declared by supplier (assumed)	=	Rs. 9,50,000
Whichever is lower in above amount	=	Rs. 9,00,000
Refund Amount = $9,00,000 * 1,00,000 / 16,00,000 = \text{Rs.}56,250$ (Amount Reduce)		

3) In my view there are many factors need to be consider to decide rate of exported goods like , quality of goods, other export related expenses , export commission , cost of finance , late realization of amount , bank charges relating to export documents etc etc. So government is assuming that at any circumstances **(for identical goods of same quantity)** value of exported goods should not be more than 1.5 times of the value of domestic sale. In any circumstances if the value of exported good is more than 1.5 times of domestic value then the amount of refund claim will be restricted to the extent of value of 1.5 times of domestic sale .

4) In case where the exporter does not have domestic sale of identical goods or 100% export, then in such scenario, the price of “**Similarly placed suppliers**” has to compare, which will invite litigation. It should be noted that government wants to restrict refund of exporter in case of over valuation. But if the realization of Foreign Exchange is not as per export invoice then RBI will raise question. In the other words realization needs as per export invoice but refund will be reduced on account of overvaluation.

Contributed by:-
CA Mukund Chouhan





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Impact of COVID-19 to Indian as well as global economy

**"You cannot start from normal again
Because you have lost so much"**

Fitch solution has cut India's Economic Growth Rate Forecast to 1.8% for the financial year 2020-21. According to the rating agency, due to the corona virus epidemic, personal consumption is projected to decrease and large scale earnings are reduced due to which the estimate of real GDP growth rate for the financial year 2020-21 has been reduced from 4.6 percent to 1.8 percent.

According IMF's Gita Gopinath warns global economy can lose \$9 trillion due to corona virus. Every country will have some organisation which tracks the economy of that specific country will look at their own economic growth but there is an overall organisation which looks not only at the country's economy but the over on global economy it is IMF (international monetary fund) sector which Impact of COVID-19.

Some of Sector wise impact to Indian economy as well as globally as follows:-

*** FMCG SECTOR ***

This sector significantly contributes fourth largest towards GDP in the economy.

The flow of FMCG or any other sector as following:

Raw material : Problem is that Majority of supply chain management right now is disrupted because there are a lot of check post as well as free movement of goods in our country is not as free right now versus before the current situation. I personally feel that raw material procurement itself is a big challenge for the FMCG sector.

Production is going to be very smooth right now because of the lower demand. Factories might not themselves work at full capacity so let's say whatever is the current capacity they might be working at is 50% capacity or 60% capacity because of the overall economy position. Production itself depends on demand for sales.

Sale also dropped due to economic position under current situation. FMCG sector is not as badly hit as other sectors but here FMCG can be divided into two parts one can be essential goods and one can be luxury goods.

Realisation of money Under the current scenario do you think that customers are going to be paid on time or debtors are the realise on time!

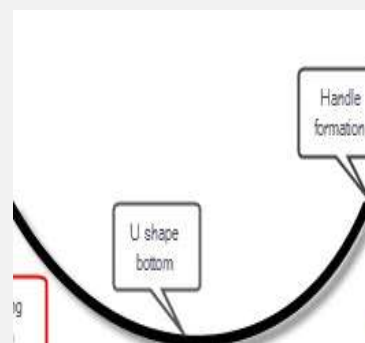
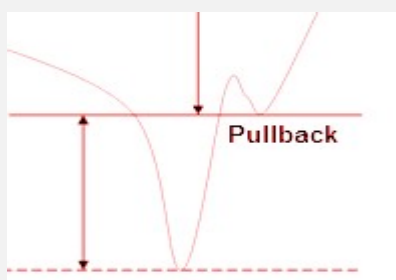
❖ **What will be going to emerge under FMCG sector after this pandemic?**

Essential goods:

Under Essential goods phase at which the demand/sales/liquidity falls the phase at recovery also going to be the same.

Luxury goods:

"U "shaped recovery is after fall recovery is a little bit sluggish getting back after a small period from at the bottom of the line. One thing gets back to normal then starts putting up at a higher rate.





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*** Pharmacy sector ***

A recent KPMG report states that the country's pharmacy exports add up to \$13.7 billion (while imports stand at \$1.99 billion) and it meets 50% of the global demand for generic drugs. The problem is we import an estimated 70% of active pharmaceutical ingredients (APIS) from China. Understandably, the COVID-19 crisis and the consequent lockdown served a gut-punch to the industry. There have been freight shutdowns, non-availability of labour, and a spike in cost of a few imported raw materials.

Focusing inwards is going to be on every country's agenda and India needs to figure out a way to become globally competitive. That's where I believe that India's biomedical industry has a lot of potential because not every country can be self reliant and export biomedical products. We have a mature pharmaceutical industry due to our generics and are also developing strengths in biopharmaceuticals with companies such as ours. We have seen during this crisis that we are strong in terms of equipment manufacturing. India also has capabilities in diagnostics because of the ability to quickly assemble kits. So, the focus should be on expanding and scaling the manufacturing of these sectors in a self sufficient way. Similarly, with vaccines, there should be more focus on innovation. There are a lot of opportunities in the biopharma and biomedical segments.

❖ **What is going to emerge post this pandemic?**

- ❖ It all depends on how long the world will take to recover from COVID-19. Organisations such as the IMF have already declared a global recession. In India, we could lose 30-40 million jobs by the end of the year if we are unable to bring the economy back on track. The world economy, which was estimated at \$90 trillion, was already under a \$260 trillion debt burden, and it will get worse. Many believe it will take at least another year to see anything close to normalcy. I think we need to look at the geopolitical dynamics and see how the world is going to shape up after COVID-19.

*** Crude oil sector ***

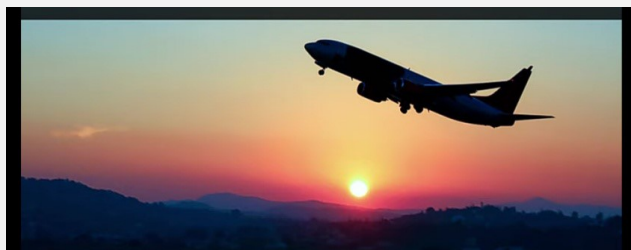


Due to the continued lockdown in the entire world due to Corona, the demand for crude oil has fallen completely, due to which the price of crude oil is at a lower level for many years. Due to declining oil price and demand, the financial condition of oil producing countries is deteriorating, due to which Gulf countries have to sell their bonds. Saudi

Arabia, which holds important status in OPEC, collected \$7 billion through bond sales last week.

*** Airline sector ***

Airlines are in poor condition due to continued lockdown due to Corona. All the airlines have been closed since March 25, due to which the airline's earnings are completely closed, but there are many types of Charges like Salary, Maintenance.



The burden on companies has increased so much that airlines have decided to cut salaries. According to Spice-Jet, in April, Employees will get the same salary as the number of days they have worked. Aviation regulator DGCA has given instructions to aviation companies not to book travel tickets after May 3, due to which the shares of these companies have fallen.

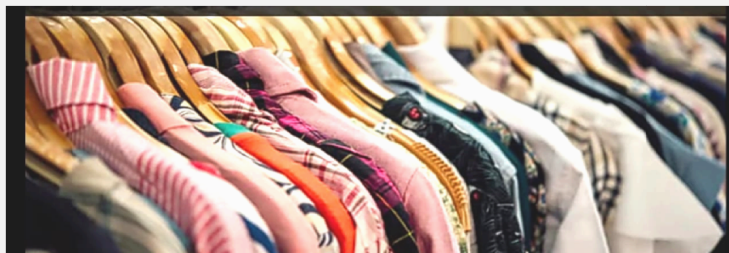
*** Apparel industry ***

India's Apparel Industry has been greatly affected by the lockdown in most countries of the world due to the corona virus.



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Indian Apparel Industry, which has a strong hold in global apparel exports, is going through the events of not taking order cancellation and consignment delivery at this time, it is estimated that the exporters here will be losing about \$ 4 billion. With this, there has been a lockdown in the country, due to which production is also stopped here. Not only this, global buyers have not yet sent payment for goods sent to them months ago.



**Contributed by:-
CA Jay Mehta**

Cross Empowerment of GST – Controversies

Background

As we all are aware, the scheme and structure of goods and services tax in India is dual structured. Meaning thereby that both Central Government and State Government has powers to levy and collect GST in case of all intra state supplies of goods or services or both as empowered by Article 246A of the Constitution of India.

Due to such scheme the GST Council had extensive discussion as to how the tax payers shall be distributed amongst the Central and State for the purpose of smooth administration of the Act. Then after long discussions and arguments, finally the Council reached to the conclusion as to how the taxpayers will be distributed between the Central jurisdiction and the state jurisdiction.

Decision of the GST Council

The Goods and Services Tax Council in its 9th meeting which was held on 16th January 2017 the following decisions were taken with respect to division of tax payers between the Centre and the State tax administrations and also with respect to cross empowerment.

Para 28 of the minutes of 9th GST Council meeting is reproduced as under:

28. After further discussion, the Council agreed to the decisions as recorded below in respect of cross-empowerment to ensure single interface under GST.

- (i) There shall be a division of taxpayers between the Central and the State tax administrations for all administrative purposes;
- (ii) Of the total number of taxpayers below Rs. 1.5 crore turnover, all administrative control over 90% of the taxpayers shall vest with the State tax administration and 10% with the Central tax administration;
- (iii) In respect of the total number of taxpayers above Rs. 1.5 crore turnover, all administrative control shall be divided equally in the ratio of 50% each for the Central and the State tax administration;
- (iv) The division of taxpayers in each State shall be done by computer at the State level based on stratified random sampling and could also take into account the geographical location and type of the taxpayers, as may be mutually agreed;
- (v) The new registrants shall be initially divided one each between the Central and the State tax administration and at the end of the year, once the turnover of such new registrants was ascertained, those units with turnover below Rs. 1.5 crore shall be divided in the ratio of 90% for the State tax administration and 10% for the Central tax administration and those units above the turnover of Rs.1.5 crore shall be divided in the ratio of 50% each for



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- the State and the Central tax administration;*
- (vi) *The division of the taxpayers may be switched between the Centre and the States at such interval as may be decided by the Council;*
 - (vii) *The above arrangement shall be reviewed by the Council from time to time;*
 - (viii) *Both the Central and the State tax administrations shall have the power to take intelligence-based enforcement action in respect of the entire value chain;*
 - (ix) *Powers under the IGST Act shall be cross-empowered to the State tax administration on the same basis as under the CGST and the SGST Acts either under law or under Article 258 of the Constitution but with the exception that the Central tax administration shall alone have the power to adjudicate a case where the disputed issue relates to place of supply, or when an affected State requests that the case be adjudicated by the CGST authority and for such issues of export and import as may be discussed in the Law Committee of officers and brought back to the Council for decision;*
 - (x) *The territorial water within the twelve nautical miles shall be treated as the territory of the Union of India unless the Hon'ble Supreme Court decides otherwise in the ongoing litigation on the issue but the power to collect the State tax in the territorial waters shall be delegated by the Central Government to the States.*

The above decision clarifies how the total number of tax payers shall be distributed between state and center administration authorities. Author hereby requests the readers to kindly appreciate that the above division of tax payers is done for the administrative purposes. Now before discussing further regarding the controversies with regards to cross empowerment let us first see the provision of the Central Goods & Services Tax Act 2017 with respect to the same.



Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances – Section 6 of the CGST Act

- (1) *Without prejudice to the provisions of this Act, the officers appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such conditions as the Government shall, on the recommendations of the Council, by notification, specify.*
- (2) *Subject to the conditions specified in the notification issued under sub-section (1):*
 - (a) *where any proper officer issues an order under this Act, he shall also issue an order under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as authorised by the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, under intimation to the jurisdictional officer of State tax or Union territory tax;*
 - (b) *where a proper officer under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper officer under this Act on the same subject matter.*
- (3) *Any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under this Act shall not lie before an officer appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act.*



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The above provision clearly states when the cross jurisdictional power can be used. Till date there is only one notification issues under section 6(1) of the CGST Act 2017 i.e. Notification No 39/2017 – CT dated 13.10.2017 as amended by Notification No 10/2018 – CT dated 23.01.2018. This notification is issued in relation to processing of refunds.

Issue to be considered – Question requiring clarification

The grave question after reading the minutes of 9th GST Council meeting and also the provision of Section 6(1) of the CGST Act 2017 is *whether the cross empowerment can be exercised by the officers in all circumstances.*

Analysis of the author

If we closely observe the provision of sub-section (1) of section 6 of the CGST Act 2017 it clearly provides that the officer of state goods and services tax or the union territory goods and services tax can act or perform as the proper officer for the purposes of this Act i.e. CGST Act subject to such conditions as may be notified by the Government on the recommendation of the GST Council.

Let us now see the term proper officer what does that mean

Section 2(91) of the CGST Act provides – *“proper officer” in relation to any function to be performed under this Act, means the Commissioner or the officer of the central tax who is assigned that function by the Commissioner in the Board.*

Hence either the Commissioner or the Commissioner in board shall be assigning the functions to the officer of the Central Tax. Therefore, it is clear that the cross empowerment cannot be by way of assignment of function by Commissioner or Commissioner in board. It has to be by the Government on the recommendation of the Council.

Now the *question* arises ***whether both Central Tax Officers and State Tax/ Union Territory Officers can continue proceedings against one taxable person?***

Before answering this question, it needs to be appreciated that there are two types of powers with the officers. ***One, administrative powers*** which includes registration, assessment, scrutiny of returns, refunds, appeals, rectification, access to business premises etc. And ***two, investigative powers*** which includes inspection, search, seizure, etc.

On the basis of above discussion one thing is very clear that as per provisions of the statute only those functions can be covered under cross empowerment which the government notifies. But when we look into the minute of 9th GST Council meeting specially para 28 of the same (mentioned above) it is very clear that administrative functions the tax payers shall be divided between center and the state tax administration. It has not mentioned about the cross empowerment except in one situation and that is *intelligence-based enforcement action*.

As per the humble view of the author, where the issue under examination is pertaining to administrative powers, cross jurisdictional power cannot be used and therefore the officer, i.e. Central Tax Officer or State/Union Territory Tax Officer, under whose jurisdiction the tax payer falls will be the only officer who can issue the summon or carry on the proceeding such as audit, assessment, scrutiny, registration, etc.

The same is getting depicted from 9th GST Council meeting’s decision with regards to cross-empowerment.

But in cases either notified by the Government (like presently in case of refunds the cross empowerment is allowed) or in cases which are intelligence-based enforcement cases, *the cross empowerment can be invoked* by the proper officer.

The reason of having such a view is while referring the decision of 9th GST Council meeting as per para 28 it is very clear in clause (viii) that the in case of intelligence-based enforcement action, the cross empowerment is there and hence the central tax authorities can visit the place of person having state jurisdiction for enforcement action or *vice versa*.

Therefore, it could be concluded that in normal circumstance cross empowerment is not permitted except for those purposes which are notified or in intelligence-based enforcement actions the cross empowerment is allowed. *Hence it could be said that for administrative powers cross empowerment cannot be invoked but yes for investigative powers and for the notified situations, cross empowerment can certainly be invoked.*

The author would further specify that this decision is being taken on the basis of minutes of meetings. Still as per the humble view of the author, the Government shall issue a notification in black and white specifying under which circumstance the cross empowerment can be used and under which circumstance it cannot be used. Please note that the minute of meeting or the recommendation of the council needs to be confirmed by way of the notification by the Government and then this issue will settle else the problem will persist.

Another controversial issue - Multiple Authorities visiting premises of one tax payer

It is being noted lately that the power of cross-empowerment, as discussed above, is being used by the officers in such a manner that it is causing harassment and hardship to the tax payer.

Issue is Authorities of State tax and Central Tax both come for search at one tax payers place at different point in time. In few cases even Directorate General of GST Intelligence comes for search. All the authorities continue with the proceedings as per



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their wish and due to this the tax payer is harassed mentally which causes lot of hardship to him.

It is agreed that the council has given the power

Although through one of the letter D.O. F.No. CBEC/20/43/01/2017-GST (Pt.) dated 05.10.2018, CBIC has clarified already that in such cases the enforcement action shall be brought to logical conclusion by the authority who has initiated the action which means who has done search first and rest of the authorities shall not continue with the proceeding as that will lead to hardship for the tax payer.

Even after the said letter the officers are continuing their actions and all the authorities are issuing parallel summons for the same period and same issue. Such actions where multiple authorities continue proceeding of investigation has been challenged before Hon'ble Gujarat High Court in the matter of *Bhawani Textiles vs Additional Director General, Special Civil Application No 5273 of 2020* wherein the Hon'ble court has taken the cognizance of the above referred letter and have directed the authority which has initiated the action to take care of the proceedings.

Order part of the above petition (*Special Civil Application No 5273 of 2020*) is as under

6. Thus, it appears that by way of instructions, it is clarified that if an officer of the Central tax authority initiates intelligence-based enforcement action against a taxpayer administratively assigned to the State tax authority, the officers of the Central tax authority would not transfer the said case to its State tax counterpart and would themselves take the case to its logical conclusions. In the case on hand, there is nothing on record to indicate that the officer of the Central tax authority has transferred the case of the writ applicant to any other authority of the State. However, it appears that although the action was undertaken under Section 67 of the Act by the DGGI, AZU, yet the two summons came to be issued: one by the Deputy Commissioner of State Tax and another by the DGGI, Surat.

7 We dispose of this writ application with a direction to the DGGI, AZU, Ahmedabad to look into the matter and ensure that no undue harassment is caused to the writ applicant by different authorities on the same subject matter. We clarify that we have otherwise not expressed any opinion on the merits of the case. We dispose of this writ application with the limited observations.

Conclusion

As per the above discussion the author hereby presumes that the reader will appreciate a fact that the way and the manner in which Goods and Services Tax (GST) was perceived, by every stake holder and the way in which GST has been implemented has vast difference. It has been around 33 months since implementation of GST and in such a short span we have seen lot of controversies.

There are multiple reasons for such controversies such as poor drafting of law, lack of training of tax officers, dual GST system per se, intentional wrong interpretation of law like it happened in case of interest on delayed payment of tax, technical glitches, etc.

Author anticipates another very controversial issue will be action under section 71 of the Central Goods and Services Tax Act 2017. This section empowers the officer to access the business premises. Now a days the department has started visiting the premises of tax payer for investigation, by invoking section 71. As per the author this section is administrative section and not investigative. Therefore, no such action can be taken and such visits are without any authority of law.

Many such controversial issues are there under the arena of GST but still the ray of hope is there that with the passage of time things will get streamlined and the law will get settled and finally all the controversies will see the sunset.



Contributed by:
Dr. (Adv) (CA) Avinash Poddar



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FAMILIARISING WITH INDIAN ACCOUNTING STANDARDS

Timeline of Indian Accounting Standard Implementation:

For Companies other than Banks, NBFCs and Insurance

Phase 1:

- 1st April 2015 or thereafter (with Comparatives): Voluntary basis for any Company and its holding, subsidiary, JV or associate company
- 1st April 2016: Mandatory basis
 - a. Companies listed/in process of listing on Stock Exchanges in India or Outside India having net worth of INR 500 crore or more;
 - b. Unlisted Companies having net worth of INR 500 crore or more;
 - c. Parent, Subsidiary, Associate and JV of above.

Phase 2:

- 1st April 2017: Mandatory Basis
 - a. All companies which are listed/or in process of listing inside or outside India on Stock Exchanges not covered in Phase I (other than companies listed on SME Exchanges);
 - b. Unlisted companies having net worth of INR 250 crore or more but less than INR 500 crore;
 - c. Parent, Subsidiary, Associate and JV of above.

Non Banking Financial Companies

Phase 1: From 1st April 2018 (with comparatives)

- a. NBFC (Listed & Unlisted) → Net worth of Rs. 500 Crore or more;
- b. Holding, Subsidiary, JV and Associate companies of above NBFC

Phase 2: From 1st April, 2019 (with comparatives)

- a. Unlisted NBFC Net worth of Rs. 250 Crore or more but less than Rs. 500 Crore;
- b. Holding, Subsidiary, JV and Associate companies of above NBFC
- c. Applicable for both Consolidated and individual Financial Statements



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Other clarification with regards to Implementation & Applicability:

1. Companies listed on SME exchange are not required to apply Ind AS
2. Once Ind AS applicable, an entity shall be required to follow the Ind AS for all the subsequent financial statements.
3. Companies not covered by the above roadmap shall continue to apply Accounting Standards notified in Companies (Accounting Standards) Rules, 2006.
4. NBFC having net worth below Rs. 250 crore shall not apply Ind AS.
5. Adoption of Ind AS is allowed only when required as per the roadmap. Voluntary adoption of Ind AS is not allowed.
6. On 21st January 2020, IRDAI has deferred implementation of Ind AS for Insurance companies to a future date which will be announced post finalisation of IFRS 17 by IASB. The requirement to submit the 'Pro forma Ind AS financials' has also been disposed off. (Circular 'IRDAI/F&A/CIR/ACTS/023/01/2020' Dt. 21st January, 2020)
7. RBI vide press release dated April 05, 2018 has deferred the implementation of Ind AS for the Scheduled Commercial Banks (excluding Regional Rural Banks) for a period of one year and the same shall now be implemented effective from 1st April 2019.
8. Further, RBI vide notification dated March 22, 2019 has again deferred the implementation of Ind AS for the Scheduled Commercial Banks (excluding Regional Rural Banks) till further notice.
9. Net Worth = Total Paid-up share Capital + all reserves out of profits and securities premium – accumulated losses – deferred expenditure and miscellaneous expenditure not written off.



Recognition of Ind AS in Companies Act, 2013:

Section 133 of Companies Act, 2013, The Central Government may prescribe the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949, in consultation with and after examination of the recommendations made by the National Financial Reporting Authority.

Provided that until the National Financial Reporting Authority is constituted under section 132 of the Companies Act, 2013 (18 of 2013), the Central Government may prescribe the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949 (38 of 1949), in consultation with and after examination of the recommendations made by National Advisory Committee on Accounting Standards Constituted under section 210A of the Companies Act, 1956". [Vide 'Companies (Removal of Difficulties) Second Order, 2016]

Significance of Ind AS:

In wake of 'Global Economy' era, where monetary movement has become so efficient and fruitful that every country and its individual companies will thrive to attract foreign capital investment for expansion and global recognition. To facilitate such cross border transaction and increase the transparency in Companies financial statement 'International Accounting Standards Board (IASB)' issued International Financial Reporting Standards (IFRS).

Following the need of growing Indian companies, Indian government in consultation with Institute of Chartered Accountants of India have adopted the IFRS along with considering Indian economic environment formed Indian accounting standards (Ind AS) in line with IFRS. The purpose of the ICAI to shift towards the IFRS is to increase the acceptability and transparency of the financial statements of the Indian corporate on the global platform.



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List of Ind AS In-Force:

<u>Sr. No.</u>	<u>Ind AS</u>	<u>Description</u>
1	Ind AS 1	Presentation of Financial Statements
2	Ind AS 2	Inventories Accounting
3	Ind AS 7	Statement of Cash Flows
4	Ind AS 8	Accounting Policies, Changes in Accounting Estimates and Errors
5	Ind AS 10	Events after Reporting Period
6	Ind AS 11	Construction Contracts
7	Ind AS 12	Income Taxes
8	Ind AS 16	Property, Plant and Equipment
9	Ind AS 17	Leases
10	Ind AS 18	Revenue
11	Ind AS 19	Employee Benefits
12	Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance
13	Ind AS 21	The Effects of Changes in Foreign Exchange Rates
14	Ind AS 23	Borrowing Cost
15	Ind AS 24	Related Party Disclosures
16	Ind AS 27	Separate Financial Statements
17	Ind AS 28	Investments in Associates and Joint Ventures
18	Ind AS 29	Financial Reporting in Hyperinflationary Economies
19	Ind AS 32	Financial Instruments: Presentation
20	Ind AS 33	Earnings per Share
21	Ind AS 34	Interim Financial Reporting
22	Ind AS 36	Impairment of Assets
23	Ind AS 37	Provisions, Contingent Liabilities and Contingent Assets
24	Ind AS 38	Intangible Assets
25	Ind AS 40	Investment Property
26	Ind AS 41	Agriculture
27	Ind AS 101	First-time adoption of Ind AS
28	Ind AS 102	Share Based payments
29	Ind AS 103	Business Combination
30	Ind AS 105	Non-Current Assets Held for Sale and Discontinued Operations
31	Ind AS 106	Exploration for and Evaluation of Mineral Resources
32	Ind AS 107	Financial Instruments: Disclosures
33	Ind AS 108	Operating Segments
34	Ind AS 109	Financial Instruments
35	Ind AS 110	Consolidated Financial Statements
36	Ind AS 111	Joint Arrangements
37	Ind AS 112	Disclosure of Interests in Other Entities
38	Ind AS 113	Fair Value Measurement
39	Ind AS 114	Regulatory Deferral Accounts
40	Ind AS 115	Revenue from Contracts with Customers

We will be discussing the above standards in detail in our subsequent issue of e-Newsletter.



Contributed By:-
CA Gaurav Jain



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IMPORTANT COMMON COMMANDS IN CORE BANKING SOLUTION FOR BANK AUDITS



1. BANCS link Software General Commands (Allahabad Bank, SBI, Central Bank of India, Bank of Maharashtra & Indian Bank):

To view account statement of CC Account	CC/OD-->Transactions
To view account master of CC Account	CC/OD--> Long enquiry/Short enquiry
To view account statement of TL Account	DL/TL----> Transactions
Day end reports like CC jotting, TL Jotting, SB & CA jotting, SMA list, Audit BGL (For sundry Deposit and suspense)	Shortcut report folders on Desktop (CDC reports folder for Indian Bank)

2. Flex cube (Syndicate Bank, Canara Bank)

To view account statement of CC Account	CASA--> Transactions Enquiry
To view account master of CC Account	CASA--> Others-->OD limit
To view account statement of TL Account	Term Loan----> Transactions Enquiry
To Generate Reports in Flex cube	7775 (for reports generate than please select menu and please select report) & 7778 for view the reports
Day end reports like CC jotting, TL Jotting, SB & CA jotting, SMA list, sundry Deposit and suspense	MIS site ---->Branch login----> Day end reports

3. Finacle-7, 8 & 9 (Bank of India, United, Andhra Bank, Punjab & Sindh Bank & OBC)

To view account statement of CC Account	ACLI -->A/c No. -->Date-->F4
To view account master of CC Account	ACLI -->A/c No. -->Ctl+E -->entered short command in window like-To view Sanction detail : Account No +Control E +H (At option code)+F4+ S (at operation option), To view Drawing Power : Account No +Control E +H (At option code)+F4+ D (at operation option), To View Asset Classification (Standard/NPA) : Account No +Control E +Y (At option code), To view Documents detail : Account No +Control E +X (At option code), To view overdue installments in term loan accounts :Account No. + Control E+ E (at option code) +F4



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To Generate the account list	ACS/ACSP-->F4-->F6-->Scheme Code-->CCA (CC), SBA(SB), TLA/LAA(Loans), ODA(OD) -->F4-->B & Y -->F10. Than exist from this menu by F3/Esc (Reports will be available in PR menu go to this and export it to note pad by going to the point on the report than ctrl+e & ctrl+e)
To view the Security /Stock & BD/Insurance	<u>SRM/SRI/CLL</u> To view detail of stock statement and insurance <u>For detail of stock statement :</u> Linkage Type A + Insurance Type Y + Account No + F4 <u>For detail of insurance :</u> Linkage Type A + Insurance Type Y + Account No + F4 + N (at option code)+F4
Bank Guarantee Inquiry	GI
To view LC details	DCQRY
To Generate Interest Statement	AINTRPT-->A/c No. -->Date-->Select Mrt File name F2 help --> change interest type D
To View TOD Allowed	TODRPT
To view account turnover report	ATOR
To view report	PR
To view pending stock statements	STKSTMT
To View Expired limit	LAROR
To view Packing credit	PRR2B
Document Tracking Report	DOCTR
Loans Collection and Position Report	LAPOS
Suspense & sundry Deposit Reports	MSGOIRP
TDS Report	TDSREP
A/c Turnover	ATOR (This is for review the turnover for specific period, if we want to see total turnover than we have to press ACI than P)
Reports generation menu in different bank	MISRPT (Bank of India DR Server), EODDRPT & UNIRPT (United Bank), MISREP(OBC), PSBRPT(Punjab & Sindh Bank, ABREP/ABRPT(Andhra Bank)

4. Finacle-10 (Bank of Baroda, Union Bank, Corporation Bank & PNB)

To view account statement of CC Account	HACLI entered account number, entered From date and to date”, click on “go”, and for go back click on “OK”(In this menu 03 months account statement will appear), , in case account number is not available, click on “search” and search by entering the borrower/customer name, click on “submit”
	Background -->HACLINQ(In this menu more than 03 months account statement will appear),



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	<p>“HACLINQ”, may also be used for check the following-</p> <ul style="list-style-type: none"> • Loan details • Payment schedule • Limit Expiry Date • Interest rate <p>We have to press window appearing with a/c number</p>
To Generate the account list	HACS/HACSP-->Scheme Code-->search scheme code and then select scheme code than press OK
To view the Security /Stock & BD/Insurance	<p>HCLM/HCLL/ HCLI</p> <ul style="list-style-type: none"> • Function- Inquire • Type- Immovable property/ Inventory/ Book debts • Collateral Id- Click on search and insert CIF ID • CIF ID is customer ID • Click on insurance to check insurance details • Click on charge to check Last valuation date
Limit Expired	HLAROR
Interest Report For Accounts	HAINTRPT
Account Interest Details Inquiry	HAITINQ
Agricultural Loans Master Sheet Print	HALMSP
Asset Classification Report	HASSCR
A/Cs Turnover Report	HATOR
Guarantee LIMIT	HBGLIMIT
Statement of Guarantee	HBGSTMNT
Documentary Credits	HBKDCI
Default Packing Credits under WTPCG/PCG	HDEFPC
Document Tracking Report	HDOCTR
Loans Collection and Position Report	HLAPOS
Outstanding Suspense/Sundry Deposit Items Report	HMSGOIRP
Customer Wise TDS Report(A/c Level Tax)	HTDSREP
Short Cut Menus for report Generation	Union Bank:
	HGR1, FRXVIEW, ADTRPT, BRACMIS
	PNB : PNBPRPT
	Corporation Bank: HCORPRPT
	Bank of Baroda: BOBMENU
	IOB:FINRPT



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SOME MAJOR AMENDMENTS TAX DEDUCTED AT SOURCE & TAX COLLECTED AT SOURCE APPLICABLE FROM ASSESSMENT YEAR 2021-22

Section	Section Brief	Major Changes
194	Dividend	<ul style="list-style-type: none"> TDS @ 10% on dividend paid to any person. Threshold limit has been increased to INR 5,000 Payment Mode has been replaced to any mode instead of Account payee cheque or warrant”
194A	Interest other than “Interest on Securities	<p>A co-operative society (other than a co-operative bank) shall be liable to deduct TDS while paying interest under section 10(23FC),</p> <ul style="list-style-type: none"> if its total sales exceeds ₹ 50 crores in the last year and if the amount of interest being credited exceeds ₹ 40,000 (₹ 50,000 in case of a senior citizen)
194K	TDS On Income In Respect Of Units Of Mutual Fund	<p>A mutual fund is not liable to deduct TDS on capital gains arising on redemption of units by unit holders.</p> <p>A mutual fund is required to deduct TDS @ 10% only on dividend payment.</p>
194LBA	Certain income from units of business Trust	<p>A business trust, while distributing dividend to its unit-holders shall also deduct TDS at below rates:-</p> <ul style="list-style-type: none"> Payment to resident unit holders @10% Payment to non-resident unit holders @5%
196A	Income in respect of units of Non –Resident	income in respect of units of mutual fund on payment made to non-residents @ 20%
196C	Income from foreign currency bonds or shares of Indian Company	TDS @ 10% on dividend paid to a Non- resident in respect of global depository receipts.
196D	Income of Foreign Institutional investor from Securities	TDS @ 20% on dividend paid to Foreign Institutional Investor.
194J	Fees for professional or Technical Services	TDS shall be deducted at the rate of 2% in case of fees for technical services (not being a professional royalty where such royalty is in the nature of consideration for sale, distribution or exhibition of cinematographic film)
206C(1G)(a)	TCS on foreign remittance through Liberalised Remittance Scheme	Authorized dealer is liable to deduct TCS @ 5% for remittance made out of India under Liberalised Remittance Scheme of RBI (if the amount remitted is Rs. 7.00 Lakhs or more
206C(1G)(b)	TCS on selling of overseas tour package	A seller of International tour package is liable to deduct TCS @5% on money receives for International tour package
206C(1H)	TCS on sell of any goods (except goods on which TCS applicable as per Section 206C(1), 206C(1F) and 206C(1G)),	A seller (whose total turnover exceeds Rs. 10.00 crores in previous year) is liable to deduct TCS @0.1% of goods (other than goods covered under existing TCS provisions) for the value exceeding Rs. 50.00 Lakhs in a year.



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- Disclaimer: - Efforts have been made to provide correct information. However, we do not take liability of any kind in case of any error or miscommunication in the article. These updates are compiled for the general information of readers from the various sources including official documents of Finance Act, 2020. Readers are advised to seek professional opinion before initiating any action based on this document.



**Contributed By:-
CA Vinod Kabra**

DIRECT TAX RECENT JUDGMENTS



1. Case Law Reference:- ZAVERI AND CO P. LTD. V/S DCIT, CIR. 4 (1) (2) AHD, ITAT- AHMEDABAD, Dtd.: 19/03/2020.

Topic:- Interest income on FDR against LC :- Taxable

Fact brief: Assessee have a export unit in SEZ- made import on a credit of 360/90 days against LC. FDR made as security for LC. FDR liquidated on expiry of LC and make payment to import party. Exports are made on spot pmt. Therefore, Import value is higher than export value (due to payment option difference). Assessee earn interest on FDR along with profit on export. Whether interest income is exempt u/s10AA along with profit on export or taxable under income from other sources. Held: We find that interest income earned by the assessee were from FDR with bank made for obtaining LC in the course of its business of import for the purposes of re-export. Thus relevant FDR were business assets acquired in the course and for the purposes of its business. The FDR being business assets, we find no reason as to why interest income earned from such FDR could not be assessed as business income of the assessee. Case refer: CIT & anr. Vs. Motorola India Electronics (P) Limited (2014) 265 CTR 94 (Kar.)

2. Case Law Reference:- JCIT(OSD)CC-2(1), KOLKATA V/S WEBSOL ENERGY SYSTEMS PVT. LTD., ITAT-KOLKATA, Dtd.: 18/03/2020.

Topic:- SCN issued u/s 274 must be issued for Specific reason

Fact brief: SCN u/s 274 r.w.s. 271 issued by the AO(DCIT,CC-2(1), Kolkata) having word "Whereas in the course of proceedings before me for the AY 2014- 15 it appears to me that you have concealed the particulars or furnished inaccurate particulars of such income". Before imposing penalty does not contain the specific charge against the assessee -as to whether the assessee was being proceeded against for "having concealed particulars of income" or "having furnished inaccurate particulars of income". Held:

We have already observed that the SCN issued u/s 274 does not specify the charge against the assessee as to whether it is for concealing particulars of income or furnishing inaccurate particulars of income. The SCN u/s 274 does not strike out the inappropriate words. In these circumstances, we are of the view that imposition of penalty cannot be sustained and the same is directed to be cancelled. Case refer: CIT vs Manjunatha Cotton and Ginning factory (2013) 359 ITR 565, Suvaprasanna



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Bhattacharya vs ACIT in ITA No.1303/Kol/2010.

3. Case Law Reference:- DCIT,CC-2 (1), KOLKATA V/S. BHAVYA MERCHANDISE PVT. LTD., ITAT-KOLKATA, Dtd.: 18/03/2020.

Topic:- Additions in search assessment to be made on the basis of incriminating material :-Not allowed

Fact brief: Assessee company engaged in the business of share dealing and interest income. Search u/s 132 Act conducted on 05.08.2014. Documents bearing id. mark BRL-5 was found and seized (page no.12-13 contain share holder detail). AO made addition of ₹ 3,26,50,000/- u/s.68 by treating the share capital and share premium amount as unexplained cash credit. Held: Without having any incriminating material said to have been found during the course of search there cannot be any addition in the completed assessment if at all any addition that should be on the basis of incriminating material. Additions in the case of search assessment have to be made on the basis of incriminating material. Thus ground nos. 1 to 6 raised by the revenue are dismissed. Case refer: CIT, Kolkata – III vs Veerprabhu Marketing Ltd. (2016) 73 taxmann.com 149, CIT vs Kabul Chawla (380 ITR 573) (Delhi).

4. Case Law Reference:- ACIT – 19(2), MUMBAI V/S POPATLAL NATHALAL SHAH, ITAT-MUMBAI, Dtd.: 29/01/2020.

Topic:- Bogus purchases addition to be made for restricted profit element only.

Fact brief: Business of trading of rough and polished diamonds. AY 2014-15- return dt- 29.11.2014 return income of ₹ 6,74,62,087/-. Search conducted on 03.10.2013 in case of Bhanwarlal Jain who provide bogus sales and bogus unsecured loans and admitted this, in their sworn statement. Assessee has made purchases from Mohit, Mayur Exports and Prime Star amounting to ₹ 9,23,99,829/-. Order u/s 143(3) pass by AO on 29.12.2017 making addition @100% of said purchases. CIT-A restricting the addition on account of bogus purchases @ 3% on total purchases of ₹ 9,23,99,829/- as the profit element only to be taxed.

Held: Purchases claimed by the assessee to have been made from the aforesaid dummy concerns is bogus. Sales of the assessee had not been doubted and dislodged by the A.O, therefore, it could safely be gathered that the assessee had purchased the goods under consideration, though not from the aforementioned dummy concerns from whom bogus bills have been taken, but from certain unidentified parties operating in the open/grey market. Therefore assessee was liable to be restricted only to the extent of the profit element which was embedded in making of purchases from the open/grey market, i.e. 3% profit element only in present case. Case refers: Its own decision AY 2012-13 in ITA No. 5939/Mum/2016 order dated 08.11.2017.

5. Case Law Reference:- New Delhi Television Ltd vs. DCIT (Supreme Court, 03/04/2020)

Topic:- Notice for Reopening under section 147/148 must be within time limits

Facts:- Reopening under section 147/148: (i) Merely because the original assessment is a detailed one, the powers of the AO to reopen u/s 147 is not affected, (ii) Information which comes to the notice of the AO during proceedings for subsequent AYs can definitely form tangible material to reopen the assessment, (iii) As regards "full & true disclosure of material facts", the assessee has the duty to disclose the "primary facts". It is not required to disclose the "secondary facts". The assessee is also not required to give any assistance to the AO by disclosure of other facts. It is for the AO to decide what inference should be drawn from the facts, the notice issued to the assessee shows sufficient reasons to believe on the part of the assessing officer to reopen the assessment but since the revenue has failed to show nondisclosure of facts the notice having been issued after a period of 4 years is required to be quashed. Having held so, we make it clear that we have not expressed any opinion on whether on facts of this case the revenue could take benefit of the second proviso or not. Therefore, the revenue may issue fresh notice taking benefit of the second proviso if otherwise permissible under law. We make it clear that both the parties shall be at liberty to raise all contentions with regard to the validity of such notice.

6. Case Law Reference:- Rajasthan State Electricity Board vs. DCIT (Supreme Court), 19.03.2020

Topic:- Mechanical application of Section 143(1-A) must be applied

Facts:- Section 143(1-A) It is true that while interpreting a Tax Legislature the consequences and hardship are not looked into but the purpose and object by which taxing statutes have been enacted cannot be lost sight. This Court while considering the very same provision i.e. Section 143(1-A), its object and purpose and while upholding the provision held that the burden



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of proving that the assessee has attempted to evade tax is on the Revenue which may be discharged by the Revenue by establishing facts and circumstances from which a reasonable inference can be drawn that the assessee has, in fact, attempted to evade tax lawfully payable by it. In the present case, not even whisper, that claim of 100% depreciation by the assessee, 25% of which was disallowed was with intend to evade tax. We cannot mechanically apply the provisions of Section 143(1-A) in the facts of the present case and in view of the categorical pronouncement by this Court in Commissioner of Income Tax, Gauhati vs. Sati Oil Udyog Limited and another (supra), where it is held that Section 143(1-A) can only be invoked when the lesser amount stated in the return filed by the assessee is a result of an attempt to evade tax lawfully payable by the assessee. In view of the above, we hold that mechanical application of Section 143(1-A) in the facts of the present case was uncalled for.

Contributed By:- CA Kamlesh Pandya

Appeal to Contribute in ICAI COVID 19 Relief Fund

The COVID-19 pandemic, marks an unprecedented time in modern history that will require the best of humanity to overcome. Little would have we realised the unfolding of epidemic like this, which situation is yet unfolding, and have brought the economic momentum to a much lower trajectory. Situation like this would need support to collaborate with the government initiatives to scale up governmental efforts to help those in distress. At this moment, the affected people in India will need help to tide over the viral disease, and in this scenario, ICAI has decided to stand with our distressed fellow countrymen, and actively participate in the national effort to support them at this difficult time. Due to the ongoing lockdown, much needed on the ground of social distancing and therefore 'stay home' advisory from the government; some of our fellow countrymen will need extensive support from the government. Further, we need to contribute to the government initiatives to bolster necessary infrastructure and human ware to fight this epidemic.

To provide much-needed relief for the people affected by the viral disease and those who are in distress; ICAI appeals to all its Members and Students to donate generously for this noble cause.

Donations can be made through Demand Draft, Cheque, RTGS and online mode; offline collections in form of cheques/demand draft should be given in the name of "ICAI COVID 19 Relief Fund". All such offline contributions can be made in the ICAI Bank Account having the following details:

Bank: HDFC Bank

Account No.: 50100098409265

IFSC No: HDFC0000590

The collected amount will be given to PRIME MINISTER'S NATIONAL RELIEF FUND /PM CARES FUND.

All contributions towards this Fund are exempt from Income Tax under Section 80G. Further, the date for claiming deduction u/s 80G under IT Act has been extended by the government and now the donation made up to 30.06.2020 shall also be eligible for deduction from income of FY 2019-20. The donors are requested to give their name, membership number /student registration number, address, amount and date of contribution, PAN details (if any) so that receipts could be obtained from Prime Minister's National Relief Fund for onward transmission to the donors.

The letter/email can be sent to:

The Additional Secretary

M&C-MSS

The Institute of Chartered Accountants of India

ICAI Bhawan, A-29, Sector-62, Noida-201309

Email: msshead@icai.in

Looking forward for your generous contribution in these special circumstances in the interest of mankind.



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