



# Special Message

# Interview

## Happy Republic Day



**26th January**



**CA Subodh Kumar Agarwal**  
Former President  
Institute of Chartered Accountants of India



**Venkatachalam Subramaniam**  
General Manager  
Oracle NetSuite India

# Messages



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***We believe that***

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# Special Message

Creative  
Teamwork  
Think Idea  
Innovate



## **CA Subodh Kumar Agrawal Former President of ICAI**

Dear Friends,

During this time of Covid which is almost one year since it started spreading its wing, the world has changed, the thought process, the work culture, the New Normalcy, dependency on the digital technology, consciousness for sanitization etc. The client has changed its mindset and started giving access to data online which used to be very difficult pre-covid era. We are able to utilize our resources even when they are not coming to office i.e. they have gone out of station for their personal work. We have started working from anywhere and every where and in addition to that 24\*7. Should we thank COVID for this 360 degree change in our life and career? Probably yes because now we, in our hand has the Vaccine which has been developed across the globe and without vaccine itself the negative impact has drastically reduced and mortality rate is also on the bottom. Thank God, Thanks Govt, Thank our Society.

Due to onslaught of online seminar/ training we are able to get access to all the best of the speakers (technical resources) and by seating anywhere we are able to keep updated, seating in our office we are able to attend the Court hearing and thereby doing multitasking and utilizing the time in the best possible manner.

The COVID has made us to under ABCD of technology at the lightning speed and today we can say we know ABCD i.e. (A)rtificial Intelligence, (B)lockchain, (C)loud Computing and (D)ata (big and small).

Nothing is constant in this world. Changes happen every day. Digital transformation in the finance industry is becoming more of a business strategy, and the customers are experiencing all kinds of new implementations in their daily lives. The Finance models has been transforming very rapidly and we are sharing details for execution of work through emails, what'sApp etc. Though in corporate, use of technology to meet the expectations of customers are usual but due to COVID Finance industry has also been striving to meet client's demands through disruptive technology as the clients expect their financial service providers to become more customized.

Though Professionals need to move at jet speed and pace while balancing data security of clients, adding valued services to clients which is need of hour. We need to be men of capability and not only look for success, Success in general follow to capability. Please take care of health first and use all security measures while using Technology.

Yours in profession,

CA Subodh Kumar Agarwal  
Former President - ICAI

Kolkata  
21<sup>st</sup> January 2021



# Interview with Venkat Subramaniam

## General Manager - Oracle NetSuite India



Venkatachalam Subramaniam is the General Manager for Oracle NetSuite India, responsible for customer success, employee engagement and market development.

In this role, Venkat is driving increased value for NetSuite prospects, customers and employees while continuing to build on the strengths of the India operation to bring benefits of cloud Enterprise Resource Planning (ERP) to an increasing number of start-ups and growing business.

Venkat is a seasoned business management specialist with 28 years of proven expertise in setting operational strategies, managing sales, driving team performance and developing business opportunities. Venkat joined Oracle NetSuite in January 2020 after a stint as Senior Vice President – APAC at Adrenalin eSystems. Past roles include that of Vice President at ADP India and Vice President at Polaris Software Labs, USA.



**1. CA Arjit Agarwal-** First of all, I would like to thank you on behalf of AASquare Advisors LLP for sparing your valuable time for an Interview with us on the topic, “How modern accountants can embrace technology and empower their clients.”

**Venkat-** Thanks for the opportunity. This is a timely topic considering that a top priority for many senior management teams in general, and finance professionals in particular are to: a) Ensure efficiency of financial operations, b) Tighten inventory control and order fulfillment, c) Enable a single view of the business, and d) Ensure that end of year financial closely complies with the regulatory framework.

**2. CA Arjit Agarwal-** Kindly share Oracle NetSuite’s journey over the past 22 years since inception in 1998.

**Venkat-** In 1998, NetSuite pioneered the cloud computing revolution, establishing the world’s first company dedicated to delivering business applications over the Internet. On November 7, 2016 Oracle acquired NetSuite, bringing together the reach of NetSuite's cloud ERP solutions for small to midsize businesses with the breadth and depth of Oracle's cloud solutions for the back and front office.

For more than 20 years, Oracle NetSuite has helped organizations grow, scale and adapt to change. Today, NetSuite provides a suite of cloud-based applications, which includes financials, Enterprise Resource Planning (ERP), inventory management, HR, professional services automation and omni channel commerce, used by more than 24,000 customers in 203 countries and dependent territories.

NetSuite delivers a unique set of processes, activities and systems specifically designed to deliver value. It provides our customers with a strong foundation to transform their business with a pre-configured solution and methodology that includes: detailed workflows, re-configured functional roles, dashboards and KPIs



These leading practices leverage NetSuite's unmatched experience and knowledge of accounting, financials and inventory management processes. The focus is on enabling our customers to rapidly meet their business objectives and seamlessly grow and scale with NetSuite.



**3. CA Arjit Agarwal-** Currently, there are a number of players in the market providing ERP solutions. How would you differentiate NetSuite's ERP offering from all other ERP solutions?

**Venkat-** NetSuite's financial management solution expedites daily financial transactions, accelerates the financial close and helps to ensure compliance. It offers complete real-time visibility into operational performance from a consolidated level down to the individual transactions.

The true strength of NetSuite's platform lies in the ability to engineer lifelong customer success through its Suite Success solution - a unified and pre-configured industry cloud solution, which is built on industry leading practices, combining deep domain knowledge of vertical industries, each with pre-built KPIs and dashboards. NetSuite offers different delivery methodologies for each industry by market segment.

SuiteSuccess provides leading practices 'out of the box' so to speak - this means our customers do not need to start an implementation with a 'blank canvas'. The leading practices already provide a substantial amount of the key business processes required. Doing it this way, means we have tailored these processes to suit the needs of different industry segments - e.g. Wholesale/distribution, Manufacturing, Services etc.

**4. CA Arjit Agarwal-** Please share some of NetSuite's ERP capabilities, specifically useful for finance/accounting professionals?

**Venkat-** NetSuite's financial management solution seamlessly integrate core accounting functionality with real-time business insights to drive financial excellence. Its billing capabilities, for example, integrate sales, finance and fulfillment functions- improving accuracy and eliminating errors. This allows accounting professionals to improve the accuracy of revenue recognition reports that comply with accounting standards.

Other key finance features include:

**Global Accounting and Consolidation-** Businesses can consolidate both at the subsidiary and parent entity level in an effortless manner. NetSuite provides unparalleled visibility across the entire business in real-time ensuring timely, consistent and compliant management across the organization, locally and globally.

**India Localization-** The India Localization SuiteTax Engine SuiteApp helps manage transactions and numerous special tax requirements and rules, such as Tax Deduction at Source (TDS), Goods and Services Tax (GST), Tax on tax, and reverse charges.

**India Localization SuiteTax Reports** enables finance teams and accountants to generate TDS reports like 26QB & 27QB and GST reports like GSTR1, GSTR3B.

**GRC-** NetSuite's Governance, Risk and Compliance (GRC) solution addresses the issues of corporate governance, enterprise risk management and effective corporate compliance.

**Multi-language-** NetSuite provides a multi-language user interface that helps bridge communication barriers and provides a flexible hierarchy that allows businesses to run their entire entity structure with ease.

**5. CA Arjit Agarwal-** With business models for startups evolving constantly, how does NetSuite ERP support them?

**Venkat-** Startups by their nature run lean operations. Every rupee of capital raised is deployed to develop ideas, products, conduct market reach and to strengthen their management and frontline teams. They typically operate on tight budgets and may overlook an investment in back office technology.

To establish a strong foundation for growth, however, it's crucial to find a financial platform that can provide a singular view of the business. Startups will benefit from growing their businesses



using a solution that meets their needs every step of the way. NetSuite provides a Cloud Business Management Suite that offer rapid implementation, customization and is cost effective as it eliminates on premise IT costs.



It also provides automatic updates and importantly, our start up customers find our features like dashboards, search function, prebuilt reports and KPIs of great value as this illustrates their progress to investors which in turn, results in investor confidence to offer additional funding.

Being a SaaS model and through our Suite Success Starter Edition, startup scan manage their entire business on a single platform. One of the key benefit sis that the startup operates on the same version as other NetSuite customers.

**6. CA Arjit Agarwal-** Technology is one of the most important tools in the development of any economy. COVID 19 has in many ways accelerated a transformation from manual to digital processes in a very short span of time. What are your views on technological development worldwide and how do you think technology has impacted the accounting function?

**Venkat-** In today's business environment, finance professionals need the right tools and technology that can provide them with a real-time view into the business, enabling them to manage financial operations effectively while meeting compliance requirements.

They are required to take on a more prominent role in corporate portfolio management and capital allocation that drives decisions and outcomes.

Accountants in particular can uplift their own professional skills and contribution to the business strategy by adopting modern accounting tools and practices. This will allow them to tap into the power of cloud to empower them now and into the future.

**7. CA Arjit Agarwal-** With technology innovation moving fast most business owners would like to serve their customers very quickly and efficiently. What changes have you witnessed in customer behavior over last year?

**Venkat-** Clearly there is a need to move from outdated systems including spreadsheets that served businesses well in past. Business owners recognize its limited capabilities, lack of visibility and control. We find finance professionals are keen to adopt new business models which provides them with local control and a consolidated view across all their operations across India or in other countries and territories – all in real time. CFOs and finance teams who have a real time view into their business operation, can adjust the strategy much more effectively and can easily comply with regulations across geographies.

An ERP system should be robust and modern providing insights into operational data that they can trust. In India, CFOs are impressed with NetSuite's configurable dashboards that provide financial, operational and sales information.

In fact, they can, at the touch of a button access subsidiary data and easily drill down to access information related to income, daily transactions and inventory levels to name a few.

NetSuite streamlines all financial processes allowing increased productivity. In short, it provides a single system of record across finance, sales and operations.

**8. CA Arjit Agarwal-** Leading a creative and passionate team at Oracle NetSuite India and driving Cloud ERP awareness, how would you summarize your journey from beginning till date?

**Venkat-** The last year serves up a mix of feelings and thoughts. NetSuite provides a great platform, in an economy that is a breeding ground for entrepreneurs, to seize initiatives and implement efficiencies in industries such as agriculture, cosmetics, engineering, software development, and non profit organizations to mention a few. Our team is experienced in articulating the benefits of what we believe is the best Cloud ERP solution on the market, one that has proved its value and continue to bring great efficiencies to businesses worldwide. With 2020 behind us, I believe that new opportunity will emerge making the journey even more interesting.



**9. CA Arjit Agarwal-** Lastly, what advice would you like to give finance professionals on how technology could positively impact the 'new' world of work we find ourselves in?



**Venkat-** It's no secret that technology has been critical for businesses as they navigated the challenges of the last year. From effectively managing a distributed workforce, to leveraging data driven decision making, to generally have the operational systems in place to allow for agility and flexibility with business models.

Running your business in the cloud, from anywhere on any device has become a sure-fire way to build business resilience through its timely and accurate insights into operations, and ability to adapt to the needs of the business.

The NetSuite platform supports flexible working. As a Cloud ERP solution, it can unify core business operations and enhance visibility into organizational performance from anywhere – something which is especially useful with remote working and dispersed teams

**10. CA Arjit Agarwal-** Thank you so much for giving your precious time and responding well to my questions.

**Venkat-** It is my pleasure and best wishes for 2021.





## Tips to Create an Identity in your Job

- Venture outside of your comfort zone and view every person you meet as a door that may lead you to a new opportunity;
- Search for the value in feedback or criticism and cultivate perseverance;
- Don't be afraid to speak up and say yes to the things that scare you;
- Set realistic goals; Find an opportunity in every chaos;
- Find a mentor, and be a mentor;
- If you need help, ask for it and use your strengths;
- Be willing to sacrifice some things to build the career you want;
- Live your life, not someone else's and follow your effort;
- Be confident, yet humble; Use your intuition and embrace failure;
- Be a team player.

**Anu Bargavi C – Professional Lawyer Chennai**

## Importance of Motivating Team Members in an Organization

It is a fact that a motivated team is a better performing team. Motivation reinforces cohesion and helps in smoothening the challenges. A demotivated team can affect the ultimate goals and results of an organization. Companies need to understand the mechanisms of motivation to stimulate the feeling of ownership, responsibility, and accountability in a team. While the ownership is shared, the responsibility is mutual, and the accountability is personal. It is very important to detect and respond to the team's needs and provide them a lasting motivation so that they can give their best potential. Additionally, it is necessary to reward the success of the team members and turn the positive recognition into a powerful motivational tool.

**Er. Harsh Singh (Head - Business Operations) - Blissladder Consulting Pvt Ltd**



## Stay hungry, stay foolish

In the pandemic, every company is forced to provide work from home facility to their employees whether they have it before or not. It is evident that many challenges are faced by employees but for new joiners it can be more challenging like fitting in your team, getting along with colleagues etc. It is important to focus more on collaborating and planning with other members, create a working environment as there can be many distractions around, there is no substitute of hard work, you can be assigned to any project so blossom where you are planted. ASK! If you don't understand it is better to clear it in initial stage. We all make mistakes at some point, so accept your mistakes and rectify them asap. Finally and above all, Never Stop Learning.

**Er. Nimish Agarwal - Design Verification Engineer**

## Effective use of Robotic Process Automation or Machine Learning

With teams working from home during the pandemic, embracing a software product engineering approach poses special challenges. For example, a key strength of Agile and software product engineering methods is creating a development rhythm, or cadence – typically just days or weeks between iterations. To maintain that cadence when working from home, teams need the virtual equivalent of leaning across their workspace and bouncing an idea off a colleague – the grist for innovation.

We're seeing technologies emerge that support virtual teams effectively, including white boarding during the ideation phase and video collaboration applications that enable document sharing. Team members working outside of traditional work hours need a "presence" application when they need to find an expert on a particular topic – say, robotic process automation or machine learning – who is available now.

**Er. Adeeb Qamar – Software Engineer**





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## 1. In Brief :-

Under Section 292BB of the Income Tax Act, a closer look at Section 292BB shows that if the assessee has participated in the proceedings it shall be deemed that any notice which is required to be served upon was duly served and the assessee would be precluded from taking any objections that the notice was (a) not served upon him; or (b) not served upon him in time; or (c) served upon him in an improper manner.

**Honorable Apex Court** in case of  
**Commissioner of Income Tax**

**Vs**

**Laxman Das Khandelwal**

*Held that*



“Since the facts on record are clear that no notice under Section 143(2) of the Act was ever issued by the Department, the findings rendered by the High Court and the Tribunal and the conclusion arrived at were correct. We, therefore, see no reason to take a different view in the matter”

## 2. Relevant terms :-

S.No.	Act/Rule	Section No.	Section Particulars	Brief Section
1.	Income Tax Act	Section 292BB	Notice deemed to be valid in certain circumstances	<p>Where an assessee has appeared in any proceeding or cooperated in any inquiry relating to an assessment or reassessment, it shall be deemed that any notice under any provision of this Act, which is required to be served upon him, has been duly served upon him in time in accordance with the provisions of this Act and such assessee shall be precluded from taking any objection in any proceeding or inquiry under this Act that the notice was :-</p> <ul style="list-style-type: none"> <li>(a) Not served upon him; or</li> <li>(b) Not served upon him in time; or</li> <li>(c) Served upon him in an improper manner:</li> </ul> <p>Provided that nothing contained in this section shall apply where the assessee has raised such objection before the completion of such assessment or reassessment.”</p>

S.No.	Case Law	Court	Decision/Judgment
1.	Blue Moon's case	Apex Court	Where the assessing officer in repudiation of the return filed under Section 158 BC(a) proceeds to make an enquiry, he has necessarily to follow the provisions of Section 142, sub-sections (2) and (3) of Section 143.

#### 4. Facts of Case in Laxman Das Khandelwal :-

- a) The assessee company is engaged in the business of brokerage.
- b) Search and seizure operation was conducted under Section 132 of the Act of 1961 on 11.03.2010 at his residential premises.
- c) The assessee submitted return of income on 24.08.2011, declaring total income of Rs.9,35,130/-.
- d) The assessment was completed under Section 143(3) read with Section 153(D) of 1961 Act.
- e) Rupees 9,09,110/- was added on account of unexplained cash under Section 69 of 1961 Act. Rs.15,09,672/- was added on account of unexplained jewellery. Rupees 45,00,000/- was added on account of unexplained hundies and Rs.29,53,631/- was added on account of unexplained cash receipts.
- f) Aggrieved, the assessee filed an appeal before the Commissioner Income Tax (Appeal).
- g) The Commissioner of Income Tax (Appeal) deleted an amount of Rs.7,48,463/- holding that jewellery found in locker weighing 686.4 gms stood explained in view of circular No.1916 and further deleted the addition of Rs.29,23,98,117/- out of Rs.29,53,52,631/- holding that the correct approach would be to apply the peak formula to determine in such transaction which comes to Rs.29,54,514/- as on 05.03.2010.
- h) Aggrieved, Revenue filed an appeal.
- i) The Assessee filed cross objection on the ground of jurisdiction of Assessment Officer regarding non issue of notice under Section 143(2) of the Act of 1961.
- j) The Tribunal vide impugned order upheld the cross objection and quashed the entire reassessment proceedings on the finding that the same stood vitiated as the assessment Officer lacked jurisdiction in absence of notice under Section 143(2) of the act of 1961.
- k) Tribunal observed "that there was no notice issued u/s 143(2) prior to the completion of assessment under section 143 (3) of the Act by the AO; that the year under consideration was beyond the scope of the provisions of Section 143A of the Act, it being the search year and not covered in the six year to the year of search as per the assessment scheme/procedure defined u/s 153A; that the AO has passed regular assessment u/s 143(3) of the Act; although the Id. CIT has mentioned the section as 143 r.w.s. 153A and that the department had not controverted these facts at the stage of hearing. It is noted that issue of notice u/s 143(2) for completion of regular assessment in the case of the assessee was a statutory requirement as per the provisions of the Act and non issuance thereof is not a curable defect. Even in case of block assessment u/s 158BC, it has been so held by the apex Court in the case of 'ACIT v. Hotel Blue Moon' (2010) 321 ITR 362 (Supra)."
- l) The Appellate Tribunal held, while affirming the decision of CIT (A) that non-issue of notice under Section 143(2) is only a procedural irregularity and the same is curable.
- m) The High Court, disagreeing with the Tribunal, held, that the provisions of Section 142 and sub-Section (2) and (3) of Section 143 will have mandatory application in a case where the assessing officer in repudiation of return filed in response to a notice issued under Section 158-BC(a) proceeds to make an inquiry.
- n) The Revenue thereafter applied to this Court for special leave under Article 136.



As per Section 261 any person aggrieved by decision of Honorable High Court, can file appeal in any case which the High Court certifies to be a fit one for appeal to the Supreme Court before Honorable Apex Court .

**a) Issues before the Apex Court :-**

- i. Whether service of notice on the assessee under Section 143(2) within the prescribed period of time is a prerequisite for framing the block assessment under Chapter XIV-B of the Income Tax Act, 1961?
- ii. Whether Section 292BB which came into effect on and from 01.04.2008 has effected any change ?

**b) Assessee’s Department’s Contention:-**

S.No.	Issues	Assessee’s Contention	Department’s Contention
1.	Participated in proceedings	Assessee relied upon the decision of this Court in Assistant Commissioner of Income Tax and Another vs. Hotel Blue Moon	Reliance was placed by the Appellant on the provisions of Section 292BB of the Act to submit that the Respondent having participated in the proceedings, the defect, if any, stood completely cured.
2.	Interpretation of Section 292BB	That the notice under Section 143(2) of the Act was never issued which was evident from the orders passed on record as well as the stand taken by the Appellant in the memo of appeal. It was further submitted that issuance of notice under Section 143(2) of the Act being prerequisite, in the absence of such notice, the entire proceedings would be invalid.	Since the Respondent had participated in the proceedings, the provisions of Section 292BB would be a complete answer.

**c) Apex Court Ruling:-**

If the assessee had participated in the proceedings, by way of legal fiction, notice would be deemed to be valid even if there be infractions as detailed in said Section. The scope of the provision is to make service of notice having certain infirmities to be proper and valid if there was requisite participation on part of the assessee. It is, however, to be noted that the Section does not save complete absence of notice. For Section 292BB to apply, the notice must have emanated from the department. It is only the infirmities in the manner of service of notice that the Section seeks to cure. The Section is not intended to cure complete absence of notice itself.



**6. Summary of Judgment :-**

- I. The law on the point as regards applicability of the requirement of notice under Section 143(2) of the Act is quite clear from the decision in Blue Moon’s case.
- II. For Section 292BB to apply, the notice must have emanated from the department. It is only the infirmities in the manner of service of notice that the Section seeks to cure. The Section is not intended to cure complete absence of notice itself.



## 7. Conclusion :-



Section 292BB was introduced by Finance Act 2008 with effect from 01st April 2018 in order to address the issues wherein notices under sub-section (2) of section 143, though issued by registered post within twelve months from the end of the month in which the return was furnished, have been held 'invalid' on the ground that the notice was actually received by the assessee after the limitation date and there was no 'service' as postulated under the section.

It is welcome judgment by Honorable Apex Court.

### \*Sources

- <http://itatonline.org/archives/main/>
- <http://www.incometaxindia.gov.in/Pages/acts/income-tax-act.aspx>

This Article is just analysis of recent Judgment and is not to be construed as any form of legal opinion whatsoever. Readers are requested to go through the Judgment in detailed for more/better understanding.





## 1. In Brief :-

This article being Gist of recent important verdicts by Honorable Apex Court, High Court and ITAT on various laws during the month **December 2020**.

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## 2. Verdict – ITAT :-

S. No.	Verdict	Relevant Section	In Brief
1.	Interactive Avenues Private Limited vs. DCIT (ITAT Mumbai)	40(a)(i)	Section 40(a)(i) is a restriction on deductibility of expenses u/s 30 to 38. If the related expenditure is not claimed as a deduction u/s 30 to 38, this disallowance cannot be pressed into service at all. As the assessee is an advertisement agency and advertisements are placed by the assessee on behalf of its clients, there is ordinarily no occasion to claim the costs of advertisements as deduction in computation of its business income. The revenues, in the case of advertisement agencies, consist of only the commission received in respect of the advertisements so placed
2.	DZ Bank AG – India Representative Office vs. DCIT (ITAT Mumbai)	Article 11, Article 7, India-Germany DTAA	(i) A representative office of a foreign enterprise is not a taxable unit. The foreign enterprise is the taxable unit. A return of income filed in the name of the representative office, with the PAN of the enterprise, offering only the income of the representative office & excluding the other Indian income of the enterprise is not proper. However, as the error is inadvertent and without any consequences in terms of loss of revenue, a pragmatic approach must be adopted and the assessee should not be subjected to avoidable inconvenience (ii) As regards the taxability of interest income under the India-Germany DTAA, as the debt claim in question was not "effectively connected" to the alleged PE, the exclusion article 11(5) was not triggered and the taxability under article 7 does not come into play (Entire law discussed in detail)
3.	Bank of India vs. ACIT (ITAT Mumbai)	115JB, 90(2)	(i) The fact that profits of foreign branches of a resident are taxed outside India under tax treaties does not imply that the said income is not taxable in India. The entire global income has to be taxed in India. The assessee is entitled to credit for taxes paid abroad, as admissible under the treaty or the domestic law. (ii) S. 115JB applies to banking companies after the 2012 amendment. Even profits of foreign branches which are taxed under the tax treaties are also liable for MAT. (iii) The argument that S. 90 overrides S. 115JB and so the incomes taxed abroad should be excluded from taxation of book profits u/s 115 JB is not correct. Treaty protection come normally into play for taxation of a non-resident in India, i.e. source country



			taxation, and not for taxation of a resident in whose hands global income is to be taxed anyway. All that one gets in the residence jurisdiction, by the virtue of tax treaties, is tax credits for the taxes paid abroad.
4.	Amarchand & Mangaldas & Suresh A Shroff & Co vs. ACIT (ITAT Mumbai)	Article 12, Article 14	The AO's refusal to grant foreign tax credit under article 23(2) of India Japan DTAA on the ground that the assessee's income (legal fees) was not taxable in Japan under Article 14 (Independent Personal Services) & that the taxes were wrongly withheld in Japan is not justified. The income could have been taxed under Article 12 (Fees for Technical Services). Even otherwise, one has to take a judicious call as to whether the view adopted by the source jurisdiction of taxing the income is a reasonable and bonafide view, which may or may not be the same as the legal position in the residence jurisdiction. The view of the treaty partner should be adopted unless it is wholly unreasonable or manifestly erroneous

### 3. Verdicts – Apex Court :-

S. No.	Verdict	Relevant Section	In Brief
<b>There is no important Verdict during December 2020</b>			

### 4. Verdicts – High Court :-

S. No.	Verdict	Relevant Section	In Brief
<b>There is no important Verdict during December 2020</b>			

### 5. Conclusion :-

To conclude, we should always focus/be in touch with regular Amendments/Case Laws from Apex Court, High Courts and Tribunal. This will help us in understanding the Law better and guide us how to interpret the Law before Judiciary.

Keep Updating!!!

\*Sources

- <http://itatonline.org/archives/main/>

This Article is just brief of recent Judgment and is not to be construed as any form of legal opinion whatsoever. Readers are requested to go through the Judgment in detailed for more/better understanding.

This is Gist of all important updates during **December 2020** relating to circulars, notifications, miscellaneous communications & press releases from Income Tax Department and advisory communications to the best of our Knowledge and sources\* in brief. However readers are advised to read the relevant in details for better understanding.

### 1. Income Tax Act 1961 – Notifications :-

Notification No.	Dated	Heading	In Brief	Link to Read Full
<b>F. No. 225/161 /2020 - ITA.II/Notification No 90/2020</b>	15 <sup>th</sup> December	Sharing of information with "Secretary, Citizen Resources Information Department, Govt. of Haryana" 15 December 2020 of Printing at Government of India Press, Ring Road, Mayapuri, New Delhi-110064 and Published by the Controller of Publications, Delhi-110054	In pursuance of sub-clause (ii) of clause (a) of sub-section (1) of Section 138 of the Incometax Act, 1961, the Central Government hereby specifies Secretary, Citizen Resources Information Department, Government of Haryana, for the purposes of the said clause in connection with sharing of information regarding income-tax assesseees for identifying the eligible beneficiaries for transfer of financial assistance through Direct Benefit Transfer Scheme	<a href="#">Click here to Read</a>
<b>91/2020 /F.No. 300196/4/20 14-ITA-I</b>	24 <sup>th</sup> December	Clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961)	In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Yamuna Expressway Industrial Development Authority', (PAN AAALT0341D), an authority constituted by the State Government of Uttar Pradesh, in respect of the specified income arising to that Authority as specified	<a href="#">Click here to Read</a>
<b>92/2020/F. No. 370142/35/2 020-TPL</b>	31 <sup>st</sup> December	Section 3 of the Direct Tax Vivad se Vishwas Act, 2020	In exercise of the powers conferred by section 3 of the Direct Tax Vivad se Vishwas Act, 2020 (3 of 2020), the Central Government hereby makes the following amendment in the notification of the Government of India, Ministry of Finance, (Department of Revenue), Central Board of Direct Taxes, number 85/2020, dated the 27th October, 2020, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii), vide number S.O. 3847(E), dated 27th October, 2020	<a href="#">Click here to Read</a>
<b>93/2020/F. No.370142/3 5/2020-TPL</b>	31 <sup>st</sup> December	Direct Tax Vivad Se Vishwas Act, 2020	In exercise of the powers conferred by sub-section (1) of section 3 of the Taxation and Other Laws	<a href="#">Click here to Read</a>



			(Relaxation and Amendment of Certain Provisions) Act, 2020 (38 of 2020) (hereinafter referred to the Act) and in supersession of the notification of the Government of India in the Ministry of Finance, (Department of Revenue) No. 88/2020 dated the 29th October, 2020, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii), vide number S.O. 3906(E), dated the 29th October, 2020, except as respects things done or omitted to be done before such supersession
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## 2. Income Tax Act 1961 – Circulars :-

Circular No.	Dated	Heading	In Brief	
20/2020	3 <sup>rd</sup> December	Income Tax Deduction from Salaries during the Financial Year 2020-21 under section 192 of the Income Tax Act 1961	Reference is invited to Circular No. 4/2020 dated 16.01.2020 whereby the rates of deduction of income-tax from the payment of income under the head "Salaries" under Section 192 of the Income-tax Act, 1961 (hereinafter 'the Act'), during the financial year 2019-20, were intimated. The present Circular contains the rates of deduction of income-tax from the payment of income chargeable under the head "Salaries" during the financial year 2020-21 and explains certain related provisions of the Act and Income-tax Rules, 1962 (hereinafter the Rules). All the sections and rules referred are of Income-tax Act, 1961 and Income-tax Rules, 1962 respectively unless otherwise specified. The relevant Acts, Rules, Forms and Notifications are available at the website of the Income Tax Department	<a href="#">Click here to Read</a>
19/2020	3 <sup>rd</sup> December	Clarifications on provisions of the Direct Tax Vivad se Vishwas Act, 2020 - reg	With the objective to reduce pending income tax litigation, generate timely revenue for the Government and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process, the Direct Tax Vivad se Vishwas Act, 2020 (hereinafter referred to as 'Vivad se Vishwas') was enacted on 17th March, 2020. The provisions of Vivad se Vishwas were amended by the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 to provide certain	<a href="#">Click here to Read</a>

		<p>relaxations in view of the COVID-19 pandemic and also to empower the Central Government to notify certain dates. Towards this end, vide notification dated 27<sup>th</sup> October, 2020 the date for payment without additional amount under Vivad se Vishwas was extended from 31<sup>st</sup> December, 2020 to 31<sup>st</sup> March, 2021. The last date for filing declaration under Vivad se Vishwas was also notified as 31<sup>st</sup> December, 2020. Subsequently, the Central Board of Direct Taxes issued a circular no. 18/2020 dated 28<sup>th</sup> October, 2020 relaxing the time limit of 15 days prescribed in section 5(1) of Vivad se Vishwas for making payment of amount payable, as determined in a certificate issued by the Designated Authority</p>	
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### 3. CBDT Press Releases :-

Dated	Heading	In Brief	
<b>07<sup>th</sup> December</b>	Income Tax Department conducts searches in Assam	During the course of the search action, it has been established that the group engages in out-of-books transactions. Handwritten documents/Diaries regarding cash transactions have been recovered which are not reflected in the regular books of accounts. Such transactions detected so far across all the locations combined is upwards of Rs.150 crore, of which payments made of a total of more than Rs.100 crore have been found to be violative of various sections of the Income-tax Act, 1961. Such seized documents are voluminous and are being investigated further	<a href="#">Click here to Read</a>
<b>08<sup>th</sup> December</b>	Income Tax Department conducts searches in Odisha	The Income Tax Department has carried out search and seizure operations on 03/12/2020 in the case of a Group involved in the manufacturing and trading of steel products having premises in and around Rourkela, Odisha. The Group entities were booking bogus purchases of around Rs. 170 crore for two financial years in the name of 17 bogus entities. All the 17 parties have confessed in the statements recorded during the course of search and seizure operation, that they were unaware of any such business concerns in their name. It is also observed that the total amount was withdrawn in cash from the bank accounts of these bogus entities. Further, all the proprietors or directors of the bogus entities are daily wage labourers or from economically weaker sections	<a href="#">Click here to Read</a>
<b>15<sup>th</sup> December</b>	Income Tax Department conducts searches in Pune Region	The search action on the group resulted in unearthing of incriminating data pertaining to routing of unaccounted income earned by way of on-money from flat and land sale from real estate projects of the group, in the form of accommodation entries of non-genuine unsecured loans through certain shell companies. Such	<a href="#">Click here to Read</a>

		accommodation entry of unsecured loans including interest paid of Rs. 58 crore in the books of accounts of the group was detected during the course of search and survey action. Details of non-genuine subcontract expenses of Rs. 10 crore were also detected alongwith unaccounted expenses of Rs. 5 crore in purchase of land	
<b>15<sup>th</sup> December</b>	Income Tax Department conducts searches in Tamil Nadu	A large number of lockers belonging to the group have been identified, which will be operated in due course. As of now, the Department has succeeded in detecting evasion of income of over Rs. 700 crore	<a href="#">Click here to Read</a>
<b>16<sup>th</sup> December</b>	Income Tax Department conducts searches in Chandigarh	The company was in the process of selling off this Benami land. Hot pursuit enquiries were conducted and an "agreement to sell" of the Benami land containing cash receipt of Rs. 6 crore was also found from the possession of the prospective buyers. The buyers have admitted in their statements that the deal was negotiated by the Managing Director and the agreement for the sale of the Benami land was signed in the office of the Managing Director. The buyers have also admitted that they had given unaccounted cash amounting to Rs. 6 crore on various dates through one hawala operator. The hawala operator in his statement, has also given a detailed modus operandi of cash transfer along with the exact dates and amounts of handing over of the cash by him in the office of the listed company	<a href="#">Click here to Read</a>
<b>17<sup>th</sup> December</b>	Income Tax Department conducts searches in Tamil Nadu	The highlight of the search is seizure of Rs. 21 crore of unaccounted cash. It was found that the group indulges in inflation of purchases and other work contract expenses. Such inflated payments made to the suppliers and subcontractors are received back in cash regularly. The unaccounted income thus generated comes to around Rs. 700 crore, which is ploughed back into real estate investments and business expansion. Out of this, the assessee has admitted to having undisclosed income of Rs. 150 crore, so far	<a href="#">Click here to Read</a>
<b>26<sup>th</sup> December</b>	Income Tax Department conducts searches in Guwahati	During the course of Search actions, it has been established that the shell companies from which loans/ premium had been taken exist only on paper and have no real business and creditworthiness. The entry operators, on being questioned, have admitted that the unsecured loans/share premium from the shell companies to the groups are non-genuine and bogus. Evidences of the cash trail of routing of funds through Securities premium was unearthed during search. It has been established that amounts to the tune of about Rs. 65 crore were routed back into regular books involving Shell companies which actually represent unaccounted income of the group. Further investigation is on to detect the actual quantum involved in tax evasion using this modus operandi	<a href="#">Click here to Read</a>
<b>29<sup>th</sup> December</b>	Income Tax Department conducts searches in Delhi	The search action has resulted in unearthing of incriminating evidences revealing various shell entities being used for raising bogus purchase/sale bills, and routing of unaccounted funds through several layers of bank accounts. Such shell entities	<a href="#">Click here to Read</a>

		are closed after two months, and new ones are formed  Further, incriminating documents evidencing suppression of sales and bogus purchases in excess of Rs. 300 crore is detected	
<b>30<sup>th</sup> December</b>	Extension of time limits	In view of the challenges faced by taxpayers in meeting the statutory and regulatory compliances due to the outbreak of COVID-19, the Government brought the Taxation and Other laws (Relaxation of Certain Provisions) Ordinance, 2020 ('the Ordinance') on 31st March, 2020 which, inter alia, extended various time limits. The Ordinance has since been replaced by the Taxation and Other laws (Relaxation and Amendment of Certain Provisions) Act	<a href="#">Click here to Read</a>
<b>31<sup>st</sup> December</b>	Income Tax Department conducts searches in Kolkata	The search action has resulted in unearthing of incriminating evidences revealing various shell entities being used for raising bogus share capital/unsecured loans, discrepancies in stock and out of the books cash transactions. The Groups have accepted that they used paper/shell companies to route back their own unaccounted money. A total concealment of income amounting to Rs. 178 crore has been detected so far including excess stock of Rs. 38 crore	<a href="#">Click here to Read</a>

#### 4. CBDT Relevant Miscellaneous Communications :-

Dated	Heading	In Brief	
<b>15<sup>th</sup> December</b>	Order u/s 138 of the Income-tax Act, 1961 for sharing of information with "Secretary, Citizen Resources Information Department, Govt. of Haryana"	The Central Board of Direct taxes, in exercise of powers conferred under section 138(1)(a) of Income-tax Act, 1961 ('Act'), hereby directs that Director General of Income-tax (Systems), New Delhi shall be the Specified Authority for furnishing information to Secretary, Citizen Resources Information Department, Government of Haryana as notified vide Notification NO.90/2020 dated 15. 12.2020 for the purposes of sub-clause(ii) of clause (a) of sub-section (I) of section 138 of the Act	<a href="#">Click here to Read</a>

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Sources \* <http://www.incometaxindia.gov.in>



This is Gist of all important updates during **December 2020** relating to circulars, notifications, from GST Department to the best of our Knowledge and sources\* in brief. However readers are advised to read the relevant in details for better understanding.

## 1. Central Tax - Notifications :-

Notification No.	Dated	Heading	Link to Read Full
90/2020	01 <sup>st</sup> December	Seeks to make amendment to Notification no. 12/2017- Central Tax dated 28.06.2017.	<a href="#">Click here to Read</a>
91/2020	14 <sup>th</sup> December	Seeks to extend the due dates for compliances and actions in respect of anti-profiteering measures under GST till 31.03.2021.	<a href="#">Click here to Read</a>
92/2020	22 <sup>nd</sup> December	Seeks to bring into force Sections 119,120,121,122,123,124,126,127 and 131 of Finance Act, 2020(12 of 2020).	<a href="#">Click here to Read</a>
93/2020	22 <sup>nd</sup> December	Seeks to waive late fee for FORM GSTR-4 filing in UT of Ladakh for Financial year 2019-20.	<a href="#">Click here to Read</a>
94/2020	22 <sup>nd</sup> December	Seeks to make the Fourteenth amendment (2020) to the CGST Rules.2017.  Corrigendum	<a href="#">Click here to Read</a> <a href="#">Click here to Read</a>
95/2020	30 <sup>th</sup> December	Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2019-20 till 28.02.2021.	<a href="#">Click here to Read</a>

## 2. Integrated Tax - Notifications :-

Notification No.	Dated	Heading	Link to Read Full
<b>There is no important Integrated Tax Notification during December 2020</b>			

## 3. Central Rate, Integrated Rate & Union Territory Tax (Rate) – Notifications :-

Notification No.	Dated	Heading	Link to Read Full
<b>There is no important Central Rate, Integrated Rate &amp; Union Territory Tax(Rate) notification during December 2020</b>			

## 4. Circulars :-

Notification No.	Dated	Heading	Link to Read Full
144/12/2020	15 <sup>th</sup> December	Waiver from recording of UIN on the invoices for the months of April 2020 to March 2021.	<a href="#">Click here to Read</a>



*Tree Plantation in office premises during December*

