



Budget Special



CA Nilesh S Vikamsey
Past President
Institute of Chartered Accountants of India



Ch. Rajesh Kumar Singh
Member of Legislative Assembly
25 Kanth Moradabad – UP



CA Sanjiv Chaudhary
Senior Advisor
BSR & Co LLP



Pratik Bombarde
Advocate-On-Record
Supreme Court of India



Dr. Swatantra Agarwal
Principal
Kothiwal Dental College & Research Centre



Dr. Soumitra Agarwal
Senior Lecturer
Kothiwal Dental College & Research Centre



C.M. Agarwal Advocate
Founder Member
AASquare Advisors LLP



CA Arjit Agarwal
Honorary Chief Editor
AASquare Advisors LLP



CA Arpit Agarwal
Honorary Editorial Member
AASquare Advisors LLP



CS Akansha Agarwal
Honorary Editorial Member
AASquare Advisors LLP



Click on above and follow us

www.aasquareadvisors.in



About AASquare Advisors LLP



“Hard work is just a word to scare people who do not love their work. The actual fact is when you love your work so much, you almost never find it hard”

Strong team of experienced, competent, skilled and energetic professionals who believe in providing quality services to clients with honesty, building trust & confidence with them.

AASquare Advisors LLP is a professional services firm that specializes in providing Advisory , Accounting and Taxation & Regulatory Services. Our main and primary focus is to give legal opinions and advisory to clients on Taxation Laws.

The members of the firm provide a perfect blend of consistent high quality expertise derived from immense transactional experience and innovative thought in providing solutions in domains covering multidisciplinary fields working closely with Chartered Accountants, Company Secretaries, Lawyers and professionals from other discipline.

Please feel free to reach us at info@asquareadvisors.in / arjitagarwal@gmail.com for your valuable views/suggestions/ feedback for improvement of this Newsletter.

We believe that

“If you want to go fast – Go Alone . If you want to go far – Go Together”

Disclaimer:- The views expressed or implied in this Newsletter is being prepared to provide the basic knowledge of recent updates related to Circulars, Notifications, Press Release etc. Though the same is being prepared by the experts of the field and we have taken utmost care regarding authenticity of information, provisions and guidelines mentioned here but still we want to clarify that the above manual does not have any legal validity and the only purpose is to enhance the knowledge & skill of our readers.

AASquare Advisors LLP may not necessarily subscribe to the views expressed by the author(s). The information cited in this Newsletter has been drawn primarily from the <http://www.incometaxindia.gov.in/> and other sources. Readers are requested to note Sl. Nos / Table nos etc., wherever mentioned refer to the appropriate part / table of the relevant Forms, Names etc., of any person or entity stated in this newsletter are only for a proper understanding of the discussion and not for anything else. Assumptions stated are to be understood in the context of the discussion and cannot be applied to a real time situation, mutatis mutandis. While every effort has been made in this Newsletter to avoid any kind of errors or omissions. It is likely that errors may have crept in. Any mistake, error or discrepancy noted by the reader should be brought to the notice Editorial Team of AASquare Advisors LLP if these are found helpful, suitable edits / corrections shall be effected in the next edition. It is notified that neither AASquare Advisors LLP nor the Editorial Committee, or publisher or sellers will be responsible for any damage or loss to anyone of any kind or in any manner whatsoever by the use of this book. It is suggested that if the context of this Newsletter creates any doubt in the mind of the reader, s/he should cross-check all the facts, laws and contents of the publication with original Government / GST Council publications or notifications & circulars.



Contents

Exclusive Budget 2021

- 4 Budget 2021-Vision for Self Reliant India by
CA Nilesh S Vikamsey Ji –
Past President
Institute of Chartered Accountants of India
- 6 Budget Views by
Ch. Rajesh Kumar Singh Ji –
MLA – 25 Kanth Moradabad (UP)
- 7 Budget 2021 by
CA Sanjiv Chaudhary Ji –
Senior Advisor of B S R & Co. LLP
- 9 Prima Facie views on Budget 2021 by
Pratik Bombarde Ji – Advocate on Record
Supreme Court of India
- 9 Prima Facie views on Budget 2021 by
Dr. Swatantra Agarwal Ji – Principal
Kothiwal Dental College & Research Centre
- 9 Prima Facie views on Budget 2021 by
Dr. Soumitra Agarwal Ji – Senior Lecturer
Kothiwal Dental College & Research Centre

Income Tax

- 10 Verdicts during January month
by CA Arpit Agarwal
- 13 Legal Updates in relation to Direct
Taxes during January month
by Editorial Team

Goods & Service Tax

- 17 Legal Updates during January month
by Editorial Team

Photo Gallery

- 18 Events pictures during the January
month

Fifth Edition : February, 2021
Committee/Department : Editorial Board
E-mail : info@asquareadvisors.in
Website : <http://www.asquareadvisors.in/>
Address : AASquare Advisors LLP
Behind Arya Samaj,
Station Road, Moradabad
Uttar Pradesh 244001

@All right reserved

AASquare Advisors LLP

Designated Partners

C.M. Agarwal Advocate
Ankur Agarwal Advocate

Editorial Team

Honorary Chief Editor
CA Arjit Agarwal
Honorary Members
CA Arpit Agarwal
CS Akansha Agarwal



CA Nilesh S Vikamsey Past President of ICAI

Dear Friends,

Budget 2021, India's first Digital Budget, promotes a Self-Reliant India focused on growth and global engagement in the post-Covid-19 environment. Budget 2021 takes a holistic & positive approach for reviving Indian economy resting on 6 pillars:



NO DIRECT TAX HIKES

- Focus on: (i) providing certainty to taxpayers, (ii) improving effectiveness of Tax Administration by leveraging technology & (iii) facilitating ease of doing business
- Rationalization of incentives for real estate & infrastructure sector and start-ups
- Rationalization of tax exemption provisions to Sovereign Wealth Funds (SWF) & Pension Funds (PF) investing in infrastructure sector
- Various tax incentives for incentivizing location of units in International Financial Services Centre
- Clarifications on Equalization Levy (E-Levy) on Non-resident E-commerce operations
- TDS at lower tax rate as per DTAA on dividends paid to FIIs on production of Tax Residency Certificate (TRC)
- TDS @ 0.1% on purchase of goods > INR 5 million in a year w.e.f. July 1, 2021 onwards & TDS to be deducted at higher rate in case of non-filers of ITR
- Tax Audit limit enhanced to INR 100 million from INR 50 million if 95% transactions carried out digitally
- Time limit to file revised/belated returns & for completion of assessments reduced by 3 months & for re-opening of assessment limited to 3 years
- Constitution of a new Board for Advance Rulings & Dispute Resolution Committee for small taxpayers to reduce litigations, Faceless Income tax Appellate Tribunal (ITAT) Centre



NO GST AUDITS & DIGITIZATION OF SYSTEMS & PROCESSES FOR OUTPUT TAX & INPUT CREDIT

- ITC availment based on validated ITC statements from GST portal (GSTR-2A/2B)
- Annual Return in GSTR-9 to be self-certified by the taxpayers reducing compliance cost
- GST Refunds on merchandise exports linked to foreign exchange remittance & restriction on zero-rating benefits for export supplies under rebate route
- All customs duty exemptions subject to mandatory sunset clause of 2 years - Govt. to review & rationalize > 400 Customs Duty exemptions by Oct 2021
- Agriculture Infrastructure and Development Cess (AIDC) imposed on import or manufacture of certain products (like petrol, diesel, gold, silver items etc.)

Increase in permissible FDI limit from 49% to 74% in Insurance Companies and allowing foreign ownership and control with adequate safeguards. NRIs allowed to incorporate One Person Companies (OPCs) in India & reduction in compliances for small companies under the Companies Act.

All-in-all, Budget 2021 has a vision to spur India's economic recovery with increased spending in key sectors such as infrastructure & pharma, privatization of several public sector companies and an efficient, transparent & accountable tax regime

Mumbai
03rd February 2021

Yours in profession,
CA Nilesh S Vikamsey
Past President – ICAI



Ch. Rajesh Kumar Singh MLA (25 Kanth Moradabad - UP)

As mentioned by Honorable Finance Minister in her Budget Speech, The risk of not having a lockdown was far too high. Within 48 hours of declaring a three-week-long complete lockdown, the Prime Minister announced the Pradhan Mantri Garib Kalyan Yojana, valued at ₹2.76 lakh crores– this provided, free food grain to 800 million people, free cooking gas for 80 million families for months, and cash directly to over 400 million farmers, women, elderly, the poor and the needy is a welcome move by Government under leadership of Honorable PM Narendra Modi Ji.

This Budget is primary focused towards Digitalization with ease of doing business and towards AtmaNirbhar Bharat.

Budget 2021 primary involve around certain bullet points i.e. Health and Wellbeing, Physical and Financial Capital and Infrastructure, Inclusive Development for Aspirational India, Reinvigorating Human Capital, Innovation and R&D, Minimum Government, Maximum Governance.

Honourable Prime Minister launched the vaccination drive by crediting and thanking our scientists. We are ever grateful for the strength & rigour of their efforts and look forward for COVID 19 free India soon.

Moradabad
01st February 2021

Yours in profession,

Ch. Rajesh Kumar Singh
MLA – 25 Kanth Moradabad

Government introduces amendments in 'Budget 2021' as it tackles the changes arising post Covid-19, digitalization, transparent and fair tax administration



The Author is **CA Sanjiv Chaudhary**.
 He is Senior Advisor of B S R & Co. LLP
 He can be reached at
schaudhary@bsraffiliates.com

1. In Brief :-

The Finance Minister announced 'Budget 2021' earlier today which aims to move ahead amidst the uncertainties of the ongoing global pandemic which seems to be far from over yet. With an estimated fiscal deficit for 2021-2022 at 6.8 per cent of the GDP, government deviated from the prescribed rate of 3 percent under the FRBM Act on account of the unforeseen and unprecedented circumstances.

2. Faceless Assessment & Faceless Appeal :-

In its endeavor to move towards further digitalization, the government has now proposed to make the Income-tax Appellate Tribunal faceless pursuant to introduction of the faceless assessment and faceless appeal. With the faceless regime being implemented, the time limit for completion of assessments has also been reduced to 9 months from the end of the assessment year in which income is first assessable.

3. Timelines for Re-opening of Assessments :-

With an objective to provide greater certainty, the time for re-opening the assessments have been reduced from the existing 6 to 3 years with an exception in case of serious tax evasion cases where the time period is ten years.

4. International Financial Services Centre (IFSC) :-

A world class financial centre, 'International Financial Services Centre' (IFSC) has been established by the government for some time now. However, the investments have not been very forthcoming since the establishment of IFSC. With a view to make location in IFSC more attractive and lucrative, government has provided additional incentives which, inter alia, provides for:

- tax incentive for relocating foreign funds in the IFSC;
- provides tax holiday for capital gains for aircraft leasing companies,
- tax exemption for aircraft lease rentals paid to foreign lessors; and
- tax exemptions to investment division of the foreign banks located in IFSC.



5. New Board of Advance Ruling :-

In an objective to provide early tax certainty to small and medium taxpayers, government has proposed to introduce a new scheme for preventing new disputes and settling the issue at the initial stage, thereby constituting the 'Dispute Resolution Committee'. With a view to give rulings to taxpayers in timely manner and to do away with hindrances in working of AAR, it has been proposed to constitute a new Board of Advance Ruling and make amendments to the existing AAR provisions.



6. Withholding Tax in case of Foreign Portfolio Investors :-



After the government abolished the Dividend Distribution Tax in the last Budget, further to incentivize investments and to provide ease of compliance, more announcements have been made in today's budget viz. withholding tax in case of foreign portfolio investors to be made at lower of the treaty rates, dividend income of REIT and INVIT being exempt from TDS, advance tax liability on earning dividend income has been aligned with the declaration or payment of dividend.

7. Clarification to Equalisation Levy :-

With a view to provide clarity relating to 'Equalisation levy' (EL), certain amendments have been proposed which, *inter alia*, provide that transactions taxable as Royalty or FTS in India read along with the respective tax treaty would not be liable to EL, certain definitions viz. 'online sale of goods' and 'online provision of services' have been amended to include certain activities within the ambit of the said definition; clarification that exemption under the Income-tax Act would also apply from 1 April 2020.

8. Depreciation on Goodwill :-

One important amendment that warrants a mention in the context of allowability of depreciation on goodwill is that goodwill of a business or profession shall not be considered as an asset and hence resultantly not be eligible for depreciation. This may pave the way for litigation for the past years considering judicial precedent of the Supreme Court.

9. Promoting Affordable Housing Finance :-

With an intention to promote affordable housing certain amendments have been proposed pertaining to the housing sector by extending the benefits of additional deduction of INR 1.5 lakh in case of loans taken upto 31 March 2022 as well extension of the dates for availing the tax holiday in case of approval of housing projects till 31 March 2022.

10. Conclusion :-

The governments across the globe are struggling to push their economies out of the subdued situations, and while it seems that the government has made efforts to set the economy back on track, one may have to analysis the impact of the proposed amendments in greater detail to have the finer nuances deciphered and see if the budget proposals announced would achieve the desired results as contemplated by the government.

This Article written on 01st February is brief analysis of recent Budget and is not to be construed as any form of legal opinion whatsoever.

Readers are requested to go through the relevant provisions in detailed for more/better understanding.

We could not have imagined that the global economy, already in throes of a slowdown, would be pushed into an unprecedented contraction.

The government announced the AtmaNirbhar Bharat in May 2020, accelerated pace of structural reforms. Redefinition of MSMEs, Commercialisation of the Mineral Sector, Agriculture and Labour Reforms, Privatisation of Public Sector Undertakings, One Nation One Ration Card, and Production Linked Incentive Schemes are some of the notable reforms carried out during this period. Faceless Income Tax Assessment, DBT and Financial Inclusion are the others.

Time-limit for re-opening of assessment to 3 years from the present 6 years will reduce the litigativity and uncertainty of taxpayers for long period.

Proposal by Honorable FM for constitution of Dispute Resolution Committee, which will be faceless to ensure efficiency, transparency and accountability is also welcome move. Anyone with a taxable income up to ₹50 lakh and disputed income up to ₹10 lakh shall be eligible to approach the Committee as stated in her Budget Speech.

Pratik Bombarde – Advocate-On-Record (Supreme Court of India)

As we all knew that 2020 was an unpredictable year worldwide wherein economy slowed down due to COVID 19 pandemic. Thanks to all Medical team for COVID 19 vaccine. Vaccination has already started and we wish for COVID free atmosphere in near future for strengthening the economy of the Country.

The Budget proposals for 2021-2022 rest on 6 pillars.

- i. Health and Wellbeing
- ii. Physical & Financial Capital, and Infrastructure
- iii. Inclusive Development for Aspirational India
- iv. Reinvigorating Human Capital
- v. Innovation and R&D
- vi. Minimum Government and Maximum Governance

Honorable Finance Minister in her Budget Speech clearly mentioned Government Vision and mission towards School Education and Higher Education wherein 15,000 Schools will be qualitatively strengthened to include all components of the National Education Policy and around 100 new Sainik Schools will be set up in partnership with NGOs/private schools/states. Setting up Central University in Leh for betterment of Leh & Ladakh is a welcome move by Government under Leadership of Honorable Modi Ji.

There has been a manifold increase in digital payments in the recent past and people are using Digital mode for payment. To give a further boost to digital transactions, earmarking ample amount that will provide financial incentive to promote digital modes of payment will help country to move towards Digital India as much fast phase.

Dr. Swatantra Agarwal (Principal – KDRC, Moradabad)

Dr. Soumitra Agarwal (Senior Lecturer – KDRC, Moradabad)





The Author is **CA Arpit Agarwal**
He can be reached at
info@asquareadvisors.in

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 **January 2021**.



2. Verdict – ITAT :-

S. No.	Verdict	Relevant Section	In Brief
1.	Unnikrishnan V S vs. ITO (ITAT Mumbai)	17(2)(vi), Article 15	<p>S. 17(2)(vi): (i) ESOP benefits granted to an assessee when he was resident and in consideration for services rendered in India is taxable even though the assessee is a non-resident in the year of exercise. S. 17(2)(vi) decides the timing of the income to be the year of exercise of the ESOPs but does not dilute or negate the fact that the benefit had arisen at the point of time when the ESOP rights were granted.</p> <p>(ii) Article 15 of the India-UAE DTAA permits taxation of ESOP benefit, which is included in the scope of the expression "other similar remuneration" appearing immediately after the words "salaries and wages", in the jurisdiction in which the related employment is exercised. Thus, an assessee who gets ESOP benefits in respect of his service in U.A.E. and he exercises these options at a later point of time, say after returning to India and ceasing to be a non-resident, will still have the treaty protection of that income under article 15(1). Conversely, when the assessee gets the ESOP benefit on account of rendering services in India, he cannot have the benefit of article 15 in respect of the said income.</p>
2.	Achal Gupta vs. ITO (ITAT Lucknow)	10(38), 45, 48	S. 10(38) Bogus Capital Gains from Penny Stocks: The documents demonstrates that the assessee had purchased shares through Brokers for which the payment was made through banking channels. The assessee had sold shares through an authorized stock broker and payment was received through banking channels after deduction of STT. The AO has not doubted any of the documents. The only objection raised is that the scrip from which the assessee had earned Long Term Capital Gain has been held by the Investigation Wing of the Revenue to be a paper entity and that this scrip was being used for creating artificial capital gain. The objection is not acceptable (Udit Kalra (Delhi High Court) distinguished)
3.	Sanjay Duggal vs. ACIT (ITAT Delhi)	153C, 153D	S. 153D: The approving authority (JCIT) has to give approval for "each" assessment year after applying independent mind to the material on record to see whether the cases are un-abated or abated assessments and their effect. However, the JCIT has

		granted common approval for all AYs. Further, he did not have the seized material nor the appraisal report or other material at the time of granting approval. Therefore, the approval granted is merely technical approval just to complete the formality and without application of mind. The approval has been granted without application of mind and is invalid, bad in Law and is liable to be quashed
--	--	--

3. Verdicts – Apex Court :-

S. No.	Verdict	Relevant Section	In Brief
1.	Prabir Kumar Shaw vs. UOI (Patna High Court)	276C, 277, 278B, 482 CrPC	S. 482 CrPC: Prosecution launched in 2008 u/s 276C, 277 & 278B of the Income-tax Act, 1961 for alleged tax evasion in AY 1994-95 deserves to be quashed because the assessee has paid the tax and the penalty & also taking into account the year in which the alleged offence was committed. The assessee has been paying income-tax regularly & has not been prosecuted for any false disclosure either earlier or thereafter. It would only be in the nature of harassment to the petitioners, and an abuse of the process of the Court, if this case is allowed to be continued. (Note: The Supreme Court has directed issue of notice on the Dept's SLP)

4. Verdicts – High Court :-

S. No.	Verdict	Relevant Section	In Brief
1.	The All Gujarat Federation Of Tax Consultants vs. Union Of India (Gujarat High Court) (No. 1)	139(1)	Though the CBDT has extended the due dates for filing the ITR & TAR to 10.01.2021 & 15.02.2021 due to the Covid-19 pandemic situation, it should look into the question of further extension bearing in mind that the time period for the officials of the tax department has been extended upto 31.03.2021. Some extension deserves to be considered in accordance with law.
2.	The All Gujarat Federation Of Tax Consultants vs. Union Of India (Gujarat High Court) (No. 2)	139(1)	Extension of due date for filing ROI: (i) The CBDT has vide order dated 11.01.2021 decided not to grant further extension of time. The Court cannot go into the issues which weighed with the CBDT in taking the decision and substitute the same with its own view. Interference by the Court, at this point of time, in matters relating to the Revenue may have far reaching implications. It may upset the entire functioning of the Government and may lead to undesirable results. (ii) However, the CBDT may consider issuing an appropriate circular taking a lenient view as regards the consequences of late filing of the Tax Audit Reports as provided u/s 271B of the Act. We leave it to the better discretion of the CBDT.
3.	CVO Chartered & Cost Accountants' Association vs. UOI (Bombay High Court)	119	Extension of Due Date for filing RoI and TAR: Power exercised by the CBDT u/s 119 is discretionary. On careful consideration of the order passed by the CBDT on 11.01.2021, we are of the considered view that it cannot be said that CBDT had failed to exercise its discretion or that it acted in an arbitrary or unreasonable manner in refusing to grant further

			extension of the due dates. We therefore do not find any good ground to invoke our writ jurisdiction under Article 226 of the Constitution of India to direct CBDT for further extension of the due dates
4.	CIT vs. Shriram Ownership Trust (Madras High Court)	160(1)(iv), 2(24)(iia), 56(2)(vii)	<p>S. 2(24)(iia)/ 56(2)(vii)/160(1)(iv): (i) A private discretionary Trust has to be assessed in the status of an "individual" as the beneficiaries are individuals. It cannot be assessed as an "AOP" even though there are multiple trustees & beneficiaries. Even a non-human juristic entity can be assessed as an "individual". The fact that in the return filed in Form ITR-5, the status is that of a "trust" is irrelevant. Consequently, the contribution received by the assessee is assessable as "income" us 56.</p> <p>(ii) U/s 260A, it is only the appellant who is entitled to raise a question of law. The respondent has no right to challenge a point which is decided against him by the Tribunal. The appellant cannot be worse of in its appeal at the instance of the respondent who has not filed an appeal over such finding of the Tribunal.</p>
5.	Prabir Kumar Shaw vs. UOI (Patna High Court)	276C, 277, 278B, 482 CrPC	S. 482 CrPC: Prosecution launched in 2008 u/s 276C, 277 & 278B of the Income-tax Act, 1961 for alleged tax evasion in AY 1994-95 deserves to be quashed because the assessee has paid the tax and the penalty & also taking into account the year in which the alleged offence was committed. The assessee has been paying income-tax regularly & has not been prosecuted for any false disclosure either earlier or thereafter. It would only be in the nature of harassment to the petitioners, and an abuse of the process of the Court, if this case is allowed to be continued. (Note: The Supreme Court has directed issue of notice on the Dept's SLP)

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 **January 2021** 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
1/2021/F. No. 285/04/2019 -IT(Inv.V) CBDT]	06 th January	Agartala as the Special Court for the State of Tripura	In exercise of the powers conferred by sub-section (1) of section 280A of the Income-tax Act, 1961 (43 of 1961), the Central Government, in consultation with the Chief Justice of the High Court of Tripura, hereby designates the Court of Chief Judicial Magistrate, West Tripura Judicial District, Agartala as the Special Court for the State of Tripura for the purposes of the said sub-section	Click here to Read
02 /2021] [F.No.370142 /51/2020-TPL	12 th January	Faceless Penalty Scheme, 2021	In exercise of the powers conferred by sub-section (2A) of section 274 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following Scheme, namely Faceless Penalty Scheme, 2021	Click here to Read
03/2021][F. No. 370142/51/2 020-TPL	12 th January	Faceless Penalty Scheme, 2021	In exercise of the powers conferred by sub-section (2B) of section 274 of the Income-tax Act, 1961 (43 of 1961), for the purposes of giving effect to the Faceless Penalty Scheme, 2021 made under sub-section (2A) of section 274 of the said Act, the Central Government hereby makes the following directions as specified	Click here to Read
04/2021/ F.No. IT(A)/01/202 0-TPL	31 st January	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), 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, namely:— In clause (a), for the words, figures and letters “31st day of January, 2021” the words, figures and letters “28th day of February, 2021” shall be substituted.	Click here to Read

Circular No.	Dated	Heading	In Brief	
01/2021	15 th January	Amount of remuneration prescribed under section 9A(3)(m) of the Income-tax Act, 1961	<p>Representations have been received expressing inability to comply with the provisions of sub-rule 12 of rule 10V of the Rules regarding the amount of remuneration to be paid by the fund to a fund manager for the financial year 2019-20 as the said Notification No 29/2020 was notified after the financial year got over and the financial year 2020-21 had already commenced</p> <p>In order to avoid genuine hardship in such cases, the Board, in exercise of powers conferred under section 119 of the Act, has decided to provide that for the financial years 2019-20 and 2020- 21 in cases where the remuneration paid to the fund manager is lower than the amount of remuneration prescribed under sub-rule (12) of rule 10V of the Rules, but is at arm's length, it shall be sufficient compliance to clause (m) of sub-section (3) of section 9A of the Act.</p>	Click here to Read

3. CBDT Press Releases :-

Dated	Heading	In Brief	
08th January	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. Evidences of out of the books cash transactions have also been found. Further, significant amount of un-booked revenue on account of sale of flats was detected. During the course of search proceedings, as a result of enquiries conducted, it has been established that the persons of the group have used paper/shell companies to route back their own unaccounted money. A total concealment of income amounting to Rs. 365 crore has been detected so far. The assesseees have made an admission of undisclosed income amounting to Rs. 111 crore	Click here to Read
12th January	Income Tax Department conducts searches in Hyderabad	The search has led to seizure of evidences of bogus sub-contracts being given through intermediaries operating shell entities. Evidence of the use of this modus to generate huge unaccounted cash was found along with details of the entire network of the entry operators, intermediaries, cash handlers, beneficiaries and the firms and companies involved. Forensic analysis of digital data including pen drive, retrieved mails has given clinching evidences in this regard	Click here to Read
12th January	Income Tax Department conducts searches	Total cash of approximately Rs. 7.54 crore was seized by the Department from various residential and business premises of the medical professionals	Click here to Read

	in Assam	and their allied business, with an amount of Rs. 1.76 crore cash seizure from a distant town of Nalbari in Assam. The cash seized was found to be unexplained in the hands of various hospitals and medical professionals. Papers of huge parcels of land/immovable assets purchased in cash were also seized. Hand written notes/diaries of investments made in immovable assets in cash of around Rs. 20 crore were also seized. The cash generated was found to be diverted in building of new hospitals, reconstruction of nursing homes and acquisition of undisclosed assets.	
12th January	CBDT launches e-portal for filing complaints regarding tax evasion/Benami Properties/Foreign Undisclosed Assets	The public can now file a Tax Evasion Petition through a link on the e-filing website of the Department https://www.incometaxindiaefiling.gov.in under the head "File complaint of tax evasion/undisclosed foreign asset/ benami property". The facility allows for filing of complaints by persons who are existing PAN/Aadhaar holders as well as for persons having no PAN /Aadhaar. After an OTP based validation process (mobile and/or email), the complainant can file complaints in respect of violations of the Income Tax Act, 1961, Black Money (Undisclosed Foreign Assets and Income) Imposition of Tax Act, 1961 and Prevention of Benami Transactions Act (as amended) in three separate forms designed for the purpose	Click here to Read
13th January	Empanelment of Special Auditors- Income Tax Kerala	The Income Tax Department Kerala invites application from qualified Chartered Accountants firms (within the meaning of the Chartered Accountants Act, 1949) for empanelment as Special Auditors to carry out audit in accordance with the provisions of sec. 142(2A) of I.T. Act, 1961. The remuneration for the Special Audit is governed by Rule 14B of the I.T. Rules, 1962	Click here to Read
15th January	Income Tax Department conducts searches in Kolkata	The search and seizure operation has resulted in unearthing of incriminating documents of undisclosed cash sales and claim of bogus expenses. During the course of search operation, incriminating documents have been found which revealed sale of shares of unlisted companies through layering to bring back unaccounted cash in the books of account in the form of unsecured loan / share capital. Round tripping of unaccounted wealth through professional help has also been detected. Evidences of booking bogus loss on sale of penny stocks, advancing of unaccounted cash loan and earning of unaccounted commission / brokerage / interest were also detected.	Click here to Read
21st January	Income Tax Department conducts searches in Jaipur	The Jeweller group had also advanced unaccounted cash loans to various persons amounting to Rs. 122.67 crore and is also earning unaccounted interest on the same. The group had also introduced its unaccounted cash income through the bank accounts of their employees and karigars. To sum up, total unaccounted transactions amounting to Rs. 525 crore have been detected, so far, in the group.	Click here to Read
21st January	Income Tax Department	The search action has resulted in seizure of unaccounted cash of Rs. 10.16 crore. Total	Click here to Read

	conducts searches in Pune	unaccounted income of earlier years detected during the search operation is Rs. 520.56 crore including the cash seized. The unaccounted income inter alia includes on-money on sale of land and flats; accommodation entries of non-genuine unsecured loans routed through certain shell/paper companies; unaccounted cash receipts in the nature of capital introduction/cash loan; unaccounted cash expenses etc	
--	---------------------------	--	--

4. CBDT Relevant Miscellaneous Communications :-

Dated	Heading	In Brief	
11th January	Order u/s 119 of the Income-tax Act, 1961	In fact several decisions of the Hon'ble Supreme Court have gone to the extent of saying that the choice of a cut off date cannot be dubbed as arbitrary even if no particular reason is given for the same in the counter affidavit filed by the Government, (unless it is shown to be totally capricious or whimsical). [State of Bihar vs. Ramjee Prasad 1990(3) SCC 368, Union of India & Anr. vs. Sudhir Kumar Jaiswal 1994(4) SCC 212 (vide para 5), Ramrao & Ors. vs. All India Backward Class Bank Employees Welfare Association & Ors. 2004 (2) SCC 76 (vide para 31), University Grants Commission vs. Sadhana Chaudhary & Ors. 1996(10) SCC 536, etc.] When it is seen that a line or a point there must be and there is no mathematical or logical way of fixing it precisely, the decision of the legislature or its delegated must be accepted unless it can be said that it is very wide off the reasonable mark. (See Union of India & Anr. v. Mis Parameshwaran match works Ltd., 1975 (2) SCR 573, at p. 579; and Dr. (Mrs.) Sushma Sharma etc. etc. v. State of Rajasthan & Ors. 1985 (3) SCR 243, at p. 269). In view of the above reasons, all the representations for further extension of the due date are hereby rejected	Click here to Read
12th January	Corrigendum	In the order under section 119 of the Income tax Act, 1961, F.No. 370153/39/2020- TPL dated 11th January, 2021 issued by the Central Board of Direct taxes, the rows related to Singapore and Brazil shall be read differently. Please read communication in detail.	Click here to Read
19th January	Clarification regarding approval for attachment provided in the Order dated 19th October, 2020 issued under section 119 of the Income-tax Act, 1961 -reg	Reference is made to Board's Order u/s 119 of the Income-tax Act, 1961 issued vide F.No. 275/2912020-(IT(B) dated 19th October, 2020 (copy enclosed) wherein, at Para 2 the provision of approval for attachment of movable or immovable property by Assessing Officer (AO) or Tax Recovery Officers (TRO) is mentioned. In this regard, the undersigned is directed to clarify that the prior approval of Pr. CIT/Pr. DIT/CIT/DIT concerned shall be required for requisition u/s 226(2) and issuance of notice u/s 226(3) of the Income-tax Act, 1961	Click here to Read

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



This is Gist of all important updates during January 2021 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
01/2021	01 st January	Seeks to make amendment (2021) to CGST Rules, 2017	Click here to Read
02/2021	12 th January	Notifying amendment to jurisdiction of Central Tax officers	Click here to Read

2. Integrated Tax - Notifications :-

Notification No.	Dated	Heading	Link to Read Full
There is no important Integrated Tax Notification during January 2021			

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

Notification No.	Dated	Heading	Link to Read Full
There is no important Central Rate, Integrated Rate & Union Territory Tax(Rate) notification during January 2021			

4. Circulars :-

Notification No.	Dated	Heading	Link to Read Full
There is no important Circular during January 2021			



Beautiful Garden in office premises – Two side view



26th January celebration & decoration in office premises

Happy Republic Day