

AASquare Advisors

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Interview

Special Message

Interview



CA Nitin Parekh
Group CFO - Zydus Cadila
Headquarters India

HAPPY DOCTORS DAY



Dr Prahaladh Ramaswamy
Kumaran Hospital
Coimbatore



CA G Ramaswamy
Past President
ICAI

HAPPY DAY



CA Maneesh Agarwal
Global CFO - Wizeline
Headquarters San Francisco



Dr Ankit Kumar & Dr Namrata Pyare Lal
Government Hospital
Meerut



Dr Saurabh & Dr Latha Agarwal
Raj ENT Clinic
Moradabad



Dr Vivek & Dr Ruchi Goyal
Gupta & Goyal Nursing Home
Moradabad



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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”

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Past President - The Institute of Chartered Accountants of India



Dear Readers,

Every year 1st July is celebrated as Doctor's Day as well as Chartered Accountant's Day. It's a day to celebrate the most prestigious professions of our country. Doctors and Chartered Accountants are the reason for our country's health and wealth respectively.

On 1st July, an act of Parliament gave birth to The Institute of Chartered Accountants of India (ICAI). Since then ICAI is playing a vital role for the economic growth and wealth of the nation. The Chartered Accountancy profession is playing an active role in implementing and assisting Public policies, taxation, corporate growth and governance, banking and financial sector for the nation's growth in global level. In this pandemic situation with the economic reform laws like GST, Insolvency and Bankruptcy code and other financial reforms the professions of CAs are playing an important role as partners in nation building.

Similarly, to honor the contribution of Dr. Bidhan Chandra Roy, the legendary physician, freedom fighter and the second chief minister of west Bengal (1948-1962) to the India's health system his birthday 1st July 1882, is celebrated as National Doctor's Day. The current pandemic that the world is undergoing warrants that this is perhaps the most difficult time we are ever going to face in our lives. It is even more difficult for the doctors who are working tirelessly to ensure that all those that are infected are provided with proper medical facilities. Their contribution and hard work deserve our gratitude and respect each and every day.

Both Doctors and Chartered Accountants play key role in the well being of our society as a whole.

Let's wish A very Happy Chartered Accountants Day and Doctors Day.

Coimbatore
25th June 2021

With regards,
CA G Ramaswamy
Past President
The Institute of Chartered Accountants of India
&
Dr Prahaladh Ramaswamy
Kumaran Hospital
Coimbatore – Tamil Nadu



Interview with CA Nitin Parekh

Group CFO - Cadila Healthcare Limited



CA Nitin Parekh is the Group Chief Financial Officer (CFO) of India's leading and 4th largest pharmaceutical company Cadila Healthcare Limited. The company clocks an annual turnover of more than ₹15,000 crores.

He has more than three decades of experience, and is a qualified Chartered Accountant. He secured

- 2nd rank in 12th Commerce Exam from Gujarat Higher Secondary Board in the year 1978
- 2nd rank in B.Com. from Gujarat University from H L College of Commerce in the year 1981
- 1st rank in Gujarat University in First year LL.B. and Second year LL.B. exams from Navgujarat Law College Gujarat in the year 1983
- 12th rank in M.B.A. from Indian Institute of Management, Ahmedabad (IIMA) in the year 1985 and was awarded Industrial Scholar Award
- 1st rank in Gujarat in both Inter CA and Final CA
- 5th rank in CA Inter and 21st rank in CA Final in India from The Institute of Chartered Accountants of India in the year 1986
- 1st rank in India in Group-E of final CFA from Institute of Chartered Financial Analysts of India in the year 1990

During his professional journey he has been awarded with

- Outstanding Manager of the year award by Ahmedabad Management Association, in 2021
- League of Excellence award by CFO India, in 2020
- CFO 100 Roll of Honour by CFO India for 8 years in succession
- Best CA CFO in the Healthcare Sector in the year 2012 & 2017 by The Institute of Chartered Accountants of India (ICAI)
- Best CFO Award, by Yes Bank-BW Businessworld for the year 2017 under the category of Healthy Balance Sheet Management - Large Corporate
- The Most Influential CFOs of India by Chartered Institute of Management Accountants in the year 2015

An inspirational story of a Chartered Accountant who had humble lodgings in a rented single room that measured 10 ft.x12 ft. without electricity provision post 10 pm, walked to a friend's residence five kilometres away every day, to stay over and study at night. His life story can be a valuable lesson for students and professionals who face financial or other difficulties but want to take charge of their lives and careers.



1. CA Arjit Agarwal - First of all I am thankful to you on behalf of AASquare Advisors LLP for sparing your valuable time and sharing your Inspirational story from 10x12 rented single room to Group CFO of one of the world largest pharma company.

NP - It is my pleasure Mr. Agarwal. If my life story can help some students or professionals change their lives, this interview would achieve its objectives.



2. CA Arjit Agarwal - From a rented single room that measured 10 ft.x12 ft. to the Group Chief Financial Officer (CFO) of India's leading and 4th largest pharma company-Cadila Healthcare Limited. How would you summarize your inspirational professional journey from beginning till date and the source of motivation behind this?

NP - I was an average student till 9th standard. In 8th standard, I had failed in Maths in both the terminal exams of the school. It was in the year 1974 and due to Navnirman Andolan, we had mass promotion in Gujarat and thus I reached 9th standard. Even in 9th standard, my track record (of failing in Maths!) had continued and I failed in Maths in both the terminal exams. In the annual exam, may be due to compassion feeling of the teachers, I was given grace marks in Maths and with 35 marks in Maths (I am not aware even today as to how many grace marks were actually given me in Maths out of 35!) and with aggregate 57% marks in 9th standard, I landed up in 10th standard. There were two incidents which made me change my attitude towards life.

First, when I was in 9th standard, I had gone to Jamnagar to meet my grandfather Dharishibhai and when I was pressing his legs, he gave me a golden advice: 'Nitin, remember that if there is a family wealth then brothers and sisters ask their share out of it but education is one precious wealth from which no one can claim their rights. So, you must concentrate on studies'. I have kept this advice in front of me in my life and he was so true that in my family even today my education (and due to it my financial position) is far superior as compared to that of my siblings.

Second, it was my father Dalsukhbhai who was instrumental in changing my life due to his sarcastic but realistic words. One-day my father called me and told: 'We are a lower middle class family and we don't have any money (capital) to start the business. If you can't study properly there is one small cottage industry type business which I have thought for you. It is such a business that does not need much capital investment, is a day-to-day necessity of mankind and is also not a seasonal business.' Confused and embarrassed with these words, I asked 'Which is that business?' Father Dalsukhbhai disclosed: 'You have to buy a handcart and daily stock of salt and need to move from society to society and street to street to sell the salt'. For a fifteen year old me, this was a moment of utter shock and sorrow. I was completely shaken by the mere idea of selling salt in a handcart. My face became pale and tears started dropping from my eyes. I was so upset that I could not sleep that night. I was completely shattered. This type of unexpected shock gives a new direction, new energies and new capabilities to people. The same happened in my case.

I did not have the luxury to read at my one room after 10 pm and thus I was walking down to my friend's house 5 kms every day. For the first time in my life, I could test the great power of learning which all of us actually possess but do not put to use. Now I started liking and loving studies - by choice and not by compulsion. I was able to study 12-15 hours a day. And as they say, rest is a history of hard work.

3. CA Arjit Agarwal - Generally during class 10th or 12th, friends gossip that I will become this or that. Did you or any of your family members had ever thought that one day you would qualify CA, LL.B., MBA from IIMA, CFA with ranks & would take the position as Group CFO of the 4th largest pharmaceutical company?

NP - This is very interesting question. I had not thought of doing anything in specific for my career. When I was in 10th standard, my parents called upon me and told me that I should take science subjects in 10th standard and become a doctor. I told that I had no problem because at that time I genuinely believed that the only thing which was required to become a doctor was to take science subjects in 10th standard! However, in the first 6 months only I learnt that this was extremely difficult task. And, how can a student score good marks in science if his Maths was so poor? After pursuing science stream for first 6 months of 10th standard and repeating my consistency of failing in Maths, I took a wiser decision to change the stream from science to commerce. I changed the path but it was a right decision. I was hardly aware that his decision to take commerce stream was to lead me to a new chapter and a destination in my life. I scored 100 out of 100 in Maths in 10th standard (as compared to 35 out of 100 in 9th standard) board exam, by completing the exam paper of 3 hours in just 1.25 hours!

I scored 74.37% marks in 10th and secured 297th rank in Gujarat board. By this time the desire to get better education and determination not to sell salt were so strong that nobody could stop me. My studies had become more intense and engrossed and that helped me in securing 2nd rank in 12th commerce board exam in Gujarat in 1978. As I had taken commerce subjects, my father advised me to do CA after B.Com. I started two courses of CA and LL.B. simultaneously.



I secured first rank in Gujarat University in both the years of LL.B. and was university first. In CA (Inter) exam, I secured the first rank in Gujarat and fifth rank in India. I secured admission in MBA course of IIM, Ahmedabad in 1983.



In a short span of 6 months from November 1982 to April 1983, I was credited with all these fine accomplishments. I was awarded 3 Gold Medals for my performance in second LL.B. exam. Many people believe that it is difficult to continue studies after marriage. I successfully proved it wrong by joining Chartered Financial Analyst (CFA) course in 1988 (just after marriage in 1987). I secured second rank in the country in Prelim and Inter exams of CFA course and secured first rank in the country in final CFA. There is also a belief that it is almost impossible to study after age of 50 years. I wanted to check and confirm that I continue to possess an ability to learn and also to prove that the popular belief is wrong; I joined MBA (Pharma Management) course of ICAI University. At the age of 53 years, I passed MBA (Pharma Management) course with flying colours, securing 'A' grade in 14 subjects and 'B' grade in 4 subjects. I have a grand daughter named Misri who is 2 years old and my daughter Dr. Niyati Poojan Parikh laughingly tells that 'Papa, I am sure you would start some studies with Misri'.

I had dreamt of becoming CA but not MBA. It was my school principal Shri Chandraprasad Pathak who gave me the dream of becoming MBA from IIMA. With my qualifications, I was then pretty sure that I would reach good position in corporate world.

- 4. CA Arjit Agarwal** - Reaching to such a prestigious position leads to work pressure or even stress sometimes. Which of your hobbies help you in reducing stress and what all acts keep you humble and help you recollect memories of your old days?

NP - Work pressure and stress are inevitable part of corporate career and more so when you handle such an important role like a CFO of a large listed company. Actually speaking, I was perhaps the youngest professional Executive Director in the country when at the age of 36 years I became an Executive Director of Ashima Limited.

I love literature, movies and music. I write Gujarati poems and my first book of poems would be published in 2022. I and my wife Rupa learn singing. I have lot of interest in drama and movies. I have a dream to act in a movie with Amitabh Bachchan! I also love to play various board games like catan and sequence with my wife (Rupa), daughter (Dr. Niyati), son-in-law (Dr. Poojan Parikh), son (Vaibhav) and his fiancée (Rujuta) and that time we have to allow my granddaughter Misri to watch TV! It is a different thing that most of the time, I end up losing in the game. At a philosophical level, I believe losing game but winning life is important. I also try to give back to society by giving speeches on educational, social and religious topics. My articles on preparation for exams and memory development techniques are published in many newspapers and magazines. I am also a regular speaker at several educational and professional forums.

While it is not easy to secure ranks in state and national exams; what is more important is consistency, which you may see in my career. For maintaining the success one has to remain sincere in purpose and also maintain cool temperament and ensure that success does not go over your head. While remembering the past memories and associated glory gives satisfaction; it is the next milestone which gives me energy to continue march towards excellence. My awards in the professional capacity help me in keeping and boosting my endeavours of scaling new heights of success.

- 5. CA Arjit Agarwal** - Coming to some professional questions, 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?

NP - Technological disruptions have changed the world and digital technology is making significant changes to the way we live, think, shop and spend our time. The consumers can order their meal, book a taxi and shop around the world while playing Catan or Sequence board game with their family and friends. This means the customer centricity and customer convenience would be at core in design of any business models for future.

Yes, it is right that COVID 19 has accelerated the adoption of technology. Many organisations have



taken up digital initiatives on priority. The technology has been changing the landscape of business models and making certain businesses and functions redundant. This phenomenon would continue and more and more functions which are of routine or programmable type would get automated and/or outsourced. However, the human mind is the greatest computer ever found by any scientist and till the time money remains a motivator in the economic world, the importance of decision making and judgement would remain of paramount importance. A sophisticated predictive and prescriptive analysis using tons of data can provide the most advisable decision with defined probability of success, but it is ultimately the human mind which has to take the judgement. Thus, all the professionals who get their economic value paid based on their ability to grasp, analyse and infer would always remain in demand.

In the field of accounting, many large organisations (including Zydus Cadila group) are creating their own centers of excellence. The accounting function would further need to be simplified, rationalized and automated in times to come. The changing regulations and increasing complexity of businesses would make it imperative to give focus on Governance, Risk Management and Compliance (GRC) on one side and ESG score on the other side. In next 5 years, ESG would be considered as a necessity and not a fashion of fad. CFOs need to believe and act on the golden advice that what has brought you here, will not take you there-which is the destination of organisation vision.

6. CA Arjit Agarwal - What measures would you like to suggest to young entrepreneurs and startupson taking care of Cyber Security and VPN Data Protection during remote area access basically Data Security?

NP - Data security is very important in today's connected world. On one side different types of cyber security protection measures, antivirus, fire walls, vulnerability assessment and penetration testing, anti-data theft protection etc. are being implemented and on the other hand, the hackers keep working on newer ways to attack the IT systems. Thus, the Cyber security and VPN Data Protection are going to remain a matter of journey and not a destination. It would make sense for entrepreneurs to block several sites which are not business related, constantly monitor the traffic on internet and intranet and also keep upgrading their security systems. Checking the system robustness or vulnerability using ethical hacking is also recommended. Any program installation in employees' computers should not be permitted and USB drive should be disabled.

7. CA Arjit Agarwal - In MNCs, earlier majority of work was being done over emails or on con-calls but COVID 19 pandemic has taught us that work from home can also be possible. How efficient and effective do you think is the concept of "Work from Home"? Further, do you think that in years to come, corporate houses will think about two different modes of employment for employees wherein they can choose between working from home or working from office?

NP - COVID 19 has certainly tested work from home practice and in general it has remained successful. I believe it is quite efficient and effective, though for certain important matters of interpersonal dynamics and collaboration work, physical meetings would still make more sense.

In years to come whether work from home would become a new way of working depends on the nature of the industry and nature of the functions. For example in service oriented industries the work from home will have higher adoption as compared to manufacturing industries. Similarly, within functions manufacturing and R&D functions are difficult to operate on work from home basis as compared to finance, HR, legal or IT functions. Beyond this, this would also depend on the corporate philosophy and culture. You would find more MNCs adopting work from home as compared to Indian organisations.

8. CA Arjit Agarwal - Lastly, leading a creative and passionate team at Cadila, what advice would you like to give to finance professionals for future?

NP - I am fortunate that I have very enthusiastic and motivated team supporting me in Zydus Cadila. Some quick tips to the young professionals are as under:

- There is no short cut to success and hence hard work is must.
- Have patience for growth
- Preferably work for large organisation for future growth without changing the organization



- Do not change job frequently unless not comfortable with organisational culture/boss or there is no scope for growth. Don't change job for mainly money.
- Bring out of box thinking and solutions. Sharpness and creativity get noticed and rewarded even if it may take time.
- Be sincere, honest and firm in your approach-not rude and rash.
- Read a lot and keep yourself up-to-date-in all finance related matters even if it is not part of your current job
- Work on knowledge, skills and attitude to become effective managers and later effective leaders.

9. CA Arjit Agarwal - Thank you so much for giving your precious time and answering all questions so well.

NP - Thank you very much for the opportunity given to me for this very interesting interaction.



Interview with CA Maneesh Agarwal

Global CFO - Wizeline (HQ San Francisco)



CA Maneesh Agarwal is Global CFO of Wizeline, a global technology services provider which builds the best in class digital products and platforms at scale, with Headquarters at San Francisco, California. Prior to that, he worked as Global Head of Finance and Legal at Brillio, Global Sr VP of Finance at Birlasoft, ABB and Ernst & Young.

A professional with stellar standing in leading successful financial teams globally for over three decades, Maneesh Agarwal is a qualified Chartered Accountant, CMA and also holds a degree in Law. He completed B.Com Hons from Delhi University, India in 1987, qualified as a Cost Accountant in year 1988, become Chartered Accountant in 1990 with a rank and passed L.LB in year 1994.

He is a proven leader with deep expertise in building businesses through strategic investments and M&A, supported by institutional finance. As CFO, he believes in developing strong processes and systems. He has a passion for building outstanding people interface

to processes and systems and bringing a disciplined focus on operations and execution. He believes in building scalable diligent financial practices while retaining the fresh unstructured creative core to fuel revenue growth, better profitability and corporate wealth.

He is also serving on the Board of an analytics company, Albeado Inc, and Jersey Cares, a non-profit organization and loves to volunteer with them.

An inspirational story of an Indian Chartered Accountant who is born in small District of U.P. India and reach as Global CFO of global technology giant headquartered in San Francisco.



- 1. CA Arjit Agarwal** - First of all I am thankful to you on behalf of AASquare Advisors LLP for sparing your valuable time. Congratulations on your New Role as Global CFO of Wizeline - a global technology services provider and sharing your Inspirational Story.

MA - Thanks you Arijit for reaching out. After an amazing tenure with Brillio, I am very excited to start as CFO with Wizeline that is fanatical about their clients and their staff. Here I would be focusing on crafting a world class futuristic financial organization leveraging next generation technologies. Also, congratulations to you too for successfully running a campaign to promote global awareness to local and communal professional platform in India.

- 2. CA Arjit Agarwal** - Your father was leading taxation practitioner and you had good option to continue the legacy. What inspired you to join the corporate world and thereafter settle in USA? Who the real source of motivation and inspiration for your professional journey?

MA - It was both my parents who were the inspiration, and pushed me to explore the world outside Moradabad, what used to be a small and quaint town in the 80s. My father had his practice spread out in my cities around MBD, but he still had time and the urge to do more. My mother was from Delhi. They arranged for me to pursue my higher education in Delhi. The transition was not easy but it was enthralling to explore the life of a big city and larger platform to operate. They were the wind beneath my wings and they always encouraged me to aim higher. I will always remember that my parents would always bless my with the words : "khoobmehnatkaro" (work very hard)



In the 90s, as the IT and back office outsourcing industry started taking roots in India, the same urge which brought me from MDB to Delhi, encouraged me to explore the world and the IT industry provided a unique opportunity.

I was lucky to have found an early opportunity to work with Birlasoft, a CK Birla group IT services company in the US.

- 3. CA Arjit Agarwal** – It will be interesting to know your professional journey till date. Please enlighten us about your inspirational journey and is there any turning point or so which changes everything drastically?

MA - I have been fortunate, that I have always found jobs that I loved and people around me that I have loved to work with. Having been in consulting with E&Y, I wanted to join a high-tech company. When I got a job with ABB, I was excited about it. Post ABB, I rode the IT boom to the US via Birlasoft. Birlasoft was a long ride. In 2014, the digital transformation and startups were the new and upcoming trend and that's how I joined Brillio which was a start up focused on digital transformation. We grew Brillio very fast to over \$250 M in 7 years. Wizeline is an established digital transformation technology company which has a nearshore model based out of Mexico.

While, looking back I feel that one turning point that changed everything was my zeal to learn. I am a curious learner and I jumped on to the digital world with full heart much before it was a norm in the financial industry. This knack of learning has definitely shaped my career trajectory.

- 4. CA Arjit Agarwal** - As CFO of Wizeline, what is your role and responsibilities? How your Indian CA qualification helps in technology driven company environment?

MA - As CFO, I like to think my role is compartmentalized into three sections - past, present and future. For the past My role is to ensure integrity in reporting, its evaluation and boosting return on investment. For the present, my role entails maintaining and running a tight operating engine, liquidity and organic growth.

For the future, I collaborate with the CEO and rest of the management team to provide leadership and support the company's vision, values and culture, and lead in organic growth.

CA prepares you well by providing a grasp of the techniques of financial and tax management. Once your foundation is strong, you can grasp and apply the similar principals in most environments.

- 5. CA Arjit Agarwal** – If I understood it correctly, Wizeline is majorly focused in Design, Development, Cloud, Data & AI and Product Evolution. Be brief about Wizeline – what it does and how digitallity it is connected?

MA - Today's technology is becoming increasingly intuitive. It is no longer enough for corporations to have satisfied users; companies now need to aim for "user thrill". Add to it that the bar of "user thrill" has been steadily going up at a very fast pace. This is where Wizeline comes into play. Today's large organizations require complex digital solutions to run efficiently. Design, Development, Cloud, Data & AI and Product Evolution are all interconnected. E.g., hypothesize to create a mobile application to submit out-of-pocket expenses by a nationally distributed workforce of a business. This project will require 'Design' to create the layout of the screens, Colors, size and functionality of buttons; it will require Development which can be done using DevOps or agile method, it will require cloud backbone like AWS etc. to capture data with speed, it will require Analytics for business teams to analyze and enhance the employee experience with company's expense reimbursement processes and policies.

It is amazing what today's technologies make possible!

- 6. CA Arjit Agarwal** - How you differentiate Wizeline from other technology service providers?

MA - Wizeline has a number of unique qualities. One, it's one of very few digitally naïve companies that do not provide any legacy services. It provides end to end product engineering solutions. It's located very close to its customers in all the markets that it operates. It leverages the nearshore model to help its US based clients which is not only cost efficient but also in a similar time zone. It



is backed by one of the largest and preeminent private equity companies in the world, Apax Partners. The way I summarize it, it's a company large enough to innovate and solve complex problems, and small enough to care for its employees and clients alike.



7. CA Arjit Agarwal - What is Amazon Web Services (AWS) and how it is linked with NLP ?

MA - AWS is one of many cloud data platforms which enables several mobile and data solutions. To a non-technical person, I'll explain it as a network of servers away from your premises which businesses, big or small, can use with a fraction of time and cost. One of the innovations riding on the success of cloud is NLP which is natural language processing. Again, taking a financial example, very soon, when finance departments issue a report, the Management team will be able to use chatbots like Alexa or google home to make inquiries and get answers in plain English. Few innovative companies already have it.

8. CA Arjit Agarwal - Change is constant and we must change according to time & situations. Looking at current Covid 19 pandemic situations, it seems Technology is the future. Your viewpoint is the same?

MA - Very true, change is the only constant.

As big a tragedy as Covid has been, it has pushed people and companies out of their comfort boxes and pushed them to innovate and adapt at an amazing pace. It has become the largest catalyst to lifestyle and business trends globally. Covid has fastened the pace of disruption that naturally takes place in all the segments and technology has provided a key role in it. The global technology industry is booming and catering to newer demands. Also, the attitude of people and companies towards technology is changing fast and its adaptability has increased tremendously. Technology has made it possible for the world to go on with education, work, banking, shopping and medical needs even during complete lockdowns. A thing that I passionately believe is that technology is a big equalizer in the world.

9. CA Arjit Agarwal - At last, what advice would you like to give to young recently qualified finance professionals from your past-experience?

MA - Technology is becoming the key for the success of financial professionals of the future. And there needs to be a higher emphasis on the latest technological trends in financial education and early work. My advice to the recently qualified finance professionals will be to ensure they stay abreast in the field of technology. Also, finance is becoming increasingly integral to business operations and corporate management. As important as it is to understand the financial language, being able to talk to diverse stakeholders in the company in their language is going to be increasingly important for finance professionals in the future.

10. CA Arjit Agarwal - Thank you so much for giving your precious time and answering all questions very well.

MA - I enjoyed it very much. Hope your readers find it equally pleasurable. Wish you all the best in your endeavors.

Doctor makes a person healthy and a CA makes a person wealthy. Doctors' tool is their blade and a CA's their pen. We chose medicine because there no other professional avenue more challenging, rewarding, evolving and noble. Both these professions go hand in hand for the welfare of the country.

We give due respect to our profession and render our services to mankind, for the country. Countless doctors have lost their lives on the frontline all the while serving the people and staying true to their professional oath.

Sushruta, an ancient Indian physician, and surgeon, the most famous doctor of all time known today as the "Father of Surgery", made many contributions to medicine and surgery which preceded similar discoveries in the Western world.

Medicine has come a long since him and let's make sure it keeps evolving.

Happy Doctors Day and CA Day

Dr Saurabh & Latha Agarwal
Raj ENT Clinic
Moradabad



Here's wishing all doctors and CAs on Doctor's Day and CA Day respectively. Both have key role to play in societal wellbeing,"

India salutes our doctors -- exceptional care givers who are at the forefront of a spirited fight against Covid-19,"

Also, CA community has a major role to play in ensuring a healthy and transparent economy. "Their services to the nation are deeply valued.

Dr Ankit & Dr Namrata
Pyare Lal Government Hospital
Meerut

During this COVID 19 pandemic, Doctors fraternity comes with a whole hearted to serve the profession and we feel very lucky to be part of this profession. Though COVID 19 pandemic has ruined so much in terms of monetary and lives, we still hatts of all doctors who served day night to save lives without thinking of their family, food etc.

A doctor always available 24*7 to serve for the profession and feel honored to be part of this esteemed profession.

Wishing everyone Happy Doctors Day and Chartered Accountants Day.

Dr Vivek & Dr Ruchi Goyal
Gupta & Goyal Nursing Home
Moradabad





1. In Brief :-

If an assessee carries on business, all that is required to be seen is whether any outlay constitutes an expenditure 'for the purpose of business' as used in Section 37(1) of the IT Act.

The requisite conditions for being allowed as a deduction under Section 37(1) of the IT Act stand fulfilled since:

- the expenditure has been incurred wholly and exclusively for the purpose of business being carried out by the assessee;
- it has been expended during the accounting year in question.
- it is not on any personal account of the assessee;
- it is not in the nature of capital expenditure.

Honorable Apex Court in case of National Co-Operative Development Corporation Vs Commissioner of Income Tax, Delhi-V

Held that

(i) To decide whether a particular source is business income, one has to look to the notions of what is the business activity. The activity must have a set purpose. The fact that the assessee does not carry on business activity for profit motive is not material as profit making is not an essential ingredient (Para 23)

(ii) The Act requires determination of 'real income' on the basis of ordinary commercial principles of accountancy. To determine the 'real income', permissible expenses are required to be set off. Every application of income towards business objective of the assessee is a business expenditure and nothing else (para 38)

(iii) A vibrant system of Advance Ruling can go a long way in reducing taxation litigation. This is true even of disputes between the taxation department and private persons, who are more than willing to comply with the law of the land but find some ambiguity (para 11)

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2. Relevant terms :-

Section No.	Bare Law
37	Any expenditure (not being expenditure of the nature described in sections 30 to 36 and not being in the nature of capital expenditure or personal expenses of the assessee), laid out or expended wholly and exclusively for the purposes of the business or profession shall be allowed in computing the income chargeable under the head "Profits and gains of business or profession"

3. Important Relevant Judgment discussed during proceedings :-

S.No.	Case Law	Judgment
1.	Commissioner of Income Tax, Bombay v. Associated Cements Companies Ltd.,	"But when an expenditure is made, not only once and for all, but with a view to bringing into existence an asset or an advantage for the enduring benefit of a trade. I think that there is very good reason (in the absence of special circumstances leading to an opposite conclusion) for treating such an

	(Apex Court)	expenditure as properly attributable not to revenue but to capital.”
2.	M/s. Empire Jute Co. Ltd. v. Commissioner of Income Tax (Apex Court)	“5. In the first place it is not a universally true proposition that what may be a capital receipt in the hands of the payee must necessarily be capital expenditure in relation to the payer. The fact that a certain payment constitutes income or capital receipt in the hands of the recipient is not material in determining whether the payment is revenue or capital disbursement qua the payer. It was felicitously pointed out by Macnaghten, J. in Race Course Betting Control Board v. Wild that a “payment may be a revenue payment from the point of view of the payer and a capital payment from the point of view of the receiver and vice versa. Therefore, the decision in Maheshwari Devi Jute Mills case cannot be regarded as an authority for the proposition that payment made by an assessee for purchase of loom hours would be capital expenditure. Whether it is capital expenditure would have to be determined having regard to the nature of the transaction and other relevant factors.”

4. Facts of Case in National Co-Operative Development Corporation :-

- a) The appellant-Corporation, National Co-operative Development Corporation, was established under the National Cooperative Development Corporation Act, 1962 (hereinafter referred to as the ‘NCDC Act’). The Preamble of the NCDC Act reads as under: “An Act to provide for the incorporation and regulation of a Corporation for the purpose of planning and promoting programmes for the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs, industrial goods, livestock, certain other commodities and services on cooperative principles and for matters connected therewith or incidental thereto.”
- b) The functions of the appellant-Corporation are set out in Section 9 of the NCDC Act, which is, inter alia, to advance loans or grant subsidies to State Governments for financing cooperative societies; provide loans and grants directly to the national level cooperative societies, as also to the State level cooperative societies, the latter on the guarantee of State Governments.
- c) The funding process for the appellant-Corporation is set out in Section 12 of the NCDC Act, by way of grants and loans received from the Central Government.
- d) Corporation is required to maintain a fund called the National Cooperative Development Fund (for short ‘the Fund’) which is, inter alia, credited with all monies received by it by way of grants and loans from the Central Government, as well as sums of money as may from time to time be realised out of repayment of loans made from the Fund or from interest on loans or dividends or other realisations on investments made from the Fund
- e) As and when surplus funds accumulated, the appellant-Corporation invested the idle funds in fixed deposits from time to time, which generated income.
- f) Income by way of interest on debentures and loans advanced to the State Governments/Apex Cooperative Institutions are credited to this account
- g) Corporation is an intermediary or “pass through” entity, it is a distinct juridical entity
- h) The AO opined that the non-refundable grants were in the nature of capital expense and not a revenue expense and, thus, disallowed the same as a deduction
- i) AO noted that no deduction as sought for has been claimed in the previous assessment years
- j) An appeal was preferred before the Commissioner of Income Tax (Appeals), New Delhi
- k) CIT(A) opined that the grants made by the appellant-Corporation undisputedly fall within its authorised activities, which are interlinked and interconnected with its main business of advancing loans on interest to State Governments and cooperative societies. These grants



were intended to be utilised for various projects which were admittedly of capital nature and resulted in the acquisition of capital assets, but not by the appellant-Corporation itself. Thus, a conclusion was reached that, in terms of Section 37 of the Income Tax Act, 1961 (hereinafter referred to as the 'IT Act') as it stood for the relevant assessment year, any expenditure (except of the prohibited type) laid out or expended wholly and exclusively for the purpose of the business was allowable as a deduction while computing business income.

- l) Approach adopted by the AO was fallacious as the functions and activities of the appellant-Corporation included giving loans and grants which, in fact, was the very purpose for which it had been set up
- m) Revenue Department to prefer an appeal before the Income Tax Appellate Tribunal (for short 'ITAT'), Delhi Bench
- n) ITAT accepted the view taken by the AO and did not agree with the approach of the CIT(A), setting aside the order of the CIT(A)
- o) ITAT held that the grants, additional grants and other sums received by the appellant Corporation from the Central Government went to a single fund and were not treated as its income and, thus, the disbursements made from the same could not be treated as revenue expenses. The disbursement of monies to State Governments and cooperative societies were held to be a pure and simple application of the Fund under Section 13(2) of the NCDC Act and could not be an expenditure in the nature of revenue
- p) Appeal preferred before High Court on question of law that "Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was justified on facts and in law in holding that amount of Rs.19,35,950/- being grants disbursed by the assessee-applicant to various State Governments during the financial year 1975-76 relevant to asstt. year 1976-77 was not in the nature of Revenue expenditure, hence not allowable in computing the total income of the assessee for the asstt. year under reference."
- q) High Court decided in favour of Revenue stating that as the taxable interest/income or the revenue stream of income gets amalgamated in the common pool of the Fund under Section 13(1) of the NCDC Act, along with the funds received from the Central Government, it loses its revenue character, and becomes a capital receipt.
- r) Assessee thereafter applied before Apex Court.

5. Apex Court :-

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 the component of interest income earned on the funds received under Section 13(1), and disbursed by way of "grants" to national or state level co-operative societies, is eligible for deduction for determining the "taxable income" of the appellant-Corporation?

b) Assessee's Department's Contention:-

Assessee's Contention	Department's Contention
<ul style="list-style-type: none"> Any grants disbursed (to National or State Governments, for further disbursement to co-operative societies) out of the 'Interest Income', which is admittedly taxed as "business income" by the Revenue Department, is allowable as a revenue expenditure under Section 37(1) of the IT Act, 1961 The error and anomaly in the judgment of the High Court, is that in para 22, it has treated "grants" and "loans" at par, or as identical in nature. There is a distinction between "grants" and "loans", since the monies advanced as 'loans' come back into the coffers of the appellant-Corporation; however, with respect 	<ul style="list-style-type: none"> Since the interest income received has merged with the monies in the common Fund, it loses its revenue character, and becomes a capital receipt The grants given to State Governments and national cooperatives are not in the course of trade business of the appellant Corporation, but are a mere application of income. The giving of grants was an application of income hence it was not an expenditure. Even if it was to be considered as a case of expenditure, it would, at best, be in the nature of capital expenditure.



to “grants” or “subsidies”, there is an irretrievable outgo from the coffers of the appellant-Corporation. This distinction has not been examined by the High Court. The claim of the appellant-Corporation is restricted only with respect to “grants,” and not “loans.”

- That as the taxable interest/income or the revenue stream of income gets amalgamated in the common pool of the Fund under Section 13(1) of the NCDC Act, along with the funds received from the Central Government, it loses its revenue character, and becomes a capital receipt
- That it cannot be identified as to which component of the funds has been advanced by way of “grants”. It is not ascertainable as to whether it is from the income earned, or capital receipts. The appellant-Corporation submitted that merely because a common Fund is maintained by it in terms of Section 13 of the NCDC Act, the interest income earned/received by the appellant-Corporation cannot lose its character of “business income” and gets transformed into a capital receipt.
- That Corporation are duly audited, it would be able to demonstrate the nexus of the income receipts to the amounts disbursed by way of grants. The claim of deduction is restricted to the outright grants made from the revenue receipts, which are subjected to tax in the normal course of business. The CIT(A) has rightly allowed only those grants, which were in fact disbursed out of the taxable interest income of the appellant as expenditure
- Since the grants are given in the normal course of the appellant-Corporation’s business, those grants which are from the interest income, and assessed as “business income,” should be allowed as deductions from the taxable income of the appellant Corporation
- The expenditure incurred by the appellant-Corporation cannot be capital expenditure as neither any enduring advantage or benefit has accrued to it, nor had any asset come into existence which belonged to or was owned by the appellant-Corporation

- The direct nexus of monies given as outright grants from the taxable interest income, cannot be distinctly identified in the common Fund

c) Apex Court Ruling:-

(i) To decide whether a particular source is business income, one has to look to the notions of what is the business activity. The activity must have a set purpose. The fact that the assessee does not carry on business activity for profit motive is not material as profit making is not an essential ingredient (Para 23)



(ii) The Act requires determination of 'real income' on the basis of ordinary commercial principles of accountancy. To determine the 'real income', permissible expenses are required to be set off. Every application of income towards business objective of the assessee is a business expenditure and nothing else (para 38)

(iii) A vibrant system of Advance Ruling can go a long way in reducing taxation litigation. This is true even of disputes between the taxation department and private persons, who are more than willing to comply with the law of the land but find some ambiguity (para 11)

6. Conclusion :-

For allowing deduction u/s 37 of Income Tax Act 1961, it is essential that proposed business or professional expenses should be wholly, exclusively, essentially for business/professional purposes.

As subsidy & grant provided by assessee to promote business & this amount is not refundable which a purpose to boost the business, therefore it is allowable expenditure u/s 37 of the Income Tax Act 1961.

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>

Disclaimer: - 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.





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This is Gist of all important updates during **June 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
70 /2021) F.No.203/06/2020/ITA-II	08 th June	Section 35 of the Income-tax Act, 1961 (43 of 1961) read with rules 5C and 5E of the Income-tax Rules, 1962	In exercise of the powers conferred by clauses (ii) and (iii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (43 of 1961) read with rules 5C and 5E of the Income-tax Rules, 1962, the Central Government hereby approves M/s Indian Institute of Technology, Bhilai (PAN: AABAI0415K) under the category of 'University, College or other institution' for Scientific Research and Research in Social Science and Statistical Research for the purposes of clauses (ii) and (iii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (43 of 1961) read with rules 5C and 5E of the Income-tax Rules, 1962	Click here to Read
71/2021/F. No. 370142/19/2021-TPL	08 th June	Income-tax (17th Amendment) Rules, 2021	In exercise of the powers conferred by sections 194,194A,194Q, 196D, 206AB and 206CC read with section 295 of the Income-tax Act, 1961, (43 of 1961) the Central Board of Direct Taxes hereby makes the certain rules further to amend the Income-tax Rules, 1962	Click here to Read
72 /2021/F. No.300196/15/2020-ITA-I	09 th June	Section 10 of the Income-tax Act, 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, 'Competition Commission of India' (PAN AAAGC0012M), a Commission established under sub-section (1) of Section 7 of the Competition Act, 2002 (12 of 2003), in respect of the certain specified income arising to the said Commission	Click here to Read

73/ 2021/F.No.37 0142/10/202 1-TPL	15 th June	Clause (v) of the Explanation to section 48 of the Income-tax Act, 1961 (43 of 1961)	In exercise of the powers conferred by clause (v) of the Explanation to section 48 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following further amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue), Central Board of Direct Taxes, published in the Gazette of India, Extraordinary, vide number S.O. 1790(E), dated the 5th June, 2017	Click here to Read
DGIT(S)/ADG (S)-2/ Compliance Check /432/ 2021-22	22 nd June	Compliance Check Functionality for Section 206AB & 206CCA of Income-tax Act 1961	To facilitate Tax Deductors and Collectors in identification of Specified Persons as defined in sections 206AB and 206CCA, the Central Board of Direct Taxes ("CBDT"), in exercise of powers conferred under section 138(1)(a)(i) of Income-tax Act, 1961 (Act), has issued Order via F.No. 225/671202111TA.II dated 21 .06.2021 , directing that Director General of Income-tax (Systems), New Delhi shall be the specified income-tax authority for furnishing information to the "Tax Deductor Tax Collector", having registered in the reporting portal of the Project Insight through valid TAN, to identify the 'Specified Persons' for the purposes of section 206AB and 206CCA of the Act through the functionality "Compliance Check for Section 206AB& 206CCA"	Click here to Read
74/2021/ F. No. 370142/35/2 020-TPL	25 th June	Sub-section (1) of section 3 of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020	In exercise of the powers conferred by sub-section (1) of section 3 of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (38 of 2020) (hereinafter referred to as the said Act), and in partial modification of the notifications of the Government of India in the Ministry of Finance, (Department of Revenue) No. 93/2020 dated the 31st December, 2020	Click here to Read
75/2021/F.No.IT(A)/01/20 20-TPL	25 th June	Section 3 of the Direct Tax Vivad se Vishwas Act, 2020 (3 of 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 amendments 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, Subsection (ii), vide number S.O. 3874(E), dated 27th October, 2020	Click here to Read

Circular No.	Dated	Heading	In Brief	
11 of 2021	21 st June	Circular regarding use of functionality under Section 206AB and 206CCA of the Income-tax Act, 1961- reg.	It can be seen that the tax deductor or the tax collector is required to do a due diligence of satisfying himself if the deductee or the collectee is a specified person. This can lead to extra compliance burden on such tax deductor or tax collector. To ease this compliance burden the Central Board of Direct Taxes is issuing a new functionality "Compliance Check for Sections 206AB & 206CCA". This functionality is made available through reporting portal of the Income-tax Department. The tax deductor or the collector can feed the single PAN (PAN search) or multiple PANs (bulk search) of the deductee or collectee and can get a response from the functionality if such deductee or collectee is a specified person. For PAN Search, response will be visible on the screen which can be downloaded in the PDF format. For Bulk Search, response would be in the Conn of downloadable file which can be kept for record.	Click here to Read
12 of 2021	25 th June	Extension of time limits of certain compliances to provide relief to taxpayers in view of the severe pandemic reg	<p>Extension of Timelines</p> <ol style="list-style-type: none"> Objections to Dispute Resolution Panel (DRP) and Assessing Officer under section 144C of the Income-tax Act, 1961 by The Statement of Deduction of Tax The Certificate of Tax Deducted at Source in Form No.16 The Statement of Income paid or credited The Statement of Income paid or credited Form No. 10A/ Form No.10AB claiming any exemption under the provisions contained in Section 54 to 54GB Quarterly Statement in Form No. 15CC Equalization Levy Statement in Form No. 1 Annual Statement Uploading of the declarations Form No. 34BB Last date of linkage of Aadhaar with PAN under section 139AA of the Act Last date of payment of amount under Vivad se Vishwas(without additional amount) 	Click here to Read

			<p>o. Last date of payment of amount under Vivad se Vishwas (with additional amount)</p> <p>p. Time Limit for passing assessment order</p> <p>q. Time Limit for passing penalty order</p> <p>r. Time Limit for processing Equalisation Levy returns</p>	
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3. CBDT Press Releases :-

Dated	Heading	In Brief	
14 th June	Relaxation in electronic filing of Income Tax Forms 15CA/15CB	In view of the difficulties reported by taxpayers in electronic filing of Income Tax Forms 15CA/15CB on the portal www.incometax.gov.in, it has been decided that taxpayers can submit the aforesaid Forms in manual format to the authorized dealers till June 30th, 2021. Authorized dealers are advised to accept such Forms till June 30th, 2021 for the purpose of foreign remittances. A facility will be provided on the new e-filing portal to upload these forms at a later date for the purpose of generation of the Document Identification Number.	Click here to Read
15 th June	Finance Ministry to hold meeting on 22nd June, 2021 with Infosys on issues in the new Income Tax Portal	Senior officials of the Ministry of Finance, will be holding an interactive meeting on the 22nd of June, 2021 between 11:00 AM to 01:00 PM with Infosys (the vendor and its team) on issues/glitches in the recently launched e-filing portal of the Income Tax Department. Other stakeholders including members from ICAI, auditors, consultants and taxpayers will also be a part of the interaction. The new portal has been fraught with several technical glitches/issues leading to taxpayer inconvenience. Written representations on the problems/difficulties faced in the portal have also been invited from the stakeholders. Representatives from Infosys team will be present to answer queries, clarify issues and receive inputs on the working of the portal, to remove glitches and sort out issues faced by the taxpayers.	Click here to Read
20 th May	Net Direct Tax collections for FY 21-22	<p>Net Direct Tax collections for the Financial Year 2021-22 have grown at over 100%</p> <p>Advance Tax collections for F.Y. 2021-22 stand at Rs. 28,780crore which shows a growth of approximately 146%</p> <p>Net Direct Tax collections for the F.Y. 2021-22 have grown at a robust pace despite the disruption caused by the COVID-19 pandemic on the economy</p> <p>Refunds amounting to Rs. 30,731 crore have been issued in the F.Y. 2021- 22</p>	Click here to Read
22 nd June	Finance Ministry interaction with tax professionals, other stakeholders and Infosys on issues in the new Income Tax Portal	A meeting was held between senior officials of the Finance Ministry and Infosys on 22.06.2021 on issues in the new Income Tax Portal. The meeting was presided over by Hon'ble FM, Smt. N. Sitharaman. MoS(Finance), Shri Anurag Singh Thakur also participated in the meeting. The interaction was attended by Shri Tarun Bajaj,	Click here to Read

		Secretary Revenue, Shri J. B. Mohapatra, Chairman, CBDT, Smt. Anu J. Singh, Member(L & Systems), CBDT and other senior officers of CBDT. Infosys was represented by its MD & CEO, Shri Salil Parekh and COO, Shri Praveen Rao and other members of their team. The meeting was also attended by 10 tax professionals from across the country, including representatives of ICAI and All India Federation of Tax Practitioners (AIFTP)	
22nd June	Clarification for the use of functionality under section 206AB and 206CCA of the Income-tax Act, 1961	The logic of the functionality has been explained through CBDT Circular No. 11 of 2021 dated 21st June, 2021 available. The Circular has further eased the burden of the tax deductors/collectors by ensuring that the deductors/collectors need to check the PAN in the functionality at the beginning of the financial year without there being any need to check the PAN of the non-specified person again during that financial year	Click here to Read
23rd June	Bhutan's Tax Inspectors Without Borders (TIWB) programme launched on 23rd June, 2021 in partnership with India	Tax Inspectors Without Borders (TIWB), a joint initiative of the United Nations Development Programme (UNDP) and the Organisation for Economic Cooperation and Development (OECD), launched its programme in Bhutan on 23rd June 2021. India was chosen as the Partner Jurisdiction and has provided the Tax Expert for this programme	Click here to Read
24th June	Income Tax Department conducts searches in Raipur	During the course of the search, unaccounted cash amounting to approximately Rs. 6 crore has been seized. A number of digital devices in the form of a computer hard disc and pen drives having details of hawala transactions have been seized. The same are being analysed and quantification of the total amount involved is under progress. Preliminary estimates suggest that hawala transactions exceeding Rs. 100 crore may be involved	Click here to Read
25th June	Government grants further extension in timelines of compliances. Also announces tax exemption for expenditure on Covid treatment and ex-gratia received on death due to Covid	<p>Extension of Timelines</p> <ul style="list-style-type: none"> s. Objections to Dispute Resolution Panel (DRP) and Assessing Officer under section 144C of the Income-tax Act, 1961 by t. The Statement of Deduction of Tax u. The Certificate of Tax Deducted at Source in Form No.16 v. The Statement of Income paid or credited w. The Statement of Income paid or credited x. Form No. 10A/ Form No.10AB y. claiming any exemption under the provisions contained in Section 54 to 54GB z. Quarterly Statement in Form No. 15CC aa. Equalization Levy Statement in Form No. 1 bb. Annual Statement cc. Uploading of the declarations dd. Form No. 34BB ee. Last date of linkage of Aadhaar with PAN under section 139AA of the Act ff. Last date of payment of amount under Vivad se Vishwas (without additional amount) gg. Last date of payment of amount under Vivad se Vishwas (with additional amount) hh. Time Limit for passing assessment order ii. Time Limit for passing penalty order jj. Time Limit for processing Equalisation Levy returns 	Click here to Read



4. CBDT Relevant Miscellaneous Communications :-

Dated	Heading	In Brief	
10 th June	Guidelines for compulsory selection of returns for Complete Scrutiny during the Financial Year 2021- 22 - conduct of assessment proceedings in such cases - regarding	<p>The exercise of selection of cases for compulsory scrutiny on the basis of the below parameters and service of notice u/s 143(2) of the Act will have to be completed by 30.06.2021. As per the amendments brought vide Finance Act, 2021, the time limit for service of notice u/s 143(2) of the Act has been reduced to three months from the month of end of the Financial Year in which the return is filed</p> <ul style="list-style-type: none">a. Cases pertaining to survey u/s 133A of the Income-tax Act, 1961 (Act)b. Cases pertaining to Search and Seizurec. Cases in which notices u/s 142(1) of the Act, calling for return, have been issuedd. Cases in which notices u/s 148 of the Act have been issuede. Cases related to registration/approval under various sections of the Act, such as 12A, 35(1)(ii)/(iia)/(iii), 10(23C), etc.	Click here to Read
21 st June	Order Under section 138(1)(a)(i) of the Income Tax Act 1961	To facilitate the process of furnishing information through the functionality, the Director General of Income Tax (Systems) would notify the procedure and format regarding the functionality "Compliance Check for Section 10MB & 106CCA" after taking approval from the CBDT	Click here to Read

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

Note: - This column is compiled as on 27th June

This is Gist of all important updates during **June 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
16/2021	01 st June	Seeks to appoint 01.06.2021 as the day from which the provisions of section 112 of Finance Act, 2021, relating to amendment of section 50 of the CGST Act, 2017 shall come into force	Click here to Read
17/2021	01 st June	Seeks to extend the due date for FORM GSTR-1 for May, 2021 by 15 days	Click here to Read
18/2021	01 st June	Seeks to provide relief by lowering of interest rate for a specified time for tax periods March, 2021 to May, 2021	Click here to Read
19/2021	01 st June	Seeks to rationalize late fee for delay in filing of return in FORM GSTR-3B ; and to provide conditional waiver of late fee for delay in filing FORM GSTR-3B from July, 2017 to April, 2021; and to provide waiver of late fees for late filing of return in FORM GSTR-3B for specified taxpayers and specified tax periods	Click here to Read
20/2021	01 st June	Seeks to rationalize late fee for delay in furnishing of the statement of outward supplies in FORM GSTR-1	Click here to Read
21/2021	01 st June	Seeks to rationalize late fee for delay in filing of return in FORM GSTR-4	Click here to Read
22/2021	01 st June	Seeks to rationalize late fee for delay in filing of return in FORM GSTR-7	Click here to Read
23/2021	01 st June	Seeks to amend Notification no. 13/2020-Central Tax to exclude government departments and local authorities from the requirement of issuance of e-invoice	Click here to Read
24/2021	01 st June	Seeks to amend notification no. 14/2021-Central Tax in order to extend due date of compliances which fall during the period from "15.04.2021 to 29.06.2021" till 30.06.2021	Click here to Read
25/2021	01 st June	Seeks to extend the due date for filing FORM GSTR-4 for financial year 2020-21 to 31.07.2021	Click here to Read
26/2021	01 st June	Seeks to extend the due date for furnishing of FORM ITC-04 for QE March, 2021 to 30.06.2021	Click here to Read
27/2021	01 st June	Seeks to make amendments (Fifth Amendment, 2021) to the CGST Rules, 2017	Click here to Read

2. Central Tax (Rate) - Notifications :-

Notification No.	Dated	Heading	Link to Read Full
01/2021	02 nd June	Seeks to amend notification No. 1/2017-Central Tax (Rate) to prescribe change in CGST rate of goods	Click here to Read
02/2021	02 nd June	Seeks to amend notification No. 11/2017- Central Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 43rd meeting held on 28.05.2021	Click here to Read
03/2021	02 nd June	Seeks to amend notification No. 06/2019- Central Tax (Rate) so as to give effect to the recommendations made by GST Council in its 43rd meeting held on 28.05.2021	Click here to Read

05/2021	14 th June	Seeks to amend notification No. 11/2017- Central Tax (Rate) so as to notify GST rates of various services as recommended by GST Council in its 44th meeting held on 12.06.2021	Click here to Read
05/2021	14 th June	Seeks to provide the concessional rate of CGST on Covid-19 relief supplies, up to and inclusive of 30th September 2021	Click here to Read
		Corrigendum	Click here to Read

3. Integrated Tax - Notifications :-

Notification No.	Dated	Heading	Link to Read Full
02/2021	01 st June	Seeks to provide relief by lowering of interest rate for a specified time for tax periods March, 2021 to May, 2021	Click here to Read
03/2021	02 nd June	Seeks to amend Notification No. 4/2019-Integrated Tax dt. 30.09.2019 to change the place of supply for B2B MRO services in case of Shipping industry, to the location of the recipient	Click here to Read

4. Integrated Tax (Rate)- Notifications :-

Notification No.	Dated	Heading	Link to Read Full
01/2021	02 nd June	Seeks to amend notification No. 1/2017- Integrated Tax (Rate) to prescribe change in CGST rate of goods	Click here to Read
02/2021	02 nd June	Seeks to amend notification No. 08/2017- Integrated Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 43rd meeting held on 28.05.2021	Click here to Read
03/2021	02 nd June	Seeks to amend notification No. 06/2019- Integrated Tax (Rate) so as to give effect to the recommendations made by GST Council in its 43rd meeting held on 28.05.2021	Click here to Read
05/2021	14 th June	Seeks to amend notification No. 08/2017- Integrated Tax (Rate) so as to notify GST rates of various services as recommended by GST Council in its 44th meeting held on 12.06.2021	Click here to Read
05/2021	14 th June	Seeks to provide the concessional rate of IGST on Covid-19 relief supplies, up to and inclusive of 30th September 2021	Click here to Read
		Corrigendum	Click here to Read

5. Union Territory Tax - Notifications :-

Notification No.	Dated	Heading	Link to Read Full
02/2021	01 st June	Seeks to provide relief by lowering of interest rate for a specified time for tax periods March, 2021 to May, 2021	Click here to Read

Notification No.	Dated	Heading	Link to Read Full
01/2021	02 nd June	Seeks to amend notification No. 1/2017- Union Territory Tax (Rate) to prescribe change in CGST rate of goods.	Click here to Read
02/2021	02 nd June	Seeks to amend notification No. 11/2017- Union Territory Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 43rd meeting held on 28.05.2021	Click here to Read
03/2021	02 nd June	Seeks to amend notification No. 06/2019- Union Territory Tax (Rate) so as to give effect to the recommendations made by GST Council in its 43rd meeting held on 28.05.2021	Click here to Read
05/2021	14 th June	Seeks to amend notification No. 11/2017- Union Territory Tax (Rate) so as to notify GST rates of various services as recommended by GST Council in its 44th meeting held on 12.06.2021	Click here to Read
05/2021	14 th June	Seeks to provide the concessional rate of UTGST on Covid-19 relief supplies, up to and inclusive of 30th September 2021	Click here to Read
		Corrigendum	Click here to Read

7. Circulars :-

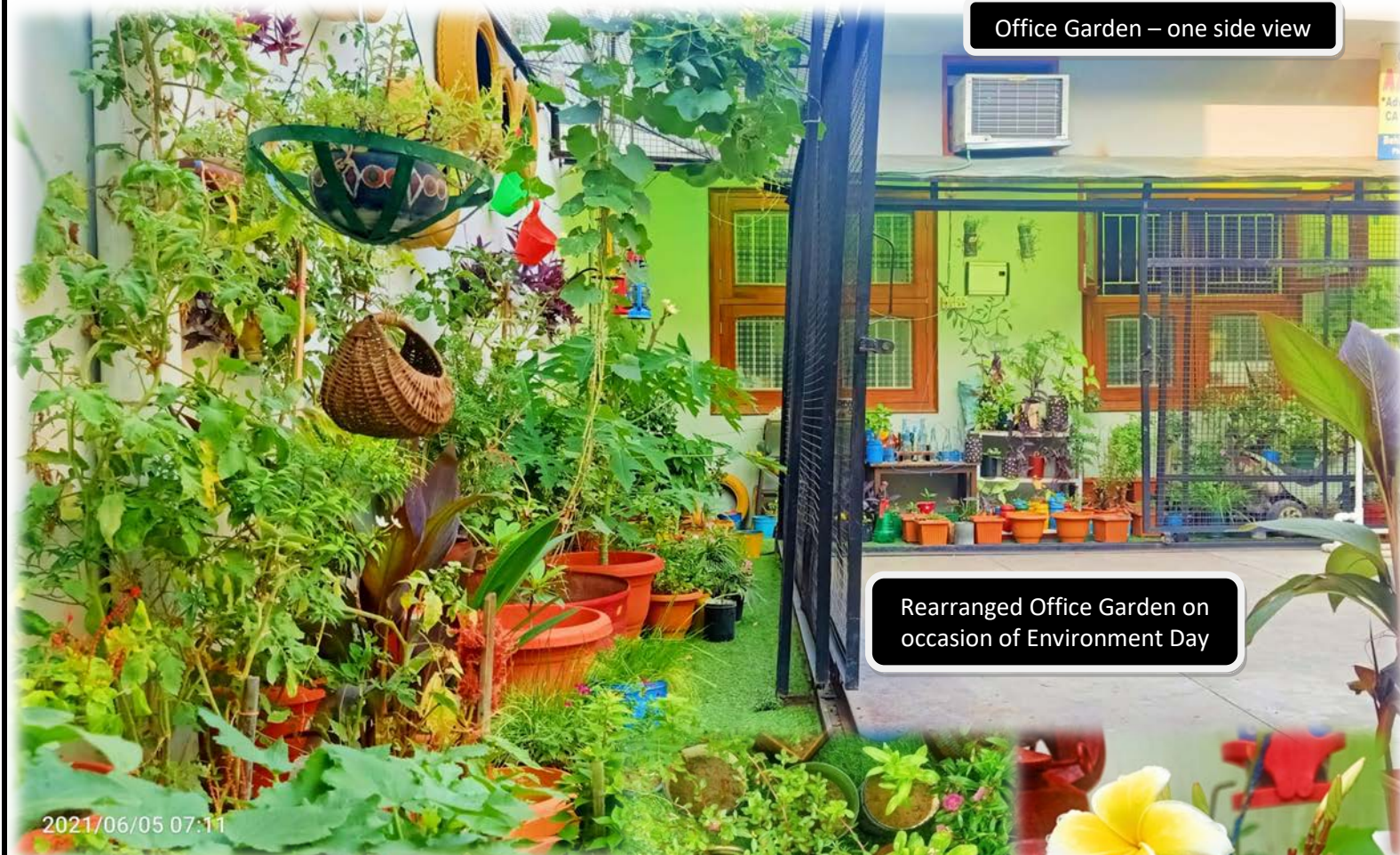
Circular No.	Dated	Heading	Link to Read Full
149/04/2021 -GST	17 th June	Clarification regarding applicability of GST on supply of food in Anganwadis and Schools	Click here to Read
150/04/2021 -GST	17 th June	Clarification regarding applicability of GST on the activity of construction of road where considerations are received in deferred payment (annuity)	Click here to Read
151/04/2021 -GST	17 th June	Clarification regarding GST on supply of various services by Central and State Board (such as National Board of Examination)	Click here to Read
152/04/2021 -GST	17 th June	Clarification regarding rate of tax applicable on construction services provided to a Government Entity, in relation to construction such as of a Ropeway on turnkey basis	Click here to Read
153/04/2021 -GST	17 th June	GST on milling of wheat into flour or paddy into rice for distribution by State Governments under PDS	Click here to Read
154/04/2021 -GST	17 th June	GST on service supplied by State Govt. to their undertakings or PSUs by way of guaranteeing loans taken by them	Click here to Read
155/04/2021	17 th June	Clarification regarding GST rate on laterals/parts of Sprinklers or Drip Irrigation System	Click here to Read
156/04/2021	21 st June	Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020- Central Tax dated 21st March, 2020 - Reg.	Click here to Read

Sources * <https://www.cbic.gov.in>

Note - This column is compiled as on 27th June



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