

Interview

- First-hand professionals to keep pushing their boundaries in terms of upping their technical expertise
- The second and third generation professionals must continuously strive to adapt to change
- The Associated Chambers of Commerce & Industry of India (ASSOCHAM) is the country's oldest apex chamber
- Failures must be embraced and lessons learned must be acted upon
- Cyber security must be considered a permanent capital expenditure
- Young professionals must recognize and appreciate the tremendous responsibility that they have towards the clients
- Practicing "yoga" to be helpful in managing stressful times

Message & Article



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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.

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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@aasquareadvisors.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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Contents

Exclusive

- 04 Interview of
CA Rakesh Nangia Ji
Non- Executive Chairman
Nangia Andersen India Pvt. Ltd
- 07 Message on Life by
Dr. Sachin Bansal (DM Clinical Hematology)
Assistant Professor - AIIMS Bhopal
- 08 Article on Neo Bank-Next Generation Banking
Rupin Goel
Founder – Raindrop Management Services
- 09 Article on definition of Relatives for purpose
of Gifts under Income Tax Act 1961 by
CA Arjit Agarwal

Income Tax

- 10 Legal Updates in relation to Direct
Taxes during October & November
by CA Arpit Agarwal
- 23 Legal Updates on Recent Verdicts during
October & November
by Editorial Team

Goods & Service Tax

- 34 Legal Updates during October & November
by Editorial Team

Photo Gallery

- 36 Event pictures during October & November



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Interview with CA Rakesh Nangia Ji

Non- Executive Chairman - Nangia Andersen India Pvt. Ltd

Creative
Teamwork
Think Idea
Innovate
Process Business



CA Rakesh Nangia Ji is renowned Chartered Accountant from Institute of Chartered Accountants of India (ICAI) and Bachelor's of Commerce from University of Allahabad.

In his vast professional lifespan of over 40 years, he has accumulated extensive experience in almost all fields of professional services and industrial sectors with a diverse portfolio of clients.

He is well-known as a corporate international tax specialist, having experience in advising Fortune 500 multinationals and large Indian business houses on a wide range of matters relating to FDI policy, business re-organizations, cross-border tax structuring, and tax controversy across a range of sectors.

He has developed expertise in practice domains ranging from entry level strategy, income tax, indirect taxes, transaction advisory, mergers and acquisitions, transfer pricing, regulatory matters and most recently GST. He strongly believes that exceptional client service represents a dedication to going above and beyond expectations in every working relationship. He has previously been rated as the tax controversy leader in India by the International Tax Review.

Over the past decade, he has been an active speaker on international tax matters such as BEPS, GAAR, etc. at various domestic and international forums.

He is the Co-Chairman of International of Taxation Council – ASSOCHAM and member of various trade associations. He is the Director of Cosmo Films Ltd and member of various business Chambers. He is Non- Executive Chairman at Nangia Andersen India Pvt. Ltd & Founder and Managing Partner at Nangia & Co LLP



1. **CA Arjit Agarwal** - First, I am thankful to you on behalf of AASquare Advisors LLP for sparing your valuable time and discuss on Topic "Inspiring today's professionals by sharing vast experiences"

CA Rakesh Nangia Ji - It is an incredible honour to take up this topic and share my personal experiences with the budding professionals

2. **CA Arjit Agarwal** - You started your journey from city of notable academic and research hub Dehradun, and to fulfill your dreams with a passion to do something different settled in Capital of India Delhi. So who is your source of inspiration and what motivates you to reach such reputable height in profession?

CA Rakesh Nangia Ji - I strongly felt the need of reimagining the customer experience by simplifying and streamlining journeys and processes that could unlock massive value. There might be innumerable challenges on account of constant technology upgradations, amendments in laws, etc. but there is tremendous growth potential in our industry, which has constantly been a driving force and has motivated me to keep working towards unlocking the same

3. CA Arjit Agarwal - Creating a brand by First generation professional is not an easy task like what you did, in light of the facts what advice would you like to give to first generation professionals so as to build the legacy for successors?

CA Rakesh Nangia Ji - Looking ahead, I would encourage first-hand professionals to keep pushing their boundaries in terms of upping their technical expertise. The shift to a digital, knowledge-based economy has elevated the importance of constant learning and development. Although it's less about the specific information you bring to your clients, because that changes over time, and more about how you help them to understand and solve problems, reskilling and upskilling can deliver outcomes that underpin real value to your clientele. I strongly believe that exceptional client service mirrors dedication to going above and beyond expectations in every working relationship.

4. CA Arjit Agarwal - According to me, when we are representing a brand, we have two responsibilities – one to maintain the legacy of predecessor and second to add on to it so that successor will be motivated to build upon the same, otherwise generations of hard work go in vain. As the saying goes “When you become stagnant and aren't improving by the day, you are only moving toward your failure”. Can you advise what does and don't second or third generation professionals should do for continuing the legacy of predecessor and to improve thereof?

CA Rakesh Nangia Ji - The second and third generation professionals must continuously strive to adapt to change. Today's dynamic environment adds an extra level of urgency and complexity. The fraternity must increasingly react to sudden shifts in the marketplace, the imperatives of new business models, and other changes. The stakes are higher than ever. If you adapt to change, success is inevitable.

5. CA Arjit Agarwal – You are Co Chairman of ASSOCHAM- International Tax Council from last 5 years and also part of Indo American Chamber of Commerce & FICCI. Please share insight about these organizations and how they are interrelated with economy of our country?

CA Rakesh Nangia Ji - The Associated Chambers of Commerce & Industry of India (ASSOCHAM) is the country's oldest apex chamber. It has more than 400 associations, federations and regional chambers in its fold and works as a conduit between the industry and the Government by bringing in actionable insights to strengthen the Indian ecosystem. ASSOCHAM is focused on building a strong network of knowledge architects with deep expertise across industries and regions. The Chamber works closely with Government and industry stakeholders on critical challenges and also provides insights to help better understand the global and regional trends and opportunities that will shape various sectors and define the India growth opportunity.

Indo-American Chamber of Commerce works primarily for augmenting US India economic engagement and business relations. It has established research and developmental institutions in India and US for leveraging each other's capabilities and facilitating business collaborations. Most importantly, the chamber acts as a forum for its members to interact with senior functionaries of both the Governments. The Chamber continuously interacts with the Indian and US Governments, and provides them feedback on bilateral issues relating to trade and investment.

Likewise, FICCI's undertakings are directed towards enhancing efficiency and international competitiveness of Indian industry and escalating business opportunities both in domestic and foreign markets through a range of specialised services and global linkages.

6. CA Arjit Agarwal - Challenges are part of life and we all must have to overcome them if we want to move forward. What was the most challenging situation in your professional life and how did you overcome it ?

CA Rakesh Nangia Ji - When I had first kicked off my professional journey in Dehradun, the office caught fire in the initial days. Later on, when I was trying to expand my presence across India, an office in one of the locations did not work well and had to be closed down eventually. These are just a few instances. Many such failures have been a part and parcel of my journey. I did not let that deter me from pursuing my dreams. In initial years particularly, most people might find it hard to be sanguine about failure. It is understandable as that goes against human nature. However, willingness to fail should be embedded in a person's attitude because growth



7. **CA Arjit Agarwal** - Due to impact of COVID 19, Professionals are using Digital Platforms to get their professional work done wherein no or minimal personal visit of clients in offices and interaction through video conferencing. What measures a professional should do to take care of Cyber Security and VPN Data Protection for remote areas basically Data Security ? Do we need to seriously think for Disaster Management Plans well in advance or setup a team internally specially in Big corporate to cope up with these situations?

CA Rakesh Nangia Ji - Cyber security has risen in importance as our industry undergoes a transformation. Cyber security must be considered a permanent capital expenditure. It is important to predict risk and not just react to it. Such approach can significantly improve data protection of the professionals and also clients. For big corporates, with large scale operations, it becomes all the more imperative to have effective cyber security measures in place to counter any cyber-threats. Internal teams can help in devising strategies for threat and vulnerability management, pre-emptive risk management, incident response that can tremendously help in identifying and managing IT security risks and protect data, assets, people and identities.

8. **CA Arjit Agarwal** - What advice would you like to give to finance professionals especially young ones for future, considering usage of technology and what are the do's and don'ts they have to keep in their mind as a check list while doing work in their initial years at least? In initial years it happens that young professionals irrespective of any field give much more priority to money and comparatively less priority to other stuff?

CA Rakesh Nangia Ji - Young professionals must recognize and appreciate the tremendous responsibility that they have towards the clients. In the course of work, they'll be entrusted with client and third-party confidential information and must take exceptional care with the information that has been entrusted to them. Further, they must never compromise on the quality of their services. They should hold themselves to the highest standards of integrity and behaviour and strive to provide concrete advice specific to a client's situation.

9. **CA Arjit Agarwal** - Lastly, a professional especially on technical subject require a lot of peace of mind. What advice you would like to give to professionals to maintain a balance between health and work ?

CA Rakesh Nangia Ji - I have personally found practicing "yoga" to be helpful in managing stressful times. It provides a retreat from chaotic and busy lives along with several other mental and physical benefits. I would therefore encourage everyone to incorporate yogic practices to help maintain balance between their health and work.

10. **CA Arjit Agarwal** - Thank you so much for giving your precious time and answering all questions so well. I really enjoyed a lot and strongly believe that your interview will inspire many professionals.

CA Rakesh Nangia Ji - Thank you so much. I enjoyed interacting with you and I believe this is an amazing initiative taken by you to share wisdom of experienced professionals along with technical knowledge by way of your newsletter. I truly appreciate you for the same and wish you most of luck for the times ahead.



Dear Readers,

Life is short enjoy, do not shorten it with your bad lifestyle

Our day today life is very stressful be it in home or in workplace, we need a solution to curb the situation smartly by taking good efforts for our health.

HEALTH is not only physical but mental health is also needed in a right shape.

There is a relationship between body and mind so both aspect have to be in a good shape otherwise one of them can affect our life if not alright.

This pandemic forced us to think about our health more than anything else in life.

Some points we can keep in mind to be healthy for lifetime :-

1. Avoid alcohol and smoking
2. Walk everyday for at least 45 mins
3. Add dietary fiber in your meal like salads or sprouts at-least in one meal
4. For MENTAL health, do meditation & yoga
5. Take good sleep everyday
6. Drink plenty of water
7. Minimise the intake of caffeine
8. Walk for 10 min after every 2 hours of sitting

The purpose of our lives is to be happy.

If you want to live a happy life, tie it to a goal, not to people or things.

Health is the greatest gift, contentment the greatest wealth, faithfulness the best relationship

Moradabad
25th November 2021

With regards,

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Assistant Professor
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All India Medical Sciences (AIIMS) Bhopal
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1. Overview of Neo Banks :-

One of the big conversations currently taking place in the financial industry is about Neo Banks. You must have read or hear in news about these start-ups raising huge amount of money from the investors. To name a few Neo Banks, we have Fi, Uni, OPEN, Jupiter, Slice and many more are in the pipelines. The Neo bank market globally is approximately \$ 20-25 billion and is expected to grow to approximately \$ 400 billion by 2026, a multiplication factor of over 10 times, as per some reports. In December 2020, research by Exton Consulting, a strategy and management consulting firm for the financial services sector based in Paris, France, found there were 256 Neo Banks worldwide.

But what are Neo Banks?

“The customer is king” - a credo that applies to all industries, especially the financial sector. This now has to adapt in particular to the changed behavior of the customer. Being able to do banking anytime and anywhere - regardless of opening times - is one of the simpler requirements. It becomes more complex when innovative products are requested at high frequency or a seamless process transition between the media and stationary world is required. This is where Neo banks steps in.

Neobanks are fintech firms that offer apps, software and other technologies to streamline mobile and online banking. These firms don't have a bank license of their own but count on bank partners to provide bank licensed services. For example Fi & Jupiter are supported by Federal Bank. They have no physical branches and can offer their services both mobile and via desktop. Your customers have to go through a digital on boarding process, mostly via smartphone. Being digital, these banks are lean in structure and are supposed to provide faster services and solutions which sometimes cannot be offered by traditional banks. Today, these fintechs are transforming the banking sector in a similar way as Airbnb revolutionized the hospitality industry worldwide or Uber and Ola overhauled transportation.

In India, these firms don't have a bank licence of their own but rely on bank partners to offer licensed services. That's because the Reserve Bank of India (RBI) doesn't allow banks to be 100% digital yet (though some foreign banks offer digital-only products through their local units.) The RBI remains unwavering in prioritising banks' physical presence, and has spoken about the need for digital banking service providers to have some physical presence as well.

2. Advantages & Key Features of Neo Banking :-

Better Customer Experience: Neobanks are customer centric. They focus on providing superior customer support and convenient solutions. Customers can open an account in less than 10 minutes and the user interface of the apps makes navigating quick and simple.

New Features and money management tools: Compared to mobile banking offered by traditional banks, neobanks give customers more freedom and functionality in managing their money. Features include real-time spending notifications, offering detailed insights into spending habits and the ability to sort money into different 'pots', such as saving or holidays.

Agility and low-cost structure: The absence of branches and the focus on technology mean that neobanks can respond to changes more quickly and implement new features. It also reduces their operating costs significantly, enabling them to offer lower fees for customers.

3. Conclusion :-

A boon for SMEs & MSMEs: The process of disbursements to vendors and other stakeholders is long, tiresome, and sometimes a bit tedious. Neo-banks bring in simplicity; demystify the entire process by reducing the manual efforts required, and by providing unified platforms to monitor the money movement. Not only this, other services such as taxation, budgeting, and accounting to SMEs & MSMEs are also rendered at low costs.

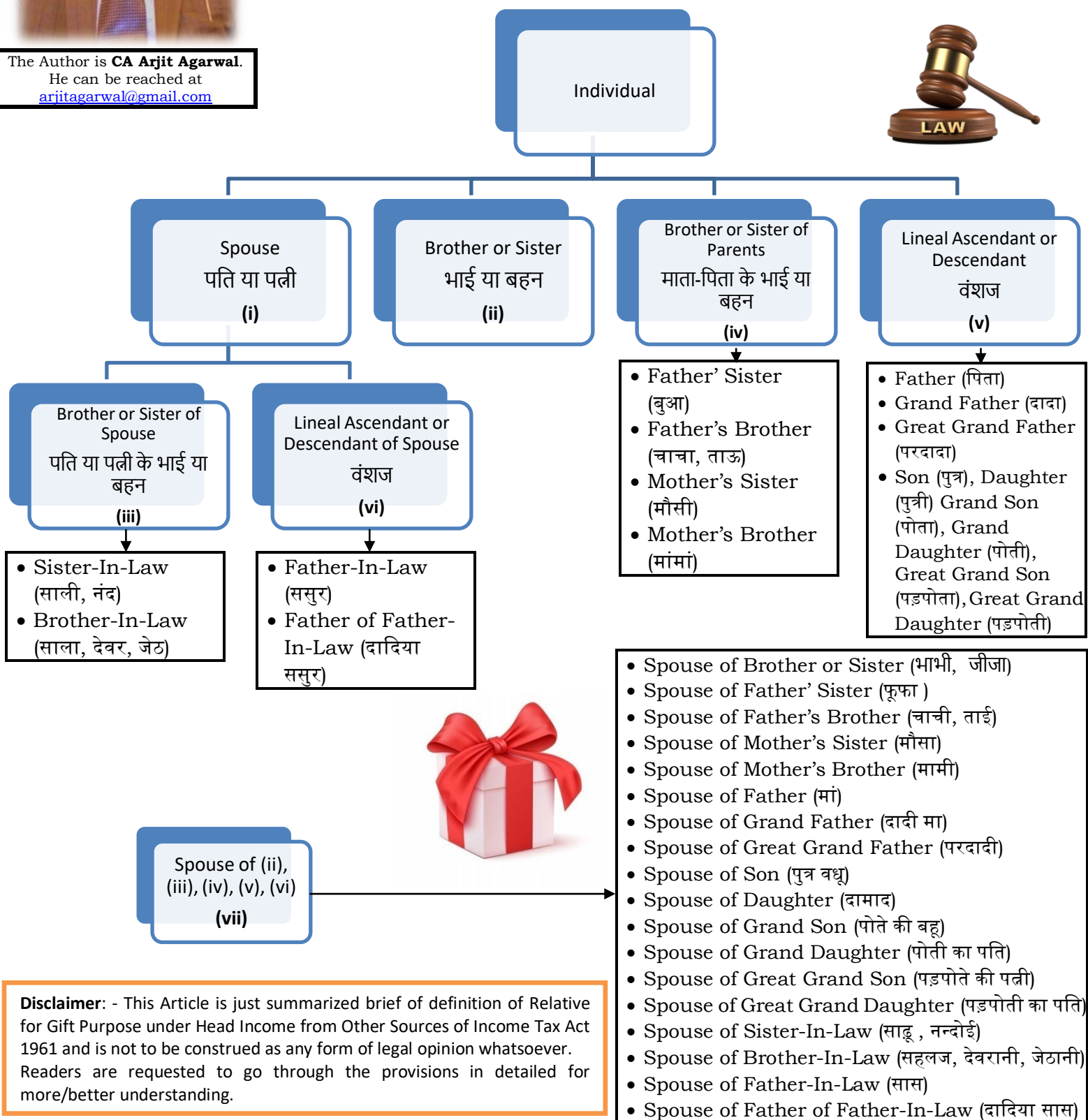


1. In Brief :-

Under Section 56 of the Income Tax Act 1961, incomes shall be chargeable to income-tax under the head "Income from other sources" where any person receives, in any previous year, from any person or persons on or after the 1st day of April, 2017 beyond certain limit. However it shall not apply to any sum of money or any property if received from Relatives.

Summarizing Chart for understanding definition of Relatives under Income Tax Act 1961.

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Disclaimer: - This Article is just summarized brief of definition of Relative for Gift Purpose under Head Income from Other Sources of Income Tax Act 1961 and is not to be construed as any form of legal opinion whatsoever. Readers are requested to go through the provisions in detailed for more/better understanding.



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This is Gist of all important updates during **October & November 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
118/2021/F. No. 370142/47/2 021-TPL	01 st October	Income-tax (31st Amendment) Rules, 2021	11UE. Specified conditions under Explanation to fifth and sixth proviso to Explanation 5 to clause (i) of sub-section (1) of section 9.- (1) For the purposes of clauses (i), (ii) and (iii) of the Explanation to fifth and sixth proviso to Explanation 5 to clause (i) of sub-section (1) of section 9, the declarant shall furnish an undertaking in Form No. 1 and shall append the undertakings from all the interested parties in Part M of the Annexure to the undertaking in Form No. 1 and furnish all the attachments required to be furnished under any clause or Part thereof.	Click here to Read
119/2021/F. No. 225/76/2021 -ITA.II	11 th October	Exempts from the requirement of furnishing a return of income under sub-section (1) of section 139 of the said Act from assessment year 2021-2022 onwards	In exercise of the powers conferred by sub-section (1C) of section 139 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as „said Act Government, hereby exempts the following class of persons mentioned in column (2) of the Table below, subject to the conditions specified in column (3) of the said Table , from the requirement of furnishing a return of income under sub-section (1) of section 139 of the said Act from assessment year 2021-2022 onwards	Click here to Read
120/2021/ F. No. 370142/47/2 021-TPL	13 th October	Relaxation of Validation (section 119 of the Finance Act, 2012) Rules, 2021	Form and manner of furnishing undertaking under first proviso to section 119.- The form and manner of furnishing undertaking under Explanation to fifth and sixth proviso to Explanation 5 to clause (i) of sub-section (1) of section 9 of the	Click here to Read

			<p>Income-tax Act, 1961 (43 of 1961), as prescribed under sub-rule (1) and sub-rule (3) of rule 11UE and rule 11UF of the Income-tax Rules, 1962, shall mutatis mutandis apply to clauses (i), (ii) and (iii) of the first proviso to section 119 of the Finance Act, 2012 (23 of 2012).</p> <p>Conditions under clause (iv) of first proviso to section 119.- The conditions for the purposes of clause (iv) of the Explanation to fifth and sixth proviso to Explanation 5 to clause (i) of sub-section (1) of section 9 of the Income tax Act, 1961 (43 of 1961), as prescribed under sub-rule (2) of rule 11UE of the Income-tax Rules, 1962, shall mutatis mutandis apply to clause (iv) of the first proviso to section 119 of the Finance Act, 2012 (23 of 2012)</p>	
121 /2021 F.No.300196/ 5/2021-ITA-I	13 th October	Section 10 of the Income-tax Act, 1961	<p>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, 'Punjab State Electricity Regulatory Commission', Chandigarh (PAN- AAAGT0052L), a commission established by the state government of Punjab, in respect of the following specified income arising to the Commission</p>	Click here to Read
122/2021 F.No 285/21/ 2019-IT (Inv.V)	25 th October	Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015	<p>In exercise of the powers conferred by sub-section (1) of section 280A of the Income-tax Act, 1961 (43 of 1961) and section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015), the Central Government, in consultation with the Chief Justice of the High Court of Karnataka, hereby designates the following Court in the State of Karnataka, as mentioned in column (2) of the Table below, as Special Court for the area mentioned in the corresponding entry in column (3) of the said Table, for the purposes of section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015</p>	Click here to Read
123/2021	25 th October	Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015	<p>In exercise of the powers conferred by sub-section (1) of section 280A of the Income-tax Act, 1961 (43 of 1961) and section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015), the Central</p>	Click here to Read

			Government, in consultation with the Chief Justice of the High Court of Bombay at Goa, hereby designates the court of the Senior Civil Judge and Chief Judicial Magistrate Panaji, Goa as the Special Court for North Goa District and Senior Civil Judge and Chief Judicial Magistrate Margao, Goa as the Special Court for South Goa, for the purposes of sub-section (1) of section 280A of the Income-tax Act, 1961 and section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 within their respective jurisdiction in the State of Goa	
124/2021 F.No.285/23/ 2021- IT(Inv.V) CBDT	25 th October	Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015	In exercise of the powers conferred by sub-section (1) of section 280A of the Income-tax Act, 1961 (43 of 1961) and section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015), the Central Government, in consultation with the Chief Justice of the High Court of Manipur, hereby designates the court of Chief Judicial Magistrate, Imphal East as the Special Court for the State of Manipur for the purposes of sub-section (1) of section 280A of the Income-tax Act, 1961 and section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015	Click here to Read
124/2021/F. No.500/1/20 14-APA-II	29 th October	Rule 10CA of the Income-tax Rules, 1962	In exercise of the powers conferred by the third proviso to sub-section (2) of section 92C of the Income-tax Act, 1961 (43 of 1961)(hereafter referred to as the „said Act with proviso to sub-rule (7) of rule 10CA of the Income-tax Rules, 1962, the Central Government hereby notifies that where the variation between the arm's length price determined under section 92C and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed one per cent. of the latter in respect of wholesale trading and three per cent. of the latter in all other cases, the price at which the international transaction or specified domestic transaction has actually been undertaken shall be deemed to be the arm's length price for Assessment Year 2021-2022	Click here to Read



125 /2021/F. No.300196/ 35/2018-ITA- I	29 th October	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, 'Chandigarh Pollution Control Committee' (PAN AAATC6094L), a body constituted under Section 4, clause (4) of the Water (Prevention and Control of Pollution) Act, 1974 (Act No.6 of 1974) and Section 6 of the Air (Prevention and Control of Pollution) Act, 1981 (Act No.14 of 1981), in respect of the certain specified income arising to that body	Click here to Read
126/2021/F. No. 300196/3/20 21-ITA-I	29 th October	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, 'Madhya Pradesh Pollution Control Board' (PAN AAALM2479H), a Board constituted by the State Government of Madhya Pradesh under the Water (Prevention and Control of Pollution) Act, 1974, in respect of the certain specified income arising to the Board	Click here to Read
127/2021/F. No. 300196/10/2 021-ITA-I	29 th October	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, 'Gujarat State Aids Control Society' (PAN AAATG3628A), a Society constituted by the State Government of Gujarat, in respect of the certain specified income arising to that Society	Click here to Read
128/2021/ F. No.203/08/ 2020/ITA-II	31 st October	Section 35 of the Income-tax Act, 1961	In exercise of the powers conferred by clauses (ii) 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 „Pimpri Chinchwad College of Engineering under the aegis of Pimpri Chinchwad Education Trust, Pune (PAN:AAATP3981F) under the category "University, College or Other Institution" for Scientific Research for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962	Click here to Read
129/2021/ F.No.370142/ 52/2021-TPL (Part IV)	01 st November	E-Settlement Scheme, 2021	This Scheme shall be applicable to pending applications in respect of which the applicant has not	Click here to Read

			exercised the option under sub-section (1) of section 245M of the Act and which has been allotted or transferred by Central Board of Direct Taxes to an Interim Board	
130 /2021/F.No.370142/50/2021-TPL	02 nd November	Section 10 of the Income-tax Act, 1961	In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the –Act Central Government hereby specifies the pension fund, namely, the School Employees Retirement System of Ohio, (hereinafter referred to as –the assessee) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as –said investments the fulfillment of the certain conditions	Click here to Read
131/2021/F.No.300196/30/2021-ITA-I	10 th November	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, ‘Assam Building and Other Construction Workers Welfare Board’ (PAN AAAJA2255M), a Board constituted by the State Government of Assam, in respect of the certain specified income arising to that Board	Click here to Read
132/2021/F.No.370142/55/2021-TPL	23 rd November	Income tax (32 nd Amendment), Rules, 2021	In exercise of the powers conferred by section 285B read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct taxes hereby makes the following rules further to amend the Income-tax Rules, 1962	Click here to Read
133 /2021/F.No.300196/7/2021-ITA-I	23 rd November	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, ‘Haryana State Legal Services Authority’ Panchkula (PAN AAALH0475J), an authority constituted by the State Government of Haryana, in respect of the certain specified income arising to that Authority	Click here to Read

Circular No.	Dated	Heading	In Brief	Link to Read Full
18/2021 F.NO.173/14 6/2021/ITA-I	25 th October	Clarification regarding Section 36(1)(xvi i) of the Income-tax Act, 1961 inserted vide Finance Act, 2015 - reg	It is clarified that the phrase 'price fixed or approved by the Government' in clause (xvii) in sub-section (1) of section 36 of the Act includes price fixation by State Governments through State-level Acts/Orders or other legal instruments that regulate the purchase price for sugarcane, including State Advised Price, which may be higher than the Statutory Minimum Price Fair and Remunerative Price fixed by the Central Government.	Click here to Read
19/2021	26 th october	Guidelines under clause (23FE) of section 10 of the Income-tax Act, 1961 - reg.	<p>In order to remove the above difficulties mentioned in para 3 of these guidelines, it is hereby clarified that eligibility of exemption under clause (23FE) of section 10 of the Act shall be as follows: -</p> <p>(a) if the loans and borrowings have been taken by the specified fund or any of its group concern, specifically for the purposes of making investment by the specified fund in India, such fund shall not be eligible for exemption under clause (23FE) of section 10 of the Act; and</p> <p>(b) if the loans and borrowings have been taken by the specified fund or any of its group concern, not specifically for the purposes of making investment in India, it shall not be presumed that the investment in India has been made out of such loans and borrowings and such specified fund shall be eligible for exemption under clause 23(FE) of section 10 of the Act, subject to the fulfilment of all other conditions under the said clause, provided that the source of the investment in India is not from such loans and borrowings.</p>	Click here to Read
20/2021	25 th November	Guidelines under sub-section (4) of section 194-O, sub-section (3) of section 194Q and subsection (I-I) of section 206C of the Income-tax Act, 1961 - reg.	Issue has been raised in case where any department of the Government will be considered as a 'seller' for the purposes of deduction of tax under section 194Q of the Act. In this regard, it is hereby clarified that for the purposes of section 194Q, Central Government or State Government shall not be considered as 'seller' and no tax is to be	Click here to Read

deducted by the buyer, in cases where any Department of Central or State Government are seller of goods

3. CBDT Press Releases :-

Dated	Heading	In Brief	Link to Read Full
02nd October	Income Tax Department conducts searches in Ahmedabad	The documents found reveal unaccounted income of more than Rs. 200 crore in the hands of the real estate group and also unaccounted income of more than Rs. 200 crore in the hands of the parties recorded in the documents found from the possession of the brokers. Over all, the search & seizure operation has resulted in the detection of unaccounted transactions of more than Rs. 500 crore.	Click here to Read
02nd October	CBDT notifies Rules for implementing the amendments made by the Taxation Laws(Amendment) Act, 2021	After examining the stakeholder comments and incorporating several suggestions contained therein, the rules for implementing the 2021 Act have been published in the Official Gazette vide Notification No. GSR 713(E) dated 1st October, 2021 wherein the following rules have been inserted to the Income-tax Rules, 1962: i. Rule 11UE which provides for the specified conditions in order to be eligible to claim relief under 2021 Act; and ii. Rule 11UF which provides the form and manner of furnishing the undertaking for withdrawal of pending litigation, claiming no cost, damages, etc.	Click here to Read
04th October	Cases pertaining to 'Pandora Papers' to be investigated	The Government has directed today that, investigations in cases of Pandora Papers leaks appearing in the media under the name 'PANDORA PAPERS' will be monitored through the Multi Agency Group, headed by the Chairman, CBDT, having representatives from CBDT, ED, RBI & FIU.	Click here to Read
04th October	Seychelles' Tax Inspectors Without Borders (TIWB) programme launched in partnership with India	Shri J.B. Mohapatra, Chairman of the Central Board of Direct Taxes (CBDT) attended the launch through videoconferencing along with Mr. Patrick Payet, Secretary of State, Ministry of Finance, Economic Planning & Trade of the Government of Seychelles; Mrs. Veronique Herminie, Commissioner General of Seychelles Revenue Commission; Mr. Ben Dickinson, Head of Global Relations and Development Division of the Centre for Tax Policy and Administration at the OECD; Ms. Rusudan Kemularia, Head of the TIWB Secretariat; and other senior officers of Seychelles, UNDP, OECD, TIWB Secretariat and Foreign Tax & Tax Research Division of CBDT.	Click here to Read
04th October	Income Tax Department conducts searches in Maharashtra, Karnataka & Uttar Pradesh	During the course of the search, evidence related to bogus payments to suppliers for generating cash, unaccounted cash expenditure, hawala transactions, over-	Click here to Read

		invoicing have also been gathered. Unaccounted cash and jewellery to the tune of over Rs. 2 crore has been seized from the residential and business premises respectively. More than 50 bank lockers have been kept under restraint	
07th October	Income Tax Department conducts searches on certain businessmen/middlemen in Maharashtra	During the search, evidence unearthed at the office premises includes date-wise transactions for a certain period of cash deposits of around Rs. 27 crore and cash payments of around Rs. 40 crore. Further, evidences have been found of cash payments to the tune of Rs. 23 crore made to various persons, whose names are prefixed with various code words. The said middle man receives payments from various businessmen and industrialists for getting lands under the schemes of Government undertakings, extension of tenders/mining contracts, etc. Further, in a WhatsApp chat, particulars of cash transactions have been found showing receipts of cash of around Rs. 16 crore and outflow of around Rs. 12 crore.	Click here to Read
08th October	Income Tax Department conducts searches in Assam, Meghalaya and West Bengal	During the search action, incriminating documents, loose sheets and digital evidences were seized indicating undisclosed investments in land and properties. Large number of sale deeds pertaining to land and properties have been found, the valuation whereof could be in excess of Rs. 110 crore. During the search, corroborative evidence could not be produced to explain the source of acquisition of these assets. Further, documents containing details of cash transactions amounting to more than Rs. 13 crore in the sale of properties have been found.	Click here to Read
09th October	Cash seizure of over Rs. 142 crore in searches of Income Tax Department in Hyderabad	During the search, several bank lockers have been found, out of which 16 lockers have been operated. The searches have resulted in seizure of unexplained cash amounting to Rs. 142.87 crore so far. The unaccounted income unearthed is estimated to be in the range of about Rs 550 crore till now.	Click here to Read
10th October	Income Tax Department conducts searches in Kanchipuram, Chennai and Vellore	Unaccounted cash of Rs. 44 lakh and gold jewellery of about 9.5 kg has been seized. The undisclosed income detected, so far, in this group is more than Rs. 100 crore.	Click here to Read
12th October	Income Tax Department conducts searches in Bengaluru	Various incriminating evidences in the form of physical documents, digital evidences, etc. have been found and have been seized. During the search, unaccounted cash of Rs. 4.69 crore; unaccounted jewellery & bullion valued at Rs. 8.67 crore; and silver articles valued at Rs. 29.83 lakh have been seized. The search & seizure actions in these three groups have resulted in detection of undisclosed income of about Rs. 750 crore. Out of this, aggregate amount of Rs. 487 crore has been admitted by the respective group entities as their undisclosed income.	Click here to Read

14th October	Over 2crore Income Tax Returns filed on the e-Filing portal of the Income Tax Department	<p>E-proceedings and faceless proceedings have been enabled with functionalities including video conferencing for assessment and seeking adjournments or appointment and filings by Authorized Representatives. Taxpayers have been able to view over 12.20 lakh Notices issued by the Department under the Faceless Assessment/Appeal/Penalty proceedings, to which over 6.24 lakh responses have been filed.</p> <p>The Income Tax Department strongly urges all taxpayers to view their Form 26AS through the e-filing portal to verify the accuracy of the TDS and Tax Payments and avail of pre-filing of ITRs.</p>	Click here to Read
15th October	Income Tax Department's searches in Maharashtra reveal unaccounted income of over Rs. 184 crore	The funds so introduced in a dubious manner, have been utilized for acquisition of various assets such as office building at a prime locality in Mumbai, flat in posh locality in Delhi, resort in Goa, agricultural lands in Maharashtra and investments in sugar mills. The book value of these assets aggregates to about Rs. 170 crore. Unaccounted cash of Rs. 2.13 crore and jewellery of Rs. 4.32 crore have been seized.	Click here to Read
16th October	Income-tax Department's searches in NCR, Haryana & WB reveal large scale under-invoicing of imports	The wealth, so generated, has been used for acquisition of high value immovable properties; disguising of cash introduced in the form of bogus rental income and bogus unsecured loans; and deposits in foreign bank accounts. During the course of the search, unaccounted cash of Rs. 2.75 crore has been seized.	Click here to Read
17th October	Income Tax Department conducts searches on groups engaged in the business of Digital Marketing & Waste Management	During the course of the search, various incriminating documents, loose papers and digital evidences have been seized. Evidence found reveals that this group has indulged in booking of bogus bills for expenses and sub-contracts. A preliminary estimate of such bogus expenses booked is to the tune of Rs.70 crore. The search action has led to the detection of unaccounted investment in property of about Rs. 7 crore. Apart from this, the search action has resulted in seizure of unaccounted cash of Rs. 1.95 crore and jewellery of Rs. 65 lakh.	Click here to Read
25th October	Income Tax Department conducts searches in Nashik	The main persons, who had invested their unaccounted income towards purchase of large patches of land, were also searched. Most of these persons are engaged in the wholesale trading of onions and other cash crops in the Pimpalgaon Baswant region of Maharashtra. Incriminating evidences, including records of large cash transactions made by these traders for making investments in properties, have also been found and seized. Several bank lockers found during the search have been put under prohibitory orders. So far unaccounted income of more than Rs.100 crore has been	Click here to Read

		detected as a result of the search operation. The evidences gathered are being examined and further investigations are in progress.	
26th October	Income Tax Department conducts searches in Punjab	The search action has revealed that the group used to charge a package, ranging between Rs.10 lakh to Rs.15 lakh per student, depending on the country where the student wished to pursue education. Almost the entire receipts of the group, aggregating to more than Rs.200 crore in the last 5 years are in cash. It has also been found that the bank accounts of the employees have been used to receive money, which has subsequently been withdrawn in cash. The profit earned from such receipts has never been disclosed in the Income Tax Returns filed. Only the commission received from foreign universities has been shown as receipts in the Income Tax Returns by the members of the group.	Click here to Read
01th November	Roll out of the new Annual Information Statement (AIS)	In case there is a variation between the TDS/TCS information or the details of tax paid as displayed in Form26AS on TRACES portal and the TDS/TCS information or the information relating to tax payment as displayed in AIS on Compliance Portal, the taxpayer may rely on the information displayed on TRACES portal for the purpose of filing of ITR and for other tax compliance purposes.	Click here to Read
01th November	Income Tax Department conducts searches in Bihar and Jharkhand	The search action has resulted in seizure of unaccounted cash of Rs 5.71 crore. Ten bank lockers have been placed under restraint. Investment made in fixed deposits, etc. of about Rs. 60 crore is under verification. The search action has led to the detection of unaccounted income to the tune of about Rs. 100 crore.	Click here to Read
02nd November	Income Tax Department conducts searches in Tamil Nadu	The search action has resulted in seizure of unaccounted cash of Rs. 3.3 crore and detection of unaccounted income exceeding Rs. 300 crore.	Click here to Read
03rd November	Income Tax Department conducts searches in Karnataka	The search action has led to detection of unaccounted income of more than Rs. 70 crore which has been admitted as undisclosed income by the assessee group.	Click here to Read
04th November	Income Tax Department conducts searches in Rajasthan	The search action has led to the detection of total unaccounted income exceeding Rs.50 crore. Out of the above, the assesseees have admitted unaccounted income exceeding Rs. 35 crore and offered to pay due taxes on the same.	Click here to Read
05th November	Income Tax Department conducts searches in Jammu & Kashmir and Punjab	The search action has resulted in seizure of unaccounted cash of Rs. 63 lakh and jewellery of Rs. 2 crore. Fourteen bank lockers have been placed under restraint. The search action has led to the detection of unaccounted income exceeding Rs. 200 crore	Click here to Read
06th November	Income Tax Department conducts searches in Maharashtra	The Chairman, CMD and the manager of the branch, could not explain the source of cash deposits and accepted that these were done at the behest of one of the directors of the bank,	Click here to Read

		who is a prominent local businessman engaged in trading of grains. On the basis of the evidences gathered and statements recorded, the entire amount of Rs. 53.72 crore has been restrained.	
14th November	Taxpayers' Lounge of Income Tax Department set up at IITF, 2021	The lounge will also be utilized for obtaining feedback about the problems being faced by the taxpayers. The lounge is, therefore, not only a focused outreach program, but also a platform for exhibiting the service-oriented approach of the Department. All COVID protocols will be followed during interactions at the Taxpayers' Lounge.	Click here to Read
15th November	Income Tax Department conducts searches in Gurugram	Total cash amounting to Rs. 3.54 crore and Jewellery valued at Rs. 5.15 crore have been seized. In total, 18 bank lockers have been placed under restraint. The search action, in these groups, has led to the detection of estimated unaccounted income to the tune of Rs. 600 crore.	Click here to Read
16th November	Income Tax Department conducts searches in Andhra Pradesh and Telangana	During the search operation, various incriminating evidences such as digital evidence, hand written books, loose sheets containing undisclosed cash transactions were found and seized. The analysis of this evidence reveals that expenses have been inflated through bogus claims, to suppress taxable income. It was also detected that the groups had resorted to making transactions in cash which have not been reflected in the books of accounts. So far, unaccounted cash of Rs. 1.20 crore and jewellery valued at Rs. 90 lakh have been seized. Prohibitory orders have been placed on 9 bank lockers. Overall, the search operation has resulted in the detection of undisclosed income to the tune of about Rs.75 crore.	Click here to Read
16th November	Income Tax Department conducts searches in Pune	The search action has resulted in seizure of unaccounted cash and jewellery of Rs.1 crore. 3 bank lockers found during the search have been placed under restraint. The search action has led to the detection of total unaccounted income exceeding Rs.200 crore. Out of the above, the assessee group has, so far, admitted to unaccounted income of Rs. 120 crore.	Click here to Read
17th November	Income Tax Department conducts searches in Delhi and Haryana	It is seen that repatriation of about Rs. 500 crore has been made by it to its overseas group companies under the pretext of buying of services in two years. However, evidence gathered during the search has revealed that such remittances made to the group companies are either highly inflated or non-genuine. Evidences found also indicate that internal web-based application for lending business was controlled from outside India. During the search proceedings, statements of key persons including foreign nationals have been recorded	Click here to Read
18th November	Income Tax Department conducts searches in	The search action has resulted in seizure of unaccounted cash of Rs. 1.30 crore. 6 bank	Click here to Read

	West Bengal	lockers have been placed under restraint. The search action, so far, has led to detection of total unaccounted income around Rs. 200 crore.	
21st November	Income Tax Department conducts searches in Gujarat	The search operation has resulted in seizure of unaccounted cash of about Rs. 2.5 crore and jewellery of Rs. 1 crore. 16 bank lockers have been placed under restraint. A preliminary analysis of the documents/evidence unearthed during the search has indicated that estimation of unaccounted income is likely to be more than Rs.100 crore.	Click here to Read
23rd November	Income Tax Department conducts searches on a leading Gutkha distributor in Gujarat	The search action, so far, has led to the detection of unaccounted income of more than Rs. 100 crore. Out of this, the group has admitted undisclosed income exceeding Rs. 30 crore.	Click here to Read
24th November	Income Tax Department conducts search operation on two real estate groups based in Delhi-NCR	During the search operations, unaccounted cash of Rs. 10 crore has also been seized. The evidence gathered so far, prima facie, indicates that undisclosed income could be to the tune of about Rs. 400 crore.	Click here to Read
25th November	Income Tax Department conducts search operations in Maharashtra, Gujarat and Delhi on certain Indian companies and their associate concerns, controlled by a neighbouring country	The search action has already resulted in the seizure of unaccounted cash of about Rs. 66 lakh. Bank accounts of some of the companies, with aggregate bank balances of about Rs. 28 crore, have been put under restraint	Click here to Read
26th November	Income Tax Department's Office Complex at Lucknow, the new 'Pratyaksh Kar Bhawan', inaugurated by Hon'ble Chief Minister of Uttar Pradesh and Hon'ble Finance Minister	The building, and the enabling infrastructure for quality taxpayer services it is equipped with, is not only a recognition of the rising potential of the UP (East) Region as a contributor to the national exchequer but also reflects the commitment of the Income Tax Department to provide seamless taxpayer services in the region. The Aaykar Seva Kendra which is an integral part of the building will facilitate the taxpayers and assist them in their taxation-related queries and issues. The other amenities in the building include: 3 conference rooms, 1 auditorium with seating capacity 180 persons, a guest house with 11 rooms/suites, a gym, a creche, a reading lounge, library, and canteen facility. It has all the features of a green building, viz. energy efficient, effective waste utilization and disposal, and equipped with renewable energy sources. Elements of modern technology have been incorporated to ensure reduced energy and water consumption	Click here to Read
27th November	Income Tax Department conducts search operations on two major real estate developers of Ludhiana	The search action has resulted in seizure of unaccounted cash of about Rs. 2.00 crore besides foreign exchange, and unexplained jewellery of about Rs. 2.30 crore	Click here to Read

Dated	Heading	In Brief	Link to Read Full
25th October	Clarification regarding Section 36(1)(xvii) of the Income-tax Act, 1961 inserted vide Finance Act, 2015 - reg.	It is clarified that the phrase 'price fixed or approved by the Government' in clause (xvii) in sub-section (1) of section 36 of the Act includes price fixation by State Governments through State-level Acts/Orders or other legal instruments that regulate the purchase price for sugarcane, including State Advised Price, which may be higher than the Statutory Minimum Price Fair and Remunerative Price fixed by the Central Government	Click here to Read
26th October	Order under section 28SBB of the Income-tax Act, 1961 read with Rule 114-1 of the Income-tax Rules, 1962	In exercise of powers conferred under section 285BB of the Income-tax Act, 1961 read with sub-rule (2) of Rule 114-1 of the Income-tax Rules, 1962, the Central Board of Direct Taxes ('Board'), hereby authorizes the Director General of Income-tax (Systems) to upload information relating to following sources, which is in her/his possession, in the Annual Information Statement in Form 26AS in the electronic filing account registered by the assessee in designated portal, within three months from the end of the month in which the information is received by her/him: i. Foreign remittance information reported in Form ISCC ii. Information in Annexure II of the 24Q TDS Statement of the last quarter iii. Information in ITR of other taxpayer iv. Interest on Income Tax Refund v. Information in Form 61/61A where PAN could be populated vi. Off Market Transactions Reported by Depository/ Registrar and Transfer Agent (RTA) vii. Information about dividend of mutual fund reported by Registrar and Transfer Agent (RTA) viii. Information about purchase of mutual fund reported by Registrar and Transfer Agent (RTA)	Click here to Read
2nd November	Notice for Empanelment of Standing Counsels	Applications are invited from Advocate of substantial standing & repute with good academic credentials for empanelment as senior standing council & junior counsel for representing the income tax matters before Honorable Punjab & Haryana High court & other judicial forums.	Click here to Read
8th November	Application for Standing Counsels to represent the Income Tax Department in NER	The Income Tax Department, North Eastern Region is pleased to invite applications from eligible advocates for empanelment as Standing Counsels to represent the Income Tax Department before the High Courts and other judicial forums in North Eastern Region.	Click here to Read

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

This article being Gist of recent important verdicts by Honorable Apex Court, High Court and ITAT on various laws during the month October & November 2021.

1. Verdicts – Apex Court :-

S. No.	Verdict	Relevant Section	In Brief
1.	Central Board Of Direct Taxes v. Lakshya Budhiraja	Section 250 of the Income-tax Act, 1961	Procedure of (Faceless Appeal Scheme) - Transfer petition had been filed seeking transfer of cases challenging Faceless Appeal Scheme, 2020 from High Courts to instant Court - Additional Solicitor General submitted that Department was having a second look at matter on issue of Faceless Appeal Scheme, 2020 and sought a period of three months as it may require change of law - Whether Matter was to be listed on 10-01-2022 for directions - Held, yes [Para 5]
2.	Commissioner of Income-tax, Chennai v. Mohammed Meeran Shahul Hameed	Section 263 of the Income-tax Act, 1961	Whether date of passing of order under section 263 and not date of receipt of said order by assessee would have relevance for purpose of counting period of limitation - Held, yes [Paras 4 and 5] [In favour of revenue]

2. Verdicts – High Court :-

S. No.	Verdict	Relevant Section	In Brief
1.	Subex Ltd. v. Commissioner of Income-tax-III HIGH COURT OF KARNATAKA	Section 35D of the Income-tax Act, 1961	<p>INCOME TAX : Acquisition of companies by acquiring 100 per cent subsidiary shares would not be construed as acquisition of fixed assets that were acquired or developed in connection with extension of industrial undertaking or setting up of new industrial unit of assessee, thus, cost incurred in acquisition of companies could not be claimed as deduction under section 35D</p> <p>INCOME TAX : Where assessee's claim under section 35D for amortization of preliminary expenses was granted by Assessing Officer for previous year, such claim could not be disallowed in subsequent year by Commissioner through his revisionary powers without disturbing decision in initial year</p> <ul style="list-style-type: none"> • Share premium collected by assessee-company on issue of share capital could not be taken as part of capital employed within meaning of section 35D so as to enable company to claim deduction of said amount. • The word 'being' as occurring in section 35D gets colour from its associated words. Preceding word 'fixed assets' indicated as land, buildings, leaseholds, plant machinery relates to the nature of assets mentioned therein and the same is exhaustive. • The assessee had incurred expenditure for the purpose of acquisition of companies for the purpose of expansion of the business. The word expansion is vastly different in meaning from the word extension
2.	Commissioner of Income-tax	Section 45 of the	Technical know how would be comprised of assets of business and not goodwill and; profits on sale of

	v. ABB Ltd HIGH COURT OF KARNATAKA	Income-tax Act, 1961	technical know how would be brought to tax as "capital gain" under section 45
3.	Ram Nagar Degree College Barabanki v. Principal Commissioner of Income-tax - 1, Lucknow HIGH COURT OF ALLAHABAD		During demonetisation, assessee-university deposited huge sum in form of cash in bank - Assessing Officer issued show cause notice under section 142(1) with regard to cash deposit made by assessee - Due to technical glitch in Income-tax portal assessee failed to send reply of said notice on time and same was uploaded with delay - Assessing Officer without considering assessee's reply completed assessment proceedings under section 144 - Assessee preferred a revision under section 264 against assessment order which was rejected by Commissioner - A perusal of impugned order revealed that Commissioner had not recorded any speaking reason for dismissing revision filed by assessee and passed impugned order only on ground that assessee failed to submit any reply in revision filed by him - Whether impugned order being a non-speaking order, was to be set aside and matter was to be remanded for reconsideration after affording assessee opportunity of hearing - Held, yes [Para 12] [Matter remanded]
4.	Commissioner of Income-tax, Chennai v. Ceebros Hotels (P.) Ltd. HIGH COURT OF MADRAS	Section 36(1)(iii) of the Income-tax Act, 1961	Assessee-company, engaged in business of real estate development, borrowed a loan for purchasing a land for starting a new residential project - Assessee claimed interest paid on such loan as deduction under section 36(1)(iii) - Assessing Officer disallowed same on ground that no activity had commenced in said new project and land was not put to use or business of assessee during relevant year, therefore, interest paid on loan borrowed for purchase of said land was to be capitalized and could not be allowed - It was noted that assessee had furnished an abstract of expenses incurred in respect of said new project which were in nature of advertisement expenses, architect fees, CMDA charges, electricity charges, rent, site expenses, various labour charges and purchase of materials etc. - Assessee had also furnished ledger accounts for these expenses - Assessee had also shown to have carried on major work of demolition of existing structure on said land - Thus, assessee was able to establish that substantial activities were done in new project which showed that land purchased was also put to use - Whether, on facts, interest expenditure incurred by assessee on loan obtained for purchase of such land was to be allowed as deduction under section 36(1)(iii) - Held, yes [Para 21] [In favour of assessee]
5.	Kalyan Buildmart (P.) Ltd. v. Initiating Officer HIGH COURT OF RAJASTHAN	INCOME TAX/ BENAMI ACT	Purchase of property by a company in its own name with share capital money cannot be said to be a benami transaction on the basis that it is a purchase of property in company's name with consideration provided by others(shareholders) since share capital contributions received by a company from its shareholders are company's own funds and assets; hence company cannot be treated as benamidar of its shareholders in respect of property held in its name • Upon reading provisions of the Benami Act, 1988, it is apparent that a benami transaction would require one transaction made by one person in the name of

		<p>another person where the funds are owned and paid by the first person to the seller while seller gets registered sale deed executed in favour of the second person i.e. from account of 'A', the amount is paid to 'C' who sells the property to 'B' and a registered sale deed is executed in favour of 'B'.</p> <ul style="list-style-type: none"> • Purchase of property by a company in its own name would not come within the purview of benami transaction because the funds of the company are its own assets. • If promoters of the company namely, the shareholders, their relatives or individuals who invest in the company by way of giving land or by way of gift or in any other manner, then such amounts/monies received, would be part of the net worth of the company and the company would be entitled to invest in any sector for which it has been formed. • The persons who have put monies in the company, may be considered as their shareholders but such shareholders do not have right to own properties of the company nor it can be said that the shareholders have by virtue of their share in the company invested their amount as benamidars. • The transactions of the company are independent transactions which are only for the purpose of benefit of the company alone. • Purchase of property by a company in its own name with share capital funds contributed by shareholders is cannot be said to be benami transaction on the basis that it is a purchase of property where consideration has provided by others (shareholders) since funds of the company though contributed by shareholders are company's own fund and assets and hence company cannot be treated as benamidar of its shareholders in respect of property held in its name. • It is a different aspect altogether that on account of benefit accruing to the company, the shareholders would also receive benefit and they may be beneficiaries to a certain extent. This would however not make shareholders as beneficial owners in terms of the definition as provided under Section 2(12) of the Benami Act, 1988. 'Company' as defined under the Companies Act, 1956 and incorporated thereunder, therefore, cannot be treated as benamidar as defined under the Benami Act, 1988. • The proceedings initiated after 10 years of the said purchase made in 2007 are highly belated. Ordinarily, any proceeding relating to benami transactions ought to be taken up immediately or atleast within reasonable period of limitation of three years as generally provided under the Limitation Act, 1963. • Accordingly, the provisional attachment orders dated 12.01.2018 passed by the Initiating Officer under Section 24(4) of the Benami Act, 1988 and the orders passed by the Adjudicating Authority dated 30.01.2019 confirming the orders under Section 26(3) of the Benami Act, 1988 are set aside with all consequential benefits. The property shall be handed over to the company. • Accordingly, the writ petition is allowed in the aforesaid terms. No costs.
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6.	Mantra Industries Ltd. v. National Faceless Assessment Centre (NFAC or NeAC) HIGH COURT OF BOMBAY	Section 144B, read with sections 144, 156 and 270A, of the Income-tax Act, 1961	Petitioner challenged assessment order passed under section 144 along with notice of demand issued under section 156 and penalty proceedings initiated under section 270A - It was observed that assessment order passed by revenue was an exact reproduction of draft assessment order without considering replies filed by petitioner and petitioner's request for personal hearing - Whether since impugned order was passed without application of mind and was not in accordance with procedure laid down under section 144B(9), same was to be set aside - Held, yes - Whether if such orders are continued to be passed, substantial costs will be imposed on concerned Assessing Officer which would be recovered from his/her salary and also department is to be directed to place such judicial orders in career records of such Assessing Officer - Held, yes [Paras 8 and 9] [In favour of assessee]
7.	Raman Krishna Kumar v. Deputy Commissioner of Income-tax HIGH COURT OF MADRAS	Section 276CC, read with sections 139, 276C and 278E, of the Income-tax Act, 1961	Failure to furnish return of income (Burden of proof) - Assessment year 2013-14 - Petitioner did not file income tax return for relevant assessment year - Assessing Officer observed that petitioner received substantial income as salary and also indulged in high end transactions with respect to purchase and sale of mutual funds and with respect to credit card transactions - He, thus, issued show cause notices to petitioner and consequently, filed complaint stating that petitioner committed offences under sections 276CC and 276C - Whether filing of return within stipulated and mandatory period was a duty cast on petitioner who had to declare income and if return was not filed within stipulated period, then, a presumption as to culpable mental state could be drawn under section 278E - Held, yes - Whether, thus, in prosecution of offences, innocence could not be presumed and burden would lie on petitioner to establish that failure to file return was not with wilful intention - Held, yes [Paras 21, 24 and 26] [In favour of revenue]
8.	Golden Tobacco Ltd. v. National Faceless Assessment Centre HIGH COURT OF BOMBAY	Sub-section (9) of section 144B of the Income-tax Act, 1961	<ul style="list-style-type: none"> • Sub-section 9 of Section 144B renders assessment under Section 144 non-est, if it is not made in accordance with the procedure laid down in the said Section. • Reading of sub-section 9 of Section 144B clarifies that the procedure laid down under section 144B about breach of principles of natural justice is mandatory as sub-section 9 provides for consequences of rendering assessment in case of breach of procedure laid down in said Section. • The Faceless Assessment Scheme brings greater flexibility for tax payers, which may save the substantial time of assessee in the tax office. The object of the Faceless Assessment Scheme is to impart 'greater efficiency, transparency and accountability'. It is also for 'improvement in quality of assessment'. Thus, these provisions' beneficial purpose and importance are for the efficacious implementation of the Faceless Assessment Scheme, unerringly leading to the conclusion that the procedure prescribed under Section 144B is intended to be mandatory and neglect of any procedural safeguard would render the assessment non-est.

			<ul style="list-style-type: none"> • Under Section 144B(1)(xvi)(b), if there is going to be a variation prejudicial to the assessee, a draft assessment order which is a show cause notice has to be served on the assessee to provide him an opportunity to show cause why proposed adverse variations issued to the assessee. Admittedly, as per the Department's Affidavit in Reply, it has not been done in this instant case. • Where it is not disputed that the draft assessment order proposes variations that are prejudicial to the assessee and it is also not disputed that the draft assessment order was not served on the assessee, the impugned assessment order passed under Faceless Assessment Scheme is non-est and the impugned order of assessment and consequent notice of demand cannot be sustained. • In the result, the impugned assessment Order passed under Section 143(3) read with Section 144 of the Income Tax Act, 1961 and notice of demand dated 26-4-2021 under Section 156 of the said Act are quashed and set aside. • The matter is remanded to Respondent No.1 to complete assessment proceedings, by following procedure as contemplated by Section 144B of Act. The entire exercise shall be completed within 8 weeks from date this order is uploaded.
9.	<p>Rich Feel Health and Beauty (P.) Ltd. v. Income Tax Officer, Ward 13(3)(2)</p> <p>HIGH COURT OF BOMBAY</p>	<p>Section 147 of the Income-tax Act, 1961</p>	<p>Mere 'change of opinion' does not entitle AO to reopen assessment even within the limitation period of 4 years specified in the first proviso of the pre-amended section 147</p> <ul style="list-style-type: none"> • Where records including notices and order sheet entries show that the Assessing Officer had applied his mind in the original assessment to the fact that Petitioner had incurred advertisement and marketing expenditure and petitioner had filed all requisite details and break-ups called for by the AO, the AO cannot reopen the assessment merely on change of opinion that the advertisement and marketing expenditure incurred by Petitioner was not deductible in view of provisions of Section 37 of the said Act which bars deduction of any expenditure incurred for a purpose which is an offence or which is prohibited by law, as Petitioner was prohibited from advertising under the provisions of the Indian Medical Council Act, 1956 read with Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002. This bar on reopening on mere change of opinion of AO without fresh facts and additional tangible material applies whether assessment is sought to be reopened by AO within the limitation period of 4 years or after the limitation period of 4 years specified in first proviso to section 147 (pre-amended section 147 i.e. section 147 prior to substitution by the Finance Act, 2021 w.e.f. 1-4-2021). In the result, reopening notice liable to be quashed.
10.	<p>Kartik Vijaysinh Sonavane v. Deputy Commissioner Of Income-tax, Circle-8</p>	<p>Section 205 of the Income-tax Act, 1961</p>	<ul style="list-style-type: none"> • In view of clear provisions of section 205 of the Act which gets triggered on mere deduction of TDS with nothing more and the past decisions of Bombay, Gujarat and Gauhati High Courts on the subject, the writ petition stands ALLOWED. • The Department is precluded from denying the benefit of the tax deducted at source by the employer

	HIGH COURT OF GUJARAT		during the relevant financial years to the petitioner. <ul style="list-style-type: none"> The credit of the tax shall be given to the petitioner and if in the interregnum any recovery or adjustment is made by the respondent, the petitioner shall be entitled to the refund of the same, with the statutory interest, within eight (8) weeks from the date of receipt of copy of this order.
11.	Commissioner of Income-tax, Mumbai City-I v. Maharashtra Hybrid Seeds Co. Ltd. HIGH COURT OF BOMBAY	u/s 37(1) of the Income-tax Act, 1961	<p>INCOME TAX : Provision for foreign travel expenses payable, as per binding contract, in respect of dealers/distributors who have achieved sales targets as of 31st March, is not a contingent liability and is deductible u/s 37(1)</p> <p>INCOME TAX : Chemically treating unprocessed seeds to bring into existence new article 'processed seeds' is 'manufacture'</p> <ul style="list-style-type: none"> Provision for foreign travel expenses payable, as per binding contract, in respect of dealers/distributors who have achieved sales targets for last three years as of 31st March, crystallises the moment the dealer/distributor achieves the sales target for three years as per contract and not when foreign trip is undertaken/booked or when claim is made by dealer/distributor. The provision is in respect of an ascertained liability and is not a contingent liability and is deductible u/s 37(1). Where seeds are chemically treated to make them insect-free and tolerant to the climatic variations so that they will achieve better growth, the process amounts to manufacture as raw seeds/unprocessed seeds are changed into processed seeds which is commercially a new product . Raw seeds are edible while processed seeds cease to be edible and can only be used for cultivation. Even applying the commercial test, the ITAT, on the facts, found that even in the market, the said final output was known to be used only for cultivation. In the circumstances, in the present case, on the facts the ITAT was right in coming to the conclusion that a different commodity emerged after the raw seeds underwent the above different stages. Thus, the activity carried by respondent-assessee in its industrial undertakings amounts to manufacture or production of articles or things.
12.	Bpip Infra (P.) Ltd. v. Income Tax Officer, Ward 4(1), Jaipur HIGH COURT OF RAJASTHAN	Section 148A of the Income-tax Act, 1961	<p>Mandatory procedure u/s 148A applies to reassessment initiated on or after 1-4-2021</p> <ul style="list-style-type: none"> Revenue could initiate reassessment proceeding on or after 1-4-2021, only in accordance with the mandatory procedure in section 148A and the substituted sections 147 to 149 & 151. Section 148A and amended provisions are not applicable only in cases where reassessment notice has been issued under pre-amended provisions on or before 31-3-2021. Where reassessment notice is issued on or after 1-4-2021 without complying with the mandatory procedure of section 148A of the Act and the substituted sections 147 to 149 & 151, the reassessment notice issued u/s 148 deserves to be quashed. However, it is left open to the assessing authority to initiate reassessment proceedings in accordance with the provisions of the Act, as amended by the Finance

3. Verdict – ITAT :-

S. No.	Verdict	Relevant Section	In Brief
1.	<p>IN THE ITAT MUMBAI BENCH 'A'</p> <p>Assistant Commissioner of Income-tax, Circle 3(2)(1), Mumbai</p> <p>v.</p> <p>Life Insurance Corporation of India Ltd</p>	<p>Section 90, read with section 44, of the Income-tax Act, 1961 and rule 8D of the Income-tax Rules, 1962 and rule 27 of the Income-tax (Appellate Tribunal) Rules, 1963</p>	<p>Where agreements exists (Foreign tax credit) - Assessment year 2009-10 - Assessee, LIC of India, filed its return of income which was selected for scrutiny and an assessment order was passed - Subsequently, Assessing Officer reopened assessment on ground of inadmissibility of excessive foreign tax credit granted to assessee - Further, a reassessment order was passed withdrawing inadmissible foreign tax credit - Assessee accepted this position by not raising any grievance against it in appeal before Commissioner (Appeals) - However, during proceedings before Tribunal, assessee filed an instant separate petition under rule 27 of Income-tax (Appellant Tribunal) Rules, 1963 seeking that entire reassessment proceedings was to be quashed and, thus, even withdrawal of excess foreign tax credit must be nullified - Whether quashing of entire reassessment proceedings could not be accepted as same would lead to nullifying of an admitted liability in respect of incorrect foreign tax credits by assessee - Held, yes [Paras 7 and 10] [In favour of revenue]</p> <p>Section 90, read with section 44, of the Income-tax Act, 1961 - Double taxation relief - Where agreement exists (Foreign tax credit) - Assessment year 2009-10 - Whether foreign tax credit in respect of taxes paid abroad could never exceed Indian tax liability in respect of related income taxed abroad as also in India - Held, yes [Para 6] [In favour of revenue]</p>
2.	<p>IN THE ITAT MUMBAI BENCH 'E'</p> <p>Shivnarayan Nemani Shares & Stock Brokers (P.) Ltd.</p> <p>v.</p> <p>Deputy Commissioner of Income-tax, Circle-4(2), Mumbai</p>	<p>Section 14A of the Income-tax Act, 1961 read with rule 8D of the Income-tax Rules, 1962</p> <p>Section 194J of the Income-tax Act, 1961</p> <p>Section 48, read with section 2(42A), of the Income-tax Act, 1961</p> <p>Section</p>	<p>I. Section 14A of the Income-tax Act, 1961 read with rule 8D of the Income-tax Rules, 1962 - Expenditure incurred in relation to exempt income not includible in total income (Value of investment) - Assessment year 2008-09 - Whether in view of provisions under section 14A read with rule 8D(iii), only those investments are to be considered for computing average value of investment which yielded exempt income during year - Held, yes [Para 4][In favour of assessee]</p> <p>II. Section 194J of the Income-tax Act, 1961 - Deduction of tax at source - Professional technical service fee (Payments to BSE) - Assessment year 2008-09 - Whether transaction charges paid by members of BSE to BSE are in nature of payments made for facilities provided by Stock Exchange and no TDS on such payments would be deductible under section 194J - Held, yes [Para 5] [In favour of assessee]</p> <p>III. Section 48, read with section 2(42A), of the Income-tax Act, 1961 - Capital gains - Computation of capital gains (Indexed cost of acquisition) - Assessment year 2008-09 - Assessee company was a member of Stock Exchange, Mumbai (BSE) carrying on business of share and stock broking - Assessee claimed capital gain on share of BSE which was disallowed and added</p>

37(1) of the Income-tax Act, 1961

to income of assessee - Commissioner (Appeals) adopted cost inflation index from year of allotment of BSE equity shares to assessee as against cost inflation index for year in which BSE card was originally acquired for purpose of calculating Indexed cost of acquisition for computing long term capital gain on sale of equity shares of BSE Ltd. and partly allowed appeal of assessee - On appeal, assessee submitted that indexation to calculate capital gain is liable to be reckoned with effect from allotment of BSE card and not from date of BSE equity shares issued to appellants - However, it was found that as per clause (ha) inserted in Explanation 1 to section 2(42A) by Finance Act, 2003, period of holding of shares of BSE Ltd. shall be reckoned from date of original membership of BSE and not from date of allotment of shares in BSE Ltd. - Whether therefore for computing capital gain, indexed cost of acquisition of shares of BSE was liable to be considered from date of original membership of BSE and not from date of allotment of shares in BSE Ltd.- Held, yes [Para 6] [In favour of assessee]

V. Section 37(1) of the Income-tax Act, 1961 - Business expenditure - Allowability of (Brokerage) - Assessment year 2008-09 - Whether where amount of sub-brokerage accounted for by recipients was higher than amount of sub-brokerage accounted for by appellant in its books of account, same could not have been disallowed - Held, yes [Para 7] [In favour of assessee]

3.

IN THE ITAT
BANGALORE
BENCH 'B'

Jaico Automobile
Engineering
Company (P.)
Ltd.

v.

Deputy
Commissioner of
Income-tax,
Circle 11(5),
Bangalore

Section 145 of the Income-tax Act, 1961

I. Section 145 of the Income-tax Act, 1961 - Method of accounting - Estimation of profit (Scrap sales) - Assessment year 2007-08 - During course of survey, it was found that out of total scrap sales of Rs. 57.22 lakhs only an amount of Rs. 31.46 lakhs was credited in ledger account as scrap sale and balance amount of Rs. 25.76 lakhs was not recorded and reasons for not offering same to tax was not explained by assessee - Accordingly Assessing Officer made addition of Rs. 25.76 lakhs and same was upheld by Commissioner (Appeals) - Whether lower authorities rightly brought to tax balance amount of Rs. 25.76 lakhs as same was based on material found during course of survey and assessee was not able to reconcile same, even after having been provided an opportunity of hearing before lower authorities - Held, yes [Para 15] [In favour of revenue]

II. Section 48, read with section 45, of the Income-tax Act, 1961 - Capital gains - Computation of (Cost of improvement) - Assessment year 2007-08 - Assessee received Rs.14 crores for agreeing to transfer land and building and sale agreement was for transfer of land for Rs. 9 crores and Rs. 5 crores was towards improvement - As against consideration of Rs. 5 crores for improvement, assessee claimed to have incurred expenditure toward levelling, boundary work and fencing - Assessing Officer while concluding assessment, considered entire sale consideration of Rs. 14 crores under held 'capital gains', but did not allow cost of improvement by way of fencing to tune of Rs.

			<p>1.64 crores, alleging that assessee had not proved expenditure towards improvement by way of fencing made - On appeal, Commissioner (Appeals) upheld order of Assessing Officer - Whether since assessee failed to furnish any evidence supporting expenditure incurred on cost of improvement, said expenditure had rightly been disallowed - Held, yes [Para 28][In favour of revenue]</p> <p>III. Section 2(47), read with section 45, of the Income-tax Act, 1961 - Capital gains - Transfer (Others) - Assessment year 2007-08 - Whether once profits had arisen in accounting year out of transfer of capital asset, it would be sufficient to attract liability under section 45 - Held, yes - Assessee executed registered JDA with developer along with registered GPA for development of property which authorized developer a provisional permission to enter into land, authorizing them to develop, execute sale deed or other conveyance in respect of impugned property and authorized to sell constructed area of both assessee as well as developer - Thus, assessee had provided unhindered access to purchaser which was very much in nature of possession - Whether therefore, agreement between assessee and developer remaining effective, transactions entered by way of JDA would undisputably constitute transfer in terms of section 45 read with section 2(47) - Held, yes - Whether further, since assessee had a right to receive profit in assessment year under consideration, it would be liable to pay capital gains tax on transfer of capital asset and actual receipt of profit would not be a relevant consideration - Held, yes [Paras 69, 72, 76 and 77] [In favour of revenue]</p>
4.	<p>IN THE ITAT MUMBAI BENCH 'D'</p> <p>Deputy Commissioner of Income Tax, Central Circle- 2(4), Mumbai</p> <p>v.</p> <p>Macleods Pharmaceuticals Ltd</p>	<p>Section 37(1) of the Income Tax Act 1961</p>	<p>INCOME TAX : Not agreeing with co-ordinate bench decision, Tribunal recommends constitution of a bench of three or more Members to consider question as to whether or not an item of expenditure on account of freebies to medical professionals, which is hit by rule 6.8.1 of Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 can be allowed as a deduction under section 37(1)</p> <ul style="list-style-type: none"> • Decision in Deputy Commissioner of Income-tax v. PHLPharma (P.) Ltd. [2017] 78 taxmann.com 36 (Mumbai-Trib.) was first decision dealing with period post insertion of rule 6.8.1 in Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 and reasoning adopted therein is also followed by a large number of other co-ordinate bench decisions holding that Expenditure incurred by assessee Pharma Company for customer relationship management, key account management, gift articles, free medicine sample, advertisement and sales promotion could not be considered as freebies given to doctors, they were purely for brand recognition; allowable as business expenditure and were not impaired by Explanation 1 to section 37(1). • However, Conclusions arrived in said decision do not reflect correct legal position, and same is position with respect to a large number of other co-ordinate bench decisions following said decision or following line of

			<p>reasoning in said decision. Hence, decision in PHI Pharma (supra) calls for reconsideration by a larger bench.</p> <ul style="list-style-type: none"> • Accordingly, constitution of a bench of three or more Members was to be recommended to consider question as to whether or not an item of expenditure on account of freebies to medical professionals, which is hit by rule 6.8.1 of Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 as amended from time-to-time, read with section 20A of Indian Medical Council Act, 1956, could be allowed as a deduction under section 37(1) read with Explanation thereto, in hands of pharmaceutical companies.
5.	<p>IN THE ITAT JAIPUR BENCH 'A'</p> <p>Smt. Meera Devi Kumawat</p> <p>v.</p> <p>Joint Commissioner of Income-tax, Range (4), Jaipur</p>	<p>Section 271D for violation of section 269SS of the Income Tax Act 1961</p>	<p>Where assessee received substantial amount of cash from her husband which was used to purchase property for residence of family members, since amount was used for benefit of family not for business purpose and assessee provided reasonable explanation justifying cash transactions, no penalty could be levied under section 271D for violation of section 269SS</p> <ul style="list-style-type: none"> • The transaction was not loan as no interest element was involved and there was no promise to return amount with or without interest. • In instant case, where the family of the assessee was guided by its internal family requirement and at the same time, pooling in the family funds especially where the assessee did not have any known sources of income, the explanation of the assessee deserved to be appreciated and the approach of the revenue needs to be flexible for appreciating the reasonability of the explanation so submitted by the assessee • Further, the assessee had explained the payment of construction expenses which were required to be incurred in cash towards the purchase of construction material and payment to labourers.
6.	<p>IN THE ITAT MUMBAI BENCH 'B'</p> <p>Board of Control for Cricket in India</p> <p>v.</p> <p>Principal Commissioner of Income-tax, Central Charge-3, Mumbai</p>	<p>Operational model of Indian Premier League tournament (IPL)</p>	<p>Operational model of Indian Premier League tournament (IPL) was more entertaining, more economically viable, provided greater economic opportunities to all those associated with that tournament, and mobilized greater financial resources for popularising cricket, as long as purpose for which all funds at disposal of assessee-trust, BCCI, including additional funds generated from IPL, were employed for promoting cricket, activities of assessee could not be said to be of commercial nature</p> <ul style="list-style-type: none"> • Merely because a sports tournament is structured in such a manner to make it more popular, resulting in more sponsorships and greater mobilization of resources, the basic character of the activity of popularizing cricket is not lost. • Improvising the rules of the game, adding entertainment value to it and making it economically attractive could be viewed as radical and innovative ideas to popularise a game.
7.	<p>IN THE ITAT BENCH MUMBAI 'BMA*'</p> <p>Rashesh Manhar Bhansali</p> <p>v.</p> <p>Additional</p>	<p>Black Money (Undisclosed Foreign Income & Assets) and Imposition</p>	<p>Relevant point of time for taxation, under Black Money (Undisclosed Foreign Income & Assets) and Imposition of Tax Act 2015(BMA), of an undisclosed foreign asset is point of time when such an asset come to notice of Government, it is immaterial as to whether it existed at point of time of taxation, or, for that purpose, even at point of time when provisions of BMA came into</p>

	Commissioner of Income Tax, Central Circle (1), Mumbai	of Tax Act 2015	<p>existence. Thus, a bank account abroad or any unaccounted asset abroad, which did not exist as at point of time when BMA came in force, i.e. 1-7-2015, can be assessed under said legislation</p> <ul style="list-style-type: none"> • Further, a bank account, in whatever way it is described, is an asset in sense that it gives you ownership of credit balance, in books of bank, in that account. Therefore, an undisclosed foreign bank account per se can indeed be treated as an asset under section 2(11) of Black Money (Undisclosed Foreign Income & Assets) and Imposition of Tax Act 2015
8.	<p>IN THE ITAT, MUMBAI BENCH 'C'</p> <p>Cargo Service Centre India (P.) Ltd.</p> <p>v.</p> <p>Deputy Commissioner of Income-tax, Circle 9(2)(1), Mumbai</p>	Revision order u/s 263 of the Income Tax Act 1961	<p>INCOME TAX : PCIT 's revision order u/s 263 is to be quashed where it is time-barred and is in respect of a rectification order passed by AO u/s 154 which could not be termed as prejudicial to revenue for the following reasons:(I) AO's rectification order merely stated the figure of returned loss accepted in scrutiny but omitted to be stated in the assessment order and the rectification order was infructuous as set-off claim has to be decided by the AO who makes assessment in year in which set-off is claimed; and (II) Disturbing loss figure as accepted in scrutiny assessment is beyond the scope of rectification u/s 154</p> <ul style="list-style-type: none"> • PCIT's revision order u/s 263 in respect of AO's rectification order u/s 154 is to be quashed where : (A) PCIT's Revision Order u/s 263 is time-barred (Rectification Order was passed by AO in 2016 while Revision Order u/s 263 was passed after expiry of limitation period of 2 years in 2019 only). (B) The AO's rectification order cannot be termed as prejudicial to revenue so as to attract section 263 for two reasons: (i) the rectification is infructuous as anyway, as in terms of SC's ruling in Manmohan Das case, the eligibility of set-off claim of loss will have to be decided by the AO who makes assessment in the year the loss is set-off and rectification order was passed only because assessee made an application by way of abundant caution; and (ii) the AO could not have disturbed quantification of loss accepted in scrutiny in the rectification order u/s 154
9.	<p>IN THE ITAT, NEW DELHI BENCH 'A'</p> <p>Artemis Education & Research Foundation</p> <p>v.</p> <p>Commissioner of Income-tax (Exemptions)</p>	Section 12AA of the Income Tax Act 1961	<p>The aims and objects having charitable nature, need to be seen for purpose of according approval under section 12A and cannot be throttled merely by relying upon selective aims and objects by making observation that there was a possibility that researches being carried out by assessee within premises of settler company would in turn further enhance commercial potential of hospital, thus, declining registration under section 12A on such ground that medical research to be carried out in hospital of settler company would convert the charitable activities into commercial activities was mere surmises, and not sustainable in law.</p>

*Sources

- www.taxmann.com/research/direct-tax-laws/caselaws

Disclaimer: - This 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 **October & November 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
There is no important Notification for the month October & November			

2. Central Tax (Rate) - Notifications :-

Notification No.	Dated	Heading	Link to Read Full
13/2021	27 th October	Seeks to amend Notification No 1/2017- Central Tax (Rate) dated 28.06.2017	Click here to Read
14/2021	18 th November	Seeks to further amend notification No. 01/2017- Central Tax (Rate) dated 28-06-2017	Click here to Read
15/2021	18 th November	Seeks to amend Notification No 11/2017- Central Tax (Rate) dated 28.06.2017	Click here to Read
16/2021	18 th November	Seeks to amend Notification No 12/2017- Central Tax (Rate) dated 28.06.2017	Click here to Read
17/2021	18 th November	Seeks to amend Notification No 17/2017- Central Tax (Rate) dated 28.06.2017	Click here to Read

3. Integrated Tax - Notifications :-

Notification No.	Dated	Heading	Link to Read Full
There is no important Notification for the month October & November			

4. Integrated Tax (Rate)- Notifications :-

Notification No.	Dated	Heading	Link to Read Full
13/2021	27 th October	Seeks to amend Notification No 1/2017- Integrated Tax (Rate) dated 28.06.2017	Click here to Read
14/2021	18 th November	Seeks to further amend notification No. 01/2017- Integrated Tax (Rate) dated 28-06-2017	Click here to Read
15/2021	18 th November	Seeks to amend Notification No 8/2017- Integrated Tax (Rate) dated 28.06.2017	Click here to Read
16/2021	18 th November	Seeks to amend Notification No 9/2017- Integrated Tax (Rate) dated 28.06.2017	Click here to Read
17/2021	18 th November	Seeks to amend Notification No 14/2017- Integrated Tax (Rate) dated 28.06.2017	Click here to Read

5. Union Territory Tax - Notifications :-

Notification No.	Dated	Heading	Link to Read Full
There is no important Notification for the month October & November			

6. Union Territory (Rate)- Notifications :-

Notification No.	Dated	Heading	Link to Read Full
13/2021	27 th	Seeks to amend Notification No 1/2017- Union	Click here



	October	territory Tax (Rate) dated 28.06.2017	to R
14/2021	18 th November	Seeks to further amend notification No. 01/2017- Union Territory Tax (Rate) dated 28-06-2017	Click here to Read
15/2021	18 th November	Seeks to amend Notification No 11/2017- Union territory Tax (Rate) dated 28.06.2017	Click here to Read
16/2021	18 th November	Seeks to amend Notification No 12/2017- Union territory Tax (Rate) dated 28.06.2017	Click here to Read
17/2021	18 th November	Seeks to amend Notification No 17/2017- Union territory Tax (Rate) dated 28.06.2017	Click here to Read

7. Circulars :-

Circular No.	Dated	Heading	Link to Read Full
163/19/2021 -GST	06 th October	Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council in its 45th meeting held on 17th September, 2021 at Lucknow-reg.	Click here to Read
164/2020/20 21-GST	06 th October	Clarifications regarding applicable GST rates & exemptions on certain services	Click here to Read
165/21/2021 -GST	18 th November	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	Click here to Read
166/22/2021 -GST	18 th November	Circular on Clarification on refund related issues	Click here to Read

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



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Teamwork
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AASquare Advisors LLP
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Diwali

Gurudwara Prabhat-pheri in office

Beautiful Garden in office premises

Marigold

White rose

Sycamore Flower

Butterfly visit

Chilli

Brinjal

Beans