### UPCOMING DUE DATES

<table>
<thead>
<tr>
<th>Due Date</th>
<th>Compliance Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>7th Sep '20</td>
<td>7th Sep '20 ● TDS/TCS Payment for the month of Aug'20.</td>
</tr>
<tr>
<td>11th Sep '20</td>
<td>11th Sep '20 ● GSTR1 For all regular assessees whose turnover exceed 5 Crores. for the month of Aug'20</td>
</tr>
<tr>
<td>15th Sep '20</td>
<td>15th Sep '20 ● Depositing Contribuion toward PF /ESI for the Month of Aug'20.</td>
</tr>
<tr>
<td>15th Sep '20</td>
<td>15th Sep '20 ● Second instalment of advance tax for the assessment year 2021-22.</td>
</tr>
<tr>
<td>21st Sep '20</td>
<td>21st Sep '20 ● Profession Tax payment for the month of Aug'20.</td>
</tr>
<tr>
<td>30th Sep '20</td>
<td>30th Sep '20 ● Income Tax Return for the F.Y 2018-2019</td>
</tr>
<tr>
<td>30th Sep '20</td>
<td>30th Sep '20 ● Filing of Form Ben-2.</td>
</tr>
<tr>
<td>30th Sep '20</td>
<td>30th Sep '20 ● Last date holding AGM for the FY 2019-2020.</td>
</tr>
<tr>
<td>30th Sep '20</td>
<td>30th Sep '20 ● Last date of Companies Fresh Start Scheme,2020 (CFSS-2020)</td>
</tr>
<tr>
<td>20th Sep '20</td>
<td>20th Sep '20 ● GSTR3B For all regular assessees whose turnover is more then 5 Crores. Tax Period for the Month of Aug2020.</td>
</tr>
<tr>
<td>22nd/24th June '20</td>
<td>12th/15th September '20 ● GSTR3B For all regular assessees whose turnover is upto 5 Crores. Tax Period for the Month of May 2020.</td>
</tr>
<tr>
<td>22nd/24th July '20</td>
<td>22nd/25th September '20 ● GSTR3B For all regular assessees whose turnover is upto 5 Crores. Tax Period for the Month of June 2020.</td>
</tr>
<tr>
<td>22nd/24th Aug '20</td>
<td>27th/29th September '20 ● GSTR3B For all regular assessees whose turnover is upto 5 Crores. Tax Period for the Month of July 2020.</td>
</tr>
<tr>
<td>22nd/24th Sep '20</td>
<td>1st/3rd Oct '20 ● GSTR3B For all regular assessees whose turnover is upto 5 Crores. Tax Period for the Month of Aug 2020.</td>
</tr>
</tbody>
</table>

### Editorial Board

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CA Kabindra Choudhary (Co-Chairman)
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If you wish to contribute to the future editions of VIPCAA E-zine or VIPCAA Newsletter, please write to us at info@vipca.in or reach out to any of the office bearers.

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NOTIFICATIONS

NOTIFICATION NO. 67/2020,
DATED: 17-08-2020
INCOME-TAX (20TH AMENDMENT) RULES, 2020

1. Short title and commencement.—(1) These rules may be called the Income-tax (20th Amendment) Rules, 2020.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 1962,—

(i) after rule 2DA, the following rules shall be inserted, namely: -

"2DB. Other conditions to be satisfied by the pension fund

NOTIFICATION NO. 66/2020,
DATED: 13-08-2020
PRINCIPAL COMMISSIONERS OF INCOME-TAX (REGIONAL E-ASSESSMENT CENTRE) (VERIFICATION UNIT) TO EXERCISE CONCURRENT POWERS ALONG WITH ANY OTHER AUTHORITY AND TO HOLD ADDITIONAL CHARGE AND ACT AS PRESCRIBED AUTHORITY

S.O. 2758(E).— In pursuance of the powers conferred by sub-sections (1), (2) and (5) of section 120 and section 133C of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the said Act), read with rule 12 D of the Income-tax Rules, 1962, the Central Board of Direct Taxes hereby directs that the Income-tax Authorities of Regional e-Assessment Centres (hereinafter referred to as the ReACs) specified in Column (2) of the Schedule below, having their headquarters at the places mentioned in column (3) of the said Schedule, shall exercise the powers and functions of Assessing Officers concurrently, to facilitate the conduct of Faceless Assessment proceedings in respect of territorial areas mentioned in the column (4), persons or classes of persons mentioned in the column (5) and cases or classes of cases mentioned in the column (6) of the Schedule-1 of the notification No. 50 of 2014 in S.O. 2752 (E), dated the 22nd October, 2014 published in the Gazette of India, Extraordinary Part II, section 3, sub-section (ii)
NOTIFICATION NO. 64/2020, DATED: 13-08-2020

INCOME-TAX AUTHORITIES OF NATIONAL E-ASSESSMENT CENTRE SHALL EXERCISE POWERS AND FUNCTIONS OF ASSESSING OFFICER CONCURRENTLY TO FACILITATE CONDUCT OF FACELESS ASSESSMENT PROCEEDINGS

SECTION 120(1)

S.O. 2756(E).—In pursuance of the powers conferred by sub-sections (1), (2) and (5) of section 120 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the said Act), the Central Board of Direct Taxes hereby directs that the Income-tax Authorities of the National e-Assessment Centre (hereinafter referred to as the NeAC) specified in Column (2) of the Schedule below, having its headquarters at the place mentioned in column (3) of the said Schedule, shall exercise the powers and functions of Assessing Officer concurrently, to facilitate the conduct of Faceless Assessment proceedings in respect of territorial areas mentioned in the column (4), persons or classes of persons mentioned in the column (5) and cases or classes of cases mentioned in the column (6) of the Schedule-1 of the notification No. 50 of 2014 in S.O. 2752 (E) dated the 22nd October, 2014

NOTIFICATION NO. 63/2020, DATED: 13-08-2020

AMENDMENTS IN NOTIFICATION NUMBER 50 OF 2014, S.O. 2752(E) DATED THE 22ND OCTOBER, 2014

SECTION 120(1)

S.O. 2755(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 120 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes, hereby makes the following amendments in the notification of the Government of India, Ministry of Finance published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii) vide number 50 of 2014, S.O. 2752(E) dated the 22nd October, 2014

NOTIFICATION NO. 62/2020, DATED: 13-08-2020

INCOME-TAX AUTHORITIES OF REGIONAL E-ASSESSMENT CENTRES TO EXERCISE POWERS AND FUNCTIONS OF ASSESSING OFFICERS CONCURRENTLY TO FACILITATE CONDUCT OF FACELESS ASSESSMENT PROCEEDINGS

SECTION 118(1), 120

S.O. 2754(E).—In exercise of the powers conferred by section 118 and sub-sections (1) and (2) of section 120 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following amendments in the notification of the Government of India, Ministry of Finance published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (ii) vide no. S.O. 2753 (E) dated the 22nd October, 2014.
NOTIFICATION NO. 61/2020, DATED: 13-08-2020

AMENDMENTS IN NOTIFICATION 62/2019, DATED 12TH SEPTEMBER, 2019

In exercise of the powers conferred by sub-section (3B) of section 143 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue), Central Board of Direct Taxes, published in the Gazette of India, Extraordinary, vide number S.O 3265 (E) dated the 12th September, 2019

NOTIFICATION NO. 60/2020, DATED: 13-08-2020

AMENDMENTS IN THE E-ASSESSMENT SCHEME, 2019

In exercise of the powers conferred by sub-section (3A) of section 143 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following amendments in the E-assessment Scheme, 2019 published vide notification of the Government of India, Ministry of Finance (Department of Revenue), Central Board of Direct Taxes, in the Gazette of India, Extraordinary, vide number S.O 3264 (E) dated the 12th September, 2019.

NOTIFICATION NO. 59/2020, DATED: 10-08-2020

SPECIAL COURTS DESIGNATED UNDER SECTION 280A(1) OF INCOME TAX ACT, 1961 AND SECTION 84 OF THE BLACK MONEY (UNDISCLOSED FOREIGN INCOME AND ASSETS) AND IMPOSITION OF TAX ACT, 2015 IN MAHARASHTRA FOR TRIAL OF OFFENCES

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 in the State of Maharashtra, for trial of offences punishable under the Income-tax Act, 1961 and other related matters, namely:-

(i) the 38th Court, Ballard Pier for Mumbai region and 31st Court of Additional Chief Metropolitan Magistrate, Vikhroli for Mumbai including cases at Thane;

(ii) the Court of the Chief Judicial Magistrate, Nagpur for entire Vidarbha region, and

(iii) the Court of 10th Joint Civil Judge Junior Division and Judicial Magistrate First Class (Court No. 8), Pune for Pune region.

NOTIFICATION NO. 58/2020, DATED: 10-08-2020

In exercise of the powers conferred by clause (d) of sub-section (8) of section 139A and clause (ii) of sub-section (7) of section 206AA 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, namely:

1. Short title and commencement. - (1) These rules may be called the Income-tax (19th Amendment) Rules, 2020.
(2) They shall come into force from the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), in rule 37BC, after sub-rule (2), the following sub-rule shall be inserted, namely: —

"(3) The provisions of section 206AA shall not apply in respect of payments made to a person being a non-resident, not being a company, or a foreign company if the provisions of section 139A do not apply to such person on account of rule 114AAB."

3. In the principal rules, after rule 114AAA, the following rule shall be inserted, namely:—

"Class or classes of person to whom provisions of section 139A shall not apply."
NOTIFICATION NO. 57/2020, DATED: 30-07-2020
DIRECTOR GENERAL / SECRETARY, COMPETITION COMMISSION OF INDIA SPECIFIED FOR PURPOSE OF SECTION 138(1)(A)(II)

In pursuance of sub-clause (ii) of clause (a) of sub-section (1) of section 138 of the Income-tax Act, 1961, the Central Government hereby specifies Director General / Secretary, Competition Commission of India for the purpose of said clause.

2. It is clarified that income-tax authority, as specified in Notification No. S.O. No. 731(E) dated 28.07.2000, shall-
   (i) furnish only relevant and precise information after forming an opinion that furnishing of such information is necessary so as to enable the above notified authority to perform its functions under the law being administered by it; and
   (ii) convey to the authority being specified vide this notification to maintain absolute confidentiality in respect of information being furnished.

NOTIFICATION NO. 56/2020, DATED: 29-07-2020
INCOME-TAX (18TH AMENDMENT) RULES, 2020

In exercise of the powers conferred by sub-section (7) of section 115UB 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, namely:-

1. Short title and commencement.—(1) These rules may be called the Income-tax (18th Amendment) Rules, 2020.
   (2) They shall come into force on the date of their publication in the Official Gazette.
NOTIFICATION NO. 54/2020, DATED: 24-07-2020
INCOME-TAX (17TH AMENDMENT) RULES, 2020

In exercise of the powers conferred by section 197 and 206C 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, namely:–

1. Short title and commencement.— (1) These rules may be called the Income-tax (17th Amendment) Rules, 2020.
   (2) Save as otherwise provided in these rules, they shall come into force with effect from the 1st day of October, 2020.

CORRIGENDUM NOTIFICATION NO. 53/2020, DATED: 22-07-2020
CORRIGENDUM TO NOTIFICATION NO. 33/2020, DATED: 23-06-2020

NOTIFICATION NO. 51/2020, DATED: 21-07-2020
JOINT SECRETARY (FARMERS WELFARE), DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE, MINISTRY OF AGRICULTURE AND FARMERS WELFARE SPECIFIED FOR PURPOSE OF SECTION 138(1)(A)(II) IN CONNECTION WITH SHARING OF INFORMATION

SECTION 138(1)
S.O. 2415(E).—In pursuance of sub-clause (ii) of clause (a) of sub-section (1) of Section 138 of the Income-tax Act, 1961, the Central Government hereby specifies Joint Secretary (Farmers welfare), Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Government of India, for the purposes of the said clause in connection with sharing of information regarding income-tax assessee for identifying the eligible beneficiaries under PM-KISAN Yojana.

2. Intelligence Bureau.

NOTIFICATION NO. 52/2020, DATED: 21-07-2020
AGENCIES NOTIFIED FOR THE PURPOSE OF SECTION 138(1)(A)(ii)
SECTION 138(1)
S.O. 2411(E).—In pursuance of sub-clause (ii) of clause (a) of sub-section (1) of Section 138 of the Income-tax Act, 1961, the Central Government hereby specifies the following bodies/agencies for the purposes of the said clause.

1. Cabinet Secretariat.

2. Intelligence Bureau.
NOTIFICATION NO. 50/2020, DATED: 21-07-2020
TAMIL NADU E-GOVERNANCE AGENCY' NOTIFIED FOR PURPOSE OF SECTION 10(46)
S.O. 2403(E).—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, 'Tamil Nadu e-Governance Agency', an agency formed by the State Government of Tamil Nadu.

NOTIFICATION NO. 49/2020, DATED: 17-07-2020
REAL ESTATE REGULATORY AUTHORITY NOTIFIED FOR PURPOSE OF SECTION 10(46)
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, 'Real Estate Regulatory Authority' as specified in the schedule to this notification, constituted by Government in exercise of powers conferred under sub-section (1) of section 20 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016) as a 'class of Authority' in respect of the following specified income arising to that Authority, namely:-

(a) Amount received as Grants-in-aid or loan/advance from Government;
(b) Fee/penalty received from builders/developers, agents or any other stakeholders as per the provisions of the Real Estate (Regulation and Development) Act, 2016; and
(c) Interest earned on (a) and (b) above.

NOTIFICATION NO. 48/2020, DATED: 14-07-2020

Additional Secretary and Development Commissioner, Ministry of Micro Small and Medium Enterprises, Government of India specified for purpose of Section 138(1)(a)(ii)

SECTION 138
In pursuance of sub-clause (ii) of clause (a) of sub-section (1) of Section 138 of the Income-tax Act. 1961, the Central Government hereby specifies Additional Secretary and Development Commissioner, Ministry of Micro Small and Medium Enterprises, Government of India for the purposes of the said clause.

NOTIFICATION NO. 47/2020, DATED: 13-07-2020
REAL ESTATE REGULATORY AUTHORITY NOTIFIED FOR PURPOSE OF SECTION 10(46)
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, 'Real Estate Regulatory Authority' as specified in the schedule to this notification, constituted by Government in exercise of powers conferred under sub-section (1) of section 20 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016) as a 'class of Authority' in respect of the following specified income arising to that Authority, namely:-

(a) Amount received as Grants-in-aid or loan/advance from Government;
(b) Fee/penalty received from builders/developers, agents or any other stakeholders as per the provisions of the Real Estate (Regulation and Development) Act, 2016;
© Interest earned on (a) and (b) above.
NOTIFICATION NO. 46/2020, DATED: 13-07-2020
NATIONAL AVIATION SECURITY FEE TRUST NOTIFIED FOR PURPOSE OF SECTION 10(46)

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, 'National Aviation Security Fee Trust' (PAN AADTN2508F), a trust established by the Central Government, in respect of the following specified income arising to that trust, namely:—

(a) Grant or subsidy or any receipt in the nature of grant as approved by/under directions of Ministry of Civil Aviation, Government of India;

(b) Aviation Security Fee collected at the prevailing rates as per orders of Ministry of Civil Aviation, Government of India;

(c) Amount transferred from escrow accounts for deposits of the passenger service fee (security component) maintained by airport operators with the scheduled banks for Ministry of Civil Aviation, Government of India as beneficiary; and

(d) Interest/Dividend earned on investment of amount collected it it is utilized to meet expenditure to realize objectives of the trust.

NOTIFICATION NO. 45/2020, DATED: 07-07-2020
NATIONAL PENSION SCHEME TIER II-TAX SAVER SCHEME, 2020

In exercise of the powers conferred by clause (xxv) of sub-section (2) of section 80C of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following scheme, namely:—

1. Short title and commencement.—(1) This scheme may be called the National Pension Scheme Tier II-Tax Saver Scheme, 2020.

(2) It shall come into force from the date of its publication in the Official Gazette.

CASE LAWS

Supreme Court

1. VINEETA SHARMA Vs. RAKESH SHARMA & ORS. (SC) CIVIL APPEAL NO. 32601 OF 2018 August 11,2020 (Date of pronouncement)

(i) S. 6 of the Hindu Succession Act, 1956 confers status of coparcener on daughters born before or after amendment in the same manner as son with the same rights and liabilities, (ii) Since the right in coparcenary is by birth, it is not necessary that father coparcener should be living as on 9.9.2005 (Entire law on family settlements under Hindu Law (HUFs) explained)

2. DIT-II (INTERNATIONAL TAXATION) NEW DELHI & ANR. Vs. M/S SAMSUNG HEAVY INDUSTRIES CO. LTD.(SC), CIVIL APPEAL NO. 12183 OF 2016, July 29, 2020 (Date of pronouncement)

(I) Disallowance u/s 40(a)(ia), 40A(3) etc are intended to enforce due compliance of the requirement of other provisions of the Act and to ensure proper collection of tax as also transparency in dealings. No question about prejudice or hardship arises (ii) Payment made for hiring vehicles for the business of transportation of goods attracts TDS u/s 194C, (iii) Disallowance u/s 40(a)(ia) is not limited to the amount outstanding ("payable") but also to expenses that had already been incurred and "paid" by the assessee, (iv) Disallowance u/s 40(a)(ia) as introduced by the Finance (No.2) Act, 2004 w.e.f. 01.04.2005 is applicable to AY 2005-2006, (v) Benefit of amendment made in the year 2014 to s. 40(a)(ia) is not available.
3. THE ASSISTANT COMMISSIONER OF INCOME TAX 12(3)(2) & ORS. Vs MARICO LTD. SLP CIVIL) No.7367/2020, June 1, 2020 (Date of pronouncement) (SC),

S. 147: The reasons in support of the s. 148 notice is the very issue in respect of which the AO had raised a query during the assessment proceedings and the Petitioner had responded justifying its stand. The non-rejection of the explanation in the Assessment Order amounts to the AO accepting the view of the assessee, thus taking a view/forming an opinion. In these circumstances, the reasons in support of the notice proceed on a mere change of opinion and would be completely without jurisdiction.

4. RAMNATH & CO.Vs. THE COMMISSIONER OF INCOME TAX (SC), Appeal No. 2510 of 2020@ SLP(C) No. 23699 of 2016, June 5, 2020

(i) The sweeping proposition in some Supreme Court decisions that when two views are possible, the one favorable to assessee has to be preferred & that a tax incentive provision must receive liberal interpretation, is disapproved by the Constitution Bench in Dilip Kumar (2018) 9 SCC 1 (FB). The burden is on the assessee to prove eligibility to an incentive or exemption provision and it is subject to strict interpretation. If there is ambiguity, the benefit of the ambiguity has to go to the Revenue. However, if the assessee proves eligibility, a wide and liberal construction of the provision has to be done (ii) Merely having a contract with a foreign enterprise and mere earning foreign exchange does not ipso facto lead to the application of s. 80-O of the Act.

5. GURU NANAK INDUSTRIES, FARIDABAD &Anothers Vs. AMAR SINGH (DEAD) through L.R, CIVIL APPEAL NOS. 6659-6660 OF 2010, May 26, 2020 (pronounced)

There is a clear distinction between 'retirement of a partner' and 'dissolution of a partnership firm'. On retirement of the partner, the reconstituted firm continues and the retiring partner is to be paid his dues in terms of Section 37 of the Partnership Act. In case of dissolution, accounts have to be settled and distributed as per the mode prescribed in Section 48 of the Partnership Act. When the partners agree to dissolve a partnership, it is a case of dissolution and not retirement A partnership firm must have at least two partners. When there are only two partners and one has agreed to retire, then the retirement amounts to dissolution of the firm (Imp judgements referred)

High Courts
1.GATEWAY LEASING PVT. LTD.V/S. ASSISTANT COMMISSIONER OF INCOME TAX-1 (1)(2) & OTHERS, (Date of pronouncement: March 11, 2020) (Bombay HC) WRIT PETITION NO. 2518 of 2019
S. 147 Reopening for bogus capital gains from penny stocks: The Dept's argument that though the assessee disclosed details of the transactions pertaining to purchase and sale of shares, it did not disclose the real colour/true character of the transactions and, therefore, did not make a full and true disclosure of all material facts which was also overlooked by the AO, is not correct. The assessee disclosed the primary facts to the AO & also explained the queries put by the AO. It cannot be said that the assessee did not disclose fully and truly all material facts necessary for the assessment.


S. 69C Bogus Purchases: (i) The onus is on the revenue to prove that the income really belongs to the assessee (ii) The assessee has filed copies of purchase/sale invoices, challan cum tax invoices, stock ledger showing entry/exit of materials purchased, bank statements to show payment for purchases were made through banking channels, etc., to establish genuineness of purchases (iii) The AO has not brought on record any material evidence to show that the purchases were bogus (iv) Mere reliance by the AO on information obtained from Sales Tax Department or statements of persons made before the Sales Tax Department is not sufficient to treat the purchases as bogus (v) If the AO doubts the genuineness of the purchases, he has to do further enquiries and give an opportunity to the assessee to examine/cross-examine the parties vis-a-vis the statements made by them before the Sales Tax Department. Without causing such further enquiries in respect of the purchases, it is not open to the AO to make addition u/s 69C.

3. M/S ESSAR SHIPPING LIMITED V/S. COMMISSIONER OF INCOME-TAX, CITY III, MUMBAI. (BOMBAY HC) APPEAL (IT) NO. 201 OF 2002, June 26, 2020 (Date of publication)

S. 28(iv): The Dept's argument that the waiver of a loan constitutes an operational subsidy which is taxable is not correct. There is a fundamental difference between "loan" and "subsidy" & the two concepts cannot be equated. While "loan" is a borrowing of money required to be repaid back with interest; “subsidy” is not required to be repaid back being a grant. Such grant is given as part of a public policy by the state in furtherance of public interest. Therefore, even if a “loan” is written off or waived, which can be for various reasons, it cannot partake the character of a “subsidy”. The waiver of a loan cannot be brought to tax u/s 28(iv) of the Act.

4. PR. COMMISSIONER OF INCOME TAX -10 VS. HYBRID FINANCIAL SERVICES LTD (FORMERLY KNOWN AS MAFATLAL FINANCE CO LTD) (BOMBAY HC) APPEAL NO. 1265 OF 2017, 1469 OF 2017, June 23, 2020 (Date of publication)

S. 36(1)(vii)/ 36(2): Write-off of inter corporate deposits and advances given for purchase of vehicles or plant and machinery is allowable as a bad debt. There is no requirement under the Act that the bad debt has to accrue out of income under the same head i.e 'income from business or profession' to be eligible for deduction. All that is required is that the debt in question must be written off by the assessee in its books of accounts as irrecoverable.

Appellate Tribunal

1. DIPESH RAMESH VARDHAN DCIT-CENTRAL CIRCLE-2(2), I.T.A. O . 7 6 4 8 / M U M / 2 0 1 9 BEFORE HON’BLE SHRI MAHAVIR SINGH, VP AND HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM, “D” BENCH, MUMBAI, August 11, 2020 (Date of pronouncement)

S.10(38)/68: Bogus Capital Gains from Penny Stocks: The AO has not discharged the onus of controverting the documentary evidences furnished by the assessee and by bringing on record any cogent material to sustain the addition. The allegation of price rigging / manipulation has been levied without establishing the vital link between the assessee and other entities. The whole basis of making additions is third party statement and no opportunity of cross-examination has been provided to the assessee to confront the said party. As against this, the assessee's position that that the transactions were genuine and duly supported by various documentary evidences, could not be disturbed by the revenue.
<table>
<thead>
<tr>
<th>Reference</th>
<th>Date</th>
<th>Topic</th>
<th>Description</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>03.08.2020</td>
<td>Clarification on dispatch of notice under Section 62(2) of Companies</td>
<td>In continuation to General Circular No. 21/2020 dated 11th May, 2020 and keeping in view the representations received for extending the validity of such clarification, it has been decided that clarification given in para 2 of General Circular No. 21/2020 would continue to be applicable for right issues, in case of Listed Companies, opening upto 31st December, 2020.</td>
<td><a href="http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.25_03082020.pdf">http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.25_03082020.pdf</a></td>
</tr>
<tr>
<td>Circular no.</td>
<td>17.08.2020</td>
<td>Clarification on extension of Annual General Meeting (AGM) for the</td>
<td>It has been decided that the companies which are unable to hold their AGM for the financial year ended on 31.03.2020, despite availing relaxations provided in the General Circular 20/2020 ought to file their applications in Form no. GNL-1 for seeking extension of time in holding of AGM for the financial year ended on 31.03.2020 with the concerned Registrar of Companies on or before 29th September, 2020.</td>
<td><a href="http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28_17082020.pdf">http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28_17082020.pdf</a></td>
</tr>
<tr>
<td>27/2020</td>
<td></td>
<td>financial year ended 31.03.2020</td>
<td></td>
<td></td>
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<tr>
<td>General</td>
<td>24.08.2020</td>
<td>Amendment of item no. (ix) of schedule VII of the Companies Act, 2013</td>
<td>In the said Schedule, for item (ix) and the entries thereto, the following item and entries shall be substituted, namely:-</td>
<td></td>
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<tr>
<td>Circular no.</td>
<td></td>
<td></td>
<td>“(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and</td>
<td></td>
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<tr>
<td>28/2020</td>
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<tr>
<td>G.S.R.</td>
<td>525(E)</td>
<td></td>
<td>(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural</td>
<td></td>
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</tbody>
</table>

In the said Rules, in rule 2, in sub-rule (1), in clause (e), the following proviso shall be inserted, namely:-

“Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23 subject to the conditions that-

(i) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act.
(ii) details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board’s Report”.

In rule 4, in sub-rule 1, the words “excluding activities undertaken in pursuance of its normal course of business” shall be omitted.

In rule 6, in sub-rule (1), —

(i) first proviso shall be omitted;
(ii) In the second proviso, the word “further” shall be omitted.

http://www.mca.gov.in/Ministry/pdf/csr_26082020_0.pdf
INDIRECT TAX UPDATES
Synopsis of Notifications, Circulars and Orders under GST Act, 2017

Period: 11th July, 2020 to 27th August, 2020

<table>
<thead>
<tr>
<th>Notifications</th>
<th>Last Notification as on 10th July, 2020</th>
<th>Addition</th>
<th>Last Notification as on 27th August, 2020</th>
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</thead>
<tbody>
<tr>
<td>CGST</td>
<td>30/2020</td>
<td>5</td>
<td>32/2020</td>
</tr>
<tr>
<td>CGST (Rate)</td>
<td>03/2020</td>
<td>Nil</td>
<td>02/2020</td>
</tr>
<tr>
<td>IGST</td>
<td>06/2020</td>
<td>Nil</td>
<td>05/2020</td>
</tr>
<tr>
<td>IGST (Rate)</td>
<td>03/2020</td>
<td>Nil</td>
<td>05/2020</td>
</tr>
<tr>
<td>UT GST</td>
<td>02/2020</td>
<td>Nil</td>
<td>02/2020</td>
</tr>
<tr>
<td>UT GST (Rate)</td>
<td>03/2020</td>
<td>Nil</td>
<td>03/2020</td>
</tr>
<tr>
<td>Comp. Cess</td>
<td>01/2019</td>
<td>Nil</td>
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<tr>
<td>Comp. Cess (Rate)</td>
<td>03/2019</td>
<td>Nil</td>
<td>03/2019</td>
</tr>
</tbody>
</table>

Notifications Summary


<table>
<thead>
<tr>
<th>Notification No.</th>
<th>Date</th>
<th>Description</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>60/2020</td>
<td>30-7-2020</td>
<td>Seeks to make Ninth amendment (2020) to CGST Rules</td>
<td>Revised format for e-Invoice by replacing existing FORM GST INV-01 with new FORM GST INV-1</td>
</tr>
<tr>
<td>61/2020</td>
<td>30-7-2020</td>
<td>Seeks to amend Notification no. 13/2020-Central Tax in order to amend the class of registered persons for the purpose of e-invoice</td>
<td>❖ E-invoice applicable for assessee’s having turnover above Rs. 500 crore  ❖ Excludes SEZ units from e-invoicing</td>
</tr>
<tr>
<td>62/2020</td>
<td>20-08-2020</td>
<td>Seeks to make Tenth amendment (2020) to CGST Rules</td>
<td>Insertion of provision for Aadhar Authentication in GST Registration</td>
</tr>
<tr>
<td>63/2020</td>
<td>25-08-2020</td>
<td>Seeks to notify the provisions of section 100 of the Finance (No. 2) Act, 2019 to amend section 50 of the CGST Act, 2017 w.e.f. 01.09.2020</td>
<td>Section 50 relates to Interest provisions, this notification made applicability of Interest on Net basis from 1st September 2020, However Government come up with press release for relaxation of charging interest on gross basis from 1st July 2017.</td>
</tr>
</tbody>
</table>
**Circular Orders**

<table>
<thead>
<tr>
<th></th>
<th>Last Notification as on 10th July, 2020</th>
<th>Addition</th>
<th>Last Notification as on 27th August, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGST</td>
<td>141/2020</td>
<td>Nil</td>
<td>141/2020</td>
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<tr>
<td>IGST</td>
<td>04/2019</td>
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<tr>
<td>UTGST</td>
<td>Nil</td>
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<td>Nil</td>
</tr>
<tr>
<td>Compensation Cess</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

**41st GST Council Meeting Key Highlights (Single Agenda Meeting)**

Discussion held on the shortfall for the FY 2020-21 works out to be Rs 2,35,000 crore. Out of this, Rs 97,000 crore is the shortfall due to GST implementation, whereas the rest is considered as due to COVID-19, which is an act of god. The states have been provided with two options to meet the shortfall of compensation cess.

Options I - Special borrowing window to states, in consultation with the RBI, to provide Rs 97,000 crore at a “reasonable” interest rate and this money can then be repaid after 5 years by extending cess collection.

Option II - GST compensation gap of Rs 2.35 lakh crore this year itself after consulting with the RBI.

The pros and cons of both the options have been discussed also.

- If the state goes for the first option, it will be entitled to the compensation cess for later years also with support by the centre.

- If the state goes for the second option, there will be involvement of more amount of borrowing that is paid by using the cess collected during the transition.

- The arrangement will remain valid only for the FY 2020-21. Hence, the GST Council will reassess the situation in April 2021 and decide for the 5th year.

- The states can borrow money with the G-security linked interest rates without any hurdles.

- Once the arrangement is approved by the GST Council, the centre will proceed to clear these dues with the help of the RBI and also take care of the rest of the financial years.

- The states must take a decision based on the compensation cess they can expect in the future periods/years.