

FURTHER AMENDMENTS FOR CS EXECUTIVE DEC 2020 EXAM**INCOME TAX****NOTIFICATION AND CIRCULARS ISSUED BETWEEN 1.11.2019 TO 30.04.2020**

[PLEASE NOTE THAT THE AMENDMENTS BY THE FINANCE ACT, 2019 IS ALREADY COVERED IN THE EARLIER AMENDMENT NOTES/STUDY MATERIAL]

Sl.No	Particulars
1.	<p><i>Notification No.8/2020, dated 29.1.2020: Prescribed other electronic modes [Rule 6ABBA]</i></p> <p><i>W.r.e.f 1.9.2019:</i> For the purpose of section 35AD, 40A(3)/(3A), 43(1), 43CA, 44AD,50C, 56(2)(x), 80JJAA and *(Section 13A, 269SS, 269ST, 269T), the following shall be the other electronic modes –</p> <p>(a) Credit Card; (b) Debit Card; (c) Net Banking; (d) IMPS (Immediate Payment Service); (e) UPI (Unified Payment Interface); (f) RTGS (Real Time Gross Settlement); (g) NEFT (National Electronic Funds Transfer), and (h) BHIM (Bharat Interface for Money) Aadhar Pay [Note 1]</p>
2.	<p><i>Notification No.8/2020, dated 29.1.2020: Rule 6DD amended</i></p> <p>Rule 6DD provides circumstances when payment exceeding ₹10,000 other than Account payee cheque /Account payee DD/prescribed e-mode is permissible. <i>The following is omitted from the list of circumstances provided in rule 6DD w.e.f 29.1.2020:-</i></p> <p>“Where the payment was required to be made on a day on which the banks were closed either on account of holiday or strike”. Therefore, in such case payment exceeding ₹ 10,000 other than Account payee cheque /Account payee DD/prescribed e-mode are not permissible now.</p>
3.	<p><i>Notification No. 96/2019, dated 11.11.2019: Section 56(2)(x)</i></p> <p>Section 56(2)(x) provides that in case of purchase of land or building or both, if the purchase price is lower than the value of stamp authority then, if the difference exceeds ₹ 50,000 and 5% of consideration, then such difference amount is taxable in the hands of the buyer under the head other sources. However, proviso to section 56(2)(x) provides list of circumstances where nothing shall be taxable in the hands of recipient if money/property is received from notified class of person.</p> <p>Accordingly following class of person is notified where provisions of <i>section 56(2)(x) shall not apply to any immovable property, being land or building or both, received by a resident of an unauthorised colony in the National Capital Territory of Delhi.</i></p> <p><u>Condition:</u> the Central Government by notification in the Official Gazettee, regularised the transactions of such immovable property in favour of such resident based on latest Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration for conferring or recognising right of ownership or transfer or mortgage in regard to such immovable property in favour of such resident. [Rule 11UAC]</p> <p><u>Explanation:</u></p>

(a) "resident" means a person having physical possession of property on the basis of a registered sale deed or latest set of Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration in respect of a property in unauthorised colonies and includes their legal heirs but does not include tenant, licensee or permissive user;

(b) "unauthorised colony" means a colony or development comprising of a contiguous area, where no permission has been obtained for approval of layout plan or building plans and has been identified for regularisation of such colony in pursuance to the notification of the Delhi Development Authority, dated the 24th March, 2008.

4. **Notification No. 98/2019, dated 18.11.2019: Section 194M and 194N**

(1) TDS u/s. 194M shall be paid within 30 days from the end of the month in which the deduction is made and shall be accompanied by a challan-cum-statement in Form No. 26QD. Further, The Deductor shall furnish the certificate of deduction of tax at source in Form No.16D to the payee within fifteen days from the due date for furnishing the challan-cum-statement in Form No.26QD

(2) The deductor at the time of preparing statement of TDS shall furnish particulars of amount paid or credited on which tax was not deducted in view of the exemption provided u/s. 194N.

5. **Notification No.11/2020, dated 13.2.2020: Section 139AA read with rule 114AAA (Quoting of Aadhaar)**

Every person who has been allotted permanent account number on 1st July, 2017, and who can get Aadhaar number, shall intimate his Aadhaar number on or before **31.3.2021**. However, in case of failure to intimate the Aadhaar number, the permanent account number allotted to the person shall be *made inoperative on or after 1.4.2021 and it is deemed that NO PAN is furnished/quoted* and he shall be liable for all the consequences under the Act for not furnishing, intimating or quoting the permanent account number. Further, PAN shall become re-operative from date of intimation of Aadhaar.

Note 1:

Section -	Mode of payment by – A/C payee Cheque/draft or ECS though Bank account/prescribed e-mode
35AD -Deduction allowed to specified business.	For Payment exceeding ₹ 10,000
43(1)- Cost of asset added to WDV.	For payment exceeding ₹10,000.
40A(3)- Expenses in cash not allowed.	For payment exceeding ₹10,000 (₹35,000 for freight)
43CA – Special provisions for sale of land or building held as stock in trade	Stamp value on the date of agreement to be considered, if advance made in above specified mode.
44AD – Presumptive taxation scheme	Rate of PTS- 6%, if payment received in above specified mode
50C- Special provisions for sale of land or building held as capital assets	Stamp value on the date of agreement to be considered, if advance made in above specified mode.
56(2)(x) – Taxability of Gift.	Stamp value on the date of agreement to be considered, if advance made in above specified mode.
80JJAA : Deduction for new employment	Salary paid to employee for claiming 30% additional deduction.

Note: Section 13A, 269SS, 269ST, 269T are relevant in Final level.

Question 1: Mr. Suraj, has purchases a Building for ₹ 5,00,000 in 1995 through agreement to sale. The building was constructed without approval from Delhi Development Authority. Consequently, the properties are not registered by registrar. As a result of which even though Mr. Suraj has in possession of the property but he does not have legal ownership right. In order to regularise such unauthorised colony the Ministry of Housing and Urban Affairs has notified the regulation ‘the National Capital Territory of Delhi (Recognition of Property Rights of Residents in Unauthorised Colonies) Regulations, 2019’. Accordingly, the stamp duty value of ₹20,00,000 for registration of such property. Mr. Suraj, has paid required stamp duty and get the legal right of such property on 15.3.2020. Determine taxability u/s. 56(2)(x) in the hands of Mr. Suraj on getting a right in an immovable property on 15.3.2020.

Answer: In view of *Notification No. 96/2019, dated 11.11.2019* nothing shall be taxable u/s. 56(2)(x) in the hands of Mr. Suraj on getting legal right on the property ‘the National Capital Territory of Delhi (Recognition of Property Rights of Residents in Unauthorised Colonies) Regulations, 2019’.

Question 2: Mr. Agarwal, a chartered Accountant, having professional set up in Kolkata. During the year he has carried out an Audit work in World Bank, London. All the audit work is carried out in London and audit fees of ₹ 20 lakhs also received in London and deposited in a bank account maintained in London. Determine the taxability of his audit fees, if he a –

- (i) Resident and ordinarily resident of India
- (ii) Resident but not ordinarily resident of India
- (iii) Non-resident of India

Answer: If he a resident and ordinarily resident of India: ₹20 lakhs is taxable in India [global income taxable]

- (i) If he is a resident but not ordinarily resident of India: ₹20 lakhs is taxable in India [since profession is set up in India even though accrued outside India]
- (ii) If he is a Non-resident of India: not taxable, neither accrued nor received in India.

SUMMARY OF LAST TERM AMENDMENTS NOTES**[ALREADY COVERED IN YOUR STUDY MAT]****INCOME TAX****RATES OF TAX FOR A.Y. 2020-21****INDIVIDUALS****(1) BELOW 60 YEARS:**

UP TO ₹ 2,50,000	NIL
₹ 2,50,001 to 5,00,000	5%
₹ 5,00,001 to 10,00,000	20%
Above ₹ 10,00,000	30%

(2) 60 YEARS OR MORE BUT BELOW 80 YEARS (RESIDENT SENIOR CITIZEN)

UP TO ₹ 3,00,000	NIL
₹ 3,00,001 to 5,00,000	5%
₹ 5,00,001 to 10,00,000	20%
Above ₹10,00,000	30%

(3) 80 YEARS OR MORE (RESIDENT SUPER SENIOR CITIZEN)

UP TO ₹ 5,00,000	NIL
₹ 5,00,001-10,00,000	20%
Above ₹10,00,000	30%

Surcharge:

SITUATION	RATE OF SURCHARGE
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(a) Where Total income (including income u/s. 111A/112A) is more than ₹ 50 lakhs but does not exceeds ₹ 1 crore.	10%
(b) Where Total income (including income u/s. 111A/112A) is more than ₹ 1 crores but does not exceeds ₹ 2 crore.	15%
(c) Where Total income (excluding income u/s. 111A/112A) is more than ₹ 2 crores but does not exceeds ₹ 5 crore.	25% for other income. 15% for income u/.s 111A/112.*
(d) Where Total income (excluding income u/s. 111A/112A) is more than ₹ 5 crore.	37% for other income. 15% for income u/.s 111A/112.*
(e) Where Total income (including income u/s. 111A/112A) is more than ₹ 2 crores but not covered under clauses (c) and (d) above .	15%.

* Where the total income includes any income chargeable under section 111A and section 112A of the Income-tax Act, the rate of surcharge on the amount of Income-tax computed in respect of that part of **income shall not exceed 15%**.

Health & Education Cess: 4% in all cases.

REBATE [SECTION 87A]

- (1) Allowed to resident Individual only
- (2) Whose total income does not exceed ₹ 5,00,000.
- (3) Amount of Rebate: (i) 100% of income tax payable or ₹ 12,500; lower

Section 288A: Total Income shall be rounded off to nearest multiples of ₹ 10

Section 288B: Tax Liability shall be rounded off to nearest multiples of ₹ 10

MARGINAL RELIEF

Marginal Relief w.r.t surcharge is there to all assessee where Income exceeds ₹ 50lakhs/1crores/2 crore/5 crore.
Quantum of Marginal relief = Additional Income tax payable along with surcharge on excess income over 50lakhs/1 Crores (-) Amount of income exceeding ₹ 50lakhs/1 crore/2 crore/5 crore

EXAMPLE ON APPLICABILITY OF SURCHARGE

SITUATION	APPLICABLE SURCHARGE
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(a) Other Income ₹ 10 lakhs LTCG u/s. 112A ₹ 30 lakhs STCG u/s. 111 ₹ 20 lakhs	10% on tax computed on total income of ₹ 60 lakhs.
(b) Other Income ₹ 30 lakhs LTCG u/s. 112A ₹ 40 lakhs STCG u/s. 111 ₹ 70 lakhs	15% on tax computed on total income of ₹ 1.4 crores
(c) Other Income ₹ 4 Crores LTCG u/s. 112A ₹ 40 lakhs STCG u/s. 111 ₹ 20 lakhs	25% on tax computed on other income of ₹ 4 cr 15% on tax computed on income u/s 111A and 112.
(d) Other Income ₹ 7 Crores LTCG u/s. 112A ₹ 40 lakhs STCG u/s. 111 ₹ 20 lakhs	37% on tax computed on other income of ₹ 7 cr. 15% on tax on income computed u/s 111A/112.
(e) Other Income ₹ 1 Crores LTCG u/s. 112A ₹ 70 lakhs STCG u/s. 111 ₹ 40 lakhs	15% on tax computed on total income of ₹ 2.1 crores

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RATES PARTICULARLY SPECIFIED ON CERTAIN INCOMES

SECTION	INCOME	INCOME TAX RATE A.Y. 2020-21
111A	Short Term Capital gains on sale of Equity shares and units of Equity oriented Fund on which STT has been paid	15% subject to basic exemption limit for resident assessee.
112	Long Term Capital Gains	20% subject to maximum exemption limit for resident assessee. [For listed shares and zero coupon bond there is an option of 10% tax without indexation benefit]
112A	Long term capital gain on listed equity shares or equity oriented fund or unit of business trust in excess of ₹1,00,000 subjected to STT(refer chapter of Capital Gains for more details)	10% subject to exemption limit for resident individual and HUF

115BB	Winnings from lotteries, crossword puzzles, or races including horse races or card games and other games of any sort or from gambling or betting of any from or nature whatsoever	30% without basic exemption limit
115BBDA	Aggregate dividend in excess of ₹ 10 lakhs received by Individual, HUF,AOP,BOI & Firm.	10% of amount exceeding Rs10 lakhs. Without basic exemption limit & chapter VIA.

TAX RATE OTHER THAN INDIVIDUALS

ASSESSEE	RATE OF TAX	SURCHARGE	HEALTH & EDUCATION CESS
PARTNERSHIP FIRM	30% ON WHOLE OF TOTAL INCOME	12%, if total income > ₹ 1crores.	4%
LOCAL AUTHORITY	30% ON WHOLE OF TOTAL INCOME	12%, if total income > ₹ 1crores.	4%
CO-OPERATIVE SOCIETY	Upto ₹ 10,000 @ 10% 10,001 to 20,000 @20% If exceeds ₹ 20,000 @ 30%	12%, if total income > ₹ 1crores.	4%
DOMESTIC COMPANY	Refer Separate Heading		
FOREIGN COMPANY	50% ON SPECIFIED ROYALTIES AND TECHNICAL SERVICES (Note 1) AND 40% ON THE BALANCE	2%, if Total Income > ₹ 1 crores but ≤ ₹ 10 crores. 5%, if Total Income > ₹ 10 crores.	4%
HUF, AOP, BOI, ARTIFICIAL JURIDICAL PERSON	Upto ₹ 250000: NIL 250001 to 500000 @ 5% 500001 to 10,00,000 @ 20% Above 10,00,000 @ 30%	10% if total income > Rs.50 lakhs up to Rs.1cr. 15%, if total income > ₹ 1cr upto ₹ 2 crore 25%, if total income > 2cr upto ₹ 5 crores 37%, if total income > ₹ 5 crores	4%

Note 1: Royalty received from Government or an Indian concern in pursuance of an agreement made with the Indian concern after March 31, 1961, but before April 1, 1976, or fees for rendering technical services in pursuance of an agreement made after February 29, 1964 but before April 1, 1976 and where such agreement has, in either case, been approved by the Central Government.

Some other Special Tax Rate

115BBF	Royalty received from patents by a resident of India (first inventor) from a patent developed and registered in India.	10% of the gross amount of royalty. Without basic exemption limit & Chapter VIA.
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115BBG	Income by way of transfer of carbon credit. “carbon credit” in respect of one unit shall mean reduction of one ton of carbon dioxide emissions or emissions of its equivalent gases which is validated by the United Nations Framework on Climate Change and which can be traded in market at its prevailing market price.’	10% on gross income. NO deduction in respect of any expenditure or allowances. No Basic Exemption Limit.
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Carbon Credit (concept in brief): Carbon credits is an incentive given to an industrial undertaking for reduction of the emission of GHGs (Green House gases), including carbon dioxide which is done through several ways such as by switching over to wind and solar energy, forest regeneration, installation of energy-efficient machinery, landfill methane capture, etc. The Kyoto Protocol commits certain developed countries to reduce their GHG emissions and for this, they will be given carbon credits. A reduction in emissions entitles the entity to a credit in the form of a Certified Emission Reduction (CER) certificate. The CER is tradable and its holder can transfer it to an entity which needs Carbon Credits to overcome an unfavorable position on carbon credits.

RATE OF TAX FOR DOMESTIC COMPANY

TOTAL INCOME	WHERE TURNOVER/GROSS RECEIPTS IN P.Y 2017-18 DOES NOT EXCEEDS ₹400 CRORES	COMPANY OPTING SECTION 115BA	COMPANY OPTING SECTION 115BAA	COMPANY OPTING SECTION 115BAB	ANY OTHER COMPANY
		<i>Manufacturing domestic company</i>	<i>Any Domestic company</i>	<i>New manufacturing domestic company</i>	
Up to ₹ 1 crores	25% + Cess 4% = 26%	25% + Cess 4% = 26%	22% + SC 10%+ Cess 4% = 25.168%	15% + SC 10%+ Cess 4% = 17.16%	30% + Cees 4% = 31.20%
Above ₹1 cr but upto ₹ 10 cr	25% + SC 7%+ Cess 4% = 27.82%	25% + SC 7%+ Cess 4% = 27.82%	22% + SC 10%+ Cess 4% = 25.168%	15% + SC 10%+ Cess 4% = 17.16%	30% + SC @ 7%+ Cees 4% = 33.384%
Above ₹10 cr	25% + SC 12%+ Cess 4% = 29.12%	25% + SC 12%+ Cess 4% = 29.12%	22% + SC 10%+ Cess 4% = 25.168%	15% + SC 10%+ Cess 4% = 17.16%	30% + SC @ 12%+ Cees 4% = 34.944%

Note 1: Deduction not allowed for availing concessional rate of tax u/s. 115BA, 115BAA, 115BAB

Section No.	Provisions
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10AA	Exemption to Unit in SEZ
32(1)(iia)	Additional Depreciation (20%/35%)
32AC	Investment allowances -15% extra deduction if investment in new plant & machinery exceeds ₹ 25 crores [not relevant now]
32AD	15% extra deduction on actual cost of new p&m acquired and installed in the notified areas of Andhra Pradesh, Telangana, Bihar and West Bengal
33AB	40% deduction on profit from business of growing and manufacturing TEA, Coffee, Rubber in India or the amount deposited in NABARD Fund , lower
33ABA	20% deduction on profit from business of prospecting/ extraction/production of petroleum/natural gas or amount deposited in Site Restoration A.c with SBI, lower.
35(1)/(ii)/ (iia)/(iii)	Deduction on payment to research association, University, Indian Company for Scientific/social/statistical research
35(2AA)	150% deduction on payment to National Laboratory/University/IIT/approved person for scientific research
35(2AB)	150% deduction for inhouse scientific research by an Indian company.
35AD	100% deduction of capital expenditure (except land and goodwill) for specified business
35CCC	150% deduction on exp. incurred on notified agricultural extension project
35CCD	150% deduction on exp. incurred by a company on notified skill development project
80 IA to 80RRB	<i>Deductions in respect of certain incomes"</i> other than the provisions of section 80JJAA

Explanation.—For the removal of doubts, it is hereby clarified that the business of manufacture or production of any article or thing referred to in section 115BAB shall not include business of,—

- (i) development of computer software in any form or in any media
- (ii) mining;
- (iii) conversion of marble blocks or similar items into slabs;
- (iv) bottling of gas into cylinder;
- (v) printing of books or production of cinematograph film; or
- (vi) any other business as may be notified by the Central Government in this behalf; and

AMENDMENTS AT A GLANCE

Chapters	Old Provisions	Amended provisions	PAGE NO. IN OUR STUDY MAT
1. Income from Salaries			
○ Standard Deduction allowed u/s. 16(ia)	₹ 40,000	₹ 50,000	Page 37
2. Income from House Property			
○ In case of more than one self-occupied property.	Any One house is treated as self-occupied u/s. 23(4) and all other house shall be treated as deemed to be let out.	Any Two house is treated as self-occupied u/s. 23(4) and all other house shall be treated as deemed to be let out.	Page 59
○ Property held as stock in trade u/s. [Sec. 23(5)]	If not let out, then annual value shall be taken as Nil, for one year from the end of the Financial year in which certificate of completion of construction of the property is obtained.	If not let out, then annual value shall be taken as Nil, for two years from the end of the Financial year in which certificate of completion of construction of the property is obtained.	Page 63
○ Maximum deduction allowed on interest on loan for self-occupied property u/s. 24(b)	For Repair & Renewal- 30,000 For Construction or Acquisition - ₹ 2,00,000/30,000.	Same provision. But the aggregate limit should not exceeds ₹ 2,00,000 under all category.	Page 58
3. Profit and gains from business or professions			
(i) Section 40(a)(ia) : 100% disallowances if TDS not deducted on payment to non-resident.	-Benefit not allowed	where resident payer fails to deduct tax but the payer furnish a certificate of Chartered Accountant that the payee has furnished his return by including such income and has paid tax on income declared in return, then it shall be deemed that the assessee has deducted	Page 84

		and paid the tax on the date of furnishing of return of income by the payee.	
(ii) Section 43B – Certain Exp. are allowed on payment basis	<p>One of such payment is –</p> <p>Interest on loan or advance taken from a scheduled bank, Public Financial Institution, co-operative bank (other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank).</p>	<p>Such restriction is also applicable on interest on NBFC –</p> <p>Interest on loan or advance taken from a scheduled bank, Public Financial Institution, co-operative bank (other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank) and NBFC (whether deposit taking NBFC or systemically important non-deposit taking NBFC) .</p> <p><i>Systemically important non-deposit taking NBFC means NBFC not accepting or holding public deposits and having total assets of not less than ₹500 crore as per last audited balance sheet and is registered with RBI.</i></p> <p>Further, if in any earlier year deduction was allowed on accrual basis, then no deduction is allowed in the year of payment.</p>	Page 83
	Further, conversion of above interest into a loan shall not be deemed have been actually paid.	Such restriction is also applicable to Interest payable to NBFC.	
(iii) RECEIPT/PAYMENT OTHER THAN CASH UNDER INCOME TAX u/s. 35AD, 40A(3), 43(1), 43CA, 44AD, 50C, 56(2)(x), 80JJAA- Mode of payment by – A/C payee Cheque/draft or ECS though Bank account/ through such other e-mode a may be prescribed. [Refer details notes]			Page 82
(iv) Revised Rate of Depreciation for Motor Vehicle	<p>Depreciation on WDV -</p> <p>@ 30%, for Motor cars, other than those used in a business of running them on hire, acquired and put to use between 23.8.2019 to 31.3.2020. [For other case 15%]</p>		

	@ 45%, for Motor buses, motor lorries and motor taxis used in a business of running them on hire, acquired and put to use between 23.8.2019 to 31.3.2020. [For other case 30%]		
(v) Employer's Contribution to NPS u/s. 80CCD	<p>Allowable business expenses shall be –</p> <p>(a) amount contributed or (b)10%/14%* of the salary, whichever is lower. [14% if contribution is made by Central Govt.]</p> <p>"Salary" = Basic +DA forming part of salary but excludes all other allowances and perquisites.</p> <p>Example: Suppose Employer contributes 15% of employees salary to pension fund. Employees salary amounted to ₹ 10,00,000. In this case the deduction will be equal to ₹ 1,00,000. However, if the contribution is made by Central Govt, then deduction shall be ₹1,40,000.</p>	Page 80	
4. CAPITAL GAINS			
○ Cost Inflation Index(CII) for F. Y 2019-20	-	289	
○ Section 50CA	W.R.T. Unquoted share, Full Value of consideration shall be actual sale value or Fair Market Value whichever is higher.	<p>Following proviso added-</p> <p>However, the provisions of Section 50CA shall not apply to any consideration received or accruing as a result of transfer by such class of persons and subject to such conditions as may be prescribed.</p>	Page 131
○ Section 54 Exemption allowed for-	Purchase or construct of one residential house in India	<p>where the amount of capital gains does not exceeds ₹2 crores: Exemption shall be allowed w.r.t purchase or construct of two residential houses in India,</p> <p>Benefit of second house is available once in lifetime.</p> <p>For other case – one residential house in India.</p>	Page 121
○ Demerger [Section 47 read with section 2(19AA)]	One of the condition for claiming exemption is that -	This Condition is not applicable to an Ind AS compliant resulting company.	Page 125

	The asset and liability of the demerged company shall be transferred at book value and accordingly, the resulting company shall record this value in its books .	Therefore, an Ind AS compliant resulting company can book the value different from the book value of the demerged company.	
5. INCOME FROM OTHER SOURCES			
○ Section 56(2)(viib) [Share issued at premium]	Where a closely held company receives from any person being a resident, any consideration for issue of shares at premium the aggregate consideration received for such shares as exceeds the fair market value of the shares shall be taxable in the hands of such company.	However, in the following case nothing shall be taxable where consideration for issue of share is received by – (i) by a venture capital undertaking from a venture capital company or a venture capital fund or a specified fund (Category I or II Alternative Investment Fund) . (ii) an eligible start-up company from a resident for issue of shares. However, if such company fails to satisfy prescribed conditions, then income not taxable earlier shall be deemed to be taxable in the year of failure and such company is also liable to penalty @ 200% as misreporting of income.	Page 140
○ Section 56(2)(x) – Gift/purchase for lower consideration	Provision not applicable for items covered under exempted cases like gift received from relative, on marriage etc.	Exempted Case- (xi) Section 56(2)(x) not applicable for any sum of money or any property received from such class of persons and subject to conditions, as may be prescribed.	Page 137
6. Income Exempted			
○ Interest paid to non -resident on rupee denominated bond by Indian company/business Trust.		Exempted u/s. 10(4C), if such bond is issued from 17.9.2018 to 31.3.2019.	Page 162
○ Interest payable to non-resident by a unit located in an International Financial Services Centre (IFSC).		Exempted u/s. 10(15)(ix), in respect of monies borrowed on or after 1.9.2019.	Page 162

<ul style="list-style-type: none"> ○ Income received by a Category III Alternative Investment Fund by way of transfer of specified securities held by a non-resident in IFSC . ○ Specified securities are – <ul style="list-style-type: none"> (i) bond or Global depository receipt; or (ii) rupee denomination bond of an Indian company; (iii) derivative or such other securities as may be notified by the Central Government in this behalf, 	Exempted u/s. 10(4D), if the consideration for such transaction is paid or payable in convertible foreign exchange.	Page 126	
<ul style="list-style-type: none"> ○ Buyback of shares 	<p>For _____ Shares _____ of <u>unlisted/private company</u> -</p> <p>The company will pay distribution tax u/s. 115QA @ 23.296% and capital gain shall be exempted in the hands of shareholders u/s. 10(34A).</p>	Same treatment for buyback of shares of listed company also, if public announcement for buyback is made after 5.7.2019.	Page 164
<ul style="list-style-type: none"> ● Sums received out of pension fund U/s. 80CCD (Tier I NPS A/c) 	<p>(I) <u>On closure of A/c-</u> 40% 60% of total amount received by an assessee from NPS (Tier -I A/c) is exempted u/s. 10(12A). Amount received by nominee on account of the death of assessee not taxable. <u>Regular Pension is taxable.</u></p> <p>(II) <u>On partial withdrawal:</u> To the extent it does not exceed 25% of the amount of contributions made by him; exempt [10(12B)]</p> <p>Note: Amount received from NPS Tier II A.c and pension Fund of insurance company U/s. 80CCC is taxable.</p>	Page 164	
7. Chapter VIA			
<ul style="list-style-type: none"> ○ Section 80C 	Contribution to Tier II NPS A/c (Additional account as specified u/s. 20(3) of the PFRDA Act, 2013) by employee of Central Govt. also eligible for deduction u/s. 80C, provided that amount deposited and invested for a fixed period of 3 years or more. [Note- Tier 1 NPS A.c (pension plan) is covered u/s. 80CCD]	Page 167	
<ul style="list-style-type: none"> ○ Section 80CCD(2) 	Limit of employer's contribution increased to 14% from 10% for Central Govt. [Note- no change for other employer i.,e 10%]	Page 168	
<ul style="list-style-type: none"> ○ Section 80EEA 	Allowed to Individual who is not eligible to claim deduction u/s. 80EE. Maximum deduction ₹ 1,50,000 on interest on loan for acquiring house property. [Refer details notes]	Page 173	

○ Section 80EEB	<i>Allowed to Individual on interest payable on loan taken for purchase of e-vehicle Maximum deduction ₹ 1,50,000[[Refer details notes]</i>		Page 173
8. Rebate u/s. 87A			
○ Monetary Limit	Total Income ≤ ₹ 3.5 lakhs	Total Income ≤ ₹5 lakhs	Page 185
	Rebate = 100% of tax payable or ₹2500, lower	Rebate = 100% of tax payable or ₹ 12500, lower	
9. Residential Status			
○ Scope of Total Income for non-resident	Taxability of gift received by a non-resident in outside India from a resident of India. [debatable – as gift is not an income, hence not taxable u/s. 56(2)(x)]	Section 9 amended so as to specify such gift as “income deemed to be accrue or arise in India”, if made on or after 5.7.2019. Hence, it is taxable u/s. 56(2)(x).	Page 200
10. Advance Tax & Interest			
Computation of tax due for the purpose of payment advance tax, self-assessment tax and Sec. 234A,234B and 234C.	Relief u/s. 89 shall also be deducted in computing tax due in addition to TDS/TCS, AMT/MAT Credit w.r.e.f 1.4.2007 <i>Similar amendments in section 143(1) – page 253</i>		Page 235
11. Provisions of TDS & TCS			
(i) Section 194A	Old	New	Page 207
Threshold limit for deduction of TDS			
○ Interest paid by bank/post office	₹10,000 ₹50,000 (for snr citizen)	₹40,000 ₹50,000 (for snr citizen)	
○ Interest paid by others	₹ 5,000	₹5,000	
○ Further, Such banking co./co-operative society/public co. shall also require to furnish prescribed statement in respect of payment of interest (not exceeding ₹ 40,000/₹5000) to residents without deduction of tax.[Sec. 206A]			
(ii) Section 194I			
○ Threshold limit for deduction of TDS on rent	₹1,80,000	₹2,40,000	Page 211

(iii) Section 194DA	Upto 31.8.2019	w.e.f 1.9.2019	
Rate of TDS on payment to a resident in respect to life insurance policy not exempted u/s 10(10D) and aggregate payment exceed ₹ 1 lakh.	1% on gross payment	5% on the amount of income comprised therein. i.e Total sum received – premium paid.	Page 210
(iv) Section 194IA		w.e.f 1.9.2019	
TDS @ 1% on payment made in relation to transfer immovable property (other than agricultural land and compulsory acquisition), if consideration exceeds ₹ 50 lakhs .	<i>Explanation- Consideration shall include all charges of the nature of club membership fee, car parking fee, electricity or water facility fee, maintenance fee, advance fee or any other charges of similar nature, which are incidental to transfer of immovable property.</i>	Page 213	
(v) TDS u/s. 194M @5% for payment exceeding ₹ 50 lakhs of nature covered u/s. 194C, 194H and 194J but TDS not attracted u/s. 194C,194H and 194J. [w.e.f 1.9.2019] (vi) TDS @ 2% on 194N cash withdrawal from bank more than 1 crores [Newly inserted w.e.f 1.9.2019]			Page 216
<p>Key points:</p> <ol style="list-style-type: none"> 1.TDS @ 2% on excess amount of cash withdrawal of ₹ 1 crore on or after 1.9.2019. Any cash withdrawal prior to 1.9.2019 will not subjected to TDS. 2. ₹1 crore limit is applicable aggregate of one or more account maintained for the whole year. Hence, if a person already withdrawn ₹ 1crore or more in cash upto 31.8.2019 from one or more accounts maintained with a banking company/cooperative bank/post office, TDS @ 2% shall apply on all subsequent cash withdrawals [Press release dated 30.8.2019] 3. Deduction is made at the time of payment 4. Credit allowed in the year of deduction to account holder and cannot be c/f to next year 5. Sum so deducted is deemed to be income received u/s. 198. 			

6. Provisions of TDS u/s. 194N shall not be applicable on payment made to following notified cases, subject to satisfaction of prescribed conditions-

- (1) Cash Replenishment Agencies (CRA's) and franchise agents of White Label Automated Teller Machine Operators (WLATMO's),
- (2) The commission agent or trader, operating under Agriculture Produce Market Committee (APMC).
- (3) (a) the authorised dealer (under FEMA) and its franchise agent and sub-agent; and
(b) Full-Fledged Money Changer (FFMC) licensed by the Reserve Bank of India and its franchise agent;

(vi) Deemed deduction of TDS & Assessee in Default [Sec. 201 & 201A]

- The benefit of deemed deduction of TDS is allowed to both payment made to resident and non-resident payee. [earlier only resident case was covered]
- Further, order for assessee in default u/s. 201(1) cannot be made after expiry of 7 years from the end of the financial year in which payment is made or credit is given, or 2 years from the end of the F.Y in which correction statement is delivered, whichever is later.

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11. Filing of Return

1. Filing of return is mandatory even though GTI does not exceed maximum exemption limit, if during the previous year such person -

- (i) has deposited an amount or aggregate of the amounts exceeding ₹ 1 crore in one or more current accounts maintained with a banking company or a co-operative bank; or
- (ii) has incurred expenditure of an amount or aggregate of the amounts exceeding ₹ 2 lakh for himself or any other person for travel to a foreign country; or
- (iii) has incurred expenditure of an amount or aggregate of the amounts exceeding ₹1 lakh towards consumption of electricity; or
- (iv) fulfils such other conditions as may be prescribed,

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2. Person notified u/s. 139(1C) who are not required to file return from AY 2019-20 onwards

(i) a non-resident, who have any income chargeable under the said Act during a previous-year from any investment in an investment fund set up in an International Financial Services Centre (IFSC) located in India and TDS deducted u/s. 194LBB, and no other income. [Notification No. 55/2019, dated 26.7.2019]

<p>3. Inter-changeability of PAN & Aadhaar [Sec. 139(5E)] - Allotment of PAN on the basis of Aadhaar and no other document required.</p> <p>Further, Section 139AA provides that, in case of failure to intimate the Aadhaar number, the PAN allotted to the person shall be <i>made inoperative after the date so notified in such manner as may be prescribed.</i></p> <p>Note- Last Date for intimation of Aadhaar number is extended to 31.3.2020 2021. <i>(further amended)</i></p>	Page 233
<p>12. Public Charitable Trust</p>	
<p>(i) <i>Amendment in 12AA</i></p>	Page 241
<p>13. Faceless Assessment [e-assessment]</p>	
<p>14. Penalty and Prosecutions [Amendments in Sec. 271DB, 276CC]</p>	
<p>15. Refund</p>	
<p>Section 239: Every claim for refund shall be made by furnishing return in accordance with the provisions of section 139</p>	

16. Amendments in Provisions of MAT

1. Rate reduced to 15% from 18.5%.
2. MAT not applicable –
 - (i) on income accruing or arising to a company from life insurance business
 - (ii) to a person who has exercised option u/s. 115BAA/115BAB
3. Aggregate amount of unabsorbed depreciation and b/f loss shall be allowed as deduction in computing book profit in the following cases-
 - (A) company, and its subsidiary and the subsidiary of such subsidiary, where, the Tribunal, on an application moved by the Central Government under section 241 of the Companies Act, 2013 has

suspended the Board of Directors of such company and has appointed new directors who are nominated by the Central Government under section 242 of the said Act;

(B) company against whom an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under section 7 or section 9 or section 10 of the Insolvency and Bankruptcy Code, 2016.

4. MAT Credit : B/f MAT Credit CANNOT BE SET OFF AGAINST INCOME U/S. 115BBA

17. LOSSES OF CLOSELY-HELD COMPANIES WHERE CHANGE IN SHAREHOLDING HAS TAKEN PLACE [SEC. 79]

1. In case of closely held companies normally losses are carried forward only if shares to the extent of 51% are held by same persons.

2. However, in case shareholding changes on account of gift, death, or where matter has been referred to IBC or where board has been suspended U/s 241 of The companies Act, then this restriction shall not apply.

18. ASSESSMENT OF BANKING BUSINESS

Section 43D	For Public financial institutions/scheduled banks/co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank or a State financial corporation or a State industrial investment corporation or a deposit taking non-banking financial company or a systemically important non-deposit taking non-banking financial company → Interest on bad and doubtful debts, NPA is recognized on cash
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19. Exemption U/s 54GB is available even if individual or HUF holds only 25% equity shares in the new company. [No other changes]

(20) Tax Holiday

Section 80IBA	Assessee engaged in the business of developing and building residential housing projects approved by competent authority between 1.6.2016 to 31.3.2020.	100% of the profit of such project.
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		<u>Other conditions:</u>		
Location of Project	Minimum size of plot of land of the project.	Maximum size of residential unit	Minimum utilization of land for project	
If the project is <i>within the metropolitan cities of Bengaluru, Chennai, Delhi National Capital Region (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurugram, Faridabad), Hyderabad, Kolkata and Mumbai (whole of Mumbai Metropolitan Region)</i>	1000 sq.mt	30 60 sq.mt w.e.f 1.9.2019	90% of permissible limit.	
Any other cities	2000 sq.mt	60 90 sq.mt	80% of permissible limit.	
<p>(a) the project is the only housing project on such plot of land.</p> <p>(b) the stamp duty value of a residential unit in the housing project does not exceed ` 45 lakh</p> <p>No changes in Other points.</p>				

Sec. 80LA	Income of – - Scheduled bank or any bank incorporated outside India and having an off-shore banking unit in a SEZ	Amount of deduction: 100% of income is deductible for 5 first years and 50% for next 5 years.
	- Unit of an International Financial Service Centre (IFSC) for which it has been approved for setting up in such a centre in a SEZ	Amount of deduction: 100% of Income for any 10 consecutive assessment years out of 15 years.
<p>Deduction is allowed from the relevant year in which the permission/registration was obtained –</p> <p>(i) u/s. 23(1)(a) of the Banking Regulation Act, 1949;</p> <p>(ii) under SEBI Law;</p> <p>(iii) any other relevant law was</p> <p>Note- Certificate of CA required and copy of permission obtained shall be attached in the return.</p>		

FURTHER AMENDMENTS FOR NOV 2020/DEC 2020 EXAM**GST****NOTIFICATION AND CIRCULARS ISSUED BETWEEN 1.11.2019 TO 30.04.2020**

[PLEASE NOTE THAT THE AMENDMENTS BY THE FINANCE ACT, 2019 IS ALREADY COVERED IN THE EARLIER AMENDMENT NOTES/STUDY MATERIAL]

A. Changes made by the Finance Act (No.2), 2019 [Applicable w.e.f 1.1.2020]

Sl. No	Amendments made by the Finance Act (No.2), 2019	Comparison with existing provisions
1.	Composition Scheme [Section 10]	
(i)	<p><u>Second Proviso to Section 10:</u> Provided further that a person who opts to pay tax u/s. 10(1) may supply services (other than restaurant services), of value not exceeding 10% of turnover in a State or Union territory in the preceding financial year or ₹5,00,000, whichever is higher.</p> <p>Explanation: For the purposes of second proviso, the value of exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount shall not be taken into account for determining the value of turnover in a State or Union territory [newly inserted]</p>	This explanation is already there in existing law by virtue of clarification given in Order No. 01/2019, now the same has been incorporated in the Act.
(ii)	<p><u>New condition inserted in section 10(2) - the registered person shall be eligible to opt this scheme, if:</u></p> <p>(f) he is neither a casual taxable person nor a non-resident taxable person (newly inserted)</p> <p>[no change in clause (a) to (e)]</p>	This condition is already there by virtue of Rule 5, now the same has been incorporated in the Act.
(iii)	<p><u>Alternative composition scheme under Notification NO. 2/2019 has now been enacted in the provisions of the Act:</u></p> <p>Section 10(2A) : Notwithstanding anything to the contrary contained in this Act, but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, not eligible to opt to pay tax u/s. 10(1) and 10(2), whose aggregate turnover in the preceding financial year did not exceed ₹ 50 lakh, may opt to pay, in lieu of the tax payable by him u/s. 9(1), an amount of tax calculated at such rate as may be prescribed, but not exceeding 3% of the turnover in State or turnover in Union territory, if he is not— [Notified rate is 3% CGST and 3% SGST – Rule 7]</p> <p>(a) engaged in making any supply of goods or services which are not leviable to tax under this Act;</p> <p>(b) engaged in making any inter-State outward supplies of goods or services;</p>	<p>The provisions are same (except one change given below) that we have learned under Notification NO. 2/2019 -</p> <p>(i) In Notification No. 2/2019, notified supplier (manufacturer/trader) of goods is not allowed to opt the scheme. However, in section 10(2A), notified manufacture of goods or notified supplier of services, are not allowed to opt the scheme. [Ref. Point d]</p>

	<p>(c) engaged in making any supply of goods or services through an electronic commerce operator who is required to collect tax at source under section 52;</p> <p>(d) a manufacturer of such goods or supplier of such services as may be notified by the Government on the recommendations of the Council; and</p> <p>(e) a casual taxable person or a non-resident taxable person: Provided that where more than one registered person are having the same Permanent Account Number issued under the Income-tax Act, 1961, the registered person shall not be eligible to opt for the scheme under this sub-section unless all such registered persons opt to pay tax under this sub-section. <i>→ Other provisions of section 10(3),10(4) and 10(5) is applicable to section 10(1) is also applies to section 10(2A)</i></p>	
(iv)	<p>Explanation to section 10 (newly inserted)</p> <p>Explanation 1.—For the purposes of computing aggregate turnover of a person for determining his eligibility to pay tax under this section, the expression “aggregate turnover” shall include the value of supplies made by such person from the 1st day of April of a financial year up to the date when he becomes liable for registration under this Act, but shall not include the value of exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.</p> <p>Explanation 2.—For the purposes of determining the tax payable by a person under this section, the expression “turnover in State or turnover in Union territory” shall not include the value of following supplies, namely:—</p> <p>(i) supplies from the first day of April of a financial year up to the date when such person becomes liable for registration under this Act; and</p> <p>(ii) exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.’</p>	<p>Same as that given in the order No. 01/2019 and notification No. 2/2019.</p>
2.	REGISTRATION	
(i)	<p><u>Third Proviso to section 22(1)</u></p> <p>Provided also that the Government may, at the request of a State and on the recommendations of the Council, enhance the aggregate turnover from ₹ 20 lakh to such amount not exceeding ₹ 40 lakh in case of supplier who is engaged exclusively in the supply of goods, subject to such conditions and limitations, as may be notified.</p> <p>Explanation.—<i>For the purposes of this sub-section, a person shall be considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.”.</i></p>	<p>Presently this enhancement for some states has been done by virtue of Notification NO. 10/2019, now, such power is given through section 22.</p> <p>Note - This explanation give relaxation that person shall be considered as exclusively supply of goods even if he earns interest income/discount. [This relaxation is not there in Notification 10/2019.</p>

(ii)	AADHAAR AUTHENTICATION MANDATORY FOR SPECIFIED CLASS OF PERSON [Section 25(6A),25(6B),25(6C),25(6D)]W.e.f 1.4.2020	<p>(i) Newly inserted to make Aadhaar Authentication mandatory for specified class of new taxpayer, and</p> <p>(ii) <i>also to prescribe manner in which certain class of registered person are required to undergo Aadhaar Authentication(not yet prescribed).</i></p>
<p>1. Every Individual shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number.</p> <p>2. Every person other than an individual, shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number of the –</p> <p>(a) authorised signatory of all types (Managing Director, whole time Director, Members of Managing Committee of Association, Board of Trustees, authorised representative etc.);</p> <p>(b) Managing and Authorised partners of a partnership firm; and</p> <p>(c) Karta of an Hindu undivided family,</p> <p>3. Where Aadhaar number is not assigned, then the registration shall be granted only after physical verification of the principle place of business in the presence of the said person, not later than 60 days from the date of application and the provisions of deemed registration is not applicable.</p> <p>4. Notified Exempted category –</p> <p>(i) A person who is not a citizen of India</p> <p>(ii) Person other than (a) individual, (b) authorised signatory of all types; (c) Managing and Authorised partners of a partnership firm; and (d) Karta of HUF</p> <p>5. Rule 25 has been substituted to carry out physical verification where Aadhaar authentication is failed</p> <p>Physical verification of business premises in certain cases.-Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of 15 days following the date of such verification.</p>		
<p>3. INVOICING UNDER GST</p>		
(i)	FACILITY OF DIGITAL PAYMENT TO RECIPIENT [SECTION 31A] <p>The Government may, on the recommendations of the Council, prescribe a class of registered persons who shall provide prescribed modes of electronic payment to the recipient of supply of goods or services or both made by him and give option to such recipient to make payment accordingly, in such manner and subject to such conditions and restrictions, as may be prescribed.</p>	<p>Newly introduced so as to make mandatory option for e-payment in case of specified class of regd. Person.</p>
<p>4. PAYMENT OF TAX</p>		
<p><u>Transfer of amount from one major/minor head in e-cash ledger to another [Newly introduced]</u></p> <p>Section 49(10) A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic</p>		

cash ledger for integrated tax, central tax, State tax, Union territory tax or cess, in form GST PMT-09 and such transfer shall be deemed to be a refund from the electronic cash ledger under this Act.

Section 49(11) Where any amount has been transferred to the electronic cash ledger under this Act, the same shall be deemed to be deposited in the said ledger as provided in sub-section (1)

Section 53A: Where any amount has been transferred from the e-cash ledger under CGST Act to the e- cash ledger under the State GST Act or the UTGST Act, the Government shall, transfer to the State tax account or the Union territory tax account, an amount equal to the amount transferred from the electronic cash ledger, in such manner and within such time as may be prescribed.”. [same provisions inserted u/s. 17A of the IGST Act, 2017]

Example 1-

Balance in e-cash ledger –

Major Head	Minor Head				
	Tax	Interest	Fee	Penalty	Others
CGST	10000	0	0	0	0
SGST	10000	0	0	0	0
IGST	12000	0	0	0	0
Cess	0	0	0	0	0

Suppose Tax liability payable for a month is CGST ₹15,000 and SGST is ₹15,000 and Late fee payable ₹1000 CGST and ₹1000 SGST.

Now, there is short-fall of ₹6,000 in CGST Head and SGST Head in the e-cash ledger but there is balance is IGST head, so the taxpayer can transfer balance from IGST as under and set –off his liability –

Transfer from	Transfer to	Minor Head				
		TAX	Interest	Fee	Penalty	Others
Major Head	Major Head					
IGST	CGST	5000	0	1000	0	0
ISGT	SGST	5000	0	1000	0	0

5. RETURN

(i) Proviso to section 44

The Commissioner may, on the recommendations of the Council and for reasons to be recorded in writing, by notification, extend the time limit for furnishing the annual return for such class of registered persons as may be specified therein:

Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

Now, the commissioner is empowered to extend the due date of furnishing annual return.

B. NOTIFICATION AND CIRCULARS ISSUED BETWEEN 1.11.2019 TO 30.04.2020**REVERSE CHARGE****(1) RCM payable on renting of Motor Vehicles – Substituted**

Sl No.	Category of supply of service	Supplier of service	Recipient of service
	Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, provided to a body corporate.	Any person, other than a body corporate who supplies the service to a body corporate and does not issue an invoice charging central tax at the rate of 6 % to the service recipient	Any body corporate located in the taxable territory.

Notification no. 29/2019, CT (Rate), dated 31.12.2019

Class Notes :

1. In RCM, the rate of GST shall always be 5% on above services.
2. Where forward charge is applicable then supplier can opt for 12% GST with no restriction on claiming ITC [subject to provisions of ITC] or 5% GST with limited ITC [i.e. ITC of only same line of business being allowed]

INPUT TAX CREDIT**(2) Rule 36(4) the CGST Rules, 2017: Availment of ITC for which invoices has not been uploaded by suppliers in their GSTR-1 is reduced from 20% to 10% w.e.f 1.1.2020**

Where the supplier has not uploaded the details of invoices/debit notes within the due date (i.e 11th of the following month), the ITC for the month shall be restricted to 10% of the eligible credit in respect of invoices or debit notes the details of which have been uploaded by the suppliers. [Notification no. 75/2019-CT, 26.12.2019]

- If invoice is uploaded by supplier in his GSTR 1:- Full ITC is allowed (if other conditions are allowed).
- If invoice is not uploaded by supplier in his GSTR 1:- 10% of the eligible ITC allowed in respect of the uploaded Invoices/ Debit Note. However, ITC claimed should not exceed ITC available on Invoices not uploaded.

Circular NO. 123/2019, dated 11.11.2019

- The above restriction is not available w.r.t ITC claimed on RCM, ITC received through Input service distributor, IGST paid on imports etc.
- The taxpayer shall claim ITC in his GSTR-3B by applying the above restriction
- The calculation of 10% of eligible ITC is on total invoices uploaded and not on supplier basis
- 10% is calculated on invoices on which ITC is available,, therefore invoices for which ITC not available [such as section 17(5) Cases) would not be considered.

- **(3) MANNER OF DETERMINATION OF INPUT TAX CREDIT IN RESPECT OF CAPITAL GOODS AND REVERSAL THEREOF [SECTION 17(2) READ WITH RULE 43]**
- **Amended w.e.f 1.4.2020 videi notification No. 16/2020**

(a)	Credit related to capital goods used or intended to be used exclusively for non business/exempted purpose should be indicated in GSTR-2 and GSTR-3B and shall not be credited to e-credit ledger	-
(b)	Credit related to capital goods used or intended to be used exclusively taxable supplies and zero-rated supplies, shall be credited to the e-credit ledger.	xxx
(c)	the amount of input tax in respect of capital goods not covered under clauses (a) and (b), (common capital goods) denoted as 'A' being the amount of tax as reflected on the invoice, shall credit directly to the e- credit ledger and the validity of the useful life of such goods shall extend upto 5 years from the date of the invoice for such goods.	
(d)	The aggregate of the amounts of 'A' credited to the e- credit ledger under clause (c) in respect of common capital goods whose useful life remains during the tax period, to be denoted as 'T _c ', shall be the common credit in respect of such capital goods	xxx
(e)	the amount of input tax credit attributable to a tax period on common capital goods during their useful life, be denoted as 'T _m ' and calculated as $T_m = T_c \div 60$ Explanation - useful life of any capital goods shall be considered as 5 years from the date of invoice and the said formula shall be applicable during the useful life of the said capital goods.	xxx
(f)	(T_r) Opening ITC on all common capital goods whose useful life remains during the tax period & shall be the aggregate of 'T_m' for all such capital goods. [omitted from 1.4.2020]	xxx
(g)	the amount of common credit attributable towards exempted supplies, be denoted as 'T _e ', and calculated as- $T_e = (E \div F) \times T_r$ E' is the aggregate value of exempt supplies, made, during the tax period, 'F' is the total turnover in the State of the registered person during the tax period: The amount of 'T _e ' along with the applicable interest shall, during every tax period of the useful life of the concerned capital goods, be added to the output tax liability of the person making such claim of credit. It shall be calculated separately for central tax, State tax, Union territory tax and integrated tax and declared in GSTR 3B.	xxx

- ~~Note 1: Where capital goods were used for exclusively for non business/ exempted supplies/taxable supplies are used for common purpose the value of 'T_e' shall be arrived at by reducing the input tax @ 5% points for every quarter or part thereof.~~
 - (i) Where any capital goods earlier used exclusively for non business/exempted purpose but subsequently used for common purpose, input tax in respect of such capital goods shall be credited to the e-credit ledger and included in 'T_c'.
 - However, the ineligible credit attributable to the period during which such capital goods were used exclusively for non business/exempted purpose, denoted as 'T_{ie}', shall be calculated @ 5% points for every quarter or part thereof and added to the output tax liability of the tax period in which such credit is claimed and shall be computed separately for input tax credit of central tax, State tax, Union territory tax and integrated tax and declared in FORM GSTR-3B. [In this case provisions of section 18(4) shall not apply]
 - (ii) where any capital goods earlier used for exclusively taxable supplies and zero-rated supplies, but subsequently used for common purpose, the input tax credit claimed in respect of such capital good(s) shall be added to arrive at the aggregate value "T_c";
- **Note 2:** where the registered person does not have any turnover during the said tax period or the aforesaid information is not available, the value of 'E/F' shall be calculated by taking values of 'E'

and 'F' of the last tax period for which the details of such turnover are available, previous to the month during which the said value of 'E/F' is to be calculated;

- **Note 3:** the aggregate value of exempt supplies and the total turnover shall exclude the amount of Excise duty, CST and VAT [For Rule 42 and 43]

E-credit Ledger

(4) Where tax is paid wrongly or paid in excess by utilising ITC, then refund shall be granted by way of credit to e-credit ledger [Rule 86(4A)]-Notification No. 16/2020, dated 23.03.2020

(5) Conditions of use of amount available in e-credit ledger [Blocking of e-credit Ledger] Rule 86A

The Commissioner or any officer authorized by him not below the rank of an Assistant commissioner may not allow use of ITC for discharge of liability or claim of refund where it has reasons to believe that:

- (a) ITC has been availed on the strength of tax invoices or debit notes or other valid documents -
- issued by a non-existent registered person or person not conducting any business from the registered place of business; or
 - without receipt of goods or services or both; or
 - the tax charged in respect of which has not been paid to the Government; or
- (b) the registered person availing ITC has been found non-existent or not to be conducting any business from the registered place of business; or
- (c) the registered person availing ITC is not in possession of a tax invoice or debit note or other valid document,
- (3) The restriction can be imposed for a period of upto 1 year from the date of imposing such restriction. However, if the Commissioner or the officer authorised by him may, upon being satisfied that conditions for restriction no longer exist, can withdraw such restriction. [Notification No.75/2019-CT, dated 26.12.2019]

INVOICING AND E-WAY BILL

(6) Rule 138E [Blocking of E-way Bill]:

No person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in PART A of FORM GST EWB-01 in respect of a registered person, whether as a supplier or a recipient, who, -

- (a) Being a composite dealer u/s 10 or paying tax under Notification No. 2/2019 has not furnished the statement of GST CMP-08 for two consecutive quarters.
- (b) Being a regular dealer has not furnished has not furnished the return (GSTR-3B) for a consecutive period of 2 months

- (c) **Being a regular dealer has not furnished has not furnished the statement of outward supplies (GSTR-1) for any two months or quarter as the case may be. [Notification no. 75/2019-CT, dated 26.12.2019]**

However, the commissioner may on receipt of an application from the registered person on sufficient cause being shown and for reasons to be recorded in writing, by order allow furnishing such information subject to such conditions and restrictions as may be specified by him.

(7) E-Invoicing

(1) TAX Invoice with QR Code for B2C invoices: (Rule 46)

An invoice issued by a registered person, whose aggregate turnover in a financial year exceeds ₹ 500 crore, to an unregistered person (hereinafter referred to as B2C invoice), shall have Quick Response (QR) code.

Provided that where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code. [Notification No. 72/2019, w.e.f 1.4.2020]

(2) Tax invoice with Invoice Reference Number (IRN) obtained from portal for B2B invoices:

Rule 48 (4) and (5) [Notification No. 68,69,70 &71/2019, – CT, dated 13.12.2019]

1. What is e-invoicing?

E-invoicing' or 'electronic invoicing' is a system where in the tax payer will upload his invoice details and register his supply transaction on the Government Invoice Registration Portal (IRP) and get the Invoice Reference Number (IRN) generated by the IRP system. That is, the tax payer will first prepare and generate his invoice using his ERP/accounting system or manual system and then upload these invoice details to IRP and get the unique reference number, known as IRN. It is clarified again that the e-invoice means NOT preparation or generation of tax payer's invoice on government portal. It is only intimating the government portal that invoice has been issued to the buyer, by registering that invoice on the government portal.

2. What is the main purpose of e-invoicing system?

- (i) ability to pre-populate the return and to reduce the reconciliation problems
- (ii) Generation of invoice in a standard format so that invoice generated on one system can be read by another system.
- (iii) Help the purchaser to get the Input tax credit easily.
- (iv) Curb tax evasion by claiming of ITC on fake invoices.

3. What types of supply are covered and who is responsible to issue e-invoices?

- (1) In case of B2B invoices in respect of supply of goods or services or both
- (2) It shall be issued mandatorily from 1.4.2020 by a registered supplier whose aggregate turnover in a financial year exceeds ₹ 100 crore.

4. How e-invoices are generated?

(i) It generated by uploading information in FORM GST INV-01 on the Common Goods and Services Tax Electronic Portal.

5. What is the common portal for e-invoicing?

Following are the common portals -

(i) www.einvoice1.gst.gov.in; (ii) www.einvoice2.gst.gov.in; (iii) www.einvoice3.gst.gov.in; (iv) www.einvoice4.gst.gov.in; (v) www.einvoice5.gst.gov.in; (vi) www.einvoice6.gst.gov.in; (vii) www.einvoice7.gst.gov.in; (viii) www.einvoice8.gst.gov.in; (ix) www.einvoice9.gst.gov.in; (x) www.einvoice10.gst.gov.in.

Note-If invoice issued other than manner specified rule 48(4), then such invoice shall not be treated as an Invoice. Further, requirement of preparing invoice in duplicate/ in triplicate, is not applicable to e-invoices.

EXEMPTED SERVICES

(8) Change in condition on exemption on upfront amount payable for long term lease of industrial plots:

Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having ~~50%~~ 20% or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area, shall be exempted.

Explanation.- For the purpose of this exemption, the Central Government, State Government or Union territory shall have ~~50%~~ 20% or more ownership in the entity directly or through an entity which is wholly owned by the Central Government, State Government or Union territory.

Condition: (i) the leased plots shall be used for the purpose for which they are allotted and the State Government concerned shall monitor and enforce it.

(ii) In case of any violation or subsequent change in land use, due to any reason whatsoever, the original lessor, original lessee as well as any subsequent lessee or buyer or owner shall be jointly and severally liable to pay amount of tax exempted along with applicable interest and penalty:

(iii) The lease agreement shall incorporate in the terms and conditions, the facts that the central tax was exempted on the long term lease of the plots by the original lessor to the original lessee subject to the above condition and that the parties to the said agreements undertake to comply with the same.” [w.e.f 1.1.2020]

(Notification No. 28/2019, dated 31.12.2019]

Circular dated 30/4/2019: Exemption is available on upfront payment , irrespective of whether such upfront amount is payable or paid in one or more instalments , provided the amount is determined upfront.

RETURN

(9) Foreign airlines are exempted to furnish GSTR-9C. However, a statement of receipts and payments for the financial year in respect of its Indian Business operations, duly authenticated by a practicing Chartered Accountant in India or a firm or a Limited Liability Partnership of practicing Chartered Accountants in India is submitted for each GSTIN by the 30th September of the year succeeding the financial year. [Notification No.09/2020– Central Tax New Delhi, the 16th March, 2020]

VALUATION

Rule 31A(2) The value of supply of lottery w.e.f 1.3.2020 shall be **higher of –**

100/128 of the face value of ticket

Or

100/128 of the price as notified in the Official Gazette by the Organising State

[Notification No.8/2020, dated 02.03.2020] – earlier separate valuation is provided for lottery run by State Govt. and the lottery authorised by the State Govt.. Now such distinction is removed. .

Place of Supply

Section 13(13) – In order to prevent double taxation or non-taxation of supply of any service, the place of supply for B2B maintenance, repair or overhaul service (MRO) is notified as location of the recipient.

Description of services	Place of supply
Supply of maintenance, repair or overhaul service in respect of aircrafts, aircraft engines and other aircraft components or parts supplied to a person for use in the course or furtherance of business.	The place of supply of services shall be the location of the recipient of service.”

[Notification No. 2/2020, w.e.f 1.4.2020]

TREATMENT OF INTEREST ON BANK DEPOSITS UNDER COMPOSITION SCHEME AND ALTERNATE COMPOSITION SCHEME

THE QUESTION BANK

Question 1: Determine the tax liability of Mr. X, a registered dealer of West Bengal in the following case -

Case 1- if he is a trader

Case 2- if he is a manufacturer

Other information - His aggregate turnover in the preceding year is 110 lakhs. He opted to pay tax under composition scheme. All intra state supply made by him in the current financial year are as under -

- | | |
|---|-------------|
| (1) Supply of goods liable for GST @ 12% | ₹ 40,00,000 |
| (2) Supply of services liable for GST @ 18% | ₹ 8,00,000 |
| (3) Supply of services exempted u/s. 11 | ₹ 2,00,000 |
| (3) Interest on Bank deposits -exempt service | ₹ 5,00,000 |

Answer to Question 1: Since his aggregate turnover in the preceding year does not exceeds 1.5 cr he can opt for the composition scheme and can also made supply of services of up to 10% of 110 lakhs i.e 11 lakhs. In the given case, the value of supply of services excluding interest on fixed deposit is ₹ 10,00,000, which is within the above limit, hence he is eligible for composition scheme.

Particulars	Trader	Manufacturer
Supply of goods	40,00,000	40,00,000
Supply of taxable services	8,00,000	8,00,000
Supply of exempted services	-	2,00,000
Interest on bank deposits	-	-
Inward supply liable for RCM- normal rate applicable. Composite rate not applicable	-	-
Aggregate Turnover	48,00,000	50,00,000
Rate of tax	1%	1%
Tax payable under composition scheme	48,000	50,000

SYNOPSIS OF LAST TERM AMENDMENTS UNDER GST

Summary of Amendments

1. Supply & chargeability under GST

- Service by way of grant of alcoholic liquor licence by State Govt. neither a supply of goods nor a supply of service
- Services by way of grant of other license by Govt. [Such as mining rights, spectrum etc.] against payment of consideration in the form of fee, royalty, treated as Supply.
- Service of display of name or placing of name plates of the donor in the premises of charitable organisations receiving donation or gifts from individual donors if not aims to advertising or promotion of business of donor, then not treated as supply.
- NO GST if penal interest is levied by financiers of goods or services. GST shall be payable if penal interest is levied by supplier of goods or services.

2. Composition Scheme and Alternative Composition Scheme

- Manufacturer of aerated water are not eligible to opt Composition Scheme w.e.f 1.10.2019
- **Supplier** of aerated water are not eligible to opt Composition Scheme w.e.f 1.10.2019 [From 1.1.2020 word supplier is replaced with **manufacturer**]

3. Reverse Charge Mechanism [Refer Page No. 53 to 55 of your Study MAT] w.e.f 1.10.2019

- Music company, producer shall pay GST on RCM on copyright services relating to original literary, dramatic, musical or artistic works received from music composer, photographer, artist.
- Publisher liable to pay GST on RCM on copyright services relating to original literary works received from an author. However, the author may opt to pay GST under forward charge..
- Borrower under security lending scheme of SEBI shall be liable to pay IGST Under RCM.
- Anybody corporate shall be liable to pay GST @ 5% (with ITC only of input service in the same line of business) on RCM for services received from non-body corporate related to renting of motor vehicle. However, supplier may opt to pay GST @12% (with all ITC) under forward charges.

4. Exemption under Section 11

- For the purpose of clarifying scope or applicability of exemption notification issued under GST, the Govt. may insert an explanation at any time within one year of issue of the notification and such explanation shall be applicable from the effective date of such notification. [Section 11(3)]

5. Input Tax Credit

- ITC restricted to 110% of eligible ITC available in GSTR-2A from 9.10.2019 [reduced to 110% from 1.1.2020] – Refer current term amendments.

6. Registration

- Bank account details not necessary to provide at the time of registration but it can be furnished within 45 days of grant of registration or return filing date, whichever is earlier. If not furnished, then liable for cancellation of registration.
- Once registration is suspended under rule 21A, the supplier cannot issue tax invoice and cannot charge or collect GST from customer on supplies made during the period of suspension. However, when suspension is revoked, then he can issue revised invoice and provisions of first return is applicable for supplies made during such suspension period.

7. Provisions of E-way Bill and Invoicing

- **Facility of consolidated tax invoice is not applicable for** exhibition of cinematograph films in multiplex screens. E-tickets issued in multiplex deemed to be tax invoice.
- **Validity of the e-way bill:**
For Regular Transport Vehicle - 1 day for 100 km or part thereof

For Over Dimensional Cargo - 1 day for 20km/part thereof

Multimodal shipment in which at least one leg involves transport by ship - 1 day for 20km/part thereof

Validity expires on the midnight of last day. E-way bill generated in one State is valid in other State. Further, the validity of the e-way bill may be extended within eight hours from the time of its expiry.

8. Returns

- Filing of annual return for F.Y. 2017-18 and 2018-19 is optional for small taxpayers whose aggregate turnover is less than ₹ 2 crores and who have not filed the said return before the due date. However, it cannot be furnished after Due date and it shall be deemed to be furnished on the due date if it has not been furnished before the due date.
- GSTR-3B shall continue to be filled until GSTR-3 is introduced.

9. Place of supply

- **Section 13(13)** - In case of following services, the place of supply shall be the location of service recipient, if the supplier is located in taxable territory and recipient is located in non –taxable services and such supplies satisfies other conditions of export of services.

Supply of research and development services related to pharmaceutical sector in relation to –integrated discovery and development, integrated development, Evaluation of the efficacy of new chemical/ biological entities in animal models of disease, Evaluation of biological activity of novel chemical/ biological entities in in-vitro assays, Drug metabolism and pharmacokinetics of new chemical entities, Safety Assessment/ Toxicology, Stability Studies, Bio-equivalence and Bioavailability Studies, Clinical trials, Bio analytical studies.

10. Anti-profiteering

- If profiteering amount is not paid within 30 days, then penalty @10% shall be levied.

Question 1: Discuss the taxability of the following –

- (a) “Good wishes from Mr. Rajesh” printed underneath a digital blackboard donated by Mr. Rajesh to a charitable Yoga institution.
- (b) “Donated by Smt. Malati Devi in the memory of her father” written on the door or floor of a room or any part of a temple complex which was constructed from such donation.

Answer: In both the cases, it may be noticed that there is no reference or mention of any business activity of the donor which otherwise would have got advertised. Thus, where all the following three conditions are satisfied GST is not leviable –

- (i) the gift or donation is made to a charitable organization,

(ii) the payment has the character of gift or donation and

(iii) the purpose is philanthropic (i.e. it leads to no commercial gain) and not advertisement,

Question 2: Answer the following questions based on the recent amendment under GST –

(i) The liability to pay GST for Supply of service by an author by way of permitting the use of copyright of original literary work to publisher located in taxable territory is always lies with publisher. Comment

(ii) The liability to pay GST for supply of service by a music composer by way of permitting the use of copyright of original musical works to a Music company located in taxable territory is always lies with the Music Company. Comment

(iii) Mr. Lender, lend his securities under Securities Lending Scheme, 1997 of SEBI through an approved intermediary and the transaction takes place through an e-screen based order matching mechanism provided by NSE and earn lending fees of ₹ 1 lakhs from M/s. Borrower - National Securities Clearing Corporation Limited. What the nature of GST and Who will discharge GST liability?

(iv) Mr. Filter, a manufacturer of Cola- Cola Tonic Water (tariff item 2202 1010), wants to opt alternative composition scheme under section 10 w.e.f 1.10.2019. Comment

Answer:

(i) The Statement is not fully correct, w.e.f 1.10.2019 the law has been amended in this regard which provides that if the author is registered under GST then he can opt to pay GST under forward charge by giving a declaration. In such a case, the Publisher has no liability to pay GST.

(ii) The statement is correct. As the said supply is a notified services u/s. 9(3), where there is no option for forward charge.

(iv) A manufacturer of aerated water (tariff item 2202 1010) cannot opt composition scheme under section 10 w.e.f 1.10.2019.

Question 3: Mr. Paul an accountant of Cinapolis (a multiplex) is of the view that since the admission to exhibition of cinematograph films is ₹190 per person. Therefore he is required to issue a consolidated tax invoice at the closing of each business day for the purpose of compliance of GST law. Comment

Answer: For person supplying services by way of admission to exhibition of cinematograph films in multiplex screens, facility of consolidated tax invoice, where value of service is less than ₹200 is not available. Further, he is required to issue an e-ticket which shall be considered as deemed tax invoice

Question 4: Goods transported in road upto 12 KM in a regular cargo at first leg, then transported in a Ship at the last leg to 100 k.m and travelled through two states by Mr. GTA. At the time of generation of e-way bill Mr. GTA asked you to know the period of validity of e-way bill and number of e-way bill required to be generated.

Answer: Since it is a case of Multimodal shipment where at least one leg involves transport by ship, therefore E-way bill shall be valid for 6 days [total 112 km/ 1 day per 20km and part thereof]. Further, Mr. GTA is required generate one e-way bill as e-way bill generated in one state is valid in other state.

Question 5: Mr. GSTN fails to submit its annual return for the F.Y 2017-18 within the due date. His aggregate turnover for the said F.Y was ₹ 70 lakhs. Whether he is required to pay any late fee under GST Law?

Answer: For non-filing of annual return a late fee of ₹ 200 (CGST+SGST) for every day during which such failure continues subject to maximum of 0.50% (CGST+SGST) of his turnover in the State. However, in the given case he is not required to pay any late fee as filling of annual return for F.Y. 2017-18 and 2018-19 is optional for small taxpayers whose aggregate turnover is less than ₹ 2 crores and who have not filed the said return before the due date. Further, it shall be deemed to be furnished on the due date if it has not been furnished before the due date.

BACKGROUND OF TAXES IN INDIA- CANNON OF TAXATION- ADMINISTRATION

<p>Characteristics of Taxes</p>	<p>(i) It is compulsory (ii) It is a contribution (iii) It is for social welfare, public benefit and economic growth (iv) No direct benefit given by Govt. to taxpayer (v) It is paid out of income of taxpayer (vi) Only Govt. can collect it (vii) it is not the cost of benefit offered by Govt.</p>
<p>Characteristics of Good Tax System</p>	<p>(i) Equity (<i>based on ability to pay</i>), (ii) Certainty (know your tax liability clearly), (iii) Economy (<i>cost of collection must be low</i>), (iv) Automatic stabilizer (<i>stabling effect of national income</i>), (v) Convenience (<i>easy to collect</i>), (vi) redistribution of wealth from rich to poor, (vii) flexible, (viii) it should not discourage work or investment</p>
<p>Canon of Taxes</p>	<ul style="list-style-type: none"> • Canon of Equity: Tax payer with equal ability should be same amount of tax and taxpayer with greater ability to pay more tax) • Canon of Certainty: Clear w.r.t When to pay, How to pay and how much to be paid. • Canon of Convenience: Design a system to collect tax which is most likely to be convenient for taxpayer. • Canon of Economy: Cost of collecting tax should be minimum both for Govt. and taxpayer. It is closely related to principle of simplicity.
<p>Objective of Taxation</p>	<p>1.Revenue Objective: Produce necessary amount of revenue to meet the requirement of revenue.</p> <p>2.Social Objective:</p> <p>(i) Redistribution of Income and wealth to reduce inequalities between members of society, to secure social justice. To achieve this Govt. imposes highest tax on luxury commodities, applying progressive tax system, allowing tax exemption on basic goods.</p> <p>(ii) Social Welfare (development work)</p> <p>(iii) Safety of society from bad and injurious customs e.g imposing higher tax on tobacco, alcohol products.</p> <p>3.Economic Objective: Taxes are considered an important tool for economic growth and stability. Increase tax in case of inflation, so as to reduce the purchasing power and reduce tax in case of depression, so as to increase the purchasing power. In depression, impose tax on saving and Hoarding so as to encourage people to spend more, so as to create more demand, business and employment.</p> <p>4. Enforcing Govt. policy and directing limited scarce resources into effective and essentials channels.</p>
<p>Merits & Demerits of Direct Taxes</p>	<p>Merits: Equity, Elasticity and productivity, certainty, reduce inequality, simplicity.</p> <p>Demerits: Evasion, Uneconomically, Unpopular, Arbitrary, not suitable to poor economy</p>

Merits & Demerits of Direct Taxes	<p>Merits: High-revenue production, No evasion, convenient, economy, wide coverage, elasticity.</p> <p>Demerits: Regressive, Uncertainty in collection, discourage saving, increase inflation.</p>
Constitutional power to levy tax in India	Refer GST study Mat.
CBDT	<p>Central Board of Direct Taxes: It is India's official Financial Action Task Force Unit(FATF) Unit. It is a statutory authority functioning under the Central Board of Revenue Act, 1963. It provides inputs for direct tax planning and policy making. It also responsible for administration of Direct Tax Law in India through Income Tax Department.</p>
Organisational Structure of CBDT	<p>It comprises of 6 members and headed by one Chairman. They are selected from Indian Revenue Services (IRS). Ranks of Chairman is of Special Secretary to Govt. of India and members rank is of Add. Secretary to Govt. Of India.</p> <p>(1) Member (Income Tax), (2) Member(Legislation and Computerisation), (3) Member (Revenue), (4) Member (Personnel & Vigilance), (5) Member (Investigation), (6) Member (Audit & Judicial).</p>
Income Tax Department	<p>It functions under the Department of Revenue in Ministry of Finance. It is responsible for administering various direct taxes including Income Tax Act, 1961 and Finance Acts. It also deals with various aspects of international taxation such as Transfer Pricing and also responsible for enforcing DTAA Agreements and General Anti Avoidance Rules (GAAR)</p>
CBIC	<p>Central Board of Indirect taxes is a part of Department of Revenue in Ministry of Finance. It is responsible for policy formulation w.r.t levy and collection of GST and Customs, prevention of smuggling and administration of matter related to Customs, GST and Narcotics (tobacco products).</p>
GST Council	Refer GST Study mat.
Role of CS in Direct Tax	Advisory role, representation role and Tax Compliance
Role of CS in Indirect Taxes	GST awareness, planning and compliance, Advisory service, GST practitioner, Representation in Tribunals or Courts, Employment with corporate dealings with Indirect taxes.