



THE CTC NEWS

A Monthly Newsletter of The Chamber of Tax Consultants

(Private circulation for members only)

ज्ञानं परमं बलम्



There is
no greater wealth
than wisdom,
no greater poverty
than ignorance;
no greater heritage
than culture
and
no greater support
than consultation.



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Vice President: CA Anish M. Thacker
Hon. Jt. Secretaries: CA Ketan L. Vajani | CA Hareesh P. Kenia
Hon. Treasurer: CA Parag S. Ved

FORTHCOMING EVENTS

SR. NO.	DATE	COMMITTEE	PROGRAMME DESCRIPTION	VENUE	PG. NO.
1.	18-06-2020 to 21-06-2020	International Taxation	Cancellation of 14th RRC.	Alila Diwa Goa, 48/10, Adao Waddo, Majorda, Goa-403713	2
2.	—	—	Renewal Notice - 2020-21	—	3
3.	12-06-2020	—	Notice of Election	The Chamber of Tax Consultants, 3, Rewa Chambers, Ground Floor, 31, New Marine Lines, Mumbai-400 020	4
4.	—	—	Unreported Decisions - Service Tax	—	5-6
5.	—	—	Unreported Decisions - Tribunal	—	6-7

Interested members may enrol from the Chamber's website : www.ctconline.org to make online payment. Outstation members are requested to make online payment or send DD/at par Cheque in favour of The Chamber of Tax Consultants. Debit & Credit Cards are accepted.



INTERNATIONAL TAXATION COMMITTEE

Chairman: Rajesh L. Shah | **Vice-Chairmen:** Harshal Bhuta, Kirit Dedhia

Convenors: Isha Sekri, Kartik Mehta, Raunak Doshi **RRC Mentor:** Dilip J. Thakkar, T. P. Ostwal, Padamchand Khincha

Conference Directors: Shreyas Shah, Kartik Mehta

14th Residential Conference on International Taxation

Venue: Alila Diwa Goa, 48/10, Adao Waddo, Majorda, Goa-403713

Days & Dates:
Thursday, 18th June, 2020 to
Sunday, 21st June, 2020

CANCELCATION OF 14TH RRC.

Dear Members,

We had planned our 14th Residential Conference on International Taxation at Hotel Alila Diwa, Goa from 18 June 2020 to 21 June 2020. Due to the Corona Virus (Covid-19) outbreak, and uncertainty surrounding its normalcy, we as a responsible association have decided to cancel the conference.

In case of any clarification, kindly get in touch with anyone of the following:

- Hitesh Shah (*Chief manager CTC*) - 9821889249
- Shreyas Shah - 9819885321
- Kartik Mehta - 9833218700
- Kirit Dedhia - 9833597056

We take this opportunity to thank all the participants for their support extended to us from time to time and we hope that it will be the same in the future.

Yours faithfully

Shreyas Shah / Kartik Mehta

Conference Directors

RENEWAL NOTICE – 2020-21

Dear Members,

SUB: PAYMENT OF ANNUAL MEMBERSHIP FEES FOR 2020-21

01st May, 2020

It's our privilege to have been of service to you over the years. We truly appreciate and value your association. It's time to renew annual membership and subscription of The Chamber's Journal, Study Group and Study Circle Meetings and other subscription of The Chamber of Tax Consultants ("The Chamber"). The renewal fees for Annual Membership, Study Group and Study Circle and other Subscription for the financial year 2020-21 falls due for payment on 1st April, 2020. We thank you for your subscription. Your involvement is important and very much appreciated. We hope you will always continue to support The Chamber in its activities and growth as done in the past.

Thanking You,

For The Chamber of Tax Consultants

CA Parag S. Ved

Hon. Treasurer

Sr. No.	Particulars	Fees	GST @18%	Total
I MEMBERSHIP				
1.	LIFE MEMBERSHIP FEES	15,000	2,700	17,700
2.	ORDINARY MEMBERSHIP FEES - YEARLY (APRIL TO MARCH)	2,500	450	2,950
3.	ADMISSION FEES - ORDINARY MEMBERSHIP	750	135	885
4.	ASSOCIATE MEMBERSHIP - YEARLY (APRIL TO MARCH)	7,500	1,350	8,850
5.	ADMISSION FEES - ASSOCIATE MEMBERSHIP	1,000	180	1,180
6.	STUDENT MEMBERSHIP - INCLUDING E-JOURNAL (APRIL TO MARCH)	500	90	590
II CHAMBER'S JOURNAL SUBSCRIPTION - YEARLY (HARD COPIES)				
1.	JOURNAL SUBSCRIPTION - LIFE MEMBER	1,350	0	1,350
2.	JOURNAL SUBSCRIPTION - NON MEMBER	2,500	0	2,500
3.	JOURNAL SUBSCRIPTION - STUDENT MEMBER	1,000	0	1,000
III CHAMBER'S E-JOURNAL SUBSCRIPTION (SOFT COPIES)				
1.	E-JOURNAL SUBSCRIPTION - LIFE MEMBERS (YEARLY)	700	126	826
2.	E-JOURNAL SUBSCRIPTION - NON MEMBERS (YEARLY)	1,000	180	1,180
3.	E-JOURNAL SUBSCRIPTION - SINGLE JOURNAL	200	36	236
IV ITJ SUBSCRIPTION				
1.	INTERNATIONAL TAX JOURNAL SUBSCRIPTION	1,400	0	1,400
V STUDY CIRCLES & STUDY GROUPS (RENEWAL)				
1.	STUDY GROUP (DIRECT TAXES)	2,400	432	2,832
2.	STUDY CIRCLE (DIRECT TAXES)	2,000	360	2,360
3.	STUDY CIRCLE (INTERNATIONAL TAXATION)	1,800	324	2,124
4.	STUDY CIRCLE (INDIRECT TAXES)	2,250	405	2,655
5.	STUDY CIRCLE (ALLIED LAWS) (REFER NOTE 1 BELOW)	1,500	270	1,770
6.	SELF AWARENESS SERIES	1,000	180	1,180
7.	INTENSIVE STUDY GROUP ON DIRECT TAX	2,000	360	2,360
8.	FEMA STUDY CIRCLE	1,800	324	2,124
9.	PUNE STUDY GROUP	3,500	630	4,130
10.	BENGALURU STUDY GROUP	4,200	756	4,956
11.	HYDERABAD STUDY GROUP	11,000	1,980	12,980

(Note: 10% Discount applicable for the registration of 3 or more Study Circles & Study Groups)

Notes:

1. **The Managing Council has decided to extend rollover benefit for one year to the Members of the Allied Laws Study Circle. (Accordingly those Members who have enrolled for this Study Circle in F.Y. 2019-20, need not renew their subscription for F.Y. 2020-21)**
2. **10% Discount applicable for the registration of 3 or more Study Circles & Study Groups.**
3. Members are requested to visit website www.ctconline.org for online payment.
4. Payments should be made by Account Payee Cheque/Demand Draft in favour of "THE CHAMBER OF TAX CONSULTANTS". Outstation members are requested to send payments only by "Demand Draft or At Par Cheque".
5. A consolidated Cheque/Draft may be sent for all payments.
6. Please also update your Mobile number & e-mail address to ensure receipt of regular updates on activities of The Chamber.
7. Please write your full name on the reverse of Cheque/DD.
8. Kindly pay your membership fees by 30th June, 2020 for uninterrupted service of the Chamber's Journal.
9. Members are requested to download the Renewal Form from Chamber's website www.ctconline.org
10. Renewal Notices are also sent separately and members are requested to fill up the same and send it to The Chamber's office along with the cheque.
11. Renewal Notice contains entire information of Members as per CTC database. In case of any change in information of Member as shown in form, kindly provide updated information along with the form.

NOTICE OF ELECTION

To
The Members,
The Chamber of Tax Consultants,

The election of the President and fourteen Members of the Managing Council for the ensuing year 2020-21 shall take place on **Friday, June 12th, 2020** at the **Office of The Chamber of Tax Consultants, 3, Rewa Chambers, Ground Floor, 31, New Marine Lines, Mumbai-400 020.**

Nominations in the prescribed form should be filed so as to reach the office of the CTC not later than **6.00 p.m.** on **Monday 1st June 2020.** The nomination forms shall be available at the CTC office from **Monday May 25th 2020**

FOR AND ON BEHALF OF THE MANAGING COUNCIL

OF The Chamber of Tax Consultants

Sd/- Sd/-

KETAN L. VAJANI / HARESH P. KENIA

Hon. Jt. Secretaries

Place: Mumbai

Dated: 16th April 2020

Office: 3, Rewa Chambers, 31, New Marine Lines, Mumbai-400 020.

Notes:

1. Only Ordinary and Life Members are eligible to vote at the election.
2. A Member who has completed at least **two full years** as a member shall be entitled to contest for the post of Managing Council member or to propose or second a candidate for the election. Each such member can propose not more than **three** candidates. The candidate for the post of President should have completed ten years of post qualification experience relating to tax laws or any branch of accountancy or company secretarial practice.
3. Members whose membership subscription is in arrears shall not be entitled to contest any election or to propose or second any candidate for the election or to vote at the election.
4. Withdrawal of nomination for the elections can be made by the candidate on or before 6.00 p.m. on **Monday June 8th 2020.**
5. If elections are required to be held, the names of the valid candidates shall be intimated through the website of the Chamber as well as through a circular. The Members are requested to check through these mediums.
6. If elections are not required to be held, due to any reason whatsoever, the same shall be intimated through the website of the Chamber as well as through the Notice Board at the Chamber's office. The Members are requested to check through these mediums.
7. The voting, if required, will commence at 11.00 a.m. and shall end at 5.00 p.m.
8. The above is only a gist of the Elections Rules. Please read Election Rules of the Chamber carefully on the website www.ctconline.org
9. Please note that the Election Committee comprising of the following persons is constituted for this purpose.
 - (1) Mr. Keshav Bhujle
 - (2) Mr. Ajit Rohira
 - (3) Mr. Bhavesh Vora

UNREPORTED DECISIONS (SERVICE TAX)

By Vinay Jain & Sachin Mishra, *Advocates*

1. **Whether after-sale and warranty services provided by a foreign dealer to its customers in relation to the vehicles purchased from an Indian Manufacturer shall be considered as after-sale services on behalf of such Indian Manufacturer? Whether discount by way of price reduction given by such Indian Manufacturer shall be considered as consideration for such after-sale service? Whether Indian Manufacturer shall be liable to pay service tax under the category of 'Business Auxiliary Service' under reverse charge mechanism on such transactions?**

Facts and Pleadings: M/s. MAN Trucks India Pvt. Ltd. (hereinafter referred to as Appellant) is inter alia engaged in the business of manufacture of heavy commercial vehicles. The Appellant had entered into Agreement with M/s Man Trucks & Bus AG, Germany (hereinafter referred to as 'MAN Germany') for supply of Heavy Commercial Vehicles bearing the "MAN" trademark for sale outside India. The transaction involved sale of heavy commercial vehicles by the Appellant to MAN Germany and thereafter by MAN Germany to its buyers. For such supply since the after-sale services were to be provided by MAN Germany, the Appellant extended a price reduction to MAN Germany.

The Department alleged that the aforesaid discount by way of price reduction shall be considered as consideration of the obligation of MAN Germany for warranty and after-sale services. Thus, as per the department the said amount is paid to MAN Germany for carrying out the after-sale services on behalf of the Appellant, and hence, would be covered under the ambit of 'Business Auxiliary Service'.

The Appellant contended that the provision of after-sale and warranty services by MAN Germany to the end customers was in pursuance of its own obligations to such end customers and no service was rendered by MAN Germany on behalf of the Appellant. The Appellant also submitted that the discount offered by the Appellant is merely an adjustment in the price of the goods sold and is not towards provision of any service by MAN Germany. The Appellant further contended that the transaction between the Appellant and MAN Germany is in the nature of a sale transaction and not for provision of 'Business Auxiliary Service'.

Judgment: The Hon'ble CESTAT agreed with the submission of the Respondents and held that the role of the Appellant assigned under the Agreement was limited to sale of trucks including spare parts and the Appellant was not responsible for rendering any after-sale services. The Hon'ble CESTAT held that the fact that the agreement provided that MAN Germany has to provide warranty and after-sale service to its customers, does not in any manner mean that MAN Germany was rendering after-sale service on behalf of the Appellant. The Hon'ble CESTAT was of the view that in fact, the agreement was to the contrary and the discount that was being offered by the Appellant to MAN Germany was merely

an adjustment in the price of goods sold. Hence, according to the Hon'ble CESTAT, the service provided by MAN Germany cannot be classified under the category of 'Business Auxiliary Service'.

M/s. MAN Trucks India Pvt. Ltd. vs. CCE, Indore, CESTAT, New Delhi, decided on 24.02.2020 in the Final Order No. 50461/2020.

2. **Whether Writ Petition is maintainable in cases wherein undue delay in issuing the order by the adjudicating authority after personal hearing has caused prejudice to the Petitioner? Whether relying on the wrong taxable entry while determining the place of provision of service and ignoring the affidavit filed by the Petitioner during the personal hearing shall be considered as gross error on part of the adjudicating authority?**

Facts and Pleadings: M/s. Infra Dredge Services Pvt. Limited (hereinafter referred to as the 'Petitioner') is inter-alia engaged in providing dredging services. A show cause notice was issued against the Petitioner demanding service tax under the categories of 'Management Maintenance and Repair Service', 'Supply of Tangible Goods for Use Service' and 'Dredging Service' for various periods. The personal hearing in the said matter was undertaken on 3.1.2019, however, the order was passed on 29.7.2019. The Petitioner filed a Writ Petition before Hon'ble High Court of Bombay on the count that there was delay of seven months in passing the Order-in-Original from date of the personal hearing which resulted in gross prejudice to the Petitioner.

The department alleged that all the contentions raised by the Petitioner could be raised by the Petitioner before the Appellate Authority and merely because statutory pre-deposit is mandated, the Petitioner cannot invoke writ jurisdiction.

The Petitioner relied upon the decisions in the case of Shivsagar Veg Restaurant Vs. ACIT, ITXA No.144 of 2006 dated 14.11.2008 and EMCO Ltd. Vs. UOI, Writ Petition No.12124 of 2013 dated 11.2.2014 to submit that that there is not only delay of six months from conclusion of the argument till pronouncement of order but because of this delay, gross errors have occurred in the order which has caused severe prejudice to the Petitioner. The Petitioner submitted that the impugned order has relied upon wrong provisions while confirming the tax liability upon the Petitioner. The Petitioner further submitted that though on record, the impugned order has ignored an affidavit of the Petitioner placing certain factual position on record supported by the decisions of the Tribunal. The Petitioner also submitted that the impugned order has also ignored binding precedents cited before the authorities. The Appellant also contended that in view of this the Writ Petition be entertained without relegating the Petitioner to the appellate remedy.

Judgment: The Hon'ble High Court referred the aforesaid two decisions in Shivsagar Case and EMCO Case to held that the basis of the said two decisions is not the delay alone but the resultant prejudice apparent from such omissions. The Hon'ble High Court observed that the impugned order wrongly relies upon Section 65 (105) (zzzg) of the Finance Act, 1994 related to 'Mailing List Compilation and Mailing' while confirming the demand under 'Management, Maintenance or Repair Service' by considering it to be covered by Rule 3 (iii) of the Import of Service Rules. However, Section 65 (105) (zzg) of the Finance Act, 1994 which actually deals with 'Management, Maintenance or Repair Service' was covered by Rule 3 (ii) of the Import of Service Rules. Similarly, the Hon'ble High Court also observed that the

impugned order did not deal with the affidavit of Managing Director of Petitioner through which the Petitioner sought to place relevant facts on record. The Hon'ble High Court relying on the aforesaid EMCO Case held that when the proceedings are disposed of expeditiously by the authorities, it ensures there is an application of mind and litigants are satisfied that their submissions have been considered. In view of the above, the Hon'ble High Court set aside the order on the count that the delay of seven months in passing the order has caused prejudice to the Petitioner.

M/s. Infra Dredge Services Pvt. Limited vs. UOI, High Court of Bombay, decided on 29.01.2020 in the Writ Petition No. 3625 of 2019.

Note : THE WHOLE DECISIONS CAN BE DOWNLOADED FROM THE WEBSITE WWW.CTCONLINE.ORG UNDER SEMINAR PRESENTATIONS - UNREPORTED DECISIONS

UNREPORTED DECISIONS OF TRIBUNAL

By **Ajay R. Singh**, *Advocate*

- 1. Penalty u/s 271G - Primary books /documents maintained – Non maintenance of segmental profitability of the AE and non-AE transactions- Practical difficulty in maintaining those details considering the nature of business carried on – Penalty deleted.**

The assessee is a resident company, is engaged in the business of importing rough diamond, getting them cut & polished and thereafter exporting to various parties outside the Country including the Associated Enterprises (AEs) of the assessee situated abroad. In the transfer pricing study report, the assessee benchmarked the international transaction with the AEs relating to sale of polished diamond amounting to Rs. 27,65,09,328, adopting Transactional Net Margin Method (TNMM) as the most appropriate method with operating profit / sales as the profit level indicator (PLI). Since, the margin shown by the assessee @ 2.70% is within the tolerance range of the average margin of the comparables worked out @ 5.54%, the transaction with the AE was claimed to be at arm's length. The TPO observed that the entity level margin of the assessee included its combined profit on the transactions with both the AE and the non-AE. Therefore, he called upon the assessee to furnish separate segmental result in respect of transactions with the AE and non-AE along with segmental profitability. The assessee vide letter dated 16th January 2014 expressed its inability to furnish the segmental profitability due to the volume and number of transactions which makes it difficult to provide such details. Thus, after considering the submissions of the assessee the TPO alleged that due to lack of information furnished by the assessee, it is difficult to benchmark the transaction properly. Therefore, ultimately he accepted the benchmarking done by the assessee by holding that the transactions with the AE are at arm's length. However, alleging non-maintenance of specified documents, he initiated proceedings u/s. 271G of the Act and ultimately, imposed penalty of Rs. 55,30,187.

The Commissioner (Appeals) observed that it is extremely difficult for a diamond trader / manufacturer to identify conversion of a particular rough diamond into a polished diamond. Therefore, it is very difficult for the assessee to identify

each rough diamond piece-wise and equally difficult to identify each cut and polished diamond vis-a-vis the original rough diamond from which it was cut and polished. He observed, though, the TPO called for the segment-wise Profit & Loss account in respect of exported as well as all the diamond, however, ultimately, he accepted the arm's length price declared by the assessee. Therefore Commissioner (Appeals) deleted the penalty.

The ITAT observed that the material on record makes it clear that the assessee has maintained primary books of account / documents in respect of its business activity. The fact that the documents relating to transaction with the AE have also been maintained by the assessee is evident from the transfer pricing study report, wherein, the transaction with the AE has been benchmarked under TNMM. This shows that the assessee has maintained documents / books of account as required under the statute. It is also evident, in the course of proceedings before the TPO, the assessee has made substantial compliance by furnishing transfer pricing study report as well as many other documents. What the assessee has failed to furnish is, the segmental profitability of the AE and non-AE transactions. The inability to furnish the aforesaid details was also well explained by the assessee before the TPO and Commissioner (Appeals) by demonstrating the practical difficulty in maintaining those details considering the nature of business carried on. Notably, though, the TPO has alleged that non-furnishing of segmental profitability makes it difficult for him to correctly ascertain the arm's length price, however, ultimately the TPO has accepted the transaction with the AE to be at arm's length. If the TPO was not satisfied with the benchmarking of the assessee under TNMM, nothing prevented him from rejecting assessee benchmarking and determining the arm's length price of the transaction with the AE independently by applying any one of the prescribed methods. The blame for failure on the part of the TPO to determine the arm's length price cannot be fastened with the assessee. The ITAT relied on the following decision of the Hon'ble Gujarat High Court in case of D. Navinchandra Exports Pvt. Ltd. [Tax Appeal no.788/2018, dated 9th July 2018 (Guj.)]; and Mumbai ITAT decision in case of DCIT v/s Ankit

Gems Pvt. Ltd., [2019] 106 taxmann.com 243 (Mum.) wherein the deletion of penalty u/s 271G has been upheld.

In the result, Revenue appeal was dismissed.

Dy. CIT Circle-5(4), Mumbai v/s. Decent Dia Jewels Pvt. Ltd. [IT(TP)A no.2608/Mum/2017 (AY : 2011-12) ; Dated : 13.03.2020 ; “K” BENCH]

2. Penalty 271(1)(c) Of the Act – Hawala purchase – estimated addition - Penalty Deleted :

The assessee an individual engaged in the business of “Trade of hardware and electrical items” . Assessment was completed on 23.02.2015 u/s. 143(3) r.w.s 147 of the Act determining the income at ₹ 8,05,340/-. While completing the reassessment the Assessing Officer treated the purchases of ₹ 5,22,838/- made from various dealers as non-genuine on the basis of the information received from Sales Tax Department, Mumbai that assessee has received accommodation entries from those parties without making any purchases but made purchases only in gray market. The AO treated such purchases from various parties as non-genuine as the assessee could not produce the parties and also could not establish the movement of goods. Further, the notices issued to the parties u/s. 133(6) of the Act were also returned unserved . Thus, the Assessing Officer estimated the profit element from the non-genuine purchases at 12.5% and brought to tax. Assessing Officer initiated the penalty proceedings and levied penalty u/s. 271(1)(c) of the Act stating that the assessee has furnished inaccurate particulars of income thereby concealed its true and correct income within the meaning of section 271(1)(c) of the Act. On appeal the Ld.CIT(A) deleted the penalty.

The Hon. ITAT observed that it is a settled position of law that penalty cannot be levied when an adhoc estimation is made. In this case an adhoc estimation was made by the Assessing Officer restricting the profit element in the purchases @12.5%. On identical situations the Coordinate Bench in the case of Shri Deepak Gogri v. Income Tax Officer [ITA.No. 1396/MUM/2017 dated 23.11.2017] held that no penalty is leviable. Similar view has been taken by the Hon’ble Delhi High Court in the case of CIT v. Aero Traders Pvt. Ltd., [322 ITR 316] wherein the Hon’ble High Court affirmed the order of the Tribunal in holding that estimated rate of profit applied on the turnover of the assessee does not amount to concealment or furnishing inaccurate particulars In the case on hand the Assessing Officer has only estimated the Gross Profit on the alleged non-genuine purchases without there being any conclusive proof of concealment of income or furnishing inaccurate particulars of such income. Thus, the Ld.CIT(A) rightly deleted the penalty u/s. 271(1)(c) of the Act levied by the Assessing Officer. In the result, appeal of the revenue was dismissed.

Income Tax Officer -2(1) v/s. Shri Jignesh Amrutlal Shah [ITA NO. 1267/MUM/2019 ; (A.Y: 2010-11) ; BENCH “SMC; dated :13.03.2020]

3. Penalty – notice without specifying the charge - non striking off of the inappropriate limb – Issue raised as additional ground – admitted – Notice held to be bad.

The assessee submitted that the initiation of penalty proceedings is bad in law as the Assessing Officer has not specified the limb on which the penalty was proposed to be levied. The assessee referring to the notice issued u/s. 274 r.w.s 271(1)(c) of the Act submitted that the Assessing Officer is not clear as to the charge for which the penalty is initiated i.e. either for concealment of income or for furnishing inaccurate particulars. The assessee submitted that the inappropriate limb in the notice was not strike off. The assessee referring to the Assessment Order submitted that the Assessing Officer stated that proceedings u/s. 271(1)(c) are initiated for furnishing inaccurate particulars and concealment of income. Referring to Penalty Order, the assessee submitted that Assessing Officer levied penalty for furnishing inaccurate particulars of income and for concealment of income. Therefore, it was submitted that the initiation of penalty proceedings itself is improper and not valid. The assessee submitted that there is a complete non-application of mind by the Assessing Officer in initiating the penalty proceedings and therefore, levy of penalty is illegal, void, bad in law, initiated by non application of mind and is without jurisdiction as the penalty notice issued by the Assessing Officer does not strike off the irrelevant portion thereon.

The assessee submitted that the additional ground was filed challenging the initiation of penalty proceedings as bad in law. The additional ground raised by the assessee challenging the initiation of penalty proceedings as bad in law for the reason that the Assessing Officer did not strike off irrelevant limbs of the penalty notice is purely a legal ground thus the same was admitted by the ITAT.

The ITAT observed that notice issued u/s. 274 r.w.s 271(1)(c) of the Act for initiation of penalty proceedings, that Assessing Officer did not strike off and specify the charge/limb for which he is proposing to initiate the penalty proceedings. In the assessment order Assessing Officer stated that proceedings u/s. 271(1)(c) are initiated for furnishing inaccurate particulars and concealment of income. However, in the penalty order passed it is stated that penalty is levied for furnishing inaccurate particulars of income and for concealment of income.

The ITAT relying on the Coordinate Bench decision and the decisions rendered by Hon’ble Bombay High Court at Goa in the case of Pr.CIT v. Goa Coastal Resorts and Recreation Pvt. Ltd., in Tax Appeal No. 24 of 2019 dated 11.11.2019 ; Pr.CIT v. New Era Sova Mine in Tax Appeal No. 70 of 2018 dated 18.06.2019 And Pr.CIT v. Goa Dourado Promotions Pvt. Ltd., in Tax Appeal No. 18 of 2019 dated 26.11.2019 held that the notice was issued by the Assessing Officer U/s. 274 r.w.s 271(1)(c) of the Act is without specifying the charge for which the notice was issued as was non striking off of the inappropriate limb on account of non-application of mind and therefore the penalty proceedings initiated are bad in law. Thus, the Assessing Officer was directed to delete the penalty levied U/s. 271(1)(c) of the Act.

Shri Jagdish P. Purohit v/s. Income Tax Officer 18(1)(5)

[ITA NO.1322/MUM/2019 ; (A.Y: 2013-14); BENCH “SMC”, dt: 13.03.2020]

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To

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