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THE CTC NEWS

Monthly Newsletter of The Chamber of Tax Consultants

(For Private Circulation - Members Only)

JANUARY 2023



HAPPY NEW YEAR

2023

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We hope 2023 brings you lots of love,
laughter and joy.

Happy
New Year

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If members have any query, kindly contact the following staff members.

Hitesh G. Shah : Chief Manager - 9821889249 | Pradeep Nambiar - Manager-Events - 8080254129
Bindu Mistry : Manager-Technical - 9637692312 Manisha Kasbe : Manager-Accounts - 8104816841

Helpdesk: (1) Events: Mr. Pradeep Nambiar / Mr. Anand Kadam Email: events@ctconline.org
(2) Accounts: Ms. Manisha Kasbe Email: accounts@ctconline.org (3) Journal: Ms. Bindu Mistry Email: jou@ctconline.org
(4) Membership: Ms. Savita Mane Email: member@ctconline.org

THE CHAMBER OF TAX CONSULTANTS

Dear Member,

We intend to streamline the office administration by allocating different email ids for improvising our communication system. Instead of one email id for all the staff, we have assigned Email ids to the staff in work allocated to them. For ease of reference, a chart is prepared giving a list of email ids, area of work, and staff handling the said area of work. The same is listed as under:

Sr. No.	Email ID	Area of Work	Staff handling the area of work
1	manager@ctconline.org	General Queries	Mr. Hitesh Shah, <i>Chief Manager</i>
2	events@ctconline.org	All event-related issues like webinar, conference, study circle/group meeting, payment related to events	Mr. Pradeep Nambiar / Mr. Anand Kadam / Ms. Neha Kadakia / Mr. Dinesh Dalvi
3	accounts@ctconline.org	accounts related issues	Ms. Manisha Kasbe / Ms. Savita Mane
4	jou@ctconline.org	Chambers Journal printing matter, newsletter matter and other related matters	Ms. Bindu Mistry / Ms. Neha Kadakia
5	it@ctconline.org	All website and social media related matters	Mr. Dinesh Dalvi / Mr. Pradeep Nambiar
6	member@ctconline.org	Members queries such as Renewals/ journal not received/change of address etc	Ms. Manisha Kasbe / Ms. Savita Mane
7	office@ctconline.org	Will be used parallelly for 3-6 months. Thereafter, it will be used for communication with members only.	Ms. Savita Mane / Ms. Neha Kadakia

The members are requested to send emails on the above mentioned emails for smooth functioning of Chambers.

We solicit your wholehearted co-operation for smooth functioning of the Chambers office.

Thanks and regards,

For The Chamber of Tax Consultants

Sd/- (Vijay Bhatt) Sd/- (Mehul Sheth)
Hon. Joint Secretaries

International Taxation Committee

Chairman: Kirit Dedhia

Co-Chairperson: Karishma Phatharpekar

Vice Chairman/Chairperson: Shabbir Motorwala, Isha Sekhri

Convenor(s): Kartik Mehta, Niraj Chheda, Vishal D. Shah

FEMA Study Circle Meeting on Establishment of Liaison Office (LO)/ Branch Office (BO)/ Project Office (PO) in India (Hybrid Mode)

Venue: CTC Conference Room, 3, Rewa Chambers, 31, New Marine Lines, Mumbai-20.

Speaker : CA Mitali Gandhi

Monday, 9th
January, 2023

6.00 p.m. to
8.00 p.m.

The International Taxation Committee of The Chamber of Tax Consultants (CTC) has organised a FEMA Study Circle Meeting on "Establishment of Liaison Office (LO)/ Branch Office (BO)/ Project Office (PO) in India". It is scheduled on 9th January, 2023.

The options available to a foreign company to foray into India include the establishment of a LO/BO/PO. This is governed under FEMA under Notification No. FEMA 22(R)/ 2016-RB

Foreign Exchange Management (Establishment in India of a branch office or a liaison office or a project office or any other place of business) Regulations, 2016 as amended from time to time. The procedures and compliance burdens are laid down under this Notification shall be covered in the presentation along with the practical challenges faced in setting up, operating and closure of LO/BO/PO in India.

Fees

For FEMA Study Circle Members

NIL

CTC Members

₹ 200/- + ₹ 36/- (18% GST) = ₹ 236/-

Non-Members

₹ 300/- + ₹ 54/- (18% GST) = ₹ 354/-

Indirect Taxes

Chairman: Sumit Jhunjunwalla

Vice-Chairman: Hemang Shah

Convenors: Keval Shah, Raj Khona, Yash Parmar

Advisor: Rajiv Luthia

Workshop on GST Law Jointly with AIFTP (WZ), BCAS, GSTPAM, MCTC & WIRC of ICAI (Hybrid Mode)

Venue : 1st Floor, GSTPAM Library, GST Bhavan, Room No. 104, Mazgaon, Mumbai-400 010

2.30 p.m. -
5.45 p.m.

GST law is having major impact on tax payers, tax administrators as well as the tax practitioners. The Chamber of Tax Consultants has been arranging various seminars, workshops and study circle meetings for spreading knowledge and educating its members on the various provisions under the GST law.

We are happy to announce "Workshop on GST Law" jointly with AIFTP, BCAS, GSTPAM, MCTC, and WIRC of ICAI to be held from 17th January 2023 to 16th March 2023. The Chamber has been organising this Joint Workshop from 2009, where all the above Associations have agreed & are continuing in the path of spreading knowledge to the professional community.

The object of Workshop is to share the essence of professional experience and expertise of the faculties which they have gained over the years. Here, the Delegates will get an opportunity to gain knowledge and wisdom by interacting with seniors.

The topics selected for Workshop will cover in-depth and practical understanding of GST Law and Challenges to be faced in GST Era. There will be 12 sessions on different topics of GST & a special Mega Brain Trust is arranged at end as 13th session, to seek views from seniors on issues faced by all members with regards to interpretation of law and practical difficulties. These topics are of immense importance and will be of enormous help and use to Professionals/Delegates handling Indirect Tax Matters.

Fees	
For Physical Mode	
CTC Members	₹ 3,000/- + ₹ 540/- (18% GST) = ₹ 3,540/-
Non-Members	₹ 3,500/- + ₹ 630/- (18% GST) = ₹ 4,130/-
For Virtual Mode	
CTC Members	₹ 1,500/- + ₹ 270/- (18% GST) = ₹ 1,770/-
Non-Members	₹ 2,000/- + ₹ 360/- (18% GST) = ₹ 2,360/-

Sr. No.	Day, Date & Time	Topics	Speakers
1	Tuesday, 17-01-2023 2.30 p.m. - 5.45 p.m.	Input Tax Credit -Concept, Eligibility & Apportionment	CA Sunil Gabhawala
2	Tuesday, 24-01-2023 2.30 p.m. - 5.45 p.m.	Issues In Input Tax Credit -Blocked Credit & Mis-match	CA Rajiv Luthia
3	Friday, 27-01-2023 2.30 p.m. - 4.30 p.m.	Issues in transfer by way of Merger, Acquisitions, Demerger, Business Transfer, Death etc.	CA Jayesh Gogri
4	Friday, 27-01-2023 4.45 p.m. - 5.45 p.m.	Issues in ISD & Cross Charge	CA Keval Shah
5	Tuesday, 07-02-2023 2.30 p.m. - 5.45 p.m.	Issues in various types of Refunds	CA Mandar Telang
6	Tuesday, 14-02-2023 2.30 p.m. - 5.45 p.m.	Provisions Related to Summons, Inspections, Search, Seizure, Bail, Prosecution	Nishant Shah, <i>Advocate</i>
7	Tuesday, 21-02-2023 2.30 p.m. - 4.00 p.m.	Issues Related to E-Commerce Transactions	CA Rajat Talati
8	Tuesday, 21-02-2023 4.15 p.m. - 5.45 p.m.	GST E-WAY Bills - Interception, Detention, Confiscation, Penalties and related Appeals	Dr. Avinash Poddar
9	Friday, 24-02-2023 2.30 p.m. - 5.45 p.m.	Departmental Audit, Assessment, Recovery	CA Pritam Mahure
10	Tuesday, 28-02-2023 2.30 p.m. - 5.30 p.m.	Issues related to JDA, Redevelopment, Builders & Developers	CA Naresh Sheth
11	Tuesday, 07-03-2023 2.30 p.m. - 5.45 p.m.	Issues related to Liquidated Damages, Actionable Claims, Lottery, Gaming, Crypto Transactions etc.	CA Parind Mehta, CA Venkatasubramaniam Krishnan
12	Tuesday, 14-03-2023 2.30 p.m. - 5.45 p.m.	Provisions related to Appeals, Interest & Penalty	Parth Badheka, <i>Advocate</i>
13	Thursday, 16-03-2023 2.30 p.m. - 5.45 p.m.	Mega Brain Trust Session	Moderator : CA Ashit Shah Panelists : CA A.R. Krishnan, CA S. S. Gupta, CA Sushil Solanki

Study Circle & Study Group

Chairman: Ashok Sharma
Vice-Chairman: Dipesh Vora
Convenor: Dhaval Shah, Dinesh R. Shah

Study Circle Meeting on Penalty for under-reporting and misreporting of income u/s. 270A & Immunity from imposition of Penalty u/s 270AA - Part 2 (Virtual Mode)

Saturday, 14th
January, 2023

11.00 a.m. to
1.00 p.m.

Sr. No.	Topics	Speaker
1	Penalty for under-reporting and misreporting of income u/s 270A	Dharan Gandhi, Advocate
2	Immunity from imposition of PENALTY u/s. 270AA	

Fees

For Study Group Members	NIL
CTC Members	₹ 200/- + ₹ 36/- (18% GST) = ₹ 236/-
Non-Members	₹ 400/- + ₹ 72/- (18% GST) = ₹ 472/-

International Taxation Committee

Chairman: Kirit Dedhia
Co-Chairperson: Karishma Phatharphekar
Vice Chairman/Chairperson: Shabbir Motorwala, Isha Sekhri
Convenor(s): Kartik Mehta, Niraj Chheda, Vishal D. Shah

International Taxation Study Circle Meeting on Implication under Black Money Act - Schedule FA disclosure (Hybrid Mode)

Venue: CTC Conference Room, 3, Rewa Chambers, Ground Floor, 31, New Marine Lines, Mumbai-400 020

Speaker: CA Rajesh P. Shah

Thursday, 19th
January, 2023

6.00 p.m. to
8.00 p.m.

Fees

For International Taxation Study Circle Members	NIL
CTC Members	₹ 200/- + ₹ 36/- (18% GST) = ₹ 236/-
Non-Members	₹ 300/- + ₹ 54/- (18% GST) = ₹ 354/-

Study Circle & Study Group

Chairman: Ashok Sharma
Vice-Chairman: Dipesh Vora
Convenor: Dhaval Shah, Dinesh R. Shah

Study Group Meeting on Recent Judgements under Income Tax Act (Hybrid Mode)

Venue: CTC Conference Room, 3, Rewa Chambers, Ground Floor, 31, New Marine Lines, Mumbai- 400 020

Speaker: Vipul Joshi, Advocate

Monday, 30th
January, 2023

6.00 p.m. to
8.00 p.m.

The Study Circle and Study Group committee of The Chamber of Tax Consultants has organised a Study Group Meeting on "Recent Judgements under Income-tax Act" (Hybrid Mode) scheduled on 30th January, 2023.

Fees

For Study Group Members	NIL
CTC Members	₹ 200/- + ₹ 36/- (18% GST) = ₹ 236/-
Non-Members	₹ 400/- + ₹ 72/- (18% GST) = ₹ 472/-



**The Chamber of
Tax Consultants**



**2 Half-Day
Virtual Seminar on**

Nuances of new age Shares & Securities



20 - 21 Jan 2023 | Fri - Sat

**20
JAN**

3 PM to 4:30 PM

Domestic Tax

- Taxation of AIF, REIT and InvIT
- Issues in relation to the issuance and conversion of securities
- Taxation of transfer, redemption, buyback, capital reduction

4:30 PM to 6 PM

International Tax

- Protection of DTAA to CCD, scope of interest, beneficial owner, PPT, etc.
- Indirect Transfer rules
- Arm's length price of convertible instruments (zero coupon convertible debenture)

6 PM to 7:30 PM

Accounting – AS & Ind AS

- Debt classified as equity (perpetual debt) and shares classified as debt
- Interest on debt directly from retained earning, no debt to P&L?

CA Bhaumik Goda

CA K Prasanna

Dr. CA Anand Banka
Dy. Head - Group Reporting
& Controllorship Vedanta

**21
JAN**

9:30 AM to 11 AM

FEMA implications & filing

- Do's & Don'ts
- Resident investing abroad (LRS, Overseas Investment Rules, round tripping)
- Non-Resident investing in India (debt, non-debt, non-repat for NRI), etc.

11 AM to 12:30 PM

Company Law & SEBI Regulations

- Issue of hybrid instruments
- Repayment-Redemption, buyback, capital reduction, conversion to equity
- Overview of SEBI Regulations on AIF, InvIT, REIT

12:30 PM to 2 PM

Valuation

- Valuation methodologies for a start-up
- Valuation in mergers and acquisition
- Valuation of differential rights in hybrid securities

CA Hardik Mehta

CS Savitri Parekh
CS & Compliance Officer
Reliance Industries Ltd

CA Ravishu Shah



**Scan QR or visit
<https://bit.ly/3LIYJjd>**

Participation Fees:
Members:- Rs. 1000+GST
Non-Members:- Rs. 1500+GST

RESIDENTIAL REFRESHER COURSE

• **Chairman:** Bhavik R. Shah • **Vice Chairman:** Ankit Sanghavi, Darshak Shah
• **Convenors:** Pratik Doshi, Vishal Shah • **Advisor:** Kishor Vanjara

46th Residential Refresher Conference

• **Day & Date:** Thursday, 2nd March 2023 to Sunday, 5th March 2023 • **Venue:** The Sheraton Grand Palace, Indore



Dear Colleagues,

The participants of Residential Refresher Course of Direct Taxes have always shown great interest in fostering the exchange of knowledge in evolving landscape of direct taxation. The objective of such an exchange is to delink participants from day-to-day work and spend quality time in developing skillsets on topics which promises to be future of new avenues of practice and be up to date with amendments in taxation.

In the 46th RRC, our endeavour shall be to focus the paradigm shift in taxation of charitable trust and other direct tax matters of relevant importance. Special sessions are planned to discuss development on this arena. Following that goal, the 46th RRC on Direct Taxes will be held from Thursday, 2nd March

2023 to Sunday, 5th March 2023 at THE SHERATON GRAND PALACE, INDORE which is known to be the cleanest city of India and having rich heritage of magnificent palaces, temples and scrumptious street food.

The organizers of the conference have received phenomenal participation for Residential participants. The organisers now invite all lawyers, chartered accountants, tax professionals to participate on Non-Residential basis and encourage one and other to join the 46th RRC on non-residential basis.

**REGISTRATION FOR
NRRC PARTICIPANTS
ONLY**

Sr. No.	Paper for Discussions	Speakers
1	Legality and Consequences of Cash Transactions (Covering Disallowance of cash expense (S. 40A(3) r.w.r 600), Penal consequences on cash transactions (269T, 269SS, 269ST, etc), Cash found during survey, Cash Deposit in bank account, Reporting by Financial Institutions (Banks, Credit Card Companies, etc.), and other Taxation Issues and Penalties)	CA Ketan Vajani, Chairman - Adv Hiro Rai
2	Case Studies in Direct Taxation	Adv Mihir Nanivadekar
3	Recent Developments in Taxation of Charitable Trusts - A Paradigm Shift (Covering the changes in the last 3 years)	CA Rajesh Kadakia
4	Paper for Presentation - NRI Taxation including Implications of Overseas Assets	CA Manoj Shah
5	Brains' Trust	Sr. Adv. Saurabh Soparkar CA Pinakin Desai

Fees structure for Non-Residential Participants is under:

Non-Residential Participants – For Indore, Bhopal and Devas Participants (Fees up to 15th January, 2023)	
CTC Members	₹ 9,000/- + ₹ 1,620/- (18% GST) = ₹ 10,620/-
Non Members	₹ 10,500/- + ₹ 1,890/- (18% GST) = ₹ 12,390/-
Fees From 16th January, 2023	
CTC Members	₹ 10,500/- + ₹ 1,890/- (18% GST) = ₹ 12,390/-
Non Members	₹ 12,000/- + ₹ 2,160/- (18% GST) = ₹ 14,160/-
Non-Residential Participants – Other than Indore, Bhopal and Devas (Fees upto 31st January 2023)	
• CTC Members ₹ 11,500/- + ₹ 2070/- (18% GST) = ₹ 13,570/- • Non-Members ₹ 13,000/- + ₹ 2,340/- (18% GST) = ₹ 15,340/-	

Notes:

- The aforesaid fee structure does not include accommodation at Sheraton Grand, Indore. The accommodation arrangements have to be made by the participants themselves.
- The above-mentioned fee does not include Lunch on 2nd March 2023 and Dinner on 3rd March 2023 (including participation for sightseeing) for registered members from Indore, Bhopal and Devas.
- The aforesaid fee for remaining participants (excluding participants from Indore, Bhopal and Devas) includes Course Material, Lunch on 2nd, 3rd, 4th and 5th March 2023. Also, it includes Dinner on 2nd and 3rd March and participation in Gala Night on 4th March 2023 followed by Dinner for Non-Residential Participants.
- The conference on 2nd March 2023 shall start sharp at 2 pm with Group Discussion on Paper of Legality and Consequences of Cash Transactions
- The following is the tentative Day wise and time-wise schedule for participants joining on Non-Residential basis:
 - 2nd March 2023 – 2pm to 9 pm • 3rd March 2023 – 9 am to 1.30 pm • 4th March 2023 – 9 am to 4 pm followed by Gala Night from 7.30 pm onwards;
 - 5th March 2023 – 8.30 am to 12 noon
- The fee does not include participation for sight-seeing on 3rd March 2023 which is schedule from 2 pm onwards for Indore, Bhopal and Devas participants joining on Non-Residential basis.
- Considering there are limited seats for enrollment, participants must note that registrations will be subject to first-cum-first-serve basis.
- The conference will conclude on Day 4 (Sunday, 5th March 2023) at 12.00 noon. Lunch has been arranged on Day 4 for the participants.
- For safety of members, it is mandatory to follow all Covid – 19 prevailing guidelines in the hotel premises.
- In case of cancellation, member is requested to nominate someone to attend the RRC, no refund request shall be entertained, except under genuine unavoidable circumstances, subject to the approval of RRC Committee and Managing Council.
- For enrolment and any other conference related enquiry, please contact Mr. Hitesh Shah, Chief Manager on 9821889249/7977258507

Important Decisions under GST and Service Tax Laws

By **Vinay Kumar Jain and Jay Chheda**, Advocates

Whether refund of GST paid on notice pay recovery is eligible in view of the Department Circular dated 3.8.2022?

Facts and Pleadings: The Petitioner is a non-banking finance company which filed an application for refund of GST paid by them on notice pay recovery from its employees. Notice pay means the payment of money to the employer by the employee for leaving the employment before the agreed period of employment has expired. The refund claim pertained to period prior to 3.8.2022.

The claim for refund was rejected by the original Adjudicating authority as well as the Appellate authority. Thus, the petitioner filed a Writ Petition before the Kerala High Court under Article 226 of the Constitution of India.

Judgement passed by Hon'ble Kerala High Court: The Hon'ble Kerala High Court allowed the writ petition and set aside the orders of the Respondent which denied the refund of GST paid on notice pay. The Hon'ble High Court held that the Petitioner was covered under Circular No. 178/10/2022-GST dated 3-8-2022 issued by CBIC which clarified that the amounts received as notice pay from employees is not a taxable transaction for the purpose of GST.

The department contended that the case of the Petitioner was not covered under the said circular as the Circular did not apply retrospectively and the period of refund involved is prior to issuance of Circular. The High Court rejected this contention and stated that the said circular had a retrospective application as it clarified the position of law and the Petitioner was entitled to all the benefits of the said circular. The Hon'ble High Court further held that clarifications issued by the Board are binding on the department.

The Revenue had also contended that the Petitioner's writ application is not maintainable, and they should approach the GST Appellate Tribunal and pursue appellate remedy available under GST Law. In this regard the High court held that since the GST Tribunal was yet to be constituted the

petitioner had a right to approach the High Court under Article 226 of the Constitution.

Manappuram Finance Ltd. vs. Assistant Commissioner, Central Tax and Excise, WP(C) NO. 27373 OF 2022.

Whether mandatory pre-deposit condition for filing an appeal before CESTAT be waived off?

Facts and Pleadings - The Petitioner is running a business under the name and style of "Taxi for Sure", connecting customers to various taxi operators.

The issue was whether the Petitioner is required to pay service tax on the commission received or the gross amount collected for the taxi service. The Petitioner was not in a position to make payment of pre-deposit amounting to ₹ 1.45 crores for filing an appeal before CESTAT. Thus, the petitioner filed a Writ Petition before the Hon'ble Delhi High Court for waiver / relaxation of pre-deposit condition which is mandatory for filing an appeal before the CESTAT.

Judgement passed by the Delhi High Court- The Petitioner had suffered huge losses and hardly generated any revenue. Thus, the Petitioner was not in a position to make payment of the mandatory pre-deposit for filing an appeal before the CESTAT. The case of the Petitioner before the CESTAT was that since it had received only a commission on the gross amount charged for the taxi service, it was not liable to pay service tax on the gross amount. The Petitioner had already discharged service tax on the commission received.

The Hon'ble Delhi High Court held that given the mitigating circumstances and financial condition of the Petitioner, the Petitioner would be eligible to file an appeal before the CESTAT by depositing a lowered amount of ₹ 50 lakhs instead of the entire pre-deposit amounting to ₹ 1.45 crores. Thus, the High court lowered the pre-deposit amount considering the financial condition of the Petitioner.

MS ANI Technologies Pvt. Ltd. v. Union Of India & ORS.W.P.(C) 16613/2022

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

Unreported Tribunal Decisions

By **Ajay R. Singh Advocate and CA Rohit Shah**

- Search and seizure - Addition to income - Alleged difference in value of stock-in-trade as per books of account and as per valuation report of registered valuer as on the date of search- Revenue neutral exercise – No addition:**

Facts:

Pursuant to search conducted at assessee's premises, the AO framed assessment under section 153A and made addition on account of alleged difference in value of ₹ 2,12,54,055 of stock-in-trade as per books of account and as per valuation report of registered valuer as on the date of search, i.e. 28-01-2016. Assessee challenged this before CIT(A) who deleted addition.

Held:

AO had not pointed out any difference in quantity of stock as per valuation report and as per books of account. There could be no addition simply on the basis of valuation of closing stock as on the date of search unless excess quantity of stock was found. If such addition was somehow made on account of said valuation of stock and sustained in assessment, then credit of difference in quantity of stock was to be allowed in year end while computing profit at year end which was not allowed and as AO accepted the declared closing stock as on 31-3-2016 in books of account, the addition of difference in value as on date of search i.e. 28-01-2016 would get set off. The assessee carried forward closing stock of this year end as declared in books of account as 31-3-2016 as opening stock for next year. AO neither allowed credit of difference while accepting closing stock at year end but accepted closing stock declared by the assessee which was taken as opening stock in next year. In succeeding year also, no credit was allowed for enhanced stock and even if it was done it would be revenue neutral exercise. Considering the totality of facts and circumstances addition made by AO on account of excess stock found during the course of search was not sustainable and CIT(A) had rightly deleted the addition.

DCIT vs. Vikas Jewellers

[ITA No. 789/JP/2019; Bench: A Jaipur; dt 1/11/2021; AY : 2016-17]

- Depreciation- Block of Assets - Denial on the ground that individual units had lost their specific identity - depreciation on the block has been allowed to assessee in earlier years – Allowable :**

Facts:

Six units were acquired by assessee in assessment year 2012-13. The units were split into two parts viz. units which were used as residence and units which were used for the purpose of profession. Depreciation on units as well as other proportionate expenditure with respect to units which were used for professional purposes was claimed as well as

allowed by AO. However, during the year under consideration AO denied depreciation on the ground that individual units had lost their specific identity.

Held:

Concerned units formed part of opening block of asset in the concerned year. As per scheme of the Act, under the concept of block of asset, the assets would lose individual identity and depreciation on asset is allowed on block concept notwithstanding the fact that few of the assets were not used for business/professional purposes. As long as assets remained part of the block and were not parted with by assessee, the same remained part of the block of asset and depreciation was allowable to assessee. Since depreciation on the block has been allowed to assessee in earlier years, the same could not be denied to the assessee. Assessee, had satisfied, both the conditions since building as well as furniture was owned by assessee and same was used for the purpose of profession. The assessee has claimed depreciation proportionately on that part only which has been used for the purpose of profession. Therefore, depreciation claim on building and furniture was to be allowed.

ACIT v. Farah Khan

[ITA No. 4428/Mum/2019; Bench F Mumbai; dated 29/7/2021; AY 2013-14]

- Penalty under section 271(1)(c) - Concealment or furnishing of inaccurate particulars - Ad hoc estimation made by AO – No penalty :**

Facts:

AO received information from DGIT (Inv.), Mumbai as to assessee having received accommodation entries from various dealers without making any purchases but made purchases only in grey market. AO treated such purchases as non-genuine and estimated profit element from non-genuine purchases at 17.8% and brought to tax an amount of ₹ 6,47,613/- out of purchases of ₹ 36,38,274/- for the AY: 2009-10. Assessee accepted estimation of profit element from non-genuine purchases at the rate of 17.8% made by AO. Subsequently AO levied penalty under section 271(1) (c) as regards said addition.

Held:

AO only estimated 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. Therefore, no penalty could be levied under section 271(1)(c).

ITO v. Broadcasting Services

[ITA No. 1312/Mum/2020; Bench SMC Mumbai; dated: 13/9/2021; AY 2009-10]

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

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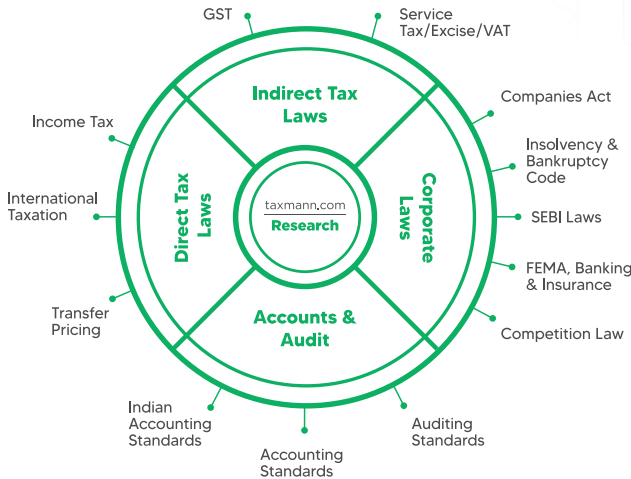
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7 DAYS FREE TRIAL



PRICING



FEATURES

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Non-receipt of the CTC News must be notified within one month from the date of publication, which is 1st of Every Month.

Printed by Shri Kishor Dwarkadas Vanjara and published by him on behalf of **The Chamber of Tax Consultants (owners)**, 3, Rewa Chambers, Ground Floor, 31, New Marine Lines, Mumbai-400 020 and Printed at **The Great Art Printers**, 25, S. A. Brelvi Road, Unique House Opp, Apurva Restaurant, Next to Poddar Chambers, Ground Floor, Fort, Mumbai-400 001. and published at **The Chamber of Tax Consultants (owners)**, 3, Rewa Chambers, 31, New Marine Lines, Mumbai 400 020.

Editor : Shri Kishor Dwarkadas Vanjara

Posted at Mumbai Patrika Channel Sorting
Office-Mumbai 400 001.

Date of Publishing 1st of Every Month
Date of Posting : 1st or 2nd January, 2023



THE CHAMBER OF TAX CONSULTANTS

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