

VOLUME I, ISSUE 1

MARCH 2020, 02-04-2020

# GUWAHATI@ICAI

E-NEWSLETTER OF GUWAHATI BRANCH OF EIRC OF ICAI

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## From the Chairman's Desk



Dear Esteemed Colleagues,

During March, Chartered Accountants are normally occupied with professional assignments, due dates and so on. But this year COVID-19, an infectious disease caused by a novel Coronavirus is exponentially spreading illness and causing deaths to citizens throughout the globe and has been recognized as a global pandemic by the WHO. Government of India and the State Governments have taken drastic measures, including locking down of entire country to reduce the impact of this catastrophe. Various advisories are also issued to combat the virus. Nation is at standstill and the economy is also badly affected.

ICAI has also taken drastic steps to safeguard the members at this hour of crises and cancelled all CPE and other programs throughout the country. May Examinations have also been deferred to June. All branches have been closed and advisories has been issued to work from home. Representations have been made with various authorities for extension etc which has been favorably considered. An Appeal has been made to members and students to donate generously in the ICAI Covid 19 Relief Fund to

provide much needed relief for the people affected by the viral disease and those who are in distress. Members, please come forward and contribute for the noble cause of humanity.

"He who has health, has hope; and he who has hope, has everything. Let's hope for a better future and fight with this deadly disease by staying inside, abide by the precautions carefully, do read and do write, don't panic, refrain from rumors, maintain social distancing and give quality time to your family and loved ones.

Stay Alert ; Stay at Home; Stay Healthy.

Regards,

CA. Sharad Agarwalla  
Branch Chairman

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## From the Editor's Desk



Dear Elite Members,

*"Stars radiate brightest in the darkest night..."*

Indeed, the year 2020 has brought upon us new challenges hitherto unprecedented. The paradigm shift is palpable throughout the world, impacting every sector, socially, economically, financially, et al. However, no matter how tough a situation might be, we Chartered Accountants are looked upon by the world as intellectual warriors who can convert any block of hurdle into stepping stones of success.

These challenges will surely bring a whole gamut of opportunities never imagined before. The advent of COVID-19 will surely change the structure of our economy and will bring forth new socio-economic structures, new business models, and consequently new laws, rules and regulations, and compliances. Members, therefore, should be ever-ready to grab the opportunities that will come in their way.

The lockdown period is a much-needed step of our government to defeat Covid-19 once and for all. As a partner in the nation building process, we must respect this step, stay inside, promote social distancing and work from home. We must also utilize this time to rethink, reflect and strengthen our bonds with our family, while upskilling ourselves both on professional and individual front.

Friends, this tough time will surely pass, and will bring forth health, happiness and treasure full of opportunities. And we, with our renewed energy, will tackle the challenges, rebuild our country and emerge as winners.

The message which is must for now is stay at home and stay healthy. Please move out only if absolute necessity and that too with utmost precaution. Everything else can wait. **Health is wealth** and these are turbulent times when we should forget everything else and believe this idiom. With a prayer for all the departed souls and a firm belief that we will soon be back to our offices and normal routines.

Editor, with the entire team of e-newsletter

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## Articles

### Some Important Advance Rulings under GST



**CA. Manoj Nahata**

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#### ISSUE

#### DECISION

1. Whether collecting fees from members and spending it on organizing leadership programs for members by club is liable to GST?

Held: Yes

In case of ***M/s Lions Club of Poona Kothrud-AAAR Maharashtra***, the applicant is an autonomous unit that collects fees from their members in order to conduct social activities and meet their administrative costs. Similarly, Lions Districts collect fees from Clubs and Cabinet Members to manage District activities. The question raised by the respondent before the Advance Ruling Authority was "Since the amount collected by individual lions clubs and lions districts is for convenience of lions members and pooled together only for paying meeting expenses and communication expenses and the same is deposited in a single bank account, as there is no furtherance of business in this activity and neither any services are rendered nor are any goods being traded, whether registration is required by them or not." The Authority for Advance Ruling vide its order dated 28-8-2018 ruled that the GST is not applicable on the fees collected by the Lions Club and hence need No Registration under GST Act.

Against the said Ruling, the department approached to the AAAR, Maharashtra in an appeal.

The Department submitted that the above ruling seems to be on wrong footings inasmuch as no proper weightage has been given to the actual field activities as stated by the applicant that Lions Club and Lions District consists of association of persons, joined together to undertake social activities without any profit motive. Funds collected as fees are pooled together to be expended for meeting expenses and forwarding to international office for administrative expenses.

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### Some Important Advance Rulings under GST

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ISSUE	DECISION
	<p>Surplus, if any, is used for charitable activities. From a conjoint reading of section-2(17) and section-7 of the CGST Act, 2017, it seems that the ruling delivered by the Advance Ruling Authority is not legal and proper inasmuch as element of "furtherance of business" in the activity do exist even though it is stated that no goods are being traded. Consequentially, a prayer of the respondent that no registration is required has no leverage and legal backing. It is pertinent to mention here that in an identical case of the West Bengal Authority for Advance Ruling, Kolkata in case of Association of Inner Wheel Clubs in India, has given verdict in favour of the Department. In that order the basic question has been dealt with at length regarding "supply of services" and has rightly made clear distinction between said services and held that such services at best are "incidental and ancillary to the social welfare activity and preferred to classify the above activities under the Services Accounting Code no. 99836.</p> <p>The Appellate Authority referred the meaning of the term 'consideration' envisaged under section 2(31) of the CGST Act, 2017, the relevant extract of which has been reproduced herein below:</p> <p><i>"Consideration" in relation to the supply of goods or services or both includes—</i></p> <p><i>(a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or State Government;</i></p>



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### Some Important Advance Rulings under GST

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ISSUE	DECISION
	<p>Thus, from the above inclusive definition of the term "consideration", it can decisively be construed that the membership fee collected by the Club from its members is not only meant for meeting the administrative expenses, but is also towards organizing the Leadership Program for the direct or indirect benefits of the members. Any Leadership Skill along with other skills as stated in the documents submitted by the applicant, imparted to any Lion member is not restricted or limited to any particular project, but the overall impact of such qualities developed in any person stays for his entire life span and the benefits accrued out of such skills will undoubtedly go much beyond the Projects undertaken by the Lions Club. Thus, any membership fee collected by the Lions Club from its members will definitely be understood as "consideration" as the same has been paid for the supply of services.</p>
<p>2. Whether compensation paid to parties for agreements which could not materialize is taxable under GST?</p>	<p>Held: Yes</p> <p>In case of <b><i>M/s Goa Industrial Development Corporation- AAR Goa</i></b>, The applicant had allotted land to 7 parties for setting up Special Economic Zone (SEZ). However, this could not materialize due to protest from the people. As a result, deposit taken from the parties had to be refunded. However, GIDC refused to pay compensation on this deposit, as the original Deed of Lease never mentioned such clause. The Government of Goa resolved to approve the proposal of Goa Industrial Development Corporation (GIDC) to take back all the land allotted to 7 parties for setting up Special Economic Zone and refund the amount paid by SEZ parties along with interest, earned on such amounts paid by the parties. The applicant sought an advance ruling on the taxability of the compensation provided by the applicant.</p>

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ISSUE	DECISION
	<p>The Authority observed the above matter in light of the provisions of section-7 and Schedule-II of the CGST Act, 2017. In the applicant's case, the applicant has agreed to do an act of vacating the claim by parties of setting up SEZ units for which GIDC has paid consideration. Thus the original amount which is paid back along with compensation would clearly qualify as 'Supply of Services'. The same is evident from the extracts of relevant portion of Schedule-II produced below-</p> <p><i>(e) agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or <b>to do an act</b>; and</i></p> <p>Hence, the compensation paid by GIDC would clearly qualify as 'Supply' under clause 5(e) of Schedule II of the GST Act, and therefore the amount would attract tax liability.</p>
<p><b>3.</b> Whether ITC on GST paid on goods purchased for the purpose of construction and maintenance of Warehouse such as vitrified tiles, marble granite and other construction material can be claimed in full?</p>	<p>Held: No</p> <p>In case of <b><i>M/S Unity Traders–AAR Madhya Pradesh</i></b>, the applicant is a partnership firm engaged in providing Clearing and Forwarding Agent services. It stores goods of other companies and charges rent for the same. The applicant sought an advance ruling on the availability of ITC in respect of goods purchased for the purpose of providing the above-mentioned C &amp; F Agent services.</p> <p>The applicant submitted that the firm being a taxable person is liable to pay GST on rent realized from warehouse.</p>

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## Some Important Advance Rulings under GST

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ISSUE	DECISION
	<p>Therefore in view of section-16 of the CGST Act, and to avoid the cascading effect of ITC, the firm is statutorily entitled to avail the benefit of taking credit of the ITC charged on the supply of goods or services which are consumed or utilized for the construction of the warehouse and set off the same against the output tax liability arising on account of rent realized from the warehouse.</p> <p>From a plain reading of section-17 of the CGST Act, 2017, it is evident that ITC is blocked only in cases where inputs are consumed in the construction of an immovable property which is not meant and intended to be sold. But the position is totally different where the immovable property is constructed for the purpose of letting out the same as the tax chain is not broken and on contrary, the construction of building will result in fresh stream of GST revenue to the exchequer on the rentals generated by the building. Therefore, the denial of ITC in such a situation is completely arbitrary, unjust and oppressive.</p> <p>The Authority observed that as per section-16 of the CGST Act, 2017, every registered person shall entitle for ITC subject to such conditions and restrictions as may be prescribed. The applicant constructed the warehouse which is an immovable property and as per the exclusion clause section-17(5), no ITC is available on the goods and services used in the construction of immovable property. The section-17(5) of the CGST Act, 2017 is an exclusion clause in spite of the goods and services used in the course or for furtherance of his business as the section-16 of the CGST Act, it is clearly mentioned that the entitlement of ITC is subject to the conditions and restrictions. Further, the contention of the applicant is not correct and there is no scope of interpretation but in spite of the clear cut law, the applicant has wrongly interpreted the section to avail the benefit of inadmissible credit. Therefore, the authority ruled that applicant is not entitled to avail the input tax paid on goods and services used in the construction of warehouse used for letting out on rent.</p>



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ISSUE	DECISION
<p>4. Whether ITC can be claimed on the inward supply of medicines used to provide medical facilities to the employees, pensioners and dependents in the in-house hospital?</p>	<p>Held: No</p> <p>In the case of <b>M/s. Chennai Port Trust-AAR Tamil Nadu</b>, the applicant is engaged in supply of port services and incidental supply of goods like disposal of discarded assets. It sought an advance ruling on whether is entitled to take credit of input tax charged on the inward supply of medicines which are used or intended to be used in the course or furtherance of business of the applicant?</p> <p>The applicant has stated that they are engaged in supply of port services and incidental supply of goods like disposal of discarded assets. It is functioning under the administrative control and supervision of Ministry of shipping of Government of India. It is maintaining an in-house hospital for providing health and medical cover exclusively to their employees and pensioners. The hospital is only a cost centre and the inward supplies of medicines are provided to the employees and pensioners without charging any separate consideration. It submitted that these inward supplies of medicines are used by the applicant only for the purposes of his business. No apportionment of ITC is applicable under section 17(1) to (4). The term "health services" are not defined in the ACT or Rules. The health and medical cover provide by the applicant will not get covered under the definition of "services" under section 2(102) of the Act as no separate consideration is charged. Hence, the ITC for these inward supplies are not blocked credits under section 17(5)(b)(i).</p> <p>These medicines cannot be considered as "goods used for personal consumption" since the cost of these medicines are borne by the applicant as a part of service contract with its employees and pensioners as held in the case of <b>Hindustan Coca Cola Beverages (P) Ltd. v. CCE (2015) 56 taxmann.com 378/51 GST 126 (Mum-CESTAT)</b>.</p>

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ISSUE	DECISION
	<p>The medicines are used in the course or furtherance of business as per section 16 and are not blocked credit under section 17(5)(g), consequently it is eligible for ITC on inward supply of medicines under section 16(1) subject to fulfillment of rules 36 to 45 of CGST Rules.</p> <p>The Authority stated that the applicant has their own in-house hospital for use by the employees, retirees and their dependents. This is a free center where all the services and medicines are provided free to the employees. No consideration is charged from the employees for this. This provision of free medical care is mandatory as per the Regulations made under Major Ports Act. These are mandated to be provided to the applicant's employees, their dependents, pensioners and family pensioners for their own in-patient and out-patient treatments. These treatments include medicines which are also provided free of charge to the employees for their personal use. The medicines and medical facilities are proved by the applicant to its employees for their personal use. Therefore, as per section 17(5)(g) of CGST/TNGST ACT, input tax credit is not available for the medicine that the applicant is procuring for the consumption of its employees and pensioners and their dependents. The applicant has stated in their application that these are not "<i>goods for personal consumption</i>" as the applicant pays for the same. The fact of who pays for the medicines here is irrelevant to the usage of the said medicines. They are used by the employees and dependents and hence are for personal consumption and the applicant is ineligible to take input tax credit on the inward supply of medicines used to provide health facilities to its employees in its hospital. Therefore, the applicant is not entitled to take credit of input tax charged on the inward supply of medicines which are used to provide medical facilities to the employees, pensioners and dependents in the in-house hospital.</p>



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## Some Important Advance Rulings under GST

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ISSUE	DECISION
<p><b>5.</b> Whether selling of space/time for advertisement in print media by advertising companies is a pure service or otherwise. If yes, whether said pure service is exempted from payment of GST vide Notification No. 12/2017-Central Tax (Rate), dated 28th June, 2017 when advertising agency is raising bill to Local Authority or otherwise?</p>	<p>Held: No, taxable under GST</p> <p>In the case of <b><i>M/s Harmilap Media Private Ltd.-AAR Uttarakhand</i></b>, the applicant is an Advertising Company/Agency engaged in selling unit of space in various print media to diversified clients on DAVP approved rate/DIPR approved rates or rates as per open market. The applicant sought an advance ruling on the applicability of the Notification No. 12/2017-Central Tax (Rate), dated 28th June, 2017 to the services provided by the applicant.</p> <p>The Authority stated that "Pure Services" are mentioned under Notification No. 12/2017-Central Tax (Rate), dated 28th June, 2017 and exemption to pure services are admissible subject to the fulfillment of certain conditions laid down in the said notification. On perusal of aforesaid notification, the Authority found that services supplied without involving of goods is a pure service and to avail exemption under said notification following conditions are required to be fulfilled:</p> <ul style="list-style-type: none"> <li>(i) <i>pure service must be supplied to the Central Government, State Government or Union territory or local authority or a Governmental authority, and</i></li> <li>(ii) <i>supply of pure service is related to an activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution or in relation to any function entrusted to a Municipality under Article 243W of the Constitution.</i></li> </ul> <p>Hence, supply of service "Sale of Space for Advertisement in Print Media" is not a "Pure Service" and the exemption to said services are not admissible in terms of Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017 (as amended from time to time).</p>



### DOUBLE TAXATION OF EMPLOYER'S CONTRIBUTION IN NPS (NATIONAL PENSION SCHEME) BY THE FINANCE ACT, 2020



CA. Sanjay Mody, Guwahati

Employer's contribution in NPS (National Pension Scheme) account of the employee is includible in the taxable income of an employee-assessee as 'salary' and even thereafter, by the Finance Act, 2020, an amendment has been made in the definition of 'perquisite' so as to include such contribution therein also in certain circumstances. Therefore, the said amendment is apparently capable of leading to double taxation in the hands of employee-assessee of very same amount of employer's contribution to his NPS account first, as salary and then again as perquisite.

To elaborate, for the purposes of computing income under the head 'Salaries' under sections 15 and 16 of the Income-tax Act, 1961 (the Act), the word 'Salary' is defined in section 17(1) of the Act and 'Perquisite' is defined under section 17(2) of the Act. For the purposes of the present discussion relevant provisions as contained in Section 17(1)(viii) of the Act and section 17(2)(vii) of the Act (as amended by the Finance Act, 2020 w.e.f. 01.04.2021) are reproduced as under:-

"17. For the purposes of sections 15 and 16 and of this section,—

(1) "salary" includes—

(i).....

(viii) the contribution made by the Central Government or any other employer in the previous year, to the account of an employee under a pension scheme referred to in section 80CCD;"

(2) "perquisite" includes—

(i).....

(vii) the amount or the aggregate of amounts of any contribution made to the account of the assessee by the employer—

(a) in a recognised provident fund;

(b) in the scheme referred to in sub-section (1) of section 80CCD;

and in an approved superannuation fund,

to the extent it exceeds seven lakh and fifty thousand rupees in a previous year;"

National Pension Scheme (NPS) being one of the pension scheme referred to in section 80CCD of the Act, contribution made by the employer in account of an employee under such scheme is included in the definition of salary in view of provisions of section 17(1)(viii) of the Act and is assessed as such in the hands of employee-assessee.



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### DOUBLE TAXATION OF EMPLOYER'S CONTRIBUTION..

After such inclusion in 'salary income' and consequently in gross total income, certain deduction is permissible in respect of such amount of employer's contribution in NPS as specified in section 80CCD(2) of the Act. The deduction permissible under section 80CCD(2) of the Act may not be of the entire amount of employer's contribution because the deduction is limited to certain percentage of basic salary and dearness allowance of the relevant year. The said limit is 14% when the contribution is made by the Central Government and 10% when the contribution is made by State Government or any other employer. The employer's contribution to NPS in excess of the said limit is taxable and also not deductible. In addition to this, the recently enacted Finance Act, 2020 (which received assent of the President on 27.03.2020) by way of an amendment to sub-clause (vii) of clause (2) of section 17 of the Act included the very same amount of employer's contribution in NPS account of the employee in the definition of 'Perquisite' also in certain circumstances.

As a consequence to the above amendment, with effect from the Assessment Year 2021-22, the amount of contributions made by the employer in NPS account of the employee after being included as 'Salary' in the hands of the employee may also be included as 'Perquisite' in computing taxable salary income of an assessee, resulting in inclusion of the very same amount of contribution twice in the hands of very same employee assessee, once as salary and then again as perquisite.

Let us understand the above, with the help of an example. Say, in case of Non-Central Government employee having annual basic salary and dearness allowance of Rs. 50 lakh, his employer contributes Rs. 20 lakh in his NPS account during the previous year relevant to the Assessment Year 2021-22. In such a scenario, Rs. 20 lakh is to be included in his income as Salary under section 17(1)(viii) and then again Rs. 12.50 lakh (being in excess of Rs. 7.50 lakh) is to be included in his income as Perquisite under section 17(2)(vii) and permissible deduction under section 80CCD(2) works out to Rs. 5 lakh being 10% of salary and dearness allowance. As a result, his income under the head 'salary' and consequently 'gross total income' will increase by Rs. 32.50 lakh (Rs. 20 lakh and Rs. 12.50 lakh) and after deduction of Rs. 5 lakh under section 80CCD(2) of the Act, his total taxable income will increase by Rs. 27.50 lakh for the amount of Rs. 20 lakh contributed in his NPS account by his employer. Thus, it establishes that the amendment made by the Finance Act, 2020 in section 17(2)(vii) of the Act is capable of resulting, on a plain reading, in double taxation of the very same amount in certain circumstances.

The issue which creeps up is that whether double taxation is legally permissible in India?

In this regard the settled position of law is that double taxation is not prohibited as such provided the Legislature has expressly provided for it. In this connection, the Hon'ble Supreme Court in the case of Laxmipat Singhania v. CIT (1969) 72 ITR 291 at page 294 has held that, "It is a fundamental rule of law of taxation that, unless otherwise expressly provided, income cannot be taxed twice."



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Further, the Hon'ble Supreme Court again in the case of Jain Brothers v. Union of India (1970) 77 ITR 107 (SC) has held as under:-

"It is not disputed that there can be double taxation if the legislature has distinctly enacted it. It is only when there are general words of taxation and they have to be interpreted, they cannot be so interpreted as to tax the subject twice over to the same tax.....If any double taxation is involved, the Legislature itself has, in express words, sanctioned it. It is not open to any one thereafter to invoke the general principles that subject cannot be taxed twice over."

Recently, the Hon'ble Supreme Court in the case of Mahaveer Kumar Jain v. CIT (2018) 404 ITR 738 (SC) has held as under:-

"Furthermore, a taxing statute should not be interpreted in such a manner that its effect will be to cast a burden twice over for the payment of tax on the taxpayer unless the language of the Statute is so compelling that the court has no alternative than to accept it. In a case of reasonable doubt, the construction most beneficial to the taxpayer is to be adopted."

In the backdrop of the above well settled position of law, it is to be seen whether there is any specific provision in the Act for including employer's contribution in NPS twice in the income of the employee assessee for levying income-tax. Though the said employer's contribution in NPS is included in the definition of 'salary' under section 17(1) and also included in the definition of 'perquisite' under section 17(2) but the same in itself cannot be construed as a provision which specifically provides for double taxation of the said amount of employer's contribution.

Further, a perusal of memorandum to the Finance Bill, 2020 shows that intention for enacting substituted section 17(2)(vii) was only to bring to tax that part of the contribution made by employer to the NPS account of the employee which was exempt from tax and that too only when such contribution exceeds the specified limit of Rs. 7.50 lakh along with contribution to other two specified funds. The relevant part of the said memorandum is extracted as under:-

"Under the existing provisions of the Act, the contribution by the employer to the account of an employee in a recognized provident fund exceeding twelve per cent of salary is taxable. Further, the amount of any contribution to an approved superannuation fund by the employer exceeding one lakh fifty thousand rupees is treated as perquisite in the hands of the employee. Similarly, the assessee is allowed a deduction under National Pension Scheme (NPS) for the fourteen per cent of the salary contributed by the Central Government and ten per cent of the salary contributed by any other employer. However, there is no combined upper limit for the purpose of deduction on the amount of contribution made by the employer. This is giving undue benefit to employees earning high salary income. While an employee with low salary income is not able to let employer contribute a large part





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of his salary to all these three funds, employees with high salary income are able to design their salary package in a manner where a large part of their salary is paid by the employer in these three funds. Thus, this portion of salary does not suffer taxation at any point of time, since Exempt-Exempt-Exempt (EEE) regime is followed for these three funds. Thus, not having a combined upper cap is iniquitous and hence, not desirable. Therefore, it is proposed to provide a combined upper limit of seven lakh and fifty thousand rupee in respect of the employer's contribution in a year to NPS, superannuation fund and recognized provident fund and any excess contribution is proposed to be taxable...."

The employer's contribution to the NPS account of employee is not an exempt income per se. It is including in gross total income of the employee as salary and after that deduction as per the limit specified in section 80CCD(2) of the Act is permissible. The contrary observation made in the memorandum to this extent seems to be not correct.

Be that as it may, in view of the above discussed legal position, in absence of any specific provision in the Act providing for double taxation of contribution made by the employer in the NPS account of employee-assessee, on a reasonable construction of the provisions of sections 17(1)(viii) and 17(2)(vii) of the Act, double taxation is required to be avoided.

The issue, therefore, is how to avoid this double taxation. To avoid double taxation, the amount of contribution made by employer in the NPS account of employee, can be included in total income of such an employee either as salary under section 17(1)(viii) or as perquisite under section 17(2)(vii). Since both are legally permissible, one which is more beneficial to the assessee is to be adopted and the same shall be at the option of the assessee. In such circumstances, the provisions of section 17(2)(vii) of the Act, that is to treat the employer's contribution in NPS as perquisite will be more beneficial for the assessee and as such the assessee will opt for that. As a consequence of the same, unintended double benefit may also flow to the assessee in form of non-inclusion of amount of employer's contribution in NPS to the extent of Rs. 7,50,000/- under section 17(2)(vii) in the gross total income of the employee assessee, but still deduction under section 80CCD(2) in respect of the very same amount being allowed to him, keeping in view the provisions of section 80CCD falls in part B of chapter VI-A of the Act.

Notwithstanding above, the above position of law after enactment of Finance Act, 2020 in this respect may lead to avoidable litigations unless correction in law is made by the Legislature or suitable clarification is issued by the Central Board of Direct Taxes. The ambiguity inserted by the Finance Act, 2020 in the law will also discourage employees for opting for NPS where it is not mandatory in the fear of double taxation or unnecessary litigation and in turn, will defeat the social objective of the Government for which NPS has been framed by it.



# Articles

## RELIEF OFFERED BY GOVERNMENT IN THE WAKE OF COVID19

### Income Tax

1. Extend last date for income tax returns for (FY 18-19) from 31<sup>st</sup> March, 2020 to 30<sup>th</sup> June, 2020.
2. Aadhaar-PAN linking date to be extended from 31<sup>st</sup> March, 2020 to 30<sup>th</sup> June, 2020.
3. **Vivad se Vishwas scheme** – no additional 10% amount, if payment made by June 30, 2020.
4. Due dates for issue of notice, intimation, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents and time limit for completion of proceedings by the authority and any compliance by the taxpayer including investment in saving instruments or investments for roll over benefit of capital gains under Income Tax Act, Wealth Tax Act, Prohibition of Benami Property Transaction Act, Black Money Act, STT law, CTT Law, Equalization Levy law, Vivad Se Vishwas law where the time limit is expiring between 20<sup>th</sup> March 2020 to 29<sup>th</sup> June 2020 shall be extended to 30<sup>th</sup> June 2020.
5. For delayed payments of advanced tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, STT, CTT made between 20<sup>th</sup> March 2020 and 30<sup>th</sup> June 2020, reduced interest rate at 9% instead of 12 %/18 % per annum ( i.e. 0.75% per month instead of 1/1.5 percent per month) will be charged for this period. No late fee/penalty shall be charged for delay relating to this period.
6. Necessary legal circulars and legislative amendments for giving effect to the aforesaid relief shall be issued in due course.

### Indirect Tax GST

1. Last date for filing GSTR-3B in March, April and May 2020 will be extended till the last week of 30<sup>th</sup> June, 2020 for those having aggregate annual turnover less than Rs. 5 Crore. No interest, late fee, and penalty to be charged.
2. For any delayed payment made between 20<sup>th</sup> March 2020 and 30<sup>th</sup> June 2020 reduced rate of interest @9 % per annum ( current interest rate is 18 % per annum) will be charged. No late fee and penalty to be charged, if complied before till 30<sup>th</sup> June 2020.
3. Date for opting for composition scheme is extended till the last week of June, 2020. Further, the last date for making payments for the quarter ending 31<sup>st</sup> March, 2020 and filing of return for 2019-20 by the composition dealers will be extended till the last week of June, 2020.
4. Date for filing GST annual returns of FY 18-19, which is due on 31<sup>st</sup> March, 2020 is extended till the last week of June 2020.



# Articles

5. Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws where the time limit is expiring between 20<sup>th</sup> March 2020 to 29th June 2020 shall be extended to 30th June 2020.
6. Necessary legal circulars and legislative amendments to give effect to the aforesaid GST relief shall follow with the approval of GST Council.
7. Payment date under Sabka Vishwas Scheme shall be extended to 30th June, 2020. No interest for this period shall be charged if paid by 30th June, 2020.

## Customs

8. 24X7 Custom clearance till end of 30th June, 2020
9. Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing applications, reports, any other documents etc., time limit for any compliance under the Customs Act and other allied Laws where the time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.

## Financial Services

1. Relaxations for 3 months
  - a. Debit cardholders to withdraw cash for free from any other banks' ATM for 3 months
  - b. Waiver of minimum balance fee
  - c. Reduced bank charges for digital trade transactions for all trade finance consumers

## Corporate Affairs

1. No additional fees shall be charged for late filing during a moratorium period from 01st April to 30th September 2020, in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date, which will not only reduce the compliance burden, including financial burden of companies/ LLPs at large, but also enable long-standing non-compliant companies/ LLPs to make a 'fresh start';
2. The mandatory requirement of holding meetings of the Board of the companies within prescribed interval provided in the Companies Act (120 days), 2013, shall be extended by a period of 60 days till next two quarters i.e., till 30th September;





# Articles

## RELIEF OFFERED BY GOVERNMENT IN THE WAKE OF COVID19

3. Applicability of Companies (Auditor's Report) Order, 2020 shall be made applicable from the financial year 2020-2021 instead of from 2019-2020 notified earlier. This will significantly ease the burden on companies & their auditors for the year 2019-20.
4. As per Schedule 4 to the Companies Act, 2013, Independent Directors are required to hold at least one meeting without the attendance of Non-independent directors and members of management. For the year 2019-20, if the IDs of a company have not been able to hold even one meeting, the same shall not be viewed as a violation.
5. Requirement to create a Deposit reserve of 20% of deposits maturing during the financial year 2020-21 before 30th April 2020 shall be allowed to be complied with till 30th June 2020.
6. Requirement to invest 15% of debentures maturing during a particular year in specified instruments before 30th April 2020, may be done so before 30th June 2020.
7. Newly incorporated companies are required to file a declaration for Commencement of Business within 6 months of incorporation. An additional time of 6 more months shall be allowed.
8. Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, under Section 149 of the Companies Act, shall not be treated as a violation.
9. Due to the emerging financial distress faced by most companies on account of the large-scale economic distress caused by COVID 19, it has been decided to raise the threshold of default under section 4 of the IBC 2016 to Rs 1 crore (from the existing threshold of Rs 1 lakh). This will by and large prevent triggering of insolvency proceedings against MSMEs. If the current situation continues beyond 30th of April 2020, we may consider suspending section 7, 9 and 10 of the IBC 2016 for a period of 6 months so as to stop companies at large from being forced into insolvency proceedings in such force majeure causes of default.
10. Detailed notifications/circulars in this regard shall be issued by the Ministry of Corporate Affairs separately.

### **Department of Commerce**

1. Extension of timelines for various compliance and procedures will be given. Detailed notifications will be issued by Ministry of Commerce.



## KIND APPEAL TO CONTRIBUTE TO ICAI COVID 19 RELIEF FUND

It's tough times like these, that test the true strength of human character. Covid 19 is a threat the global community and lakhs of our brothers and sisters have suffered irrecoverably from this Pandemic. Government and other benevolent Non-Government bodies are trying their best to fight this Virus and to care for the affected on war-footing basis. In desperate times where no vaccines or foolproof medication is available, Social distancing and House arrest are the only means of protecting ourselves and our families, but this by no measure means that we cannot extend a helping hand to the affected or the valiant Covid Warriors.

We urge you all to come together and contribute to the best of your ability to the "**ICAI COVID 19 RELIEF FUND**". The collected amount shall be contributed to the "**PRIME MINISTERS NATIONAL RELIEF FUND**". And in the nature of full disclosure, we would also like to mention that the amount contributed are exempt from Income tax under Section 80G of Income tax Act, 1961.

The contribution can be made online on: <https://www.icai.org/covid19/>

Alternatively, offline collections in form of cheques/demand draft should be given in the name of "**ICAI COVID 19 Relief Fund**". All such offline contributions can be made in the ICAI Bank Account having the following details:

**Bank: HDFC Bank**  
**Account No.: 50100098409265**  
**IFSC No: HDFC0000590**

The donors are requested to give their name, membership number/student registration number, address, amount and date of contribution, PAN details (if any) so that receipts could be obtained from Prime Minister's National Relief Fund for onward transmission to the donors. The letter/email can be sent to:

**The Additional Secretary**  
**M&C-MSS**  
**The Institute of Chartered Accountants of India**  
**ICAI Bhawan**  
**A-29, Sector-62**  
**Noida-201309**  
**Email: msshead@icai.in**

Full text of the appeal from the President of ICAI's desk can be read at:  
[https://www.icai.org/new\\_post.html?post\\_id=16403&c\\_id=240](https://www.icai.org/new_post.html?post_id=16403&c_id=240)

We don't need to be superheroes to save lives, little acts of kindness are at times most sufficient.



## STEPS TAKEN BY ICAI IN FIGHT AGAINST THE COVID19 GLOBAL CRISIS

1. The Institute of Chartered Accountants of India has set up a the "ICAI COVID 19 Relief Fund" where in members/Students and Other Benevolent Citizens can contribute and extend financial support to those affected by Covid19. The contributions to this fund can be mode online on <https://www.icai.org/covid19/> and the contributions shall be given to the PRIME MINISTER'S NATIONAL RELIEF FUND. Contributions can also me made offline and full details of the same can be read at [https://www.icai.org/new\\_post.html?post\\_id=16403](https://www.icai.org/new_post.html?post_id=16403)
2. The Institute of Chartered Accountants of India with the view of encouraging productive utilization of out time in Lockdown and to also fulfil CPE requirements has made available a host of Self Paced E-Learning moduled on its website. The same can be accessed my members as well as students. The same can be accessed on <https://learning.icai.org/iDH/icai/>
3. Necessary extensions in the validity of the Peer Review Certificate have been allowed as follows:
  - a. **In case of Practice Units already holding a valid Peer Review Certificate and the Peer Review Process thereof has been completed:** The effective date of validity of the Peer Review Certificate has expired during the period from April 1, 2019 till March 24, 2020 or is set to expire during the period of lockdown, is extended by one (1) year from the date of validity of the last issued certificate subject to the submission of the final clean report for the peer review periodii 2014-17 and later, within 30 days after the cease of lockdown by such units wherefrom the final clean report for the relevant peer review period was not received by the Board till 24.03.2020.
  - b. **In case of Practice Units holding a valid Peer Review Certificate and peer review process thereof was initiated and ongoing, however, has stuck due to nation-wide lockdown declared in the wake of COVID-19 spurt:** In such cases if the validity of the last issued certificate expires before the completion of Peer Review process, the validity of such Certificate is extended by one (1) year from the date of validity of the last issued certificate
4. In the interest of the wellbeing of students/members, the Institute of Chartered Accountants of India has decided to defer all Chartered Accountant Examinations initially scheduled from 2nd May 2020 to 18th May 2020, These exams will now he conducted in the frame of 19th June 2020 to 4th July, 2020. These exams include:
  - a. Foundation Course Examination – Under New Scheme
  - b. Intermediate (Ipc) Course Examination – Under Old Scheme
  - c. Intermediate Course Examination – Under New Scheme
  - d. Final Course Examination - Under Old Scheme
  - e. Final Course Examination - Under New Scheme





## STEPS TAKEN BY ICAI IN FIGHT AGAINST THE COVID19 GLOBAL CRISIS

- f. Final Course Examination - Under Old Scheme
- g. Final Course Examination - Under New Scheme
- h. International Trade Laws And World Trade Organisation (ITL & WTO), Part I Examination
- i. International Taxation – Assessment Test (INTT – AT)

Detailed exam by exam schedule can be read at <https://resource.cdn.icai.org/58830icai-47942exam270320.pdf>

- 5. A Circular granting relief to Students pursuing Articleship has been released by the Institute of Chartered Accountants of India stating that the period of absence arising out of lockdown due to COVID -19 pandemic shall not be counted for the purposes of deduction of any leaves for the purposes of their Final Examinations. The said announcement can be read at <https://resource.cdn.icai.org/58827covid-19icai.pdf>
- 6. The Accounting Standards Board (ASB) and Auditing & Assurance Standards Board (AASB) of ICAI, have jointly developed an Advisory on "Impact of Coronavirus on Financial Reporting and the Auditors Consideration" highlighting few important areas which require particular attention in respect of financial statements for the year 2019-20. This advisory is meant to help both Account preparers as well as Auditors in discharging their professional responsibilities more effectively. The full Advisory can be downloaded from <https://resource.cdn.icai.org/58829icai47941.pdf>



## BRANCH ACTIVITIES



CPE SEMINAR ON WORK LIFE BALANCE & EFFECTIVE PUBLIC SPEAKING HELD ON 7<sup>TH</sup> MARCH 2020



INTERACTIVE TALK ON WOMEN'S DAY CONDUCTED AT ICAI, GUWAHATI BRANCH ON 7<sup>TH</sup> MARCH 2020

### UPCOMING BRANCH ACTIVITIES

Keeping in mind the health and well being of all our Members, Students and other Stake Holders and adhering to the guidelines issued by the ICAI Headquarters, all programmes and Seminars scheduled for the month of April have been postponed until further notice. Once it is advisable for the masses to resume operations as normal, the Guwahati Branch of ICAI shall conduct the following events:

1. Seminar on Bank Audit
2. Batch on DISA Course shall be launched
3. Seminar on Role of Chartered Accountants after Lock Down

Please stay tuned and follow the Guwahati Branch website (<https://guwahati-icai.org>) and our mobile app (available on Google Play Store and Apple App Store) for further updates.



# MANAGING COMMITTEE

## MANAGING COMMITTEE OF GUWAHATI BRANCH OF EIRC OF ICAI FOR THE PERIOD 2020-2021



**CA. Sharad Agarwalla**  
Chairman



**CA. Kamal Mour**  
Vice Chairman



**CA. Gaurab Garodia**  
Secretary



**CA. (Dr.) Ayush Saraf**  
Treasurer



**CA. Dhiraj Jain**  
Past Chairman



**CA. Mantu Kumar Agarwalla**  
EICASA Guwahati  
Chairman



**CA. Saurabh Choudhary**  
CPE Committee Chairman



**CA. (Dr.) Debashis Mitra**  
Central Council Member  
ICAI



**CA. Ravi Kumar Patwa**  
Regional Council Member  
EIRC, ICAI

<b>Name</b>	<b>Designation</b>	<b>Contact No.</b>	<b>E-Mail</b>
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### Disclaimer

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