



JULY 2021

THE NEWSLETTER  
**UPDATES**

Your monthly guide to news, information and more...



**Connect Easy**

With  
Knowledge Partner



# ▶ Reader's walk through ...

1	Why Newsletter ?	1
2	Who are we ?	2
3	Message From Knowledge Partner	5
4	July 2021 Compliance Calendar	6
5	Direct Tax Updates	8
6	Indirect tax Updates	20
7	MCA Updates	28
8	SEBI Updates	32
9	Accounting Updates	33
10	Article on Block Input Tax Credit under GST	35
11	Excellence in Excel	40
12	Motivational Mantra	41
13	Health is Wealth	42
14	Glimpse of Webinars	44
15	Services We Offer	47

# Why Newsletter ?

“ One of the most important areas we can develop as professionals is competence in accessing and sharing knowledge ”

*- Connie Malamed*

We, KNKP Advisors are excited to publish our newsletter in association with Connect Easy as their Knowledge Partner, under the esteem guidance of Virag Shah. With our efforts and network of Connect Easy, we wish to reach all the professionals to give updates on variety of topics relevant for their daily practices, ranging from GST, Income Tax, Companies Act, SEBI & RBI compliances. Not to mention that this newsletter shall cover some interesting Advanced Excel traits & some motivational stories to ensure complete mix of learning.

Further, you can reach out to us on any of our platforms as mentioned in the new letter as we invite articles & blogs from all the aspiring writers and authors here on any relevant subjects to the businesses. We look to include best content for our readers across the nation from the best of the industry experts. We help professional firms in designing their news letter & videos as well. Furthermore, we include advertisement and promotions as well in our news letter, if you wish to reach our wide base of readers and stimulate traction & visibility for your business.

# Who are we ?



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“CONNECT EASY” is successful venture run by CEO Virag Shah who has having qualifications of CA, CS, CMA, LLB, CAIIB & many more and all of these he achieved before turning 24! He is an inspiration to many. When he was teenager of 16, Virag lost his right leg in a train accident. Not one to bow down to circumstances, he decided to live his life fully despite the pain and trauma he had to go through every day. Nothing deterred him from achieving his professional goals. Mr. Shah was recently awarded the Bharat Prerna Award by Ample Mission -Social Awareness Organisation.

He considers it his personal responsibility to motivate people, especially students so that they can believe in their dreams and make this world a better place. He is also a core group member at Bombay Chartered Accountants Society and Chamber of Tax Consultants.

Connect Easy is user friendly platform which is professionally managed and regularly interact with industry. It provided ~~webinars~~ webinars on different Technical and Non-Technical topics which are attended by over 1,50,000+ CA, CS, CMA, advocate, job seekers, students.

Connect Easy provide platform to new speaker through live webinar where proper discussion and Q&A session are conducted regularly and have the presence of prominent personalities- Like CCM, RCM, former Presidents of various professional institution such as ICAI.

Connect Easy jointly held programs with organizations like- JCAF, TPF, ISHA Foundation, RERA, Markss Impressions, Careersanta.com, MADDO, JIO, Oshwal Shikshan Rahat Sangh, DBS, and many more.

## Core Areas of CONNECT EASY



Virtual CFO



Corporate Training



Recruitment of Finance Professionals



Investments

## Lets Keep in Touch





KNKP Advisors is a result of continuous brainstorming and discussions regarding how we, as a professional, who have command over variety of areas such as Financial Reporting, Corporate Finance, Corporate Laws, Direct and Indirect Taxes, Cost and Performance Evaluation, Strategic Planning, Technology & innovation, come together and contribute to all the kinds of business houses, matured or the startups. Our ambitious common goal here at the firm is to offer the world's best in class products and services to our clients, making us an elite financial services and solutions company with the vision to perfect business, one emboldened entrepreneur at a time.

We believe that every business is unique, has unique needs and that the people who own and manage these companies have their own individual concerns and ambitions. With us you will be treated as an individual, as someone. Not as everyone.

We have seen the business landscape change dramatically and noticed that there are glaring problems arising as a direct cause of this. This ever-changing reality is eroding value, the same value you hoped to create when you started out on this journey and decided to work seven days a week to create. It's also destroying something you can never hope to recover physically or financially, and that's time. Not many people think of this as a commodity, (think of all those missed holidays and lost years) but imagine your life with much more of it?

That brings us around to the question; Why should you talk to us? We have noticed that a small fortune is being lost due to ineffective or nonexistent advice, planning, strategy, negotiation and execution. We believe this is not a systemic effect of the current environment and can be reversed and rectified. Given the right tools and a little bit of time, large tangible operational and financial improvements can be made that will make a huge difference to the way you run and look at your business. This is where we come in.

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## Core Areas of KNKP Advisors



Business Support Service



Corporate Advisory Service



Taxation



RERA



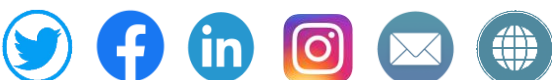
Valuation



Management Reporting

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## Lets Keep in Touch

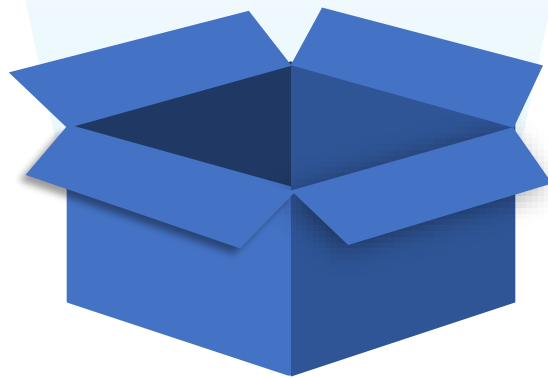


**KNKP Advisors** is excited to launch its own venture Taxotal ,The Tax Boutique.

**Welcome To The New Age** ||

**TAX FILING EXPERIENCE !!**

**taxotal**  
THE TAX BOUTIQUE



At Taxotal, we believe that taxes are not complicated, Taxes can be simplified. As we say “Welcome to the New Age Tax Filing Experience”, it is not only about technology but the overall experience with us. We want our clients to know What they are filing, Why they are filing, and how they are contributing towards tax. With an objective to work with transparency and technology, we want our clients to obtain the new-age filing experience. We have the vision to provide a TOTAL TAX (Taxotal) solution to our clients with the highest value and maximum satisfaction

# Message From Knowledge Partner



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Dear Readers,

Hope you all are well and keeping safe.

This is my 4th engagement with you all and it gives me an immense pleasure to tell you all that KNKP Advisors have grown in terms of its customer engagements, interactions, and products & services. In a short span of our humble start we have spread our presence over a fairly large users, readers and viewers.

To bring extreme amount of ease, we have also launched our tax filing platform 'Taxotal' as well. Taxotal is new age tech enabled platform to streamline your Income Tax filing requirements with relevant & recent laws & regulations.

Despite the fight against the COVID-19 continues across the globe, the world has found the efficient way to continue the economy. India's GDP growth outlook for the next fiscal year is at attractive levels, India has become a global location for Investments, be it public markets or private markets, India's manufacturing activity has picked up the pace again, and the important aspect is that India offers an extremely competitive balance of Cost reduction & scaled institutions with transparency.

I have repeatedly said that we at KNKP advisors, wish to provide comprehensive services to our clients to be the partner to stimulate the growth with our expertise in the field of Corporate Finance & Transaction Advisory, Financial Reporting & GAAP consultancy, Direct & Indirect Tax advisory, Technology and advisory on Business Models, Internal Processes & Industry research. We also wish to help our clients in increasing their presence & develop their business through our network, business materials & solutions and a comprehensive suite on growing their business with a structured program. With this, I request you all to be safe and take care of yourself and your family.

Thank You.

# July 2021- Compliance Calendar



- ✓ Due date for Payment of TDS for the month of June 2021

- ✓ GSTR 7 & 8 For the Month of June 2021



- ✓ GSTR1 For the Monthly Filers for June 2021

- ✓ GSTR 6 For the Month of June 2021



- ✓ Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194IB & 194M in the month of May, 2021

- ✓ Due date for issue of TDS certificate for Form 24Q, 26Q & 27Q

- ✓ Statement to be furnished (in Form No. 64C) by Alternative Investment Fund (AIF) to units holders in respect of income distributed during the previous year 2020-21

- ✓ Payment of PF & ESIC for the month of May 2021.





# July 2021- Compliance Calendar



✓ CMP-08 for April to June, 2021

✓ GSTR 3B for the month of June - 2021 and Quarter ending June, 2021

✓ GSTR 5 & 5A for the month of June



✓ GSTR 4 for FY 2020-21

✓ Issuing Tax deduction certificate

✓ Filing foreign Remittance statement





# Direct Tax Updates



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## Notification 1- 2021 dated 22nd June, 2021 & Circular 11 of 2021

- ✓ CBDT had issued functionality for compliance check of section 206AB & 206CCA of Income tax act, 1961 vide notification 1 & circular 11.
- ✓ To ease the compliance burden of Tax deductor or collector can use single or bulk PAN based search to identify a specified person. In this video, we have shown how to use this Facility. For easy reference we had prepared video for how to use functionality for compliance check of section 206AB & 206CCA.
- ✓ The same Notification can be accessed through following link.



[https://www.incometaxindia.gov.in/communications/circular/circular\\_11\\_2021.pdf](https://www.incometaxindia.gov.in/communications/circular/circular_11_2021.pdf)



[https://www.incometaxindia.gov.in/communications/notification/notification01\\_2021-compliance-check-functionality.pdf](https://www.incometaxindia.gov.in/communications/notification/notification01_2021-compliance-check-functionality.pdf)



<https://www.youtube.com/watch?v=q2gAqs3il-o>

## Circular 12 - 2021 & Notification 74/2021

✓ Due dates for Various compliances are extended which is as follows.

Sr. No.	Compliances	Old Due Date	Extended Due Date
1	Filing TDS statements for Q4 of FY 2020-21	30.06.2021	15.07.2021
2	Issuing Tax deduction certificate for Q4 of FY 2020-21	15.07.2021	31.07.2021
3	Filing foreign Remittance statement by authorised dealer in form 15CC	15.07.2021	31.07.2021
4	Submission of registration/Provisional registration/Intimation of Trusts and Institutions in form 10A & 10AB	30.06.2021	31.08.2021
5	Submitting form for Equalisation levy for FY 2020-21	30.06.2021	31.07.2021
6	Uploading of form 15G & H of no TDS claims cases	15.07.2021	31.08.2021
7	Submitting option to withdraw cases from settlement commission	27.06.2021	31.07.2021
8	Submitting objection to dispute resolution panel	01.06.2021	31.08.2021
9	Time to invest in residential house for Tax deduction	01.04.2021	30.09.2021
10	Vivad se Vishwas payment without interest	30.06.2021	31.08.2021
11	Pan Aadhar Linking	30.06.2021	30.09.2021
12	Making Assessment and Pass Penalty orders	30.06.2021	30.09.2021

## Circular 13 - 2021

Finance Act, 2021 inserted a new section 194Q in the Income-tax Act 1961 (hereinafter referred to as "the Act") which takes effect from 1st day of July, 2021. It applies to any buyer who is responsible for paying any sum to any resident seller for **purchase of any goods** of the value or aggregate of value **exceeding fifty lakh rupees** in any previous year. The buyer, at the time of **credit** of such sum to the account of the seller or at the **time of payment, whichever is earlier**, is required to deduct an amount equal to **0.1 %** of such sum exceeding fifty lakh rupees as income tax.

2. **Buyer is defined** to be person whose total sales or gross receipts or **turnover** from the business carried on by him **exceed ten crore rupees** during the financial year **immediately preceding the financial year** in which the purchase of good is carried out. Central Government has been authorised to specify by notification in the Official Gazette, person who would not be considered as buyer for the purposes of this section.

3. Sub-section (3) of section 194Q of the Act empowers the Board (with the approval of the Central Government) to issue guidelines for the purpose of removing difficulties. Various representations have been received by the Board for issuing guidelines for removing certain difficulties. In exercise of power contained under sub-section (3) of section 194Q of the Act, the Board, with the approval of the Central Government, hereby issues the following guidelines. These guidelines at some places have also tried to remove difficulties in implementing the provisions of section 194-O and sub-section (I H) of section 206C of the Act using power contained in sub-section (4) of section 194-O of the Act and sub-section (II) of section 206C of the Act.

### 4. Guidelines

#### 4.1 Applicability on **transactions carried through various Exchanges:**

4.1.1 It has been represented that there are practical difficulties in implementing the provisions of Tax Deduction at Source (TDS) contained in section 194-Q of the Act in case of certain exchanges and clearing corporations. It has been stated that sometime in these transactions there is no one to one contract between the buyers and the sellers.

4.1 .2 In order to remove such difficulties, it is provided that the provisions of section 194Q of the Act shall not be applicable in relation to,

(i) transactions in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation, Circular No. 13 of 2021 including recognized stock exchanges or recognized clearing corporation located in International Financial Service Centre;

(ii) transactions in electricity, renewable energy certificates and energy saving certificates traded through power exchanges registered in accordance with Regulation 21 of the CERC; and For this purpose,- (i) "recognized clearing corporation" shall have the meaning assigned to it in clause (i) of the Explanation to clause (23 EE) of section 10 of the Act; (ii) "recognized stock exchange" shall have the meaning assigned to it in clause (ii) of the Explanation I to sub-section (5) of section 43 of the Act; and

(iii) "International Financial Services Centre" shall have the meaning assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005.

4.2 **Calculation of threshold** for the financial year 2021-22.

4.2.1. Since section 194Q of the Act would come into effect from 1st July, 2021, it was requested to clarify how the threshold of fifty lakh rupees specified under this section shall be computed and whether the tax is required to be deducted in respect of advance paid before 1st July 2021 and sum credited thereafter.

4.2.2 It hereby clarified that,-

(i) Since section 194Q of the Act mandates buyer to deduct tax on credit of sum in the account of seller or on payment of such sum, whichever earlier, the **provision** of this sub-section shall **not apply on any sum credited or paid before 1st July, 2021**. If either of the two events had happened before 1st July, 2021, that transaction would **not be subjected to the provisions of section 194Q** of the Act.

(ii) Since the threshold of fifty lakh rupees is with respect to the previous year, calculation of sum for triggering TDS under section 194Q shall be computed from 1st April, 2021. Hence, if a person being buyer has already credited or paid fifty lakh rupees or more up to 30th June 2021 to a seller, the TDS under section 194Q shall apply on all credit or payment during the previous year, on or after 1st July, 2021 to such seller.

### 4.3 Adjustment for GST, purchase returns

4.3.1 It is requested to clarify that whether adjustment is required to be made for GST or purchase returns for the purpose of tax deduction under section 194Q of the Act. Vide circular no 17 of 2020 dated 29th Sept 2020 it was clarified that no adjustment on account of GST is required to be made for collection of tax under sub-section (IH) of section 206C of the Act since the collection is made with reference to receipt of amount of sale consideration. However, the situation is different so far as TDS is concerned. It has been clarified in circular no 23 of 2017 dated 19th July 2017 as under "wherever in terms of the agreement or contract between the payer and the payee, the component of 'GST on services' comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Act on the amount paid or payable without including such 'GST on services' component. GST for these purposes shall include Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax and Union Territory Good and Services Tax. "

4.3.2 Accordingly with respect to TDS under section 194Q of the Act, it is clarified that when tax is deducted at the time of credit of amount in the account of seller and in terms of the agreement or contract between the buyer and the seller, the **component of GST comprised in the amount payable to the seller is indicated separately, tax shall be deducted under section 194Q of the Act on the amount credited without including such GST.** However, if the tax is deducted on payment basis because the payment is earlier than the credit, the tax would be deducted on the whole amount as it is not possible to identify that payment with GST component of the amount to be invoiced in future.

4.3.3 Further, with respect to purchase return it is clarified that the tax is required to be deducted at the time of payment or credit, whichever is earlier. Thus, before purchase return happens, the tax must have already been deducted under section 194Q of the Act on that purchase. If that is the case and against this purchase return the money is refunded by the seller, then this tax deducted may be adjusted against the next purchase against the same seller. No adjustment is required if the purchase return is replaced by the goods by the seller as in that case the purchase on which tax was deducted under section 194Q of the Act has been completed with goods replaced.

4.4 Whether non-resident can be buyer under section 194Q of the Act?

4.4.1 It is requested to clarify if the provisions of section 194Q of the Act shall apply to a buyer being a non-resident. **To remove difficulties, it is clarified that the provisions of section 194Q of the Act shall not apply to a non-resident** whose purchase of goods from seller resident in India is not effectively connected with the permanent establishment of such non-resident in India. For this purpose, "permanent establishment" shall mean to include a fixed place of business through which the business of the enterprise is wholly or partly carries on.

4.5 Whether tax is to be deducted when the seller is a person whose income is exempt

4.5.1 It is requested to clarify if the provisions of section 194Q of the Act shall apply to a seller whose income is exempt. To remove difficulty, it is clarified that the **provisions of section 194Q of the Act shall not apply on purchase of goods from a person, being a seller, who as a person is exempt from income tax under the Act** (like person exempt under section 10) or under any other Act passed by the Parliament (Like RBI Act, ADB Act etc.).

4.5.2 Similarly, with respect to sub-section (1 H) of section 206C of the Act, it is clarified that the provisions of this sub-section shall not apply to sale of goods to a person, being a buyer, who as a person is exempt from income tax under the Act (like person exempt under section 10) or under any other Act passed by the Parliament (Like RBI Act, ADB Act etc.).

4.5.3 The above clarifications would not apply if only part of the income of the person (being a seller or being a buyer, as the case may be) is exempt.

4.6 Whether tax is to be deducted on advance payment?

4.6.1 It is requested to clarify if the provisions of section 194Q of the Act shall apply to advance payment made by the buyer. It is clarified that since the provisions apply on payment or credit whichever is earlier, the provisions of **section 194Q of the Act shall apply to advance payment made by the buyer to the seller.**

4.7 Whether provisions of section 194Q of the Act shall apply to buyer in the year of incorporation? 4.7.1 It is requested to clarify if the provisions of section 194Q of the Act shall apply to a buyer in the year of its incorporation. It is clarified that under section 194Q of the Act a buyer is required to have total sales or gross receipts or turnover from the business carried on by him exceeding ten crore rupees during the financial year immediately preceding the financial year in which the purchase of good is carried out. Since this condition would not be satisfied **in the year of incorporation, the provisions of section 194Q of the Act shall not apply in the year of incorporation.**

4.8 Whether provisions of section 194Q of the Act shall apply to buyer if the turnover from business is 10 crore or less?

4.8.1 It is requested to clarify if the provisions of section 194Q of the Act shall apply to a buyer who has turnover or gross receipt exceeding Rs 10 crore but total sales or gross receipts or turnover from business is Rs 10 crore or less. It is clarified that for the purposes of section 194Q of the Act, a buyer is required to have total sales or gross receipts or turnover from the business carried on by him exceeding ten crore rupees during the financial year immediately preceding the financial year in which the purchase of good is carried out. Hence, the sales or gross receipts or turnover from business carried on by him must exceed Rs 10 crore. **His turnover or receipts from non-business activity is not to be counted for this purpose.**

4.9 Cross application of section 194-O, sub-section (IH) of section 206C and section 194Q of the Act. 4.9.1 It is requested to clarify how section 194-O, sub-section (IH) of section 206C and section 194Q of the Act, apply on the same transaction.

4.9.2 Under sub-section (3) of section 194-O of the Act, a transaction in respect of which tax has been deducted by the e-commerce operator under sub-section (I), or which is not liable to deduction under sub-section (2), shall not be liable to tax deduction at source under any other provision of chapter XVII of the Act.

4.9.3 Under second proviso to sub-section (IH) of section 206C of the Act, provisions of this sub-section shall not apply, if the buyer is liable to deduct tax at source under any other provisions of this Act on the goods purchased by him from the seller and has deducted such tax.



4.9.4 Under sub-section (5) of section 194Q of the Act, the provision of this section shall not apply to a transaction on which

(i) tax is deductible under any of the provisions of this Act; and

(ii) tax is collectible under the provisions of section 206C, other than a transactions on which sub-section (I H) of section 206C applies

4.9.5 After conjoint reading of all these provisions the following is clarified:

(i) If tax has been deducted by the e-commerce operator on a transaction under section 194-O of the Act [including transactions on which tax is not deducted on account of sub-section (2) of section 194-O], that transaction shall not be subjected to tax deduction under section 194Q of the Act.

(ii) Though sub-section (IH) of section 206C of the Act provides exemption from TCS if the buyer has deducted tax at source on goods purchased by him, to remove difficulties it is clarified that this exemption would also cover a situation where instead of the buyer the e-commerce operator has deducted tax at source on that transaction of sale of goods by seller to buyer through e-commerce operator.

(iii) If a **transaction is both within** the purview of section **194-O** of the Act as well as section **194Q** of the Act, **tax is required to be deducted under section 194-O** of the Act and not under section 194Q of the Act.

(iv) Similarly, if a transaction is both within the purview of section 194-O of the Act as well as sub-section (I H) of section 206C of the Act, tax is required to be deducted under section 194-O of the Act. The transaction shall come out of the purview of subsection (I H) of section 206C of the Act after tax has been deducted by the e-commerce operator on that transaction. Once the e-commerce operator has deducted the tax on a transaction, the seller is not required to collect the tax under sub-section (I H) of section 206C of the Act on the same transaction. It is clarified that here primary responsibility is on e-commerce operator to deduct the tax under section 194-O of the Act and that responsibility cannot be condoned if the seller has collected the tax under sub-section (I H) of section 206C of the Act. This is for the reason that the rate of TDS under section 194-O is higher than rate of TCS under sub-section (I H) of section 206C of the Act.

4.9.4 Under sub-section (5) of section 194Q of the Act, the provision of this section shall not apply to a transaction on which

(i) tax is deductible under any of the provisions of this Act; and

(ii) tax is collectible under the provisions of section 206C, other than a transactions on which sub-section (I H) of section 206C applies

4.9.5 **After conjoint reading of all these provisions the following is clarified:**

(i) If tax has been deducted by the e-commerce operator on a transaction under section 194-O of the Act [including transactions on which tax is not deducted on account of sub-section (2) of section 194-O], that transaction shall not be subjected to tax deduction under section 194Q of the Act.

(ii) Though sub-section (IH) of section 206C of the Act provides exemption from TCS if the buyer has deducted tax at source on goods purchased by him, to remove difficulties it is clarified that this exemption would also cover a situation where instead of the buyer the e-commerce operator has deducted tax at source on that transaction of sale of goods by seller to buyer through e-commerce operator.

(iii) If a **transaction is both within** the purview of section **194-O** of the Act as well as section **194Q** of the Act, **tax is required to be deducted under section 194-O** of the Act and not under section 194Q of the Act.

(iv) Similarly, if a transaction is both within the purview of section 194-O of the Act as well as sub-section (I H) of section 206C of the Act, tax is required to be deducted under section 194-O of the Act. The transaction shall come out of the purview of subsection (I H) of section 206C of the Act after tax has been deducted by the e-commerce operator on that transaction. Once the e-commerce operator has deducted the tax on a transaction, the seller is not required to collect the tax under sub-section (I H) of section 206C of the Act on the same transaction. It is clarified that here primary responsibility is on e-commerce operator to deduct the tax under section 194-O of the Act and that responsibility cannot be condoned if the seller has collected the tax under sub-section (I H) of section 206C of the Act. This is for the reason that the rate of TDS under section 194-O is higher than rate of TCS under sub-section (I H) of section 206C of the Act.

(v) If a transaction is both within the purview of section 194-Q of the Act as well as sub-section (I H) of section 206C of the Act, the tax is required to be deducted under section 194-Q of the Act. The transaction shall come out of the purview of sub-section (I H) of section 206C of the Act after tax has been deducted by the buyer on that transaction. Once the buyer has deducted the tax on a transaction, the seller is not required to collect the tax under sub-section (I H) of section 206C of the Act on the same transaction. However, if, for any reason, tax has been collected by the seller under sub-section (I H) of section 206C of the Act, before the buyer could deduct tax under section 194-Q of the Act on the same transaction, such transaction would not be subjected to tax deduction again by the buyer. This concession is provided to remove difficulty, since tax rate of deduction and collection are same in section 194Q and subsection (IH) of section 206C of the Act.



[https://www.incometaxindia.gov.in/communications/circular/circular\\_13\\_2021.pdf](https://www.incometaxindia.gov.in/communications/circular/circular_13_2021.pdf)

## FAQs for TDS deduction on Purchase of Goods

✓ Many questions of taxpayers were solved through above circular still there are certain questions which we had try to explain here.

### ❑ Whether TDS to be deducted on the purchase of immovable property by a developer?

✓ Immovable property is not “goods”. TDS shall be deductible on consideration paid for purchase of immovable property (other than agricultural land) under section 194-IA and not under this section. TDS is deductible under that section if consideration is Rs. 50,00,000 or more.

### ❑ Whether additional, allied and out-of-pocket expenses form part of the purchase value of goods?

✓ Where these expenses have been reflected in the purchase invoice itself, it should form part of purchase value and TDS will be deductible on the same. If they are charged through a separate invoice and on actuals basis, it should not form part of purchase value for deduction of TDS and for computing the Rs. 50,00,000 threshold limit.

## ❑ Whether TDS is required to be deducted on the transaction in electricity?

- ✓ Section 194Q provides for the deduction of tax on the payment made for the purchase of goods. The Apex Court in the case of State of Andhra Pradesh v. National Thermal Power Corporation (NTPC) (2002) 5 SCC 203, held that electricity is a movable property though it is not tangible. It is 'goods'. Thus, it may be concluded that the tax should be deducted from the payment made in respect of the transaction in electricity.
- ✓ A transaction in electricity can be undertaken either by way of direct purchase from the company engaged in generation of electricity or through power exchanges. The CBDT has clarified vide Circular No. 17 of 2020 that the transaction in electricity, renewable energy certificates and energy-saving certificates traded through power exchanges registered under Regulation 21 of the CERC shall be out of the scope of TCS under the provision of Section 206C(1H).
- ✓ In respect of direct purchase from generating company, TDS will be deductible u/s 194Q. In respect of purchase through power exchanges, it remains to be seen whether similar exemption as granted from section 194-O and section 206C(1H) will be granted from section 194Q also.

## ❑ Whether TDS should be deducted on the purchase of software?

- ✓ The Supreme Court in its landmark decision of Tata Consultancy Services v. State of A.P [2004] 141 Taxman 132 (SC) held that Canned software (off the shelf computer software) are 'goods'. Therefore, purchase of Canned software (off the shelf computer software) is purchase of 'goods' and will be liable to TDS under section 194Q even if buyer-entity capitalises the same in its books. Purchase of customised or tailor-made software may be "services" and liable to TDS under section 194J or section 194-O.

## ❑ Whether TDS is liable to be deducted on purchase of Jewellery not connected with business?

- ✓ Tax is required to be deducted by a buyer carrying on business whose total sales, gross receipts or turnover from the business exceeds Rs. 10 crores during the financial year immediately preceding the financial year in which such goods are purchased. There is no condition that the purchases should be connected with the business only. Thus, if a person is falling within the definition of the buyer, tax is required to be deducted even if such purchase is not connected with the business carried on by him.
- ✓ Jewellery, being a movable property, is covered within the term goods. There is no specific exclusion under Section 194Q for deduction of TDS on purchase of jewellery. Thus, the tax shall be deductible on purchase of jewellery if other conditions are also fulfilled.

# Goods & Service Tax Updates



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## Notification No. 8/2021 to 14/2021 & Notification No. 17/2021 to 27/2021

- ✓ Due date for furnishing of GSTR 4 for FY 2020-21 is extended to 31st July, 2021.
- ✓ Due date for furnishing of ITC-04 for Q4 of 2020-21 is extended to 30th June, 2021.
- ✓ GSTR 1 for May-2021 is extended till 26th June, 2021.
- ✓ IFF for May, 2021 is extended till 28th June, 2021.
- ✓ Allowing filing of returns by companies using Electronic Verification Code (EVC), instead of Digital Signature Certificate (DSC) till 31.08.2021
- ✓ Granting of Application of registration under Rule 9 is extended up to July 15<sup>th</sup>, 2021.
- ✓ Note:
  - ❑ During this period of relaxation Rule 36(4) for restriction of credit on the basis form GSTR 2A will not be applicable.
  - ❑ Due dates for GSTR 3B is not extended but relaxation in late fees and Interest is given during Tax Period March & April.

## Last date for Filling of GSTR 3B to get the benefit of late fees and Interest reduction or waiver

Particulars	Waiver of Late Fee	Interest Waiver	Interest @9%
	May	May	May
Taxpayers having T/o more than Rs. 5 Crore	05.07.2021	N.A.	05.07.2021
Taxpayer having T/o less than 5 Crore and Filling Monthly	20.07.2021	05.07.2021	20.07.2021
Tax payers who are filling Quarterly 3B – A *	N.A.	07.07.2021	22.07.2021
Tax payers who are filling Quarterly 3B – B #	N.A.	07.07.2021	24.07.2021

\* Category A – Taxpayers whose principal place of business is in the states having state code 22 to 37

# Category B – Taxpayers whose principal place of business is in the states having state code 1 to 21



<https://www.cbic.gov.in/htdocs-cbec/gst/central-tax-notfns-2017>

## Notification 19/2021

- ✓ Late fees of GSTR 3B for July 2017 to April 2021 filled between 1st June, 2021 to 31st August, 2021 is waived in excess of Rs. 500. If Tax liability is nil than late fees is waived in excess of Rs. 250.
- ✓ Late fees of GSTR 3B for June 2021 onward is waived in excess of amount specified in Table.

Sr. No.	Class of registered person	Amount
1.	Registered persons whose total amount of central tax payable in the said return is nil	250
2.	Registered persons having an aggregate turnover of up to rupees 1.5 crores in the preceding financial year, other than those covered under Sr. No. 1	1,000
3.	Taxpayers having an aggregate turnover of more than rupees 1.5 crores and up to rupees 5 crores in the preceding financial year, other than those covered under Sr. No. 1	2,500



<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-19-central-tax-english-2021.pdf>

## Notification 20/2021

- ✓ Late fees of GSTR 1 for June 2021 onward is waived in excess of amount specified in Table.

Sr. No.	Class of registered person	Amount
1.	Registered persons who have nil outward supplies in the tax period	250
2.	Registered persons having an aggregate turnover of up to rupees 1.5 crores in the preceding financial year, other than those covered under Sr. No. 1	1,000
3.	Registered persons having an aggregate turnover of more than rupees 1.5 crores and up to rupees 5 crores in the preceding financial year, other than those covered under Sr. No. 1	2,500





<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-20-central-tax-english-2021.pdf>

### Notification 21/2021

- ✓ Late fees of GSTR 4 for FY 2021-22 onwards waived in excess of amount specified in Table.

Sr. No.	Class of registered person	Amount
1.	Registered persons who have nil outward supplies in the tax period	250
2.	Registered persons other than those covered under Sr. No. 1	1,000



<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-21-central-tax-english-2021.pdf>

### Notification 22/2021

- ✓ Late fees of GSTR 7 for June 2021 onwards waived for GSTR 7 in excess of Rs. 1,000.



<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-22-central-tax-english-2021.pdf>

### Clarification regarding applicability of GST on supply of food in Anganwadis and Schools

- ✓ Accordingly, as per recommendation of the GST Council, it is clarified that services provided to an educational institution by way of serving of food ( catering including mid- day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations [under said entry 66 (b)(ii)]. Educational institutions as defined in the notification include aganwadi. Hence, serving of food to anganwadi shall also be covered by said exemption, whether sponsored by government or through donation from corporates.

- ✓ The same Circular can be accessed through following link



[https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_149.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_149.pdf)

### **Clarification regarding applicability of GST on the activity of construction of road where considerations are received in deferred payment (annuity)**

- ✓ Services by way of construction of road fall under heading 9954. This heading inter alia covers general construction services of highways, streets, roads railways, airfield runways, bridges and tunnels. Consideration for construction of road service may be paid partially upfront and partially in deferred annual payments (and may be called annuities). Said entry 23A does not apply to services falling under heading 9954 (it specifically covers heading 9967 only). Therefore, plain reading of entry 23A makes it clear that it does not cover construction of road services (falling under heading 9954), even if deferred payment is made by way of instalments (annuities)
- ✓ Accordingly, as recommended by the GST Council, it is hereby clarified that Entry 23A of notification No. 12/2017-CT(R) does not exempt GST on the annuity (deferred payments) paid for construction of roads.
- ✓ The same Circular can be accessed through following link



[https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_150.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_150.pdf)

### **Clarification regarding GST on supply of various services by Central and State Board (such as National Board of Examination)**

- ✓ Taking into account the above, the GST Council has recommended, to clarify as below:
  - ❑ GST is exempt on services provided by Central or State Boards ( including the boards such as NBE) by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution [under S. No. 66 (aa) of notif No. 12/2017-CT(R)]. Therefore, GST shall not apply to any fee or any amount charged by such Boards for conduct of such examinations including entrance examinations.

- ❑ GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc, when provided to such Boards [under S. No. 66 (b) (iv) of notif No. 12/2017-CT(R)].
- ❑ GST at the rate of 18% applies to other services provided by such Boards, namely of providing accreditation to an institution or to a professional ( accreditation fee or registration fee such as fee for FMGE screening test ) so as to authorise them to provide their respective services
- ✓ The same Circular can be accessed through following link



[https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_151.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_151.pdf)

### **Clarification regarding rate of tax applicable on construction services provided to a Government Entity, in relation to construction such as of a Ropeway on turnkey basis**

- ✓ According to entry No. 3(vi) of notification No. 11/2017-CT (R) dated 28.06.2017, GST rate of 12% is applicable, inter alia, on- “(vi) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, (other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above) provided to the Central Government, State Government, Union Territory, a local authority a Governmental Authority or a Government Entity, by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of – (a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession; “
- ✓ Thus, said entry No 3 (vi) does not apply to any works contract that is meant for the purposes of commerce, industry, business of profession, even if such service is provided to the Central Government, State Government, Union Territory, a local authority a Governmental Authority or a Government Entity. The doubt seems to have arisen in the instant cases as Explanation to the said entry states, the term ‘business’ shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities.

- ✓ However, this explanation does not apply to Governmental Authority or Government Entity, as defined in clause (ix) and (x) of the explanation to said notification. Further, civil constructions, such as rope way for tourism development shall not be covered by said entry 3(vi) not being a structure that is meant predominantly for purposes other than business. While road, bridge, terminal, or railways are covered by entry No. 3(iv) and 3(v) of said notification, structures like ropeway are not covered by these entries too. Therefore, works contract service provided by way of construction such as of rope way shall fall under entry at sl. No. 3(xii) of notification 11/2017-(CTR) and attract GST at the rate of 18%.
- ✓ The same Circular can be accessed through following link



[https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_152.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_152.pdf)

### **GST on milling of wheat into flour or paddy into rice for distribution by State Governments under PDS**

- ✓ In case the supply of service by way of milling of wheat into flour or of paddy into rice, is not eligible for exemption under Sl. No. 3 A of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 for the reason that value of goods supply in such a composite supply exceeds 25%, then the applicable GST rate would be 5% if such composite supply is provided to a registered person, being a job work service (entry No. 26 of notification No. 11/2017- Central Tax (Rate) dated 28.06.2017). Combined reading of the definition of job-work [section 2(68), 2(94), 22, 24, 25 and section 51] makes it clear that a person registered only for the purpose of deduction of tax under section 51 of the CGST Act is also a registered person for the purposes of the said entry No. 26, and thus said supply to such person is also entitled for 5% rate
- ✓ The same Circular can be accessed through following link



[https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_153.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_153.pdf)

## GST on service supplied by State Govt. to their undertakings or PSUs by way of guaranteeing loans taken by them

- ✓ Entry No. 34A of Notification no. 12/2017-Central Tax (Rate) dated 28.06.2017 exempts “Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings (PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions.”
- ✓ Accordingly, as recommended by the Council, it is re-iterated that guaranteeing of loans by Central or State Government for their undertaking or PSU is specifically exempt under said entry No. 34A.
- ✓ The same Circular can be accessed through following link



[https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_154.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_154.pdf)

## Clarification regarding GST rate on laterals/parts of Sprinklers or Drip Irrigation System

- ✓ The GST rate on Sprinklers or Drip Irrigation System along with their laterals/parts are governed by S.No. '195B' under Schedule II of notification No. 1/2017- Central Tax (Rate), dated 28th June, 2017 which has been inserted vide notification No. 6/2018- Central Tax (Rate), dated 25th January, 2018
- ✓ The matter is examined. The intention of this entry has been to cover laterals (pipes to be used solely with with sprinklers/drip irrigation system) and such parts that are suitable for use solely or principally with 'sprinklers or drip irrigation system', as classifiable under heading 8424 as per Note 2 (b) to Section XVI to the HSN. Hence, laterals/parts to be used solely or principally with sprinklers or drip irrigation system, which are classifiable under heading 8424, would attract a GST of 12%, even if supplied separately. However, any part of general use, which gets classified in a heading other than 8424, in terms of Section Note and Chapter Notes to HSN, shall attract GST as applicable to the respective heading.
- ✓ The same Circular can be accessed through following link



[https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_155.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_155.pdf)



# COMPANIES ACT

## MCA Updates



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### Accounting Standards:

- ✓ MCA has notified Accounting Standards 1 to 5, 7 and 9 to 29 as recommended by the Institute of Chartered Accountants of India which will be applicable from accounting periods commencing on or after the 1st day of April, 2021 to every company, other than companies to which Indian Accounting Standards (Ind AS) are applicable. The notification has also amended the definition of Small and Medium Companies.
- ✓ The same Notification can be accessed through following link.



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjA0NzM=&docCategory=NotificationsAndCirculars&type=download>

### Independent Directors Databank:

- ✓ It has been clarified that in case of delay on the part of an individual in applying for inclusion of his name in the data bank of independent directors or in case of delay in filing an application for renewal thereof, the institute shall allow such inclusion or renewal, after charging a further fees of one thousand rupees on account of such delay.

- ✓ The same Notification can be accessed through following link.



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjAxNDA=&docCategory=NotificationsAndCirculars&type=download>

### **Matters not to be dealt with in a meeting through video conferencing or other audio-visual means:**

- ✓ Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 has been omitted which was earlier prohibiting certain matters to be dealt with in any meeting held through video conferencing or other audio-visual means such as approval of the annual financial statements, approval of the Board's report, approval of the prospectus, consideration of accounts in audit committee meeting and approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.
- ✓ The same Notification can be accessed through following link



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MTkxMzU=&docCategory=NotificationsAndCirculars&type=download>

### **Transfer of shares to Investor Education and Protection Fund:**

- ✓ The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)
- ✓ Rules have been amended by adding a new rule which prescribes the manner of transfer of shares to the Investor Education and Protection Fund. Further the revised rules also amends the format of Form No. IEPF 4 and IEPF 7.
- ✓ The same Notification can be accessed through following link



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MTkxMzQ=&docCategory=NotificationsAndCirculars&type=download>

## Companies Incorporation Rules:

- ✓ Companies incorporation rules have been amended to include Shops and Establishment Registration along with incorporation of the Company and accordingly Form No. INC-35 has also been amended. Name of the Form is changed from AGILE-PRO to AGILE-PRO-S.
- ✓ The same Notification can be accessed through following link



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjAxMzc=&docCategory=NotificationsAndCirculars&type=download>

## Amendments in Ind AS:

- ✓ The amendments to Ind AS mainly covers (i) extension of COVID 19 related to practical expedient under Ind AS 116 for lease concessions (ii) practical expedient due to the interest rate benchmark reforms for financial instruments and (iii) substituting the definition of certain terms used in the standard and aligning the bare text of Standards with Conceptual Framework of Financial reporting under Ind ASs.
- ✓ The same Notification can be accessed through following link



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjAxMzk=&docCategory=NotificationsAndCirculars&type=download>

## Amendments in Ind AS:

- ✓ The relaxation provided with respect to conducting EGMs through video conferencing or other audio-visual modes or transacting items through postal ballot has been extended up to December 31, 2021.
- ✓ The same Circular can be accessed through following link



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjA1NTg=&docCategory=NotificationsAndCirculars&type=download>



## Relaxation in filing of Form for Companies and LLPs:

- ✓ It has been decided to grant additional time upto August 31, 2021 to companies / LLPs to file forms (other than forms related to charge creation / modification / satisfaction) under Companies Act and LLP Act which were/are due for filing during April 1, 2021 to July 31, 2021 without any additional fees.
- ✓ The same Circular can be accessed through following link



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjE2OTA=&docCategory=NotificationsAndCirculars&type=download>

- ✓ In relation to e-Forms related to charge creation and modification, MCA has clarified that:
  - where the date of creation or modification of charge was before April 1, 2021 but due date of filing e-Form was not expired on the said date, in such case the period from April 1, 2021 till July 31, 2021 shall not be counted for the purposes of determining due date of filing e-Form.
  - where the date of creation or modification of charge falls in the period from April 1, 2021 till July 31, 2021, in such case the period from the date of creation or modification till July 31, 2021 shall not be considered for the purpose of determining due date of filing e-Form.
- ✓ The same Circular can be accessed through following link



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjE2ODk=&docCategory=NotificationsAndCirculars&type=download>



# SEBI Updates



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[https://www.sebi.gov.in/legal/circulars/jun-2021/relaxation-from-the-requirement-of-minimum-vesting-period-in-case-of-death-of-employee-s-under-sebi-share-based-employee-benefit-regulations-2014\\_50545.html](https://www.sebi.gov.in/legal/circulars/jun-2021/relaxation-from-the-requirement-of-minimum-vesting-period-in-case-of-death-of-employee-s-under-sebi-share-based-employee-benefit-regulations-2014_50545.html)

## Relaxation from the requirement of minimum vesting period:

- ✓ In view of the COVID-19 pandemic situation, to provide relief to the families of the deceased employees of listed companies, it has been decided that the provisions relating to minimum vesting period of one year shall not apply in case of death (for any reason) of an employee and in such instances all the options, SAR or any other benefit granted to such employee(s) shall vest with his/her legal heir or nominee on the date of death of the employee. This relaxation shall be available to all such employees who have deceased on or after April 01, 2020.
- ✓ The same Circular can be accessed through following link



# Accounting Updates

## Expert Advisory Committee (EAC) Opinion :

- ✓ Expert Advisory Committee (EAC) of ICAI has provided an Opinion on method of accounting to be followed by an Institute, an autonomous body set up in 1984 by the Reserve Bank of India (RBI).
- ✓ The relevant text of the Opinion is reproduced below:
  - “the Committee is of the view that accrual basis of accounting should be continued to be followed by the Institute. Further with regard to method of accounting, the Committee is of the view that the Institute in the extant case should analyse the nature of each assignment/project considering the terms and conditions of the contract/MoU, especially with reference to the number of acts required to complete the assignment/contract, various stages of performance involved in its execution/completion, the incidence of costs relating to various acts, etc. to determine the appropriate method of recognition of revenue.
  - Committee notes that as per the requirements of AS 9, where the performance consists of execution of single act or when the services are performed in more than a single act but the services yet to be performed are so significant that without their execution the performance cannot be deemed to have been completed, then revenue is recognised when the final act is complete and service becomes chargeable.

However, where the contract involves execution of more than one act, revenue should be recognised proportionately by reference to the performance of each act or degree of completion of service under the contract. Under this method, revenue is recognised in the Statement of Profit and Loss on the basis of stage of completion/work performed irrespective of the fact whether or not payment has been received or settled (provided other conditions of revenue recognition are also being fulfilled). Similarly, costs are also recognised in the Statement of Profit and Loss for the period in which the work to which they relate are performed.

- ✓ The same EAC Opinion can be accessed at:



<https://resource.cdn.icai.org/64902cajournal-june2021-9.pdf>



# Article On Block Input Tax Credit under CGST Act, 2017



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## Background

Under GST Law certain input tax credit is blocked u/s 17(5) of CGST Act, 2017. Section 17 of CGST Act, 2017 deal with Apportionment and block credits.

Why certain input tax credits are blocked?

While GST is introduced in India at that time it is widely claimed that India need GST to consider seamless movement of input tax credit but there are many input tax credits blocked. Due to this reason, there is not a free flow of input tax credit and still there is cascading effect prevailed.

There can be multiple reason for the same.

- To reduce litigation on nature of Input tax credits utilisation (Business or Personal)
- To reduce inverted duty structures
- To earn more revenue from GST

Many of these input tax credits were not allowed during previous tax regimes (i.e CENVAT Credit Rule, 2004) as well.

Following Input tax credits are not allowed u/s 17(5) of CGST Act, 2017.

□ **Motor Vehicles, Aircrafts and vessels**



- **Input tax credit of Motor Vehicles** for transportation of persons having seating capacity of less than thirteen persons including driver is not allowed. There are certain exemption for the same which are as follows.
  - ✓ If taxable person is in the business of supplying that motor vehicles i.e. CAR dealer, manufacturer etc. in that case input tax credit is allowed.  
Eg. Sharma Motor purchased 100 Honda City for sale from manufacturer than Input tax credit for purchase of 100 cars is allowed.
  - ✓ If taxable person is in the business of transportation of passengers i.e. travels business, Bus leasing business etc.  
Eg. Alpha Travels is in the business of Inter city transportation and purchased cars for passenger transportation than Alpha travels allowed to take input tax credit for vehicles having seating capacity of less than 13 persons.
  - ✓ Providing training of driving through such motor vehicles i.e. driving schools
- **Input tax credits of vessels and aircraft** is not allowed except in following cases
  - ✓ If Vessels and aircrafts are used for further supply of such vessels and aircraft
  - ✓ If vessels and aircrafts are used for passenger transportation
  - ✓ If vessels and aircrafts are used for providing training of flying of such aircraft and navigating such vessels
  - ✓ If such vessels and aircraft are used for transportation of goods

- Input tax credit of Servicing, repairing & maintenance and general Insurance related to above mentioned vehicles, vessels and aircraft is not allowed except for the cases where input tax credit on motor vehicle, vessels and aircraft is allowed.
- If motor vehicles having seating capacity of less than 13 persons are used for transportation of goods than input tax credit is allowed as for motor vehicles input tax credit for transportation of persons are only restricted under clause(a) of section 17(5).
- Definition of motor vehicle under GST Act is required to consider as available in Motor Vehicles Act, 1988.
- “motor vehicle” or “vehicle” means any mechanically propelled vehicle adapted for use upon roads whether the power of propulsion is transmitted thereto from an external or internal source and includes a chassis to which a body has not been attached and a trailer; but does not include a vehicle running upon fixed rails or a vehicle of a special type adapted for use only in a factory or in any other enclosed premises or a vehicle having less than four wheels fitted with engine capacity of not exceeding twenty-five cubic centimetres

#### □ Personal Consumables



- Input tax credits of Foods & and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft used for passenger traveling, life insurance and health insurance is not allowed to registered person.
- Input tax credit of above-mentioned supply will be available if used for further outward supply of same category of service or goods.
  - ✓ Eg. ABC Ltd. had organised function for employees and customers for which company had taken services of catering and provided coupons to employees and valued customers for Hotels, beauty treatment. In that case input tax credit is not allowed to ABC Ltd.

- Input tax credit for membership of club, health and fitness centres are not allowed which includes gym.
  - ✓ Eg. ABC Ltd. Had taken membership of club for top management in that case input tax credit of the same is not allowed to ABC Ltd. Still it is used for business purpose.
- Input tax credit on travel benefits extended to employees on vacations such as leave or home travel concession is not allowed except where it is obligatory for employer under any law.
  - ✓ Eg. ABC Ltd. Had arranged tour for employees in that case input tax credit for tour is not allowed.

### □ Immovable Property



- Input tax credit on works contract service for construction of immovable property (Other than plant & machinery) except where it is an input tax credit for further supply of works contract service is not allowed.
- Input tax credit on goods or services or both received for construction of immovable property (other than plant & machinery) is not allowed.
- Construction includes re-construction, renovation, additions or alteration or repairs to the extent it is capitalised.
  - ✓ Eg. ABC Ltd. Had purchased tiles for flooring work at their new office in that case Input tax credit for the same is not allowed. But if those tiles were purchased for furniture work in that case Input tax credit for the same is allowed as Furniture is not an immovable property.

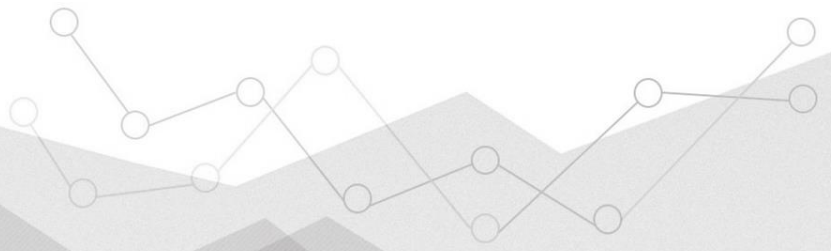


- Immovable property for this section does not include plant & machinery.
- Plant & Machinery means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes—
  - ✓ land, building or any other civil structures;
  - ✓ telecommunication towers; and
  - ✓ pipelines laid outside the factory premises.

#### □ Other Credits



- Input tax credits for goods or services purchased from composition dealers is not allowed
- Goods and services used for personal consumption
- Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples.



# Excellence in Excel

## Calculation of Net Present Value for a series of Cash Flows

- ✓ Syntax: `PMT(RATE, NPER, PV [FV], [TYPE])`
- ✓ The PMT function syntax has the following arguments:
  - ❖ RATE: The interest rate of loan
  - ❖ NPER: The total number of payments for the loan.
  - ❖ PV : Principal amount
  - ❖ FV : Optional. The future value, or a cash balance you want to attain after the last payment is made. If fv is omitted, it is assumed to be 0 (zero), that is, the future value of a loan is 0.
  - ❖ TYPE : Optional. The number 0 (zero) or 1 and indicates when payments are due

Set type equal to	If payments are due
0 or omitted	At the end of the period
1	At the beginning of the period

	A	B	C
1	Rate		8%
2	Numbers of months of Payment		10
3	Amount of Loan		10000
4			
5	<b>Formula</b>	<b>Description</b>	<b>Result</b>
6	<code>=PMT(C1/12,C2,C3)</code>	Monthly payment for a loan with terms specified as arguments in A2:A3	₹ -1,037.03

# MOTIVATION?

IT'S RIGHT INSIDE YOU!

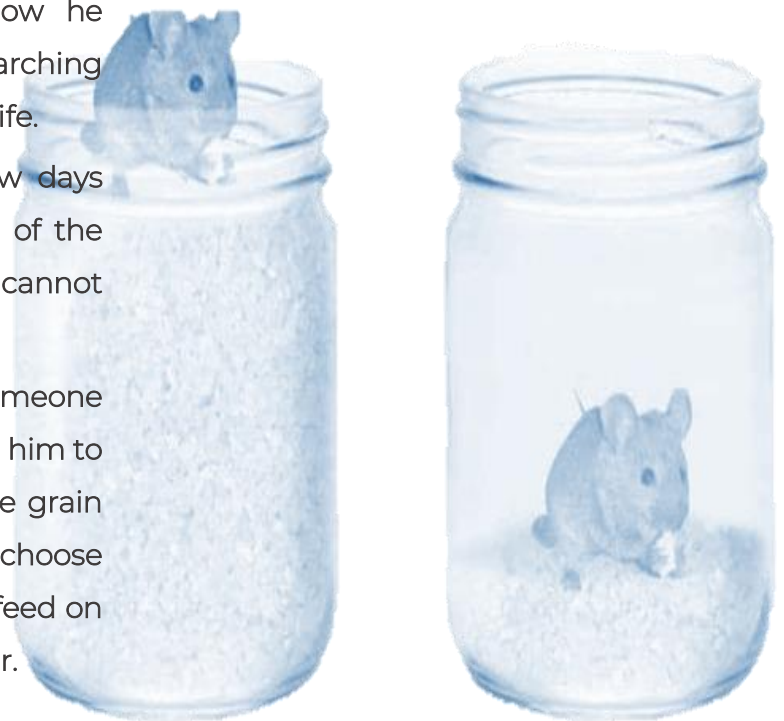
## Motivational Mantra

### A Mouse and Grain Jar

A mouse was put at the top of a jar filled with grains. He was too happy to find so much of food around him. Now he doesn't need to run around searching for food and can happily lead his life.

As he enjoyed the grains, in few days time, he reached to the bottom of the jar. Now he is trapped and he cannot come out of it.

He has to solely depend upon someone to put grains into the same jar for him to survive. He may even not get the grain of his choice and he cannot choose either. If he has to live, he has to feed on whatever has been put into the jar.



### Moral of the story

We will learn 4 lessons from the above story.

- ❖ Short term pleasure can lead to long term traps.
- ❖ If things are coming easy and you are getting comfortable , you are getting trapped into survival mode.
- ❖ When you are not using your potential, you are losing it.
- ❖ If you don't take right action at right time , you will finish what you have and will be in no position to come out.

# Health is Wealth



## Health is Wealth



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### How to improve Immune System

**“If there is no enemy within, the enemy outside cannot harm us.”**

Being healthy should be part of your overall lifestyle. Health can be defined as a state of complete physical, mental, social and spiritual wellbeing, which consists in maintaining the body as much as possible by following daily advice and preventive measures to reduce the possibility of diseases

Outside environment is not in our control but certainly our health is in our control. We can work on our immunity so outside factors will not affect us much.

Here we are sharing few tips for improving immunity system:

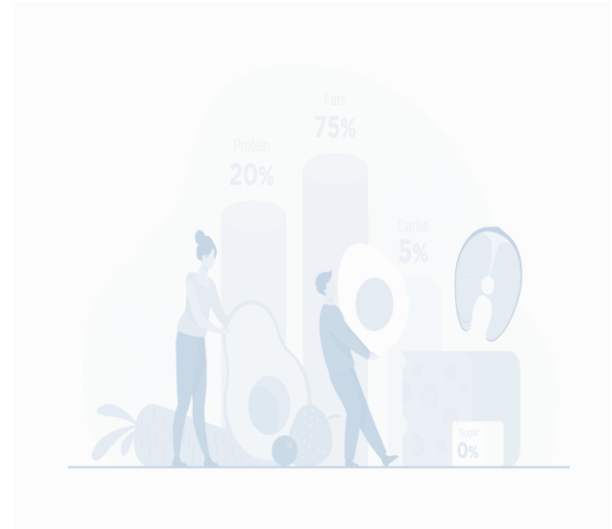
- **Stability in Emotions:** As per research emotions are vital reason of illness. So, if you are emotionally stable your immune system will be protected and no disease can enter your body.





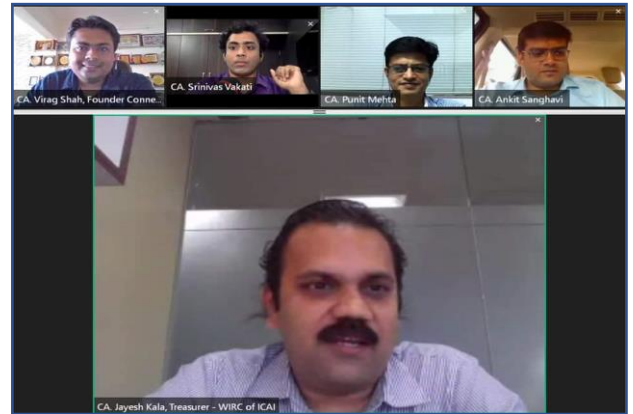
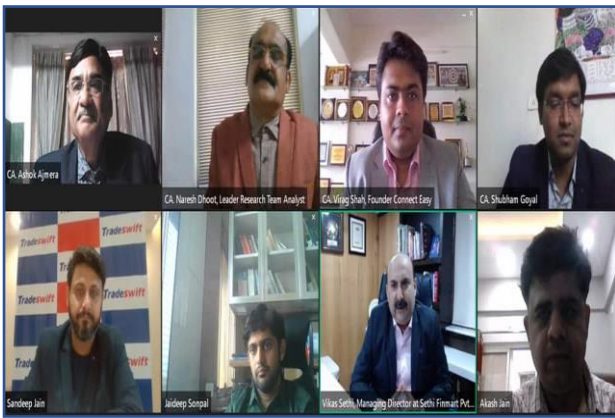
☐ **Sunlight for immunity:** Connecting with nature gives us positivity. Spend 5-10 minutes of your time in Sun. Sunlight is natural resource of Vitamin D. Vitamin D helps in regulating immune system.

☐ **Good eating Habits:** Junk food with too much sugar can affect the immune system badly. Including more fresh fruits and green vegetables will improve immunity.

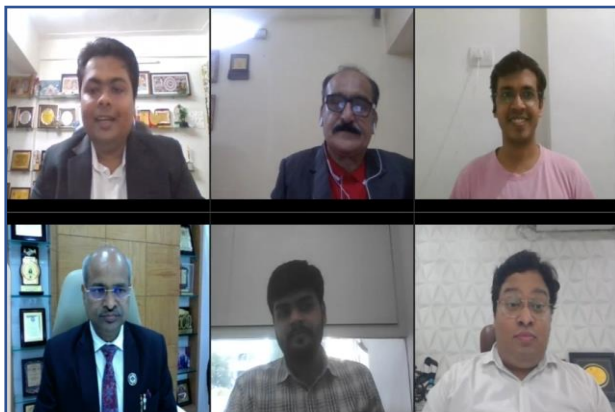
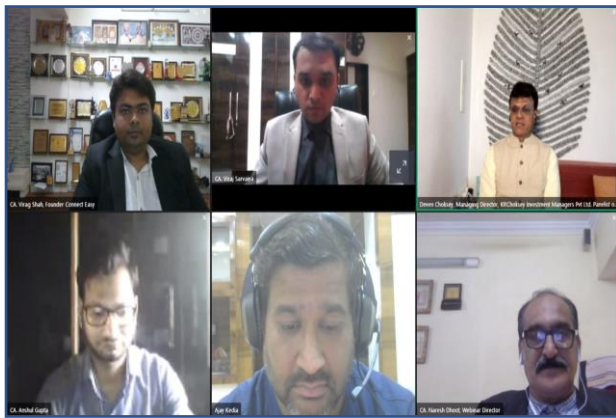


☐ **Good Sleep:** Our body works nonstop, so it is important to give it break by getting proper sleep at night. When you slept well it helps in reducing stress which in turn will boost your immune system.

# Glimpse of Webinars



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CA Virag Shah, Founder Connect... CA Abhay Desai Shubham Khanna CA Charanjot Singh Nanda, CCM

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CCM, ICAI.

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CA Virag Shah, Founder Connect Easy

**ANTI MONEY LAUNDERING**

CA Debmalya Maitra

Session I

**International YOGA DAY Celebrations**

21st June - Monday @ 5.45 am

**Chief Guest :** Hon. Justice CA. Dr. Vineet Kothari Gujarat High Court

**Guest of Honour :** Bollywood Actor / Entertainer Rajpal Yadav

**Special Guest :** CA. Durgesh Kabra, CCM ICAI CA. Anil Bhandari CCM ICAI CA. Naresh Dhgot CA. Virag Shah

**Programme Director**

**Instructors**

- CA. Poonam Pathak
- CA. Malvika Mitra
- Jyoti Thakur

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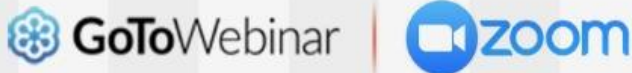


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