

# **EY Tax and Regulatory Alert**

February 2021

Prepared for ACMA

## **Contents**

- ▶ **Key Tax Updates**
- ▶ **Judicial Precedents**

S. No.	Particulars	Description
Part A	<b><u>Key Tax Updates</u></b>	
1.	<b><u>Goods and Services Tax (GST)</u></b>	Key Circulars and Notifications <ul style="list-style-type: none"> <li>Changes proposed in Budget 2021 under GST Laws</li> <li>Circular No. 146/02/2021-GST dated 23 Feb 2021 issued by CBIC to clarify certain queries in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices</li> </ul>
2.	<b><u>Customs and Foreign Trade Policy</u></b>	Key Circulars and Notifications <ul style="list-style-type: none"> <li>Circular No. 04/2021 dated 16th February, 2021</li> <li>Circular No. 03/2021 dated 03rd February, 2021</li> <li>Instruction No. 105 dated 05th February, 2021</li> <li>Instruction No. 02/2021 dated 16th February, 2021</li> <li>Notification No. 02/2021-Customs Tariff dated 01 February 2021</li> <li>Trade Notice No. 40/2020-21 dated 04th February, 2021</li> <li>Trade Notice No. 41/2020-21 dated 15th February, 2021</li> <li>Trade Notice No. 42/2020-21 dated 19th February, 2021</li> <li>Changes introduced vide Finance Bill 2021 to be effective on enactment of the bill</li> </ul>
3.	<b><u>Direct Tax</u></b>	Key circulars and notifications <ul style="list-style-type: none"> <li>Union Budget 2021</li> <li>Central Government amends Faceless Assessment Scheme, 2019 to integrate proceedings before Dispute Resolution Panel</li> </ul>
4.	<b><u>Regulatory</u></b>	Key Circulars and Notifications <ul style="list-style-type: none"> <li>Reserve Bank of India ("RBI") issues directions to allow posting and collection of margin for permitted derivative contracts between a person resident in India and a person resident outside India.</li> <li>RBI permits resident individuals to make remittances under the Liberalized Remittance Scheme ("LRS") to International Financial Services Centers ("IFSC") in India.</li> </ul>

Part B	<b>Judicial Precedents</b>	
	<u>Direct Tax</u>	
1.	<b>Go Airlines (India) Limited [TS-34-ITAT-2021(Mum)]</b>	Mumbai ITAT held that lower of business loss/depreciation deductible for MAT computation unless entirely set-off in books
2.	<b>Special Judge Court SC/ST (Prevention of Atrocities Cases) [TS-72-ITAT-2021(JPR)]</b>	Jaipur ITAT Confirms levy of fees u/s 234E on belated TDS returns pertaining to pre-Jun'15 period

# INDIRECT TAX

## Part A - Key Indirect Tax updates

### Goods and Services Tax

This section summarizes the regulatory updates under GST for the month of February 2021

#### ▶ Changes proposed in Budget 2021 under GST Laws

##### ▶ **Retrospective amendments (with effect from 1 July 2017)**

- Interest to be charged on net cash liability
  - Current administrative arrangements made a part of law
- Activities or transactions involving supply by any person to its members for consideration deemed as supply – this eliminates the argument of mutuality for non-taxability

##### ▶ **Significant change in the conditions for availing input tax credit**

- Supplier should have furnished details of invoice in outward supplies statement
- Matching of details may now become mandatory to determine the eligibility of input tax credit

##### ▶ **Zero rating of supplies**

- Zero rating of supplies to SEZ units and developers have been restricted for use in the authorised operations only
- Export with payment of tax restricted to specified class of person or class of goods/ services (to be notified)
- Refund granted for export of goods to be deposited back in case of non-realisation of sale proceeds within 30 days after expiry of time limit prescribed by FEMA

#### ▶ **Self-certification of annual reconciliation statement**

- Change in requirement of furnishing an annual reconciliation statement
- External certification done from auditor will not be required

#### ▶ **Circular No. 146/02/2021-GST dated 23 Feb 2021** issued by CBIC to provide clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices. Some of the relevant clarifications have been reproduced below:

##### ▶ Whether this requirement is applicable on invoices issued for export supplies?

Response - Though the export supplies are made by a registered person to an unregistered person, e-invoicing provisions have been made applicable on these supplies by treating the same as B2B supplies. Hence, **the requirement with respect to Dynamic QR code on B2C invoices will not be applicable to export invoices.**

##### ▶ What parameters/ details are required to be captured in the Quick Response (QR) Code?

Response - Dynamic QR Code is required, inter-alia, to contain the following information: -

- i. Supplier GSTIN number
- ii. Supplier UPI ID
- iii. Payee's Bank A/C number and IFSC
- iv. Invoice number & invoice date,
- v. Total Invoice Value and
- vi. GST amount along with breakup i.e. CGST, SGST, IGST, CESS, etc.

Further, Dynamic QR Code should be such that **it can be scanned to make a digital payment.**

- ▶ If a supplier provides/ displays Dynamic QR Code, but the customer opts to make payment without using Dynamic QR Code, then will the cross reference of such payment on the invoice, be considered as compliance of Dynamic QR Code on the invoice?

Response - In cases where the supplier, has digitally displayed the Dynamic QR Code and the customer pays for the invoice using any mode like UPI, credit/ debit card or online banking or cash or combination of various modes of payment, with or without using Dynamic QR Code, and **the supplier provides a cross reference of the payment (transaction id along with date, time and amount of payment, mode of payment like UPI, Credit card, Debit card, online banking etc.)** on the invoice, the said invoice shall be deemed to have complied with the requirement of having Dynamic QR Code.

- ▶ Is generation/ printing of Dynamic QR Code on B2C invoices mandatory for pre- paid invoices i.e. where payment has been made before issuance of the invoice?

Response - If **cross reference of the payment received** either through electronic mode or through cash or combination thereof is made on the invoice, then the invoice would be deemed to have complied with the requirement of Dynamic QR Code.

In cases other than pre-paid supply i.e. where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.

## **Customs and Foreign Trade Policy (FTP)**

**This section summarizes the regulatory updates under Customs and FTP for the month of February 2021**

- ▶ **Circular No. 04/2021 dated 16<sup>th</sup> February, 2021** issued by CBIC, for the extension of Board's circular No. 12/2018-Customs dated 29.05.2018 for sanction of pending IGST refund claims where the records have not been transmitted to ICEGATE due to GSTR-1 and GSTR- 3B mismatch error.
    - The IGST refunds relating to the Shipping Bills filed after 31.03.2019 having mismatch error between GSTR-1 and GSTR-3B could not be processed and are held up on above account. Having regard to the fact that a substantial number of IGST refunds are stuck due to above error as functionality to amend GSTR-3B return is not available so far there is a need to extend the facility as provided vide above Circular No. 12/2018-Cus dated 29.05.2018 and 25/20 I 9-Cus dated 27.08.2019 in respect of the Shipping Bills filed after 31.03.2019 as well.
    - It appears that the payments mismatch has happened even subsequent to the period covered in the above said Circulars.
    - In respect of guidelines provided in Para 3A and 3B of the said Circular 12/2018-Customs, dated 29.05.2018, the comparison between the cumulative IGST payments in GSTR-1 and GSTR 3B would now be for the period April 2019 to March 2021. The corresponding CA certificate evidencing that there is no discrepancy between the IGST amount refunded on exports in terms of this Circular and the actual IGST amount paid on exports of goods for the period April 2019 to March 2020 and April, 2020 to March, 2021 shall be furnished by 31st March, 2021 and 30th October 2021, respectively.
  - The concerned Customs Zones shall provide the list of GSTINs, who have availed benefit under Para 3A & 3B of said circular and yet have not submitted the CA certificate to the Board by the 15th April 2021 for the IGST refunds relating to financial year 2019-20 and by 15th November, 2021 for financial year 2020-21.
  - ▶ **Circular No. 03/2021 dated 03<sup>rd</sup> February, 2021** issued by CBIC, emic improvements regarding modification in the Bond (B-17) Execution process.
    - CBIC clarifies that in case of B-17 bond (a single all-purpose bond) for EOU/STP/EHTPs in capacity of Proprietorship or partnership firm, surety cannot be given by Proprietor/partner himself.
    - Considering improper execution of B-17 Bond resulting in loss of Government revenue, specifies that such surety must be given by an independent legal entity other than the Proprietor/Partner of the concerned Proprietorship/Partnership EOU firm
    - Refers to clarification vide circular no. 66/98-customs dated September 15, 1998 and states that "A sole Proprietorship firm is not a legal entity distinct from its proprietor.
    - Hence, question of Proprietor himself standing as surety for his own Proprietorship firm does not arise."
- Thus, mentions that the circular "nowhere recognizes a Proprietor standing as surety for his/her own Proprietorship EOU firm."; Accordingly, requires field formations to review all B-17 bonds executed in their respective jurisdictions.

▶ **Instruction No. 105 dated 05th February, 2021**

issued by CBIC, Ministry of Commerce & Industry (SEZ Division) on recommendation by NASSCOM introduces a one-time waiver on the custom duty as well as inspection requirement in case of de-bonding of IT/ITeS Units in SEZs.

- CBIC, further explains given the fact that majority of employees are working from home using duty free assets, the requirement of physical inspection of such assets would lead to significant operational and administration burden for the units;
- Thus, the exiting IT/ITES SEZ unit may opt for simple payment of duty without inspection subject to condition of producing all relevant import and other documents of goods to establish their identity;
- Further, extends exemption on the filing of BOE for goods sold by IT/ITeS SEZ unit which were procured from DTA and supplied back to DTA under provisions of Rule 48(3) of SEZ Rules, 2006, clarifies that the movement of the goods may be done on the basis of invoice only;
- However, states that if IT/ITES units import goods into SEZ after paying applicable duty and further clears it into DTA under Rule 49(4) of SEZ Rules, it would amount to import as per Customs Act, thus mandating filing of Bill of Entry in such cases.

▶ **Instruction No. 02/2021 dated 16th February, 2021** issued by CBIC, the instruction for streamlining Customs Post Clearance Audit work (PCA)

- In this regard, lays down that for reporting Transactional Based Audit (TBA), the Monthly Performance Reports (MPR) of Directorate of Data Management to have two parts, one for period ending on March 31, 2021 and other for period starting from April 01, 2021;

- Herein provides that All Custom Audit Commissionerates/Customs Houses/Custom Commissionerates shall draw action plan to clear the historical pendency accumulated upto March 31, 2021 by September 30, 2021;
- It further restricts Premise Based Audit (PBA), to importers & exporters only and exclude other entities under the PBA, however clarifies that if any such entity has been selected for PBA, the Audit shall be completed as planned;
- Further, for visiting premises under PBA, prescribes that all communications shall be done through e-modes and meetings, if necessary, shall be done via Video Conferencing;
- For MIS reports, prescribes 3 new formats (CUS PCA-1, CUS PCA-2 & CUS PCA-3) for reporting PCA performance of TBA, PBA and ThBA (Theme Based Audit);
- It further prescribes the various time period of concerned departmental meetings for PBA, ThBA, Post Audit Compliance Cell (PACC), Monitoring Committee Meeting (MCM);
- CBIC instruction lays down that Zonal Customs heads shall examine 5% of audit reports on selective basis under the supervision of Pr. Chief Commr./Chief Commr

► **Notification No. 02/2021-Customs tariff dated 01 February 2021** issued by CBIC, amendments made in customs-tariff rates as given in the table below:-

Chapter Heading	Description	BCD including SWS* (Effective Current Rate)	BCD including SWS* (New Effective Rate)
7007	<b>Safety glass, consisting of toughened (tempered) of laminated glass</b> suitable for use in – (i) motor vehicles falling under heading 8702 or 8704; (ii) motor cars falling under heading 8703; or (iii) motor cycles falling under heading 8711.	11.00%	16.50%
7318 16 00	Nuts	11.00%	27.50%
7318	Crews, Bolts, Nuts, Coach-Screws, Screw Hooks, Rivets, Cotters, Cotter-Pins, Washers (Including Spring Washers) And Similar Articles, Of Iron Or Steel And Similar Articles, Of Iron Or Steel	11.00%	16.50%
8431	Parts and components for manufacturing	Nil	2.75%

	g of Tunnel boring machines		
8414 8011	Gas compressors Of a kind used in air-conditioning equipment	13.75%	16.50%
84 or any other chapter	Tunnel Boring Machine	Nil	8.25%
8512 90 00	Parts of Electrical lighting and or signalling equipment (Excluding articles of heading 8539), Wind screen wipers, Defrosters and demisters, of a kind used for cycles or motor vehicles	11.00%	16.50%
8544 30 00	Ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	11.00%	16.50%
8714 91 00, 8714 92, 8714 93, 8714 94 00, 8714 95, 8714 96 00, 8714 99	All goods other than Bicycle parts and components	11.00%	16.50%
9104 00 00	Instrument Panel Clocks and Clocks of a similar type of vehicles, Aircrafts, Spacecraft or vessels	11.00%	16.50%



85 or any other chapter*	Inputs or raw materials [other than Lithium-Ion Cell and PCBA] for use in manufacture of Lithium-ion battery and battery pack; and inputs, parts or sub-parts for use in manufacture of PCBA of Lithium-ion battery and battery pack	Nil	2.75%
--------------------------	--	-----	-------

\*The said change is effective 01 April 2021, rest all changes are effective 02 February 2021.

► **Customs duty changes – decrease in duty rates**

Chapter Heading	Description	BCD including SWS* (Effective Current Rate)	BCD including SWS* (New Effective Rate)
7206 to 7217, 7221 to 7223, 7227, 7228, 7225 (except 7225 1100, 7225 3090, 7225 4019, 7225 50 or 7225 9900) and 7226 except 7226 1100)	<b>Primary/ Semi-finished products of non-alloy steel, Flat Products of iron or non-alloy steel and alloy steel and Long Products of iron or non-alloy steel, stainless steel and alloy steel</b>	11.00%/13.75%	8.25%

► **Anti-Dumping duty temporarily revoked for the period till 30 September 2021**

Import from country	Imposed vide Notification No	Products	Tariff
China	Notification 54/2018-Cus (ADD) dated 18.10.2018	Straight length Bars and Rod of alloy steel	7228
China, Brazil and Germany	Notification 16/2020-Cus (ADD) dated 23.06.2020	Flat rolled products of steel, (Al or Zinc coated)	7210, 7212, 7225 and 7226
China, Vietnam and Korea	Notification 16/2020-Cus (ADD) dated 23.06.2020 consisting of toughened (tempered) of laminated glass	Flat rolled products of steel, (Al or Zinc coated)	7210, 7212, 7225 and 7226

► **Countervailing duty temporarily revoked for the period till 30 September 2021**

Import from country	Imposed vide Notification No	Products	Tariff
China	Notification 01/2017-Cus (CVD) dated 07.09.2017	Hot rolled and cold rolled stainless steel flat product	7219 or 7220
Indonesia	Notification 02/2020-Cus (CVD)	Flat products of	7219 or 7220

	dated 09.10.2020	Stainless steel	
--	---------------------	--------------------	--

The above changes are effective 02 February 2021 till 30 September, 2021.

▶ **Trade Notice No. 40/2020-21 dated 04<sup>th</sup> February, 2021** issued by DGFT, the introduction of online e-Tariff Rate Quota system for Imports.

- Issued with effect from 08.02.2021 onwards, all applicants seeking Tariff Rate Quota for Imports are required to submit their application, online under “e-Tariff Rate Quota” in the Import Management system, through importer’s dashboard on the DGFT website. For TRQ applications which have already been submitted for FY 2021-22 and are yet to be processed, these applications will be migrated to the new system, for which no action is required by the applicant.
- Any request for the amendment of the TRQ licenses, issued on or after 08.02.2021, is required to be submitted electronically only through e-TRQ system.
- Also, further licenses of all the TRQs would be issued electronically and TRQ license data would be transmitted electronically to the Customs Authorities. No paper copies of the TRQ Import License will be issued by DGFT with effect from 08.02.2021.

▶ **Trade Notice No. 41/2020-21 dated 15<sup>th</sup> February, 2021** issued by the DGFT, to introduce of online-Certificate Management system for Imports. Directorate proposes to introduce new modules (online e-Certificate Management System) for processing of certain applications. From 22.02.2021 onwards, the following applications types are required to be submitted online through the importer/exporter's dashboard on the DGFT Website:-

- I Card (as under ANF-2B)
- Free Sale and Commerce Certificate (as under ANF-2H & 2I)
- End User Certificate (as under ANF2J)
- Status Holder Certificate (as under ANF-3C)

All such certificates would be issued electronically with QR code and a Unique Document Identification Number(UDIN) for electronic verification.

▶ **Trade Notice No. 42/2020-21 dated 19<sup>th</sup> February, 2021** issued by DGFT, for issuance of the certificate of Origins(Non-Preferential) [CoOs(NP)]through Common Digital Platform(CDP).

- DGFT proposes to issue online CoO (NP) w.e.f. 01.04.2021 (tentative date); wherein the online applications for CoO (NP) will be processed as per the provisions of Para.2.108 of handbook of Procedure based on the declaration of the exporter to the issuing agency, without any scrutiny of documents. However, uploaded documents like invoices etc. will be available for scrutiny at a later date in case there is a need for cross verification.
- Further, a uniform fee of Rs.100/- will be charged for each certificate so issued.
- It is also informed that w.e.f 01.04.2021 applications will be accepted in online mode only.

▶ **Changes as introduced vide Finance Bill 2021 to be effective on enactment of the bill:**

- Sunset clause provided for all conditional exemptions currently in force. The same shall end on 31 March 2023 (unless withdrawn earlier). New conditional exemptions shall be valid for **two years from the end of financial year during which it was enacted.**
- Bill of entry to be filed before end of the preceding day of arrival of goods
- Any goods entered for exportation under wrongful claim of refund or remission of duty can be confiscated
- Penalty to be levied in cases where ITC is claimed basis fraudulent invoice and the same is utilized for payment of tax on export

- Two year time limit (further extendable by one more year) has been laid down for completion of enquiry and investigation culminating into issuance of notice
- Common customs electronic portal is notified for facilitating registration, service of orders, filing bill of entry
- Countervailing and anti-dumping duty can be levied retrospectively from the date of initiation of investigation in anti-circumvention cases
- More anti-avoidance measures have been introduced.

# Direct Tax

## Part-A Key Direct Tax updates

### Union Budget 2021

#### 1) **Extending tax holiday provisions in respect of start-ups till 31 March 2022**

- ▶ The existing provisions of ITL grant a 100% profit-linked deduction to eligible start-ups for income earned from eligible business. The deduction is available at the option of the start-up taxpayer which is incorporated on or after 1 April 2016 and before 1 April 2021.
- ▶ Further, the ITL also exempts any long-term capital gains earned by a Taxpayer from transfer of residential property on or before 31 March 2021 subject to utilization of net-consideration from such transfer towards subscription of equity shares in an eligible start-up.
- ▶ These benefits are now extended for another year, up to 31 March 2022.

#### 2) **Increase in threshold limit from INR 50m to INR 100m for tax audit cases for person carrying on business:**

- ▶ The ITL currently provides relief from tax audit to taxpayer carrying on business and having total sales, turnover or gross receipts up to INR50m subject to cash receipts and payments not exceeding 5% of total receipts and payments respectively. FB 2021 now increases the threshold limit of INR 50m to INR 100m.

#### 3) **Rationalization of Minimum Alternate Tax (MAT) provisions**

- ▶ Where there is an increase in the book profit of the income of a financial year due income of past year(s) on account of secondary adjustment or APA entered by the taxpayer, the Assessing Officer shall re-compute the book profit and tax payable of the past years in the prescribed manner.
- ▶ The taxpayer will have to make an application in this regard to the assessing officer.
- ▶ The procedure and time periods applicable for “rectification proceedings” will be applicable.
- ▶ This amendment will be effective from 1 April 2021.

#### 4) **Delayed remittance of employee contribution to employee welfare funds to result in permanent disallowance of deduction**

- ▶ Where an employer is required to deduct certain amount towards employee contribution to labour welfare funds (PF, ESI, etc.) from the employee’s pay and the same is not remitted to the respective fund within the “due date” specified in the relevant legislation, such amount shall not be allowed as a deduction in the hands of the employer, while the contribution at the time of deduction is regarded as income of the employer.

#### 5) **Advanced Tax instalment for dividend income**

- ▶ Interest for delay in payment of advance tax not to be levied on dividend income (not applicable on deemed dividend) for advance tax instalments prior to receipt/ declaration of dividend income.

**6) Reduction of time limit for initiation and completion of assessment**

- ▶ Time limit for initiation of scrutiny proceedings have been reduced from 6 months to 3 months from the end of the financial year in which return has been furnished.
- ▶ Further, the time limit for completion of assessment proceedings have been reduced by 3 months. Accordingly, the assessment is proposed to be completed within 9 months from the end of the assessment year.

**7) Reduction in time limit to file belated return or revised return**

- ▶ Currently, one can file belated or revised return on or before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier. This has been now reduced by three months, which means that belated/revised return should be filed within three months before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier. This amendment is effective from return filing for financial year 2020-21 onwards.

**8) Revision of time limits for initiation of Income escaping assessment**

It has been proposed that the time period to issue Notice for income escaping assessment be reduced as below:

- ▶ Income escaping assessment, the time limit has been reduced to 3 years from 6 years.
- ▶ In specified cases, can be reopened till 10 years.

**9) Reduction of time limit for completing assessment:**

- ▶ Due to advancement and computerization of assessment process including introduction of Faceless Assessment Scheme 2019, there is need to reduce period of limitation for conducting assessment Proceedings.
- ▶ In view thereof, the time limit for completion of assessment proceedings is reduced to 9 months (as against existing 12 months) from the end of the relevant assessment year in which income the income was first assessable.
- ▶ The amendment is effective for tax year 2020-21 and onwards.

**10) Slump sale to cover all types of transfers, including slump exchange**

- ▶ Slump sale definition has been amended to include within its scope all types of transfers, such as sale, exchange, relinquishment of asset etc.

**11) Goodwill not regarded as intangible asset eligible for depreciation**

- ▶ The definition of intangible asset for the purpose of depreciation has been amended by FB 2021 to exclude goodwill from its ambit. Accordingly, depreciation will not be admissible on goodwill, whether self-generated or acquired goodwill.
- ▶ In respect of acquired goodwill on which depreciation has been claimed in past years up till 31 March 2021, the written down value (i.e original cost less depreciation claimed in past) and capital gain shall be computed in the manner prescribed. Further, In other cases the cost of acquisition shall be actual purchase price or NIL in case of self-generated goodwill for the purpose of computing capital gains.

## 12) Clarification on provisions related to Equalisation Levy

- ▶ There was ambiguity on the scope and the intent of the provisions under certain situations.
- ▶ In this regard, the following amendments seek to address the ambiguities:
  - ▶ Taxation as royalty or fee for technical services under the income tax law would have priority over EL. This would also bring in certainty on application of EL provisions on income streams where both EL and withholding on royalty/ fee for technical services could potentially apply.
  - ▶ In order to be regarded as “online sale of goods” and “online provision of services” for e-commerce supply or service, one or more activities need to be undertaken online. These are, namely:
    - a) acceptance of offer for sale;
    - b) placing purchase order;
    - c) acceptance of purchase order;
    - d) payment of consideration or
    - e) supply of goods or provision of services, partly or wholly.
  - ▶ Consideration received/ receivable for sale of goods and provision of services will be included regardless of whether the e-commerce operator owns the goods or provides the service.
  - ▶ A transaction which is subject to EL is exempt from income tax under section 10(50).
    - ▶ Such an exemption provided to e-com EL had certain anomaly or mismatch in the date of applicability of the provision.
    - ▶ Accordingly, applicability of income-tax exemption for consideration covered by e-com EL will now be aligned with 1 April

2020 along with date of applicability of e-com EL.

- ▶ The amendments will take effect retrospectively from financial year starting from 1 April 2020.

## 13) Increase in safe harbour limit in case of certain immovable properties from 10% to 20%

- ▶ Under the existing provisions of ITL, if consideration from transfer of land or building or both, is less than the stamp duty value and the difference between the two is less than 10% of actual consideration, then the actual sale consideration is deemed to be full value of consideration for the purposes of computation of business income. Further, the buyer or recipient of such property is also taxed on the same difference.
- ▶ With effect from financial year 2021-22, the above safe harbor of difference in stamp duty value and actual consideration is increased to 20% in the hands of both transferor and transferee in case of primary transfer of residential properties taking place between 12 November 2020 and 30 June 2021 provided the consideration for such transfer does not exceed INR20m.

## 14) Definition of the term ‘Liable to tax’:

- ▶ ITL uses the term ‘liable to tax’ in various provisions but same is not been defined in any provisions. The term ‘Liable to tax’ has been defined to mean, that there is a liability of tax on such person under any law for the time being in force in any country. Further, it includes a case where subsequent to imposition of tax liability, an exemption has been provided.

### **15) Penal TDS/TCS in case of non-filers of income tax return**

- ▶ In order to ensure filing of return of income by persons who have suffered a reasonable amount of TDS/TCS, penal TDS/TCS rates have been introduced.
- ▶ As per these provisions, any person making payment or receiving any sum from a specified person will be required to deduct/collect taxes at a rate twice the rate of tax deduction/collection at source or 5%, whichever is higher.
- ▶ Specified person means any person who has not filed the return of income for last two years preceding the financial year in which tax is required to be deducted/collected, and the tax deducted/collected is INR 50,000 or more in each of the two preceding years.
- ▶ These provisions are not applicable to a non-resident not having a permanent establishment in India.
- ▶ Further, these provisions are not applicable when income is required to be deducted for payments in the nature of salary income, lottery or crossword puzzles, winnings from race-horses, investment in securitization trust and cash withdrawals in excess of specified limit.

### **16) Withholding obligations on buyer while making payment to resident for purchase of goods:**

- ▶ A new tax withholding provision has been introduced wherein the buyer while making payment to resident for purchase of goods having value exceeding fifty lakh rupees in the previous year is required to withhold taxes at the rate of 0.1%.

- ▶ The obligation to withhold arises only in cases where buyer's total sales, 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 goods is carried out.
- ▶ The above provisions would not be applicable in cases where payment is already subject to Tax deduction at source or Tax collection of source obligation under other provisions of the ITL (except TCS provisions applicable on sale of goods w.e.f. 01 October 2020).
- ▶ In case where buyer fails to furnish Permanent Account Number (PAN), then in such cases the rate of 5% would be applicable instead of rate 0.1%.

### **17) Provisional Attachment of Property in cases involving falsification of books of accounts**

- ▶ With effect from financial year 2021-22, Tax Authority is now permitted to provisionally attach the Taxpayers property if necessary, during the course of pendency of proceedings regarding imposition of penalty in cases involving falsification/ omission of entries in books of accounts, provided the amount of penalty imposable is likely to exceed INR 20m.

### **18) Extending faceless proceedings to The Income Tax Appellate Tribunal (ITAT) in jurisdiction less manner**

- ▶ In order to impart greater efficiency, transparency and accountability, faceless assessment scheme, faceless appeal scheme and faceless penalty scheme have already been introduced. In order to reduce the human interface to a larger extent, it has been proposed to introduce faceless ITAT proceedings.

**19) Constitution of Board of Advance Ruling (BAR) for speedy disposal of applications before Authority for Advance Ruling (AAR)**

FB 2021 proposes to constitute a new “Board of Advance Ruling” (BAR) having following features:

- ▶ Existing AAR mechanism shall cease to operate from a notified date and all the powers of the AAR shall vest in BAR from such notified date;
- ▶ BAR to have 2 members of ranking at or above Chief Commissioner of Income-tax;
- ▶ Unlike in case of AAR, ruling given by BAR may not be binding on applicant or tax department and is appealable before High Court;
- ▶ The appeal to High court is to be filed within 60 days from date of communication of the ruling in such manner/ form as may be prescribed;
- ▶ CG is empowered to make a faceless scheme for purpose of giving advance ruling by BAR (faceless scheme akin to one for assessment and appeals).
- ▶ Amendment is effective from 1 April 2021

**20) Discontinuance of Income-Tax Settlement Commission (ITSC):**

- ▶ FB 2021 proposes to discontinue ITSC w.e.f. 1 February 2021 (closure date) and constitute an Interim Board (IB) for settlement of pending cases.
- ▶ CG to constitute one or more IBs (having 3 members of the rank of Chief Commissioner nominated by CBDT) for settlement of pending applications;

- ▶ Applicant shall be given an option to withdraw the pending application within 3 months from date of commencement of Finance Act 2021 and shall intimate jurisdictional Tax Authority about the withdrawal;
- ▶ For such withdrawn applications, the respective Tax Authority, shall dispose off the case in accordance with provisions of the ITL;
- ▶ CG is empowered to make faceless scheme for purposes of settlement of pending applications before IBs.
- ▶ The amendment is effective from 1 February 2021.

**21) Constitution of Dispute Resolution Committee (DRC) for small and medium taxpayers**

- ▶ Central Government (CG) is empowered to introduce a new optional scheme to provide early tax certainty to small and medium taxpayers who fulfils specified conditions in respect of specified order to be specified.
- ▶ DRC will cover cases where returned income is INR 50 lacs or less and aggregate amount of proposed variation is less than INR 10 lacs.
- ▶ DRC will have power to reduce/waive any penalty and grant immunity from prosecution under the Income Tax Laws (ITL).
- ▶ DRC will not apply to:
  - ▶ Orders passed pertaining cases of search proceedings, survey proceedings and proceedings from exchange of information provisions.
  - ▶ A taxpayer against whom there is detention, prosecution or conviction under certain specified laws.



- ▶ CG is also authorized to frame faceless scheme for conducting proceedings before DRC.

## **22) Relaxation from return filing for certain category of Resident senior citizens**

- ▶ Certain category of resident senior citizens of the age of 75 or more have been exempted from filing of return of income subject to fulfilment of below conditions:
- ▶ He/ she has pension income and no other income.
- ▶ In addition to such pension income he/ she may have also have interest income from the same specified bank in which he/ she is receiving the pension.
- ▶ He/ she shall be required to furnish a declaration to the specified bank

## **23) Exemption for Leave Travel Concession (LTC) cash scheme**

- ▶ Legislative amendments introduced to give effect to the recently introduced LTC cash scheme subject to the fulfilment of the below conditions:
- ▶ Purchase of goods/ services between 12 October 2020 to 31 March 2021.
- ▶ Goods/ services liable to GST of 12% or more and purchased/ procured from GST registered vendors/ service providers.
- ▶ Amount of exemption shall not exceed INR 36,000 per person or one-third of the specified expenditure, whichever is less.
- ▶ If an individual receives any amount for the LTC (as per terms of employment) which is more than the amount eligible for exemption (mentioned above), the exemption would be limited to INR 36,000

per person or one-third of the specified expenditure, whichever is less.

## **24) Taxation of proceeds from high premium ULIP**

- ▶ Taxation of proceeds received on maturity of high premium unit linked insurance policies (ULIPs) issued on or after 01 February 2021, where the aggregate premium exceeds INR 2,50,000 per annum in any financial year during the policy term.
- ▶ Such proceeds would be taxable as capital gains to be computed in the manner as may be prescribed.
- ▶ However, the above provisions shall not apply to the proceeds received at the time of death of policy holder and the same shall remain tax exempt.

## **25) Relief from double taxation of income from notified overseas retirement fund**

- ▶ In order to address the issue of mismatch of taxation of income from overseas retirement fund maintained in a notified country, a new provision has been introduced. It is applicable for individuals who are resident in India and have opened specified retirement fund accounts outside India, while being non-resident in India and resident in that country.

## **26) Tax Treatment of employee's contribution towards various Provident Fund Schemes**

- ▶ Interest accruing on employee's contribution to specified provident fund schemes, on contributions in excess of INR 2,50,000 per annum made on or after 01 April 2021, will be taxable.

**27) Tax returns to be pre-filled with details regarding income from capital gains, interest from banks/ post offices, dividend etc.**

and to pass final assessment order in a faceless manner through National Faceless Assessment Centre post completion of the proceedings before the DRP in conformity with the directions of the DRP.

## **28) Affordable Housing**

- ▶ An additional deduction up to INR 1,50,000 will be continued to be provided for purchase of first residential house property covered under the definition of affordable housing, if the loan has been sanctioned upto 31 March 2022.

- ▶ The amendment is effective from the date of its publication in the official gazette i.e., 17 February 2021.

## **2. Central Government amends Faceless Assessment Scheme, 2019 to integrate proceedings before Dispute Resolution Panel**

### **Background**

- ▶ Under the existing Faceless Scheme, there was ambiguity as to whether cases where the option to approach DRP is available (i.e., transfer pricing (TP) cases and non-resident taxpayer cases) are covered within the scope of Faceless Scheme in the absence of any mechanism under the Faceless Scheme to approach the DRP.
- ▶ To bring the Faceless Scheme in line with the amendments introduced vide TTAOLB 2020 and to address the aforesaid ambiguity, the CBDT issued the present Notifications to integrate faceless assessment proceedings under Faceless Scheme with DRP proceedings.

### **Notification**

- ▶ The revised procedure in Faceless Scheme provides an option for eligible taxpayers to approach the DRP after passing of draft assessment order under Faceless Scheme. In such cases, a stepwise procedure is provided for granting an opportunity to eligible taxpayers to file objections before the DRP

# Key Regulatory amendments

**This section summarizes the regulatory updates for the month of February 2021**

**Reserve Bank of India (“RBI”) issues directions to allow posting and collection of margin for permitted derivative contracts between a person resident in India and a person resident outside India.**

In furtherance of the Foreign Exchange Management (Margin for Derivative Contracts) Regulations, 2020 (‘FEMA – MDC Regulations’) dated 23 October 2020 issued by RBI, vide which AD Banks were granted permission to post and collect margin, in India and outside India, on their own account or on behalf of their customers for a permitted derivative contract entered into with a person resident outside India, in the form and manner as specified by the RBI and receive and pay interest on such margin. Accordingly, the RBI has issued directions in this regard and the key highlights of the same are as follows:

- ▶ AD Banks are permitted to post and collect margin in India for a permitted derivative contract entered into with a person resident outside India in the following forms:
  - Indian currency;
  - Freely convertible foreign currency;
  - Debt securities issued by Indian Central Government and State Governments;
  - Rupee bonds issued by persons resident in India which are:
    - ✓ Listed on a recognized stock exchange in India; and
    - ✓ Assigned a credit rating of AAA issued by a rating agency registered with the Securities and Exchange Board of India. If different ratings are accorded by two or more credit rating agencies, then the lowest rating shall be reckoned.

- ▶ AD Banks are permitted to post and collect margin outside India in the following forms:
  - Freely convertible foreign currency
  - Debt securities issued by foreign sovereigns with a credit rating of AA- and above issued by S&P Global Ratings / Fitch Ratings or Aa3 and above issued by Moody’s Investors Service. If different ratings are accorded by two or more credit rating agencies, then the lowest rating shall be reckoned.
- ▶ Further, the AD Banks have been allowed to pay and receive interest on margin posted and collected either on their own or on behalf of their customers for permitted derivative contracts entered into with a person resident in India.
- ▶ Additionally, AD Banks have been directed to maintain separate accounts in the name of persons resident outside India for the purpose of posting and collecting cash margins in India and transactions incidental thereto.

*Source: A. P. (DIR Series) Circular No. 10 dated 15 February 2021*

**RBI permits resident individuals to make remittances under the Liberalized Remittance Scheme (“LRS”) to International Financial Services Centers (“IFSC”) in India.**

- ▶ With a view to deepen the financial markets in IFSCs and provide an opportunity to resident individuals to diversify their portfolio, the RBI has reviewed the extant guidelines on LRS and have permitted resident individuals to make remittances under LRS to IFSCs set up in India under the Special Economic Zone Act, 2005, as amended from time to time. Accordingly, AD Banks have been permitted to allow resident individuals to make remittances under LRS to IFSCs in India, subject to the following conditions:

- The remittance shall be made only for making investments in IFSCs in securities, other than those issued by entities/companies resident (outside IFSC) in India.
- Resident Individuals may also open a non interest bearing Foreign Currency Account (FCA) in IFSCs, for making the above permissible investments under LRS. Any funds lying idle in the account for a period upto 15 days from the date of its receipt into the account shall be immediately repatriated to domestic INR account of the investor in India.
- Resident Individuals shall not settle any domestic transactions with other residents through these FCAs held in IFSC.
  
- ▶ It has been specified that the remittances made to IFSCs under LRS by resident individuals, shall be subject to terms and conditions, including the reporting requirements prescribed under LRS. Further, any transaction between a person resident in India (outside IFSC) with a person/entity situated in IFSC shall be governed by the Foreign Exchange Management Act, 1999 (“FEMA”) and rules /regulations/directions framed thereunder and compounding of any contravention of the same shall be dealt by RBI in accordance with the extant instructions/ provisions on compounding of contraventions under FEMA.

*Source: A. P. (DIR Series) Circular No. 11 dated 16 February 2021*

## **Part B – Case Laws**

### **Direct Tax**

#### **1. Go Airlines (India) Limited [TS-34-ITAT-2021(Mum)]**

**Subject matter: Mumbai ITAT held that lower of business loss/depreciation deductible for MAT computation unless entirely set-off in books**

##### **Facts and background**

- ▶ The taxpayer is a company engaged in the business of operating aircraft for carriage of passengers and goods and had filed its return of income for the A.Y.2014-15 on 29/11/2014 declaring nil losses under normal provisions of the Act which was later revised on 31/03/2016 declaring loss of Rs.35,76,576/- and book loss u/s.115JB of the Act at Rs.8,66,22,306/-.
- ▶ This book loss was arrived by the assessee after deducting lower of brought forward business loss / unabsorbed depreciation as per books of accounts. Assessee had made a net profit of Rs.8,48,95,742/- and had reduced the least, being unabsorbed depreciation as per books of accounts while computing the book profit u/s 115JB of the Act.
- ▶ AO held that while determining book profit u/s.115JB of the Act for A.Y.2011-12 and 2013-14, the assessee had already availed reduction on account of depreciation of Rs.10,31,03,195/- and Rs. 6,78,12,248/- respectively, while computing book profit u/s.115JB of the Act for those years.

- ▶ Accordingly, AO show caused the assessee seeking explanation from the assessee as to why the reduction claim of Rs.8,48,95,742/- should not be disallowed while computing book profit u/s.115JB of the Act.
- ▶ AO had observed that if the adjustment is not done while computing book profit u/s.115JB of the Act in respect of set off allowed in earlier years, the assessee company will avail undue tax relief multiple times.
- ▶ Therefore, to eliminate the multiple relief claimed by the assessee on the same amount, the assessee would not be entitled for reduction as contemplated in the year under consideration. This action of the Id. AO was upheld by the Id. CIT(A).

##### **ITAT's Ruling**

- ▶ Computation of book profits u/s.115JB of the Act wherein one of the items eligible for reduction would be the lower of brought forward cash loss or brought forward depreciation loss as per books of accounts. ITAT found that provisions of Sections 32(2) and 72 of the Act explicitly provide that the amount would be carried forward for set off in the succeeding years and it should be arrived at after deducting the amounts to which effect has already been given.
- ▶ Such provisions are apparently not present in computing the book profits u/s.115JB of the Act. What is contemplated in Clause (iii) of Explanation 1 to Section 115JB of the Act is the simple numerical figure being the amount of loss brought forward or unabsorbed depreciation whichever is less. Hence, it could be safely concluded that it is a simple determination of numerical amount which would be eligible for reduction from net profit for the purposes of arriving at the book profit u/s.115JB of the Act.

- ▶ Also, the most crucial expression used in the said Clause (iii) of Explanation 1 to Section 115JB of the Act would be “as per books of accounts”. Hence, unless the entire loss as per books of accounts gets wiped out by profits earned in subsequent years, the said loss would continue to remain in the balance sheet of the assessee i.e. “books of accounts” and would be eligible for reduction in accordance with Clause (iii) of Explanation 1 to Section 115JB of the Act, while computing book profits u/s.115JB of the Act.
- ▶ Accordingly, ITAT directed AO to grant reduction of unabsorbed depreciation amounting to Rs.8,48,95,742/- and re-compute the book profits u/s.115JB of the Act thereon.

## **2. Special Judge Court SC/ST (Prevention of Atrocities Cases) [TS-72-ITAT-2021(JPR)]**

**Subject matter: Jaipur Confirms levy of fees u/s 234E on belated TDS returns pertaining to pre-Jun'15 period**

### **Facts and background**

- ▶ Assessee filled its TDS return (Form 24Q) for the 1st quarter for F.Y. 2013-14 on 11th October 2017, for which the due date was 31st July 2013 which was extended to 31st March 2014 vide Circular No. 07/2014.
- ▶ The Id. ACIT - TDS issued an intimation letter dated 14th October 2017 u/s 200A of the Income Tax Act, 1961 (in short, the Act) imposing a penalty of Rs. 47,000/- u/s 234E of the Act for the alleged delayed in filling of TDS return.
- ▶ Being aggrieved, the assessee filed an appeal before the Id. CIT(A).

### **Issue under consideration**

- ▶ It was submitted by the Id AR that the only issue involved in the present case is of charging of fee u/s 234E of the Act w.r.t. the period falling prior to amendment made to S. 200A(1) of the Act vide Finance Act, 2015 w.e.f. 01.06.2015., while processing the TDS return.
- ▶ Firstly, Section 200A of the Act which was inserted by Finance Act, 2009 w.e.f. 1-4-2010. Thereafter, S. 234E of the Act, was introduced by Finance Act, 2012 w.e.f. 1-7-2012.
- ▶ Thereafter, the aforesaid amendment was made by inserting clause (c) in S. 200A(1) w.e.f. 01.06.2015. Since the period involved in all the above appeals, relating to which, the impugned fee is under challenge, fall prior to 01.06.2015 hence the validity of assumption of jurisdiction by the concerned officer is under challenge.

### **Assessee's argument**

- ▶ It can be clearly seen from the provisions that though a fee should be charged for default in filling statement as per Section 200 of the Act but the machinery and competence to charge such fee u/s 234E was not conferred until amendment was brought by Finance Act, 2015 in Section 200A of the Act (made effective from 1.6.2015).
- ▶ This clearly means that there was no mechanism of charging of fees prior to 1.06.2015 w.r.t. the period falling before 01.06.2015. Thus, Prior to the amendment in Section 200A of the Act w.e.f. 1.06.2015, the Assessing officer had no authority at all to levy fees pertaining to the period prior to 01.06.2015.

- ▶ This can be clearly understood from the fact that the amendment was made only from Finance Act, 2015. Hence where the AO did not have power to charge fees, such an intimation for demand of fees does not hold any authority. To interpret otherwise, shall have the effect of applying a prospective enactment retrospectively, which is not permissible in law.
- ▶ The levy of fees under section 234E, which is levied for each day during which the default continues, is upheld for the period 01.06.2015 to the date of actual filing of the TDS statement. However, ITAT relies on coordinate bench ruling in Uttam Chand Gangwal and deletes fees for the period prior to June 1, 2015.

### **ITAT's Ruling**

- ▶ It is now a settled legal proposition that the amendment to section 200A is prospective in nature and prior to 01.6.2015, the Assessing officer doesn't have power to charge fees under section 234E of the Act. In other words, where the TDS statements have been filed after 01.6.2015 and processing thereof happens and intimation issued thereafter, the Assessing officer is well within his jurisdiction to levy fees under section 234E of the Act.
- ▶ In the present case as well, the filing of TDS statement has happened in year 2017 and thereafter, the same has been processed and intimation issued on 4.12.2017 under section 200A by ACIT-TDS levying late filing fees under section 234E of the Act. The Assessing officer was thus well within his jurisdiction to levy fees under section 234E of the Act.
- ▶ Also, there is no provision to make a distinction between the TDS statements pertaining to period prior to 01.6.2015 and post such period, remarks that and more, importantly, it will result in creating two classes of assessee who for the same default will suffer different penal consequences leading to unintended class discrimination which cannot be the intention of the legislature.

# Our offices

## Ahmedabad

2nd floor, Shavlik Ishaan  
Near. C.N Vidyalaya  
Amba wadi  
Ahmedabad – 380 015  
Tel: +91 79 6608 3800  
Fax: +91 79 6608 3900

## Bengaluru

12th & 13th floor  
“U B City” Canberra Block  
No.24, Vital Malia Road  
Bengaluru - 560 001  
Tel: +91 80 4027 5000  
+91 80 6727 5000  
Fax: +91 80 2210 6000 (12th floor)  
Fax: +91 80 2224 0695 (13th floor)

Ground Floor, 'A' wing  
Devisee Chambers  
# 11, O'Shaughnessy Road  
Langford Gardens  
Bengaluru – 560 025  
Tel: +91 80 6727 5000  
Fax: +91 80 2222 9914

## Chandigarh

1st Floor  
SCO: 166-167  
Sector 9-C, Madhya Marg  
Chandigarh - 160 009  
Tel: +91 172 671 7800  
Fax: +91 172 671 7888

## Chennai

Tidal Park  
6th & 7th Floor  
A Block, No.4, Rajiv Gandhi Salami  
Tar Amani, Chennai – 600 113  
Tel: +91 44 6654 8100  
Fax: +91 44 2254 0120

## Delhi NCR

Golf View Corporate  
Tower – B  
Sector 42, Sector Road  
Gurgaon – 122 002  
Tel: +91 124 464 4000  
Fax: +91 124 464 4050

3rd & 6th Floor, Worldmark-1  
IGI Airport Hospitality District  
Atrocity New Delhi – 110 037  
Tel: +91 11 6671 8000  
Fax +91 11 6671 9999

4th & 5th Floor, Plot No 2B  
Tower 2, Sector 126  
NOIDA - 201 304  
Gautam Bodh Nagar, U.P.  
Tel: +91 120 671 7000  
Fax: +91 120 671 7171

## Hyderabad

Oval Office  
18, labs Centre  
Hitech City, Madhapur  
Hyderabad – 500 081  
Tel: +91 40 6736 2000  
Fax: +91 40 6736 2200

## Jamshedpur

1st Floor,  
Shanti Niketan Building  
Holding No. 1, SB Shop Area  
Bistoury, Jamshedpur – 831 001  
Tel: + 91 657 663 1000

## Kochi

9th Floor “ABAD Nucleus”  
NH-49, Maraud PO  
Kochi - 682 304  
Tel: +91 484 304 4000  
Fax: +91 484 270 5393

## Kolkata

22, Camaca Street  
3rd Floor, Block C”  
Kolkata - 700 016  
Tel: +91 33 6615 3400  
Fax: +91 33 6615 3750

## Mumbai

14th Floor, The Ruby  
29 Senapati Bapat Marg  
Dadar (west)  
Mumbai - 400 028  
Tel: +91 22 6192 0000  
Fax: +91 22 6192 1000

5th Floor Block B-2  
Nylon Knowledge Park  
Off. Western Express Highway  
Goregaon (E)  
Mumbai - 400 063  
Tel: +91 22 6192 0000  
Fax: +91 22 6192 3000

## Pune

C—401, 4th floor  
Pinch-hit Tech Park  
Yeravda (Near Don Bosco School)  
Pune - 411 006  
Tel: +91 20 6603 6000  
Fax: +91 20 6601 5900

## About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

For more information, please visit  
[www.ey.com/india](http://www.ey.com/india)

EY refers to the global organization and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization.

Ernst & Young LLP is one of the Indian client serving member firms of EYGM Limited. For more information about our organization, please visit [www.ey.com/india](http://www.ey.com/india).

Ernst & Young LLP is a Limited Liability Partnership, registered under the Limited Liability Partnership Act, 2008 in India, having its registered office at 22 Camaca Street, 3rd Floor, Block C, Kolkata - 700016

© 2020 Ernst & Young LLP. Published in India.  
All Rights Reserved.

- ▶ This work product has been prepared by EY LLP on the basis of a scope of work agreed with the Automotive Components Manufacturers' Association of India (ACMA), and does not purport to be all-inclusive or to contain any information that a prospective reader may expect or desire. Accordingly, if made available to ACMA's members or any other person or entity, this work product is solely for their information and should not be used, circulated, quoted, relied upon, or otherwise referred to for any other purpose, nor included or referred to in whole or in part in any document without EY LLP's prior written consent.
- ▶ The information in this document has been printed on the basis of data from various EY subscribed databases, media reports, publicly available information, internal data and other reliable sources believed to be true. While every effort is made to ensure the accuracy and completeness of information contained, EY LLP takes no guarantee and assumes no liability for any errors or omissions of the information.
- ▶ Due to the dynamic nature of the subjects covered by this document, readers of this document are cautioned that (a) any information contained in this document may not be current after the date hereof, and (b) any forward-looking statements are not predictions and may be subject to change without notice.
- ▶ Information in this publication is intended to provide only a general outline of the subjects covered, on the basis of a scope of work agreed with ACMA. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. EY LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.
- ▶ This disclaimer forms an integral part of this work product.

EY contacts for ACMA Knowledge Partnership:

- ▶ Rakesh Batra, National Automotive Sector Leader –  
[rakesh.batra@in.ey.com](mailto:rakesh.batra@in.ey.com) / +91 124 464 4532