

### Vision

"To be a global leader in promoting good corporate governance"

### Motto

सत्यं वद। धर्मं चर। इष्टार्कं कुरु। त्वात्के। अवेदं हेतुं कुरु। इच्छ

### Mission

"To develop high calibre professionals facilitating good corporate governance"

# Info Capsule

Friday, February 10, 2023

**President**

**CS Manish Gupta**

**Vice President**

**CS B Narasimhan**

## ❖ Latest @ ICSI

### Feedback on Company Forms in MCA21-V3 Portal

As you are aware, the Ministry of Corporate Affairs w.e.f. August 31, 2022 migrated filing of 9 Company Forms from MCA 21 V2 to V3 Portal.

The Ministry of Corporate Affairs w.e.f. January 23, 2023, has launched second set of Company Forms covering 56 forms on MCA21-V3 Portal for filing purposes. The list of all 56 Company Forms is available on MCA website.

The Institute of Company Secretaries of India, in its attempt to further facilitate the stakeholders and ensure smooth transition and implementation, is sharing your feedback to the Ministry of Corporate Affairs (MCA) on regular basis. Such feedback is constantly and closely monitored by MCA at all levels for timely resolution.

We request you to share your inputs/issues/suggestions on filing of Company Forms in MCA V3 at the link given below:

<https://forms.gle/m5NGoCbt4TibuD196>

We thank you for your continued support and hope for association in the future as well.

## ❖ Technology and Automation

- **Microsoft packs Bing search engine, Edge browser with AI in big challenge to Google (February 08, 2023)**

Microsoft Corp is revamping its Bing search engine and Edge Web browser with artificial intelligence, the company said on February 07, 2023, signaling its ambition to retake the lead in consumer technology markets where it has fallen behind.

*For details:*

<https://economictimes.indiatimes.com/tech/technology/microsoft-packs-bing-search-engine-edge-browser-with-ai-in-big-challenge-to-google/articleshow/97715365.cms>

- **Banned websites, apps given 48 hours to prove genuineness: Official (February 09, 2023)**

The IT Ministry has given 48 hours to banned websites and apps to prove their genuineness, a senior government official said on February 09, 2023. Another senior official from the Ministry said the ban has been imposed on the platforms because their businesses were not genuine.

The government last week ordered blocking of 232 apps operated by overseas entities, including Chinese, for being involved in betting, gambling and unauthorized loan services.

*For details:*

[https://www.business-standard.com/article/economy-policy/banned-websites-apps-given-48-hrs-to-prove-genuineness-official-123020901447\\_1.html](https://www.business-standard.com/article/economy-policy/banned-websites-apps-given-48-hrs-to-prove-genuineness-official-123020901447_1.html)

## ❖ *Securities Laws & Capital Market*

### **SEBI to auction assets of Infinity Realcon, Sunheaven Agro on March 13 to recover investors' money (February 9, 2023)**

Capital markets regulator SEBI on February 9, 2023 said it will auction 9 properties belonging to four companies -- Infinity Realcon, Bharat Krishi Samriddhi Industries, Ravi Kiran Realty India and Sunheaven Agro India -- on March 13 to recover investors' money. The nine properties to be auctioned include land parcels and a multi-storied building, situated across West Bengal. The total reserve price of these properties is pegged at Rs 3 crore, the Securities and Exchange Board of India (SEBI) said in a notice. Inviting bids, SEBI said auction of the properties will be conducted through online mode on March 13 during 10.30 am to 12.30 pm. Of the 9 properties to go under the hammer, 4 belongs to Bharat Krishi Samriddhi Industries, 3 relate to Infinity Realcon and one each of Sunheaven Agro India and Ravi Kiran Realty India.

*For details :*

<https://www.moneycontrol.com/news/business/sebi-to-auction-assets-of-infinity-realcon-sunheaven-agro-on-march-13-to-recover-investors-money-10042201.html>

## ❖ *Market Watch*

<b>Stock Market Indices as on 10.02.2023</b>	
S & P BSE Sensex	60682.70 (-123.52)
Nifty 50	17856.50 (-36.95)

<b>Foreign Exchange Rates as on 09.02.2023</b> <i>(https://www.geojit.com/currency-futures)</i>			
<b>INR / 1 USD</b>	<b>INR / 1 EUR</b>	<b>INR / 1 GBP</b>	<b>INR / 1 JPY</b>
82.64	88.68	99.75	0.63

## ❖ Pronouncement

03.02.2023

DCIT, Circle-1 vs. Shyam Kundandas Gyanchandani

ITAT Mumbai Bench

**Disallowance of purchases on ad-hoc basis does not tantamount to furnishing inaccurate particulars of income under the provisions of Section 271(1) (c) of the Income Tax Act, 1961 (The Act).**

### Fact of the Case:

The assessee is engaged in the business of reseller in chemicals & fuels. The assessee has filed the return of income for the A.Y. 2009-10 on 30.09.2009 disclosing a total income of Rs. 6,06,148. Subsequently the AO has received the information from Sales Tax Department, that the assessee has obtained bogus purchase bills from M/s. Neptune Corporation aggregating to Rs. 5,44,589. The Assessing Officer (AO) has reason to believe that the income has escaped assessment and issued notice u/s 148 of the Act, in compliance the assessee has filed the revised return of income disclosing total income of Rs. 6,06,148 further the notice u/s 143(2) and 142(1) of the Act are issued. In compliance, the Ld. AR of the assessee appeared from time to time and submitted the information and the case was discussed. Whereas, the AO has issued notice u/s 133(6) of the Act on the party to examine the genuineness of the purchases but there was no response. The assessee has filed detailed letters on 26.03.2015 & 27.03.2015 with the supporting evidences. But the AO was not satisfied with the explanations and the information and finally made an addition of Rs. 5,44,589 and assessed the total income of Rs. 11,50,740 and passed the order u/s 143(3) r.w.s. 147 of the Act dated 30.03.2015.

Subsequently, the AO has initiated the penalty proceedings u/s. 271(1)(c) of the Act. In the course of penalty proceedings it was brought to the knowledge of the Assessing officer that the assessee has filed an appeal with the CIT(A) on quantum addition of bogus purchases. Whereas, the CIT(A) has relied on the facts and judicial decisions and restricted the addition to the extent @ 25% of purchases and on further appeal the Honble Tribunal has restricted the addition to the extent of 12.5%. The A.O. has considered these facts and observed that none appeared on behalf of the assessee nor any explanations were filed in respect of penalty notice. The A.O. dealt on the facts and the findings of the scrutiny assessment and levied a penalty of Rs. 21,034 and passed the order u/s. 271(1)(c) of the Act dated 21.03.2018.

CIT (appeals) observed that no penalty can be levied on estimated income and directed the A.O. to delete the penalty and allowed the assessee's appeal. Aggrieved by the order of the CIT(A), the revenue has filed an appeal with the Hon'ble Tribunal.

Judgement: ITAT held that when the addition is on estimated basis, penalty u/s. 271(1)(c) of the Act cannot be levied on such ad hoc estimated income. The disallowance of purchases on ad-hoc basis does not tantamount to furnishing inaccurate particulars of income under the provisions of Section 271(1) (c) of the Act.

The Assessing officer has not doubted the sales and made disallowance of bogus purchases. Further the assessing officer made an addition based on the information received from Sales tax department Maharashtra since the said information could not conclusively be proved. Accordingly, ITAT are not inclined to interfere with the order of the Ld. CIT(A) and upheld the same and dismiss the grounds of appeal of the revenue.

For details:

<https://indiankanoon.org/doc/182402452/>

**Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu),

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