



Volume 07 ** July 2020 ** Issue 07

NEW EDUCATION POLICY 2020

34yr old National Policy on Education framed in 1986,
replaced with NEP-2020

MASK



Face masks are effective. They create a barrier between your mouth and nose and those around you. This makes it more difficult for the droplets that spread coronavirus through coughs, sneezes and talking to reach other people.

04 # New Education Policy

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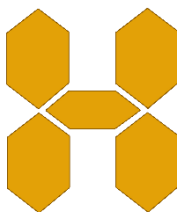


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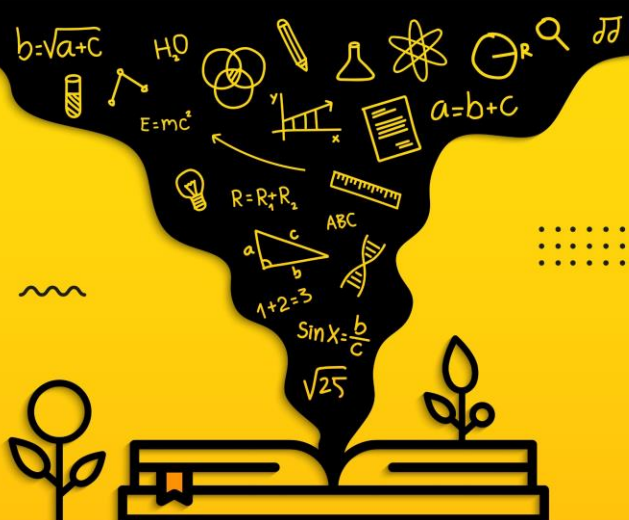
New Education Policy 2020

The National Education Policy 2020 announced by the Ministry of Human Resource Development sets for itself the goal of transforming the system to meet the needs of 21st Century India. In a federal system, any educational reform can be implemented only with support from the States, and the Centre has the giant task of building a consensus on the many ambitious plans. The NEP 2020 is the first omnibus policy after the one issued in 1986, and it has to contend with multiple crises in the system. Here are some of the important highlights:

SCHOOLING STARTS AT THE AGE OF 3 YEARS NOW

The NEP expands age group 6-14 years of mandatory schooling to 3-18 years of schooling. The NEP introduces hitherto uncovered three years of pre-schooling, age group of 3-6 years under the school curriculum. The new system will have 12 years of schooling with three years of Anganwadi/ pre-schooling. With an emphasis on Early Childhood Care and Education (ECCE), the 10+2 structure of school curriculum is to be replaced by a 5+3+3+4 curricular structure corresponding to ages 3-8, 8-11, 11-14, and 14-18 years respectively.

EXISTING SYSTEM	10 years (Age 6-16)			2 years (Age 16-18)
	5 years Anganwadi - 3yrs (Age 3-6) Class 1 & 2 - 2yrs (Age 6-8)	3 years Class 3 to 5 (Age 8-11)	3 years Class 6 to 8 (Age 11-14)	4 years Class 9 to 12 (Age 14-18)
NEW SYSTEM OF EDUCATION	Foundational Stage <i>multilevel, play/activity-based learning</i>	Preparatory Stage <i>play, discovery, and activity based & interactive classroom learning</i>	Middle Stage <i>experimental learning in science, mathematics, arts, social sciences & humanities</i>	Secondary Stage <i>multidisciplinary study, greater critical thinking flexibility and student choice of subjects</i>



34 year old National Policy on Education framed in 1986, replaced with NEP-2020

MOTHER TONGUE AS MEDIUM OF INSTRUCTION

The NEP puts focus on students' mother tongue as the medium of instruction even as it sticks to the 'three language formula' but also mandates that no language would be imposed on anyone. The NEP only recommends the mother tongue as medium of instruction, and does not make it compulsory. The policy document states that children learn and grasp non-trivial concepts more quickly in their home language.

NO UGC, AICTE, NCTE

Higher Education Commission of India (HECI) will be set up as a single overarching umbrella body for entire higher education, excluding medical and legal education. Public and private higher education institutions will be governed by the same set of norms for regulation, accreditation and academic standards.

Govt will phase out the affiliation of colleges in 15 years and a stage-wise mechanism is to be established for granting graded autonomy to colleges.

SCIENCE, ARTS & COMMERCE GETS BLURRED

Under NEP 2020, there will be no rigid separations between arts and sciences, between curricular and extra-curricular activities, between vocational and academic streams. Students can select subjects of their liking across the streams. Vocational education will start in schools from the 6th grade, and will include internships.

FYUP PROGRAMME RETURNS & NO MORE DROPOUTS

Under the NEP, undergraduate degree will be of either 3 or 4-year duration with multiple exit options within this period. College will be mandated to give certificate after completing 1 year in a discipline or field including vocational and professional areas, a diploma after 2 years, or a Bachelor's degree after a 3-year programme.

ACADEMIC BANK

Govt will also establish an Academic Bank of Credit for digitally storing academic credits earned from different HEI's so that these can be transferred and counted towards final degree earned.



OTHER SIGNIFICANT CHANGES PROPOSED

- ❖ E-content in regional language
- ❖ Coding to be taught from class 6 onwards
- ❖ Importance of board exam to be reduced, exam can be conducted twice a year
- ❖ 360 degree holistic report card for students
- ❖ National Testing Agency to offer common entrance exam
- ❖ Tech- based option for adult learning through apps, TV channels etc
- ❖ National Mission on Foundation Literacy and Numeracy to be set up by MHRD
- ❖ Nutrition and health cards, regular health check-ups for school students
- ❖ Indian Sign Language to be standardised across the country
- ❖ Bag- less days encouraged
- ❖ Minimum qualification for teaching - 4 year integrated B.Ed degree
- ❖ NCC wings in secondary and higher secondary schools under Ministry of Defence
- ❖ More focus on vocational studies in school- level
- ❖ School complexes to be used for adult education courses after school hours
- ❖ HRD Ministry to be renamed as education ministry
- ❖ Deadline to achieve universal literacy and numeracy by 2025
- ❖ Right to Education needs specific measures to succeed
- ❖ Creation of 'inclusion funds' to help socially and educationally disadvantaged children

NEP Draft was presented in 2019 where it quickly received both appreciation as well as strong criticism. The suggestion of making Hindi one of the compulsory languages was soon shot down by many. The draft was then put in public domain and suggestions invited from the people and all stakeholders regarding the policy. MHRD had received lakhs of suggestions and the NEP draft was accordingly modified.

The changes in the board structure, which seek to make the exams 'a test of core competencies' will be implemented from 2021 academic session. The new university entrance test will be implanted for college admissions in the 2022 academic session.



WHAT ?

To give relief to small taxpayers from this tedious work, the IT Act has framed the presumptive taxation scheme under sections 44AD, 44ADA and 44AE.

A person adopting the presumptive taxation can declare income at a prescribed rate & in turn, is relieved from maintenance of books of account and, getting the accounts audited.



PRESUMPTIVE TAXATION SCHEME OF SECTION 44AD

Section 44AD is designed to give relief to small taxpayers engaged in any business (except the business of plying, hiring or leasing of goods carriages referred to in section 44AE).

Following persons can adopt:

- Resident Individual
- Resident Hindu Undivided Family (HUF)
- Resident Partnership Firm (not including LLP)

Scheme cannot be adopted by a person who has made any claim towards deductions under Section 10A/10AA/10B/10BA or under sections 80HH to 80RRB in the relevant year.

Persons/Business not covered under this section 44AD

- Business of plying, hiring or leasing of goods carriages referred to in section 44AE.
- A person who is carrying on any agency business.
- A person who is earning income in the nature of commission or brokerage
- A person whose total turnover or gross receipts for the year exceed Rs. 2 crores

Computation of taxable business income

- Payments accepted digitally - Income is computed @ 6% of such turnover
- Payments accepted in cash mode - Income is computed @ 8% of such turnover

Declaring income less than these % shall attract Tax Audit

Payment of advance tax

- Liable to pay advance tax - on or before 15th March of previous year.
- Failure to pay the advance tax as above - liable to pay interest as per section 234C.

Where an assessee declares profit for any PY in accordance with the provisions PTS and he declares profit for any of the 5 subsequent years not in accordance with the provisions PTS and files income below the minimum % then he shall not be eligible to claim the benefit of the PTS for five AY subsequent to the AY



PRESUMPTIVE TAXATION SCHEME OF SECTION 44ADA

The presumptive taxation scheme of section 44ADA is designed to give relief to small taxpayers engaged in specified profession.

Following persons can adopt:

A person resident in India engaged in following professions can take advantage of presumptive taxation scheme of section 44ADA:-

- Legal
- Medical
- Engineering or architectural
- Accountancy
- Technical consultancy
- Interior decoration
- Any other profession as notified by CBDT

Persons/Business not covered

- Certain professionals whose total gross receipts from profession >Rs. 50 lakhs in a Financial year

Computation of taxable business income

- Income is computed @ 50% of total gross receipts of the profession
(However such person can declare income higher than 50%)

Payment of advance tax

- Liable to pay advance tax – on or before 15th March of previous year.
- Failure to pay the advance tax as above - liable to pay interest as per section 234C.

PRESUMPTIVE TAXATION SCHEME OF SECTION 44AE

Person who is engaged in the business of plying, hiring or leasing of goods carriages and who does not own more than 10 goods vehicles at any time during the year.

Following persons can adopt:

- Every person (i.e., an individual, HUF, firm, company, etc.)

Persons/Business not covered

- Person who is engaged in the business of plying, hiring or leasing of goods carriages and who own more than 10 goods vehicles at any time during the year

Computation of taxable business income

- Heavy Goods Vehicle - income to be computed @ Rs.1,000 per ton of gross vehicle weight for every month or part of a month
- Other than heavy goods vehicle - income to be computed @ Rs.7,500 for every month or part of a month

Payment of advance tax

- No concession



CIT v. Rajasthan State Ganganagar Sugar Mills Ltd. [SC]

Privilege fee paid by assessee to Government for procuring right to manufacture or/and sale of liquor had a direct nexus and connection to carry on and continue business of assessee-company and, therefore, was allowable as business expenditure u/s 37(1)

Ashita Nilesh Patel v. ACIT [Guj HC]

AO couldn't initiate recovery proceedings against director without establishing non-recovery from co.

PCIT v. Frontiner Land Development P. Ltd [Del HC]

Assessee-company engaged in business of development of real estate had, in ordinary course of business, made certain advance for purchase of land to construct commercial complex but same was forfeited as assessee could not make payment of balance amount, forfeiture of advance would be allowed as business expenditure

Samir Narain Bhojwani v. DCIT [Bom HC]

HC directs assessee to file ITR in paper form also as he was unable to claim set off of losses through e-filing

PCIT v. Dinesh Chandra Jain [All HC]

Burden of proof in penalty proceedings vary from that in assessment proceedings and findings in assessment proceedings would not automatically be adopted in penalty proceedings; in penalty proceedings revenue authorities have to arrive at independent finding related to 'concealment of income' or 'inaccurate particulars'

Kempsz Trading (P.) Ltd. v. DCIT [Blr Trib]

Where expenses in cash were incurred by assessee at quarry site, where there was no banking facility they will be covered by clause (g) of rule 6DD and accordingly provisions of section 40A(3) shall not be applied to said expenses

Afonso Real Estate Developers v. CIT [Del HC]

Income from sale of agricultural land was business income if assessee was dealing in sale/purchase of properties

Redwood IT Services (P.) Ltd v. ITO [Mum Trib]

Sum received from tenant for not letting out vacant units of property is taxable as income from other source





Qatalys Software Technologies Private Limited v. UOI v. UOI [Mad HC]

Constitutional validity of Sec. 234E imposing fee for late filing of TDS/TCS statements : A provision can be held unconstitutional only when the legislature was incompetent to bring out the legislation or that it offends some provision of the Constitution or when it is manifestly arbitrary.

The Parliament is competent to pass legislation on Taxes in Income under Entry 82 of the List I to the Seventh Schedule. Section 234 F is not violative of any of the other provisions of Income Tax Act or the Constitution of India.

Aegis Customer Support Services (P.) Ltd v. ITO [Bom HC]]

Where no reason was forthcoming from revenue for delay in processing refund claim of assessee and undue hardship was suffered by assessee only because tax authorities were not discharging their duties, tax authorities were directed to process return of income as expeditiously as possible and pay refund to assessee if any due

PCIT v. MLS CBRE South Asia (P.) Ltd [Del HC]]

A private limited company, paid certain amount as commission and ex gratia to one of its directors, who was holding 24 per cent shares in company, and Assessing Officer invoking provisions of section 36(1)(ii) disallowed said amount and Tribunal deleted such disallowance on plea that identical expenditure stood allowed in preceding years as also in succeeding assessment years, order passed by Tribunal was correct

UPDATES

TDS u/s 194N

❖ TDS on Cash Withdrawal from Bank - effective from 01/07/2020

Aggregate Cash withdrawal in a financial year	Rate of TDS if ITR of last 3 years is filed	Rate of TDS if ITR of last 3 years is not filed
Upto 20 lakhs	Nil	Nil
Rs.20 lakhs - 1 crore	Nil	2%
In excess of 1 crore	2%	5%

Important Points:

- ❑ This limit is applicable to individual Bank (Private and Public both) Co-operative Bank & Post office.
Ex - If you have account in two banks, then you can withdraw Rs.20lakhs/1crore from each bank
- ❑ This section is applicable to all types of accounts including Savings/Current/Cash Credit/Overdraft
- ❑ TDS must be deducted on amount exceeding Rs.20lakhs/1crore only.
Ex - If you have withdrawn 25lakhs, then TDS shall be deducted on 5lakhs only, and not 25lakhs.
- ❑ The amount deducted as TDS to be refunded/used against your Income Tax liability at the time of filing ITR.
 - ❑ The condition of filing ITR is for all last 3 years. If you have filed ITR for only 1 or 2 years, then rate of TDS shall be 2% upto 1crore & 5% for the amount >1crore.



AGGREGATE TURNOVER

Turnover, in common parlance, is the total volume of a business. The term 'aggregate turnover' has been defined in GST law as under:

"Aggregate turnover" means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess.

The aggregate turnover is a crucial parameter for deciding the eligibility of a supplier to avail the benefit of exemption threshold of Rs. 20 Lakhs [Rs. 10 Lakhs in case of special category States] and for determining the threshold limit for composition levy.



Let us dissect the definition in small parts to understand the meaning clearly.

- ❑ It may be noted that the inward supplies on which the recipient is required to pay tax under RCM does not form part of the 'aggregate turnover'. The law stipulates certain supplies like, Goods Transport Agency services, services received from outside India, to name a few, where the recipient of service is made to pay the tax. The value of such supplies on which tax is paid, would not form part of the 'aggregate turnover' of recipient of such supplies. However, the value of such supplies would continue to be part of the 'aggregate turnover' of the supplier of such supplies.
- ❑ The second element of value which would not be included in the 'aggregate turnover' is the element of central tax, state tax, union territory tax and integrated tax and compensation cess.
- ❑ The value of exported goods/services, exempted goods/services, inter-state supplies between distinct persons having same PAN would be added to 'aggregate turnover'
- ❑ Last but not the least, such turnover is to be calculated by taking together the value in respect of the activities carried out on all-India basis.

The aggregate turnover is different from turnover in a State. The former is used for determining the threshold limit for registration as well as eligibility for Composition Scheme. However, the composition levy would be calculated on the basis of turnover in the State.

App of the Month -

BHARAT KE VEER



Bharat Ke Veer mobile app is an initiative for the citizens to pay homage to the bravehearts in CAPF who laid down their lives in the line of duty. Using this app, individuals can contribute directly into the bank accounts of the braveheart's kin, or to the "Bharat Ke Veer" corpus.

There is no limit to contribution to "Bharat Ke Veer" corpus. Payments through this app is powered by State Bank of India

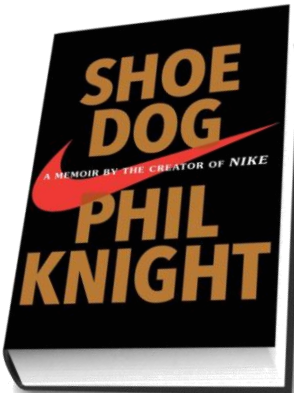
Click of the Month



Book of the Month -

SHOE DOG

A MEMOIR BY THE CREATOR OF NIKE



- 400 pages
- Published in 2018
- Simon & Schuster

Shoe Dog is an inspirational story of overcoming challenges to grow a company as fast as possible. You'll learn real-world business lessons that only

Nike's founder can teach you. Phil Knight is brutally honest about the extreme difficulties they had to overcome.

A memoir rich with insight, humour and hard-won wisdom, this book is also studded with lessons about building something from scratch, overcoming adversity and ultimately leaving your mark on the world.

"Don't tell people how to do things, tell them what to do and let them surprise you with the results."
— Phil Knight

Your life is your message

Doctor's Diary

HEART-LEAVED MOONSEED (AMRUHTA BALLI)



It is an ayurvedic herb that has been used and advocated in Indian medicine for ages with benefits such as:

Immunity Booster, Treats Chronic Fever, Improves Digestion, Treats Diabetes, Reduces Stress and Anxiety, Fights Respiratory Problems, Treats Arthritis, Reduces Asthmatic Symptoms

Trivia

Mawsynram, a village on the Khasi Hills, Meghalaya, received highest recorded average rainfall in the world.

