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Direct & Indirect Taxes | ICAI & ICSI Updates | Corporate laws | Insolvency | SEBI | RBI | Economy & Finance

Initiative by

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Indirect Taxes

- **Notifications / Circulars / Press releases / FAQs / Portal Updates / Write-ups by Board "CBIC" and Government.**

❖ **Due dates for filing of Form GSTR-3B for the Tax Periods from October 2020 till March 2021.**

Vide Notification No. 82/2020 – Central Tax, dated 11th Nov., 2020, Govt. has added sub rule (6) to Rule 61 of the Central Goods and Services Tax Rules, 2017, to provide for staggered filing of Form GSTR-3B, for the tax periods from October, 2020 till March, 2021.

The details are in this link

❖ **Directorate General of GST Intelligence, Mumbai, arrests two persons for passing on and availing fictitious Input Tax Credit.**

Mumbai Zonal Unit of the Directorate General of GST Intelligence, CBIC has arrested Mr. Sunil Ratnakar Gutte, Director of M/s. Sunil Hitech Engineering Ltd., on charges of having fraudulently availed, utilized, as well as passed on fictitious Input Tax Credit, today, 12th November 2020. The Input Tax Credit amounts to Rs. 520 Crores which has been raised on the strength of bogus invoices received and issued without any actual supply of goods or services.

As per DGGI – Mumbai Zonal Unit's investigation it has been found that a large cartel of companies, have indulged & participated in this fraud. M/s. Sunil Hitech Engineers Ltd. had issued and received fake invoices valued at approximately Rs. 3,000 Crores, and involving ITC amounting to Rs. 520 Crores. Investigations conducted by the DGGI across the country have revealed that the beneficiaries of these bogus invoices are located in all parts of the country, including New Delhi, Hyderabad, Ludhiana, Gurugram, Meerut, Ahmedabad, Kolkata, etc. The investigations have revealed that M/s. Sunil Hitech Engineers Ltd. is one of the key operators involved in the fake ITC cartels throughout India.

Finance Ministry Press Release

- **Legal Updates- Advance Ruling Authorities / Tribunals / High Courts / Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 121 taxmann.com 149 (AA - GST - AP) Appellate Authority - GST, ANDHRA PRADESH Sri Kali Krishna Industries, In re ORDER NO. 4648 OF 2019 APPEAL NO. APL1900054 OCTOBER 26, 2019	AA-AP	**Mere mismatch in GST Returns is not conclusive for any suppression of tax.** Assessing authority had conducted scrutiny of GST returns of assessee for tax period from July, 2017 to June, 2018 - On such scrutiny, Assessing authority noticed that assessee's declared sale turnover in GSTR-3B was not equalling to GSTR-1 declared sale turnover - Thus, it had determined under declared tax of certain amount - Assessee contended that due to unknown problems in GSTN network software, though it had attempted to file GSTR-3B return for month of October 2017, it was automatically conceived 'NIL' return and it could not file any return for this month afterwards since no pending return shown in GSTN login - It was noted that mismatch reports was indicative in nature, but could not be seen as final to conceive any suppression of turnover/tax - Assessing Authority ought to have examined assessee's contentions submitted in response to show cause notice which it failed to do - Whether, therefore, determined under declared tax liability by Assessing Authority could not be upheld as bona fide and tax levied basing on mismatch reports was annulled - Held, yes.

Direct Taxes

- **Notifications / Circulars / Press releases / FAQs / Portal Updates / Write-ups by Board "CBDT" and Government.**

  ❖ **Income-tax relief for Developers & Home Buyers.**
  Government raises tolerable limit under Section 43CA and 56(2)(x) of Income Tax Act from 10% to 20% while announcing Aatmanirbhar Bharat Package 3.0.
  Considering the decline in prices of the residential unit due to economic slowdown, it is announced to increase this tolerable limit from 10% to 20%. However, this increase in the threshold from 10% to 20% shall be effective under Section 43CA and Section 56(2)(x) for a limited time period (from the date of the announcement to 30-06-2021) on primary sale of residential units having value up to Rs 2 crores.

  ❖ **Government release another set of FAQs on LTC cash voucher scheme**
  Ministry of Finance released another set of Frequently Asked Questions (FAQs) on the Leave Travel Concession (LTC) voucher scheme which was announced as a special package in lieu of LTC during block of 2018-21. A set of FAQs was also released by the Govt. previously vide OM dated 20-10-2020.

- **Legal Updates- Advance Ruling Authorities / Tribunals / High Courts / Supreme Court**

Sr. No.	Key to find the document	Authority who passed the order	Details of decision
1	2020] 121 taxmann.com 101 Vodafone Idea Ltd. v. ACIT Circle 26(2)	SC	**AO can withhold Vodafone's refund without processing ITR till AY 2017-18; review petition dismissed.** Review petition dismissed against finding that section 241A requires a separate recording of satisfaction on part of Assessing Officer that having regard to fact that a notice has been issued under section 143(2), grant of refund is likely to adversely affect revenue whereafter, with previous approval of Principal Commissioner or Commissioner and for reasons to be recorded in writing, refund can be withheld.

- **News / Latest Developments / Other updates.**

❖ **Income Tax Department conducts searches in Tamil Nadu**

The Income Tax Department conducted searches on 10/11/2020 in the case of a leading wholesale bullion and Gold Jewellery dealer doing business from Chennai. The search operation was carried out at 32 premises located in Chennai, Mumbai, Kolkata, Coimbatore, Salem, Trichy, Madurai, and Tirunelveli. The evidence unearthed include unaccounted stock maintained by the assessee at various places. Around 814 kg of excess stock valued at around Rs. 400 crores were identified and would be brought to tax. Since it is a business stock, the same could not be seized as Income-tax Act, 1961 restrains seizure of business stock. The data from the system maintained by the group shows a net income of Rs.102 crore outside books for the financial year 2018-19 alone. The data for financial years 2019-20, 2020-2021 available in the system is being culled out using forensic tools. Similarly, the excess stock of 50 kg found in the business premises of related concerns was not seized but identified for quantification of unaccounted income.

Finance Ministry Release

❖ **Last date for filing applications under Sabka Vishwas (Legacy Dispute Resolution) Scheme extended to 31st December 2020 for UT of Jammu & Kashmir and UT of Ladakh.**

Finance Ministry Release

ICAI Announcements

❖ **Timeline for filing of belated documents has been extended up-to 30th November 2020 due to Extension of LLP Settlement Scheme, 2020.**

Read this announcement

❖ **Important Announcement November-2020 CA Examinations.**

Read this announcement

❖ **Apply for 14th ICAI Awards being organised by Committee for Members in Industry & Business.**

Read this announcement

Insolvency & Bankruptcy

- **Legal Updates- NCLTs / NCL-ATs / Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 121 taxmann.com 46 Sunil S. Kakkad v. Atrium Infocom (P.) Ltd. COMPANY APPEAL (AT) (INSOLVENCY) NO. 194 OF 2020 AUGUST 10, 2020	NCL-AT Delhi	**Corporate debtor to be liquidated when CoC in their commercial wisdom resolved to liquidate with 100% voting share.** Where corporate debtor company was not working for last five years and there was no possibility/hope of resolution plan and CoC in their commercial wisdom resolved for liquidation of corporate debtor company with 100 per cent voting share, same was to be allowed without inviting EoI for submission of resolution plan

Economy & Finance

❖ **Finance Minister announces measures on AatmaNirbhar Bharat 3.0.**

- A new Scheme "Aatmanirbhar Bharat Rozgar Yojana" launched
- Emergency Credit Line Guarantee Scheme for MSMEs, businesses, MUDRA borrowers and individuals extended till March 31, 2021 and additional credit up to 20%
- Production Linked Incentive worth ₹ 1.46 Lakh crore offered to 10 champion sectors
- ₹18,000 Crore Additional outlay for PM Awaas Yojana – Urban
- Relaxation of Earnest Deposit Money & Performance Security on Government Tenders

- Increase in differential between circle rate and agreement value to 20% providing Income Tax relief for Developers & Home Buyers
- ₹6,000 crore equity investment in debt platform of National Investment and Infrastructure Fund (NIIF)
- ₹65,000 Crore for subsidized fertilizers provided to support agriculture
- Additional outlay of ₹10,000 Crore has been provided for PM Garib Kalyan Rozgar Yojana
- ₹3,000 crore boost to be given for project exports through assistance given by India to developing countries
- ₹10,200 crore additional budget stimulus will be provided for capital and industrial expenditure
- ₹900 crore is being provided for Research and Development of Indian COVID Vaccine.

Download detailed press release here
Download PPT here

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