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[Daily Newsletter related to Profession]

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Most Authentic Newsletter of India

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

Initiative by
PRADEEP GOYAL
Chartered Accountant
B.Com | FCA | CPA-Australia | Certified Fraud Examiner |FAFD (ICAI) | Certified Data Analyst & Scientist| Data Privacy Practitioner | Insolvency Professional | Registered Valuer | ICAI Certified GST Practitioner | Life-Time Member of Independent Directors' Data Bank with IICA
pradeepgoyal@kcsassociates.in | +91-9811777103 | Connect me at **LinkedIn**

Indirect Taxes

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

❖ **Attention GST Taxpayers who are required to deduct Tax at Source (TDS) under GST.**
File your GSTR-7 Return for the month of January 2021 by February 10th, 2021.

❖ **Attention E-commerce Operators who are required to collect tax at source (TCS) under GST.**
File your GSTR-8 Return for the month of January 2021 before February 10th, 2021.

- **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	[2021] 124 taxmann.com 95 Commercial Taxes Officer, Circle-B, Bharatpur v. Bhagat Singh SPECIAL LEAVE PETITION (C) NO. 15870 OF 2020 JANUARY 21, 2021	Supreme Court	**Single transaction would include within the expression 'occasionally undertakes'; Supplier qualifies as a casual dealer.** A person with occasional transactions of buying/selling are to be treated as casual traders. On completion of a transaction of sale or purchase, a casual trader, if liable to pay tax, shall make a report to Assessing Officer or to Officer-in-charge of a Check Post, of sale or purchase price, tax payable thereon, etc. and deposit tax. Time limit for assessment is one year from date of making report, and if no report is made, within two years from date of transaction. • [CTO v. Bhagat Singh [2021] 124 taxmann.com 94 (Raj.) affirmed (See Annex)]

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
2	[2021] 124 taxmann.com 149 Khatwani Sales and Services L.L.P., In re ORDER NO. 13 OF 2020 CASE NO. 02 OF 2020 JULY 23, 2020	AAR-MP	**ITC not available on Demo vehicles purchased by authorised dealer of KIA.** Where applicant, an authorized dealer of KIA for sales and services of their motor vehicles, purchases demo vehicles from supplier against tax invoices after paying tax and capitalizes said demo vehicles in its books of account, it is held that applicant is not eligible for Input Tax Credit on Demo vehicles purchased for furtherance of business, in view of barring provisions of clause (a) of sub-section (5) of section 17, as they are not covered by any of exceptions given in clause (A), (B) or (C) of section 17(5)(a).

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

❖ **₹427-crore bogus GST billing racket busted in Ludhiana, two held**

Had been operating 32 bogus firms that fraudulently claimed ₹65 crore as input tax credit; nexus was managed by one Gurbax Lal, who remains at large.

HT report

❖ **GST Burden: Traders Body CAIT Calls for Bharat Bandh On 26th February; Transport Welfare Association to Resort to Chakka Jam in Support.**

Calling goods and services tax (GST) as one of the most complex taxation systems which has resulted into miseries of the traders, the Confederation of All India Traders (CAIT) has called for a Bharat Trade Bandh on 26th February. The All-India Transport Welfare Association (AITWA), the premier transport body of the country has also supported Bharat Vyapar Bandh and decided a Chakka Jam on the same day.

Media report

Direct Taxes

- **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	[2021] 124 taxmann.com 152 Valmet Technologies Oy. A.A.R./NCR NO.03 OF 2019 OCTOBER 23, 2019	AAR Delhi	**Advance Ruling on specific question which was not raised in notices or questionnaire is admissible.** Where, applicant, a Finland based company had entered into IT service agreement with Indian company and seeks to know as to whether amount received by applicant from Indian company for provision of IT support services rendered from Finland, would be deemed to arise in Finland and, thus, not taxable in India in view of provisions of Article 12(5) of DTAA between India and Finland, though return was selected for scrutiny to examine whether value of international transaction in respect of intangible property was correctly shown in Form 3CEB and a notice under section 142(1) was issued with a questionnaire, since specific question in respect of IT service agreements was never raised by Assessing Officer in any of notices or questionnaire, such notice can't attract automatic rejection route under clause (i) of proviso to section 245R(2).

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

❖ **Black Money: Income Tax Department Issues Notices in Undisclosed Assets Cases Worth Rs 14,300 Crore.**
The tax department has issued notices in 475 cases involving undisclosed foreign assets and income of over Rs 14,300 crore under the foreign black money act, Minister of State for Finance Anurag Thakur said on Monday. Besides, undisclosed income of more than Rs 8,460 crore has been brought to tax and penalty of over Rs 1,290 crore levied so far for deposits made in unreported foreign bank account.
Media Report

ICAI Announcements

❖ **ICAI inform members final Bank Branch Auditors' Panel for the year 2020-21 has been hosted at http://meficai.org till 8th February 2021 thereafter the same will be sent to RBI.**
More details here

Corporate Laws

❖ **Ministry of Corporate Affairs (MCA) invites application from Experienced Chartered Accountants (CAs). The selected candidates will be engaged under young professional scheme for assisting in time bound work in the RD(NR) and its filed office at New Delhi.**
More details here

❖ **Various schemes launched by Government during COVID-19 pandemic for companies**
The Ministry of Corporate Affairs (MCA) administers the provisions of the Companies Act, 2013 (herein after called as the Act) and the Limited Liability Partnerships ('LLPs') Act, 2008 and the Insolvency and Bankruptcy Code (IBC), 2016.
Finance Ministry Press Release

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	[2021] 124 taxmann.com 90 Phoenix Arc (P.) Ltd. v. Ketulbhai Ramubhai Patel CIVIL APPEAL NO. 5146 OF 2019 FEBRUARY 3, 2021	SC	**Creditor will not become financial creditor if securities were pledged without undertaking to discharge liability.** Where corporate debtor had only extended security by pledging shares, without undertaking to discharge borrower's liability, creditor in such a case will not become 'financial creditor' within meaning of section 5 sub-sections (7) and (8). Such a creditor at best will be secured creditor qua corporate debtor and not financial creditor qua corporate debtor.

Reserve Bank of India

- **RBI releases Annual Report of Ombudsman Schemes, 2019-20**

  The Reserve Bank of India (RBI) today released the Annual Report of the "Ombudsman Schemes of the Reserve Bank for the year 2019-20". The Annual Report covers the activities under the Banking Ombudsman Scheme (BOS), the Ombudsman Scheme for Non-Banking Financial Companies (OSNBFC) and the Ombudsman Scheme for Digital Transactions (OSDT), the developments in the area of consumer protection and the way forward.

  More details here

Economy & Finance

- **Steps taken by Government to ameliorate impact of COVID-19 pandemic on Indian economy.**

  As per the Estimates of Gross Domestic Product (GDP) for the First Quarter (Q1) of 2020-21 released by the National Statistical Office (NSO), Ministry of Statistics & Program Implementation (MoSPI), the real GDP in India contracted by 23.9 per cent during the first quarter of 2020-21 (as against 5.2 per cent growth in Q1 of 2019-20). India's GDP growth rose to (-) 7.5 percent YoY in Q2 (as against 4.4 per cent growth in Q2 of 2019-20), a sharp rebound from the pandemic induced decline in Q1.

  Finance Ministry Release

- **Government follows "Minimum Government – Maximum Governance" principle as presented in Union Budget 2021-22: Finance Minister Smt. Nirmala Sitharaman**

  The Central Government is governed by the principle of "Minimum Government - Maximum Governance" and presented the same philosophy through the Union Budget 2021-22 recently. This was stated here today by Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman in a virtual event — Demystifying Union Budget 2021-22 — organised by the PHD Chamber of Commerce and Industry.

  Finance Ministry Release

- **Govt may cut down number of PSUs to two dozen from 300: Report.**

  The government might bring down the number of public sector undertakings (PSUs) to around 24 from the current 300, amid increased focus on privatisation and efforts to close loss-making state-run companies.

  The Union Cabinet will decide on the final number, based on the NITI Aayog's recommendations, The Times of India reported.

  In non-strategic sectors, the government plans to exit several PSUs and less than 24 will be left, the report said.

  Money Control Report

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