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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.**

❖ **Directorate General of Taxpayer Services, CBIC is organising a webinar on QRMP Scheme, E-Invoicing and HSN requirements in GST Invoicing on March 26, 2021.** Webinar details here

- **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] 125 taxmann.com 354 Hitachi Power Europe GmbH ORDER NO. 43 (II) OF 2019 NOVEMBER 11, 2019	AAR UP	Head Office and project office are same legal entity, and they cannot be treated as different legal entities. Project office is merely an extension of Head Office for administrative convenience/to fulfill legal obligations. Further, as per Schedule III of CGST Act, 2017, 'services by an employee to employer in course of or in relation to his employment' shall be treated neither as supply of goods or a supply of service. • Since project office is fulfilling all obligations as employer with reference to expat employees and employee-employer relation exist between project office and expat employees and service provided by expat employees to project office fall under category of 'services by employee to employer in course of or in relation to his employment', no GST is leviable on salary paid to expat employees and reflected in books of account of project office.

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

❖ **Finance Bill 2021 passed by lok Sabha.**
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❖ **CAG's Report No. 1 of 2021 - Compliance Audit on Union Government Department of Revenue (Indirect Taxes – Goods and Services Tax, Central Excise and Service Tax) Customs.**
Compliance Audit Report CAG on Goods and Services Tax, Central Excise and Service Tax revenue (Report No. 1 of 2021) for the years ended March 2019 and March 2020 was presented in Parliament on 24 March 2021.
This Report contains significant results of the compliance audit of CBIC, and Information Technology audit of GSTN. The report contains audit findings relating to Goods and Services Tax and legacy Indirect Taxes viz. Central Excise and Service Tax.
CAG noticed that owing to the continuing extensions in the roll out of simplified return forms, and delay in decision making, the originally envisaged system-verified flow of ITC through "invoice matching" is yet to be implemented and a non-intrusive e-tax system remains unimplemented. The GST return system is still a work in progress despite more than three years of GST roll out. In the absence of a stable and simplified return mechanism, one of the main objectives of roll out of GST i.e., simplified tax compliance system is yet to be achieved. CBIC has yet to put in place an effective system of scrutiny of returns based on detailed instructions/manual for the tax officers. As a result, an important compliance function of the department, as mandated by law, is yet to be effectively rolled out even after three years of GST implementation.

CAG undertook IT audit of GSTN (Phase-II) to assess whether the Refund and Returns modules implemented by GSTN were in line with the provisions of the Acts and Rules governing the GST regime and the System Requirements Specifications (SRS). In addition, E-Way Bills module, which has been developed by National Informatics Centre, under the supervision of GSTN was also reviewed.

In 14 cases, the key validations / functionalities as existing in the rolled-out modules were not found aligned to the applicable provisions even though SRS was correctly framed.

Report says, CAG verified 5,822 out of 77,363 transitional credit cases in 81 Central GST Commissionerate and five Audit Commissionerate and noticed 1,182 instances (20 per cent) of non-compliance. We examined the records relating to 4,736 refunds out of 23,106 in 33 CGST Commissionerate and noticed non-adherence to extant provisions in processing of refunds in 280 claims (6 per cent) involving an amount of Rs.16.16 crore.

CAG had examined the SCN and adjudication process of the department and noticed significant deviations from law/rules such as incorrect computation of demand in SCNs, late issuance of SCNs, delay in adjudications etc. during audit of SCNs that were pending for adjudication as on 31 March 2019.
Download detailed report here

Direct Taxes

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

❖ **CBDT clarifies situation in which a case shall be treated as 'search case' for Vivad se Vishwas.**
CBDT Circular No. 04/2021

❖ **Finance Bill 2021 passed by lok Sabha.**
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❖ **CBDT issues refunds of over Rs. 2,13,823 crores to more than 2.24 crore taxpayers between 1st April,2020 to 22nd March,2021. Income tax refunds of Rs. 79,483 crores have been issued in 2,21,92,812 cases & corporate tax refunds of Rs. 1,34,340crore have been issued in 2,22,188 cases.**

ICSI Announcements

- **ICSI released CS Foundation Course e-bulletin March 2021.**
  Download here

- **ICSI released Student Company Secretary e-journal for March 2021.**
  Download here

Corporate Laws

- **Govt notifies few other matters on which auditors need to comment in audit report- rule 11 amended.**
  Companies (Audit and Auditors) amendment Rules, 2021 effective from 01.04.2021.
  Gazetted notification here

- **MCA notifies Companies (Accounts) Amendment Rules, 2021 effective from 01.04.2021.**
  Accounting software must have an audit trail system.
  Gazetted notification here

- **Govt notifies two sections 23 (to amend sec 124 of CA-2013) and 45 (to amend sec 247 of CA-2013) of Companies (Amendment) Act, 2020 (29 of 2020) effective from 24.03.2021.**
  Download notification here

Economy & Finance

- **Do not see India's rating downgrade: Finance Minister Nirmala Sitharaman**
  Replying to a debate on Finance Bill 2021 in the Rajya Sabha, she cited low inflation, higher GDP growth, record foreign investment and lower fiscal deficit to defend her government's handling of the economy.

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