# Just in™

[Daily Newsletter related to Profession]

No 418 | Friday 23 April 2021

Most Authentic Newsletter of India

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

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# Indirect 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] 127 taxmann.com 31 Shri Nandhi Dhall Mills India (P.) Ltd. v. Senior Intelligence Officer, Director General of Goods & Service tax, Trichy W.P. NO. 5192 OF 2020 AND WMP NO. 6135 OF 2020 APRIL 7, 2021 | Madras HC | An investigation was conducted at premises of assessee company and various documents and registers seized - In course of that investigation, a statement was recorded from Managing Director of assessee that it had not discharged its GST liability correctly - Accordingly, revenue determined tax liability of assessee to be paid in instalments - Assessee had also deposited two instalments of tax liability - However, later on, assessee retracted its statements and stated that it had no liability to tax and that MD and officials were forced to accept liability to tax and admission was, by no means, voluntary - Thus, assessee filed an instant writ petition for refund of said tax paid by it under two instalments - Revenue contended that very fact that assessee had remitted not one but two instalments of tax would reveal that payments were voluntary and if they had been coerced as alleged, payments would have stopped with first instalment - It was noted that records did not contain any ascertainment of tax liability by revenue officer - Whether merely because assessee had, under stress of investigation, signed a statement admitting tax liability and had also made a few payments as per statement, could not lead to self-assessment or self-ascertainment - Held, yes - Whether, therefore, assessee was to be directed to be refunded amount of tax paid by it - Held, yes [Para 26, 27 and 30]. |

## Direct Taxes

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

❖ **CBDT issues Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Interest income.**
Directorate of Income Tax (Systems) Notification No. 2 of 2021 dated 20 April 2021.
Download here

- **Class of person required to furnish this STF.**
    a) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act).
    b) Postmaster General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898).
    c) Non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), to hold or accept deposit from public.

- **CBDT issues Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Dividend income.**
  Directorate of Income Tax (Systems), Notification No. 1 of 2021 dated 20 April 2021.
  Download here

❖ CBDT issues refunds of over Rs. 5,649 crores to more than 7.39 lakh taxpayers between 1st April 2021 to 19th April 2021. Income tax refunds of Rs. 3,073 crores have been issued in 7,23,561 cases & corporate tax refunds of Rs. 2,577 crores have been issued in 15,206 cases.

- **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] 127 taxmann.com 28<br>Garvit Diamonds (P.) Ltd. v.<br>Income-tax officer.<br>R/SPECIAL CIVIL APPLICATION NO. 21125 OF 2019<br>MARCH 9, 2021 | Gujrat HC | Assessing Officer is entitled to initiate reassessment proceedings on basis of tangible material which comes in his hand, which tends to expose untruthfulness of entry of purchase made in books of accounts. Thus, where after framing of assessment made under section 143(3), tangible material came into hands of Assessing Officer through investigation wing and upon perusal of same, he made independent inquiries and applied his mind and upon due satisfaction, he formed an opinion that income had escaped assessment, it could not be said that impugned notice reopening case, beyond 4 years was without jurisdiction and contrary to section 147.<br>Further, competent authority had given satisfaction in writing and had expressed his satisfaction about reasons recorded and accorded sanction to issue impugned notice. Therefore, approval for reassessment was granted on date on which impugned notice was issued. In these circumstances, contention raised by applicant that sanction was not obtained before issuance of notice could not be accepted. |

## SEBI

❖ **SEBI's Relaxations relating to procedural matters –Issues and Listing.**
Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2021/552

## Economy & Finance

❖ **FM asks IRDAI to act against insurers for denying cashless COVID-related claims by insurance companies.**
Finance Minister Nirmala Sitharaman on Thursday asked IRDAI chairman S C Kunthia to "act immediately" to address the complaints of denial of cashless claims by insurance companies. She also mentioned that more than 9 lakh COVID-related claims for Rs 8,642 crore have been settled by insurance companies.
Finance Express report

❖ **India eases rules to encourage ministries to spend to aid economy.**
India eased rules for capital expenditure by government departments, as it seeks to spur spending in an economy that is trying to shake off the impact of a new wave of coronavirus infections. Curbs put in place in 2017 on monthly and quarterly spending by ministries will not apply for capital expenditure, the Finance Ministry said in a memorandum Thursday. The relaxations are effective immediately and will be in force until further orders, it said.
ET Report

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