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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

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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	Fine Exim (P.) Ltd. v. Union of India WRIT PETITION (ST.) NO. 820 OF 2021 JANUARY 19, 2021	Bombay HC	Assessee to file rejoinder affidavit as depts. seized bank accounts for getting refund of unutilised ITC fraudulently. Where assessee filed writ petition assailing legality and validity of attachment of its bank account by Competent Authority and revenue opposing petition stated that assessee had obtained refund of unutilised input tax credit fraudulently as a result of which an amount of Rs. 5.20 crores were credited in its bank account, assessee was to be directed to file rejoinder affidavit within two weeks to stand taken by revenue so that case could be decided one way or other.
2	Greenwood Owners Association v. Union of India W.P. NOS.5518 & 1555 OF 2020 AND 27100 & 30004 OF 2019 JULY 1, 2021	Madras HC	Only contributions to RWA in excess of Rs. 7,500 would be taxable under GST Act. Conclusion of AAR as well as Circular to effect that any contribution above Rs. 7,500 would disentitle RWA to exemption, was contrary to express language of Entry No. 77 of Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017 and both were to be quashed and, thus, only contributions to RAW in excess of Rs. 7,500 would be taxable under GST Act.

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

- ❖ **Special GST Council meet likely in August after monsoon session of Parliament.**

A special Goods and Service Tax (GST) Council meeting is likely to be held in later part of August after the monsoon session of Parliament concludes on 13th of the month, to discuss revenue shortfall compensation mechanism for states beyond June 2022 when the five-year assured period comes to an end. The Council will likely debate on streamlining GST rates and inverted duty structure, tightening anti-evasion and fake input tax credit availed by scamsters to boost revenues.

[Finance Express 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	Queen Agencies v. Assistant Commissioner of Income Tax, (Circle-1) WP(MD)NO.5550 OF 2020 WMP(MD)NOS.4853, 4854 & 4855 OF 2020 APRIL 8, 2021	Madras HC	HC set aside non-speaking order of AO directing assessee to pay 20% of demand immediately. Where assessee filed an application before Assessing Officer for stay of recovery of demand who held assessee to be in default and directed it to pay 20 percent of demand immediately for stay and informed assessee that in event of non-compliance, necessarily follow up action would be taken, since Assessing Officer had passed a non-speaking order, same was to be set aside and matter was to be remanded.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
2	Anju Jalaj Batra v. National E-Assessment Centre W.P.(C) NO. 6233 OF 2021 & C.M.NOS.19732-19733 OF 2021 JULY 8, 2021 Download Order copy here	Delhi HC	Court set-aside faceless assessment order as it was passed without issuing draft assessment order. Where assessment order was passed without issuing a mandatory draft assessment order or a show cause notice to assessee, same being contrary to statutory scheme, as provided in Section 144B, impugned assessment order issued under section 144, read with Section 144B as well as demand notice issued under section 156 and notice for initiating penalty proceedings issued under sections 270A and 271AAC(I) were to be set aside.
3	Orissa Stevedores Ltd. v. Union of India W.P.(C) NO. 19402 OF 2021 JULY 8, 2021	Orissa HC	NFAC to issue draft assessment order if disproportionately high demand raised in comparison to earlier AYs. Where in assessment order passed for current assessment year, huge demand raised by National Faceless Assessment Centre (NFAC) was not only disproportionately high in comparison to earlier assessment years but was also prejudicial to interests of assessee, requirement of section 144B(1)(xvi) for triggering procedure of first preparing a draft assessment order and providing it to assessee for its response would stand attracted.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
4	International Management v. National Faceless Assessment Centre W.P.(C) NO. 6220 OF 2021 & CM NOS. 19712-19713 OF 2021 JULY 8, 2021 Download Order copy here	Delhi HC	Non-furnishing of basis of additions with faceless assessment order is violation of principle of natural justice. Where basis of addition was not furnished to assessee, there being violation of principle of natural justice as provided in section 144B, assessment order passed under section 143 by NFAC was to be set aside.

▪ News / Latest Developments / Other updates

❖ Infosys says income tax portal functioning 'single largest priority'.

Infosys on Wednesday said it is focused on "expeditiously" resolving issues related to the new income tax portal and termed it as the "single largest priority" for the company at the moment. Infosys top management said that many of the issues around performance and stability have been addressed, and that about 10 lakh ITRs (income tax returns) have been filed so far.

"We are working extremely hard in making sure that all of the features are being delivered. We are working expeditiously...Several of the functionalities are already working, there is a large number of returns that are being filed...there is work done in making sure that all of the stability and the performance is coming together," Infosys CEO and MD Salil Parekh told reporters in a virtual briefing.

[Business Standard Report.](#)

Insolvency & Bankruptcy

- **Notifications / Circulars / Press releases/ Write-ups by IBBI and Government.**
- ❖ **IBBI (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2021 notified by the board.**
[Download gazetted notification here.](#)

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

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1.	Arrow Engineering Ltd. v. Golden Tobacco Ltd. C.P. OF (IB)268/7/NCLT/AHM OF 2020 JANUARY 25, 2021	Ahmedabad NCLT	Amount paid to corporate debtor as advance for marketing requirements cannot be considered a financial debt.

Reserve Bank of India

- ❖ **Issue and Regulation of share capital and securities - Primary (Urban) Cooperative Banks.**
 RBI's Draft circular for comments, read below 
[Link to download.](#)

Economy & Finance

❖ **Most PSU banks will eventually be privatised: Finance Secretary.**

The government will eventually privatise most public sector banks, Finance Secretary T.V. Somanathan said. The government will only maintain a minimum presence in the sector, according to its stated policy, Somanathan said at the India Policy Forum 2021 on July 13. He clarified that these were his personal views.

[CNBC Report.](#)

❖ **Cabinet approves continuation of the Centrally Sponsored Scheme (CSS) for Development of Infrastructure Facilities for Judiciary for further five years.**

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved continuation of the Centrally Sponsored Scheme (CSS) for Development of Infrastructure Facilities for Judiciary for further five years from 01.04.2021 to 31.03.2026 at a total cost of Rs.9000 crore, out of which Central share will be Rs.5357 crore including Rs.50 crore for the Gram Nyayalayas Scheme and their implementation in a Mission Mode through National Mission for Justice Delivery and Legal Reforms.

Several courts are still functioning in rented premises with insufficient space and some in a dilapidated condition without basic amenities. Lack of residential accommodation to all the judicial officers also adversely affects their working and performance. The present Government has remained sensitive to the needs of providing well equipped judicial infrastructure to subordinate judiciary to facilitate administration of justice in a manner that allows easy access and timely delivery of justice to all. Adequacy of judicial infrastructure is critical for reduction of pendency and backlog of cases in Courts.

This proposal will help in construction of 3800 court halls and 4000 residential units (both new and ongoing projects) for judicial officers of District and Subordinate Courts, 1450 lawyer halls, 1450 toilets complexes and 3800 digital computer rooms. This will help in improving the functioning and performance of the Judiciary in the country and will be a new step towards building better courts for a new India.

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