

Just in™

[Daily Newsletter related to Profession]
No 562 | Saturday 20 November 2021

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 | Certified Fraud Examiner | FAED (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



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	Unifab Engineering Project (P.) Ltd. v. Deputy Commissioner CGST and Central Excise, Circle-VIII WRIT PETITION (L) NO. 23044 OF 2021 NOVEMBER 16, 2021	Bombay HC	Vires of Section 16(2)(c) prescribing condition of payment of tax by supplier to avail ITC challenged, court issued notice. Validity of Section 16(2)(c) of CGST Act / MGST Act prescribing condition on payment of tax by supplier to government to confer entitlement of input tax credit to recipient challenged - Bombay High Court directs issuance of notice to GST department and Attorney General of India.
2	BM India (P.) Ltd. ADVANCE RULING NO. KAR ADRG 47/2021 JULY 30, 2021	AAR Karnataka	Assets created only to comply with Accounting Standards to be considered for transfer of ITC during demerger. Where applicant, a private limited company, intends to separate its Managed Infrastructure Services unit into a new company and pursuant to such transfer applicant shall carry out remaining business, value of assets which are outside purview of GST is required to be included in value of assets for apportionment towards transfer of input tax credit in case of demerger in terms of section 18(3) read with rule 41(1).

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

- ❖ **Clothing Manufacturers Association of India or CMAI on Friday expressed “deep disappointment” at the Centre’s notification of higher goods and services tax (GST) rates on apparel, effective January 2022.**

The Central Board of Indirect Taxes and Customs (CBIC) on Thursday notified raising GST rate to 12% from 5% on fabrics, apparel from January 2022. Also, GST on apparel of any value has been increased to 12%. Earlier, GST was 5% for sale value up to ₹1,000 per piece.

[Mint Report](#)

- ❖ **GST could see major overhaul; reducing tax slabs, pruning exempt list on table.**

India could be eyeing a significant revamp of the goods and services tax (GST) structure as the regime completes five years in July next year when compensation to states is set to come to an end. Tax slab restructuring and reducing exemptions could be considered in the most comprehensive makeover of the single tax that was rolled out on July 1, 2017.

The new regime may have just three major tax rates covering most of the items against four now - 5%, 12%, 18% and 28%. The recast will seek to simplify the regime as well as lift revenue.

A group of ministers (GoM) headed by the Karnataka chief minister is likely to meet soon to finalise its recommendations that could be taken up at the next GST Council meeting.

[ET Report](#)

- ❖ **Grants, non-philanthropic donations received by charitable trusts to attract 18% GST: AAR Maharashtra.**

ayshankar Gramin Va Adivasi Vikas Sanstha Sangamner, a Charitable trust registered under Maharashtra Public Charitable Trust Act 1950, had approached the Maharashtra Bench of the Authority for Advance Ruling (AAR), seeking clarity on whether it is liable to pay GST on the amounts received in the form of donations/grants from various entities, including the Central and State governments. It undertakes supply of services to 50 orphans and homeless children by way of shelter, education, guidance, clothing, food, and health for the women and child welfare.

[Read more in this report by Business Today](#)



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	Janaki Mohan v. Income-tax Officer, Non-Corporation Ward - 15(2), Chennai W.P. NO. 30247 OF 2016 AUGUST 31, 2021	Madras HC	Reopening of assessment on same facts duly considered during original assessment is not justified. Where all documents pertaining to purchase of three properties were furnished by assessee and Assessing Officer also verified documents and clearly formed an opinion for purpose of grant of exemption under section 54F in respect of one property while passing original assessment order, reopening of assessment, taking a different opinion on same set of facts being a mere change of opinion was not justified.

News / Latest Developments / Other updates.

❖ Cryptocurrency tax: Govt mulling changes to income tax laws as part of Budget next year.

The government is planning to bring changes to the income tax laws to bring cryptocurrencies under its ambit in the upcoming budget next year. Revenue Secretary Tarun Bajaj said some people are already paying capitals gains tax on income from cryptocurrencies and in respect of Goods & Services Tax too the law is very clear that the rate would be applicable in case of other services too, according to PTI. "We will take a call. I understand that already people are paying taxes on it. Now that it has really grown a lot, we will see whether we can actually bring in some changes in law position or not. But that would be a Budget activity. We are already nearing the Budget, we have to look at that point of time," Bajaj told PTI in an interview.



Economy & Finance

- ❖ **The Securities and Exchange Board of India (Sebi) plans to question the investment banks that handled Paytm's initial public offering (IPO), the country's largest ever, over the listing debacle.**

The capital markets regulator will seek their views on why the stock tanked on the listing day. It also plans to examine if any comments made by the company officials or the bankers could have misled investors, said two people in the know. Shares of Paytm plunged 27 per cent during their trading debut on Thursday, wiping out Rs 38,000 crore of the firm's market share.

[BS Report](#)

- ❖ **Growth push: Lend without fear, I'm with you, PM Modi tells bankers.**

Prime Minister Narendra Modi on Thursday called on bankers to step up lending without fear and satiate the credit appetite of a fast-recuperating economy and help spur growth. Modi offered to stand as a "wall" to defend those bankers who may commit honest business errors, amid fears that bankers are turning risk-averse. "I am with you, near you and for you," he said. He was addressing bankers at a conference on 'Creating synergies for seamless credit flow and economic growth' here.

[Financial Express Report](#)

SAVE WATER || SAVE UNIVERSE