

Just in™

[Daily Newsletter related to Profession]
No 566 | Friday 26 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	Smt. Anjana Choudhary v. State of Rajasthan S.B. CIVIL WRIT PETITION NO. 6972 OF 2018 NOVEMBER 11, 2021	Rajasthan HC	Court quashed letter issued by Rajasthan Govt. which authorized royalty contractors to collect GST under forward charge. Letter issued by State Government authorizing royalty contractors to collect royalty along with GST in respect of mining right, for and on behalf of the government, on forward charge basis is not sustainable as reverse charge mechanism is applicable.
2	Varachha Co. op. Bank Ltd. ADVANCE RULING NO. GUJ/GAAR/R/37/2021 JULY 30, 2021	AAR Gujrat	Supply, installation, erection etc. of Central Air conditioning plant in administrative building is classified as works contract service. Where applicant entered into a contract for supply, installation, erection and commissioning of Central Air conditioning plant in administrative building, said service is classified under works contract service as per section 2(119).

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

❖ **Union Finance Minister Ms. Nirmala Sitharaman visits Nhava Sheva; Reviews activities of Indian Customs.**

FM performs Bhoomi Pujan for setting up of a Customs Examination Facility at JNPT's Centralized Parking Plaza itself. Urges Customs to aim for 'Zero Daily Assessment Pendency' and faster release of Cargo. Technology backed reforms aimed at promoting ease of doing business and reducing compliance burden.

[Finance Ministry Release](#)

❖ **Bring in three-rate GST structure, says study by Finance Ministry-backed think-tank.**

The Government can rationalise the GST rate structure without losing revenues by rejigging the four major rates of 5%, 12%, 18% and 28% with a three-rate framework of 8%, 15% and 30%, as per a National Institute of Public Finance and Policy (NIPFP) study. The findings of the NIPFP, an autonomous think tank backed by the Finance Ministry, assume significance as the GST Council has tasked a Group of Ministers, headed by Karnataka CM Basavaraj S. Bommai, to propose a rationalisation of tax rates and a possible merger of different tax slabs by December to shore up revenues.

[Hindu Report](#)

❖ **Subway India gets a breather; will get time to share data to GST authorities claiming tax evasion.**

A day after CNBC-TV18 reported that Goods and Services Tax (GST) authorities have summoned fast-food chain Subway over its franchisee model in India, Punjab and Haryana High Court has issued a final order, ruling in favour of the fast-food chain, enabling them to file a reply and make submissions both on law and merits.

[CNBC Report](#)

❖ **Mumbai GST zone detects Rs 265 crore tax evasion by JSW Steel; co repays Rs 262 crores.**

CNBC-TV18 reported that the Mumbai GST zone has detected tax evasion of Rs 265 crore by JSW Steel. GST authorities claim that JSW Steel had wrongly availed input tax credit of compensation cess on coking coal used for captive consumption.



Direct Taxes

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

- ❖ **CBDT issues more clarifications on deduction & collection of tax at source u/s 194-O, 194Q & 206C(1H).**

The Central Board of Direct Taxes (CBDT) has issued another set of guidelines for removing certain difficulties in implementing the provisions of TDS and TCS under sections 194-O, 194Q & 206C(1H). The board has clarified that no TDS u/s 194-O is required on e-auction services. Further, following treatment of GST, TDS u/s 194Q shall not be deducted on the component of VAT, excise duty, etc., if the same is indicated separately in the invoice.

[Circular 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	First Source Solutions Ltd. v. Assistant Commissioner of Income-tax 12(2)(1), Mumbai WRIT PETITION NO. 2762 OF 2019 AUGUST 31, 2021	HC of Bombay	No Income Tax reassessment allowed just to disallow set-off of STCG from business loss if it was allowed in original assessment. Where while computing deduction under section 10AA there was no failure on part of assessee to disclose fully and truly fact that capital gains of Rs. 9.42 crores had been deducted against business losses and during assessment proceedings, Assessing Officer had himself allowed set off of Rs. 9.42 crores, reopening of assessment on above ground was not justified.



Economy & Finance

❖ **Strong demand, rising vaccination rate drive positive outlook for Indian corporates: Moody's.**

Moody's Investors Service on November 25 said India's rising vaccination rate, low interest rates, and higher public spending drive the positive outlook for the corporate sector. Moody's projects India's economic growth will rebound strongly, with GDP expanding 9.3 percent in the current fiscal ending March 2022, followed by 7.9 percent in fiscal 2023.

In a report, Moody's said credit fundamentals are favourable for India's companies on a sustained economic recovery, and earnings of rated companies' will rise on strong consumer demand and high commodity prices. India's rising vaccination rate, stabilising consumer confidence, low interest rates and higher public spending underpin positive credit fundamentals for non-financial companies, it said. India's steady progress on inoculation against the coronavirus will support a sustained recovery in economic activity. Consumer demand, spending and manufacturing activity are recovering following the easing of pandemic restrictions.

[Money Control Report](#)

SAVE WATER || SAVE UNIVERSE