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Most Authentic Newsletter of India

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

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Indirect Taxes

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

❖ **Claim: 12% GST on rent for houses and shops will be introduced at the upcoming GST Council meeting.**

Govt. has made no such prior decision for the forthcoming GST Council meeting- CBIC clarifies

- **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	Core Construction (Yatin Manoj Mora) NO. GST-ARA-08/2020-21/B-109 DECEMBER 10, 2021	AAR Maharashtra	12% GST leviable on sub-contractor for construction of roads on behalf of main contractor. Aurangabad Municipal Corporation was awarded contract for executing work of construction of concrete roads in Aurangabad City - Main contractor awarded part of said contract to applicant-sub-contractor - HELD : Clause (iv) of Sl. No. 3 of Notification No. 11/2017-Central Tax (Rate), dated 28-6-2017 covers impugned contract of construction of roads - Said clause does not restrict that such road construction will be liable to tax of concessional rate of 12 per cent only if road construction is carried out by main contractor - Even if construction of road is carried out by a sub-contractor, still it shall attract rate of 12 per cent - Thus, in respect of sub contract awarded to applicant rate of GST to be charged is 12 per cent.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
2	Adithya Automotive Applications (P.) Ltd. APPEAL ORDER NO. 19/AAAR/25/11/2021† NOVEMBER 25, 2021	AAAR UP	18% GST leviable on vehicle body building and mounting on chassis provided by principal. Vehicle body building on chassis - Manufacturing services on goods owned by others - Heading No. 9988 - Classification - Appellant is engaged in body building and mounting of body on chassis of different models of Tippers, Tankers, Trucks and Trailers provided by principal - Authority for Advance Ruling held that body building activity on chassis provided by principal would not amount to manufacturing services - HELD : Chassis delivered to appellant remains in its temporary possession only for certain time to carry out process of job work as per direction of principal - Ownership of chassis always remains with principal - As per Notification No. 11/2017-Central Tax (Rate), dated 28-6-2017, it has been clarified that tax rate for services described in clause (ic) of Sl. No. 26, i.e., services by way of job work in relation to bus body building would be 18 per cent - Body Building and mounting of body by appellant on chassis to be supplied by principal by collecting job work charges for such fabrication work is taxable at rate of 18 per cent subject to fulfilment of all conditions prescribed in section 141 and section 143.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
3	Shantilal Real Estate Services ADVANCE RULING NO. GOA/GAAR/02 OF 2020-21/340 MAY 18, 2021	AAR Goa	Sale of plots after subdividing land into smaller plots & adding amenities will not amount to supply. Supply - Sale of plots of land - Applicant acquired large parcel of land - Land will be converted into smaller plots through some value addition work such as roads, poles or drainages - Held : Amenities such as roads, poles, or drainages constructed by applicant on parcels of land will be available for use to every plot holder without any title to it - No plot owner or collectively all plot owners will be in a position to sell these poles, roads or drainages nor they will be in a position to sell only plots without having these poles, roads or drainages on it - So object for sale is land - Principal transaction is sale of land and these amenities are a natural part of sale of plot of land and these do not in any way change nature of land or of transaction or activity being that sale of land - As per entry 5 of Schedule III of Central Goods and Services Tax Act, 2017, sale of land is activity or transaction which shall be treated neither as a supply of goods nor a supply of services - Thus, sale of plots will not amount to supply.

▪ News / Latest Developments / Other updates.

- ❖ The ministerial panel led by Karnataka chief minister Basavaraj Bommai working on the restructuring of goods and services tax (GST) rates will examine whether companies passed on rate cuts in the past, before recommending changes to tax slabs.



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	Glaxosmithkline Pharmaceuticals Ltd. v. Assistant /Deputy Commissioner of Income-tax WRIT PETITION NO. 3553 OF 2019 JANUARY 24, 2022	Bombay High Court	Reassessment initiated merely on basis of an audit objection not valid. Section 37(1), read with section 148, of the Income-tax Act, 1961 - Business expenditure - Allowability of (Reassessment) - Assessment year 2012-13 - Assessing Officer issued reassessment notice after expiry of four years on ground that assessee debited certain amount of security deposit against interest income and security deposit being capital in nature would not be allowed under section 37(1) - It was noted that said objection were raised by audit department for which assessee provided explanation that amount represented interest expenditure incurred for security deposit and was considered as security deposit in audit findings - Whether since basis for reopening assessment was merely audit objections and there was no failure on part of assessee to truly and fully disclose facts, it could not be said that Assessing Officer had reasons to believe that income had escaped assessment - Held, yes - Whether, thus, reassessment was based on mere change of opinion and was to be quashed - Held, yes.



ICAI Announcements

- ❖ **ICAI decided to mandate the Peer Review process for coverage of more firms under Peer Review process.**

[Read this announcement](#)



Corporate Laws & SEBI

- ❖ **SEBI constitutes committee on Strengthening of Governance of Market Infrastructure Institutions.**

[Download this circular](#)



Insolvency & Bankruptcy

- **Notifications / Circulars / Press releases/ Write-ups by IBBI and Government.**

- ❖ **IBBI notifies Voluntary Liquidation Process Amendment) Regulations, 2022.**

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

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	Kushan Mitra v. Amit Goel COMPANY APPEAL (AT) (INSOLVENCY) NO. 128 OF 2021 I.A. NOS. 2340 AND 2413 OF 2021 DECEMBER 16, 2021	NCLAT Delhi	Interest due on refund of application money in event of non-allotment of shares is a financial debt.



Economy & Finance

- ❖ **Government ready to launch LIC IPO in May, say sources who also added that the government may offer to sell more than 5 percent of its stake in the LIC listing.**

The Centre is ready to launch the Life Insurance Corporation of India's initial public offering early in May this year, sources told CNBC-TV18 on April 5. Sources added that the government is in touch with bankers and financial advisors on the red herring prospectus (RHP). An RHP, also known as an offer document, is filed by a company with the capital markets regulator Securities and Exchange Board of India (SEBI) ahead of a public listing.

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