

Info Capsule

Thursday
April 22, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Indirect Tax

Goods and Services Tax

- **CBIC Advisory on implementation of PMT-03 to re-credit the ITC sanctioned as refund (April 20, 2021)**

The CBIC issued advisory w.r.t. implementation of PMT-03 to re-credit the ITC sanctioned as refund. Kind reference is invited to the notification No.16/2020-Central Tax dated 23.03.2020, vide which sub-Rule (4A) has been inserted in Rule 86 of the CGST Rules, 2017 and Para 4 of the Circular No 135/05/2020 dated 31.03.2020, wherein the procedure for refund of tax paid on supplies, other than zero rated supplies was provided.

For details:

<https://taxguru.in/goods-and-service-tax/implementation-pmt-03-re-credit-itc->



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❖ Banking and Insurance

- **COVID impact: Bank unions urge IBA for restriction in services, cutting public dealing hours (April 21, 2021)**

With COVID-19 cases surging across the country, bank unions have requested industry body IBA for restriction in services and reduction in public dealing time to around 3 hours per day till the situation improves to protect bank employees from the coronavirus infection.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/covid-impact-bank-unions-urge-iba-for-restriction-in-services-cutting-public-dealing-hours/articleshow/82182890.cms>

- **LIC collects highest-ever Rs 1.84 lakh-crore new premium in corona period (April 22, 2021)**

In 2020-21, LIC has achieved its highest-ever first year premium income of Rs. 56,406 crore under individual assurance business with a 10.11% growth over last year. LIC also procured 2.10 crore policies, out of which 46.72 lakh were procured in March alone. LIC's pension and group schemes vertical also created a record by clocking its highest-ever new business premium income of Rs. 1,27,768 crore over a base of Rs. 1,26,749 crore in the previous year.

For details:

<https://www.financialexpress.com/money/insurance/lic-collects-highest-ever-rs-1-84-lakh-crore-new-premium-in-corona-period/2237688/>

❖ **International Business News**

NDB issues USD 1.5 billion benchmark bond (April 21, 2021)

On April 20, 2021, the New Development Bank (NDB) priced its 5-year USD 1.5 billion benchmark bond. This transaction is the third USD benchmark bond offering of the Bank in the international markets. The net proceeds of the Bond will be used for financing sustainable development activities as well as COVID-19 Emergency Program Loans to the Bank's member countries.

For details :

<https://www.prnewswire.com/news-releases/ndb-issues-usd-1-5-billion-benchmark-bond-301274410.html>

❖ **Terminology for today**

Corporate Defense Management (CDM)

The multi-dimensional framework employed by an organization to manage the critical components which constitute an organization's corporate defense program. This includes the integrated management of its governance, risk, compliance, intelligence, security, resilience, controls, and assurance activities.

❖ **Market Watch**

Stock Market Indices as on 22.04.2021	
S & P BSE Sensex	48080.67 (+374.87)
Nifty 50	14406.15 (+109.75)

Foreign Exchange Rates as on 20.04.2021 <i>(https://www.geojit.com/currency-futures/rbi-reference-rate)</i>			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
74.81	104.11	89.85	0.69

❖ Pronouncement

April 20, 2021	Radha Krishan Industries (Appellant) vs. State of Himachal Pradesh (Respondent)	Supreme Court of India
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Power to order Provisional Attachment of Property including Bank Account is draconian in nature, all conditions to be strictly fulfilled

Facts of the case:

The Appellant challenged the orders issued on 28 October 2020 by the Joint Commissioner of State Taxes and Excise, provisionally attaching the appellant's receivables from its customers. The provisional attachment was ordered while invoking Section 83 of the Himachal Pradesh Goods and Service Tax Act, 2017 and Rule 159 of Himachal Pradesh Goods and Service Tax Rules, 2017. While dismissing the writ petition on grounds of maintainability the High Court was of the view that the appellant had an 'alternative and efficacious remedy' of an appeal under Section 107 of the HPGST Act.

The GST Department had moved the Apex Court against the ruling of a Division Bench of the High Court of Himachal Pradesh. The High Court dismissed the writ petition instituted under Article 226 of the Constitution challenging orders of provisional attachment on the ground that an alternate remedy is available. While dismissing the writ petition on grounds of maintainability, the High Court was of the view that the appellant had an 'alternative and efficacious remedy' of an appeal under State GST law.

While dismissing the writ petition, the High Court held that it was undisputed that the third respondent and the Divisional Commissioner, who has been appointed as Commissioner (Appeals) under the GST Act, are constituted under the HPGST Act, and therefore, it is assumed that there is no illegal or irregular exercise of jurisdiction. The High Court further observed that even if there is some defect in the procedure followed during the hearing of the case, it does not follow that the authority acted without jurisdiction, and though the order may be irregular or defective, it cannot be a nullity so long it has been passed by the competent authority.

Judgment:

The Supreme Court has recently held that power to order a provisional attachment of the property of the taxable person including a bank account is draconian in nature and the conditions which are prescribed by the statute for a valid exercise of the power must be strictly fulfilled. The Court said that before passing an order of provisional attachment, it is necessary to adhere to the twin conditions: first, allowing the assessee to submit objections to the order of attachment on the ground that the property was or is not liable for attachment and second, give him opportunity to be heard before the order.

For details:

https://main.sci.gov.in/supremecourt/2021/1775/1775_2021_36_1502_27668_Judgement_20-Apr-2021.pdf

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082116

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