

NEWSLETTER

July 22, 2020

Edition: 231



USP

- One of its kind covering all updates related to Professional and Financial matters in one document.
- Daily updates with Gazetted Notifications, Circulars, Announcements & Press releases
- Covers updates related to
 - ❖ Direct Tax Code
 - ❖ Indirect Taxes
 - ❖ Direct Taxes
 - ❖ ICAI announcements
 - ❖ ICSI Announcements
 - ❖ Corporate laws
 - ❖ Insolvency and Bankruptcy
 - ❖ Security & Exchange Board (SEBI)
 - ❖ Micro, Small & Medium Enterprises
 - ❖ Reserve Bank of India
 - ❖ Economy & Finance.

Knowledge is power
Knowledge shared is power multiplied

By Pradeep Goyal, Chartered Accountant

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UPDATES RELATED TO

- Direct Tax Code
- Indirect Taxes
- Direct Taxes
- ICAI Announcements
- ICSI Announcements
- Corporate Laws
- Insolvency and Bankruptcy
- Security and Exchange Board of India (SEBI)
- Micro, Small & Medium Enterprises
- Reserve Bank of India
- Economy & Finance.

[From Monday to Friday | 5 days a week | No updates on Saturdays and Sundays due to closure of all government departments]



Indirect Taxes

- **Notifications / Circulars / Press releases / FAQs / Portal Updates / Write-ups by Board “CBIC” and Government.**
- ❖ **CBIC launch mechanism for crowd sourcing of suggestions for review of existing Customs duty exemption notifications/ Customs laws and procedures.**
[Custom instruction no. 14/2020 dated 21/07/2020](#)
- ❖ **GSTN release all detail and FAQs regarding filing Form GSTR-4 Annual Return by Composition Taxpayers on GST Portal and made form available.**
[Use this link to read more](#)
- ❖ **CBIC launched Interim measure for filing revocation of cancellation order in appeal channel**
In case your application for revocation of cancellation of registration was rejected by the tax authorities before 12/6/2020 and you wish to avail benefit of RoD order 01/2020 dated 25.06.2020, as an interim measure, you can request the appellate authority or the higher authority to pass a simple offline order on it for restoration of the application.
[Read here for more](#)
- ❖ **CBIC & CBDT sign MoU to facilitate smoother bilateral exchange of data**
This MoU will facilitate the sharing of data and information between CBDT and CBIC on an automatic and regular basis. In addition to regular exchange of data, CBDT and CBIC will also exchange with each other, on request and spontaneous basis, any information available in their respective databases which may have utility for the other organisation.
[MoF Release](#)

▪ 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	[2020] 117 taxmann.com 700 A. Mohideen v. Senior Intelligence Officer CRL. O.P. NOS. 5991 AND 6461 OF 2020 JUNE 30, 2020	Madras High Court	Where Petitioners arrested on allegation of floating fake company, filing fake e-way Bill and cheating department of Rs.122 crore by producing fake Aadhaar cards, were granted bail on non-submission of Final Report by Police, in view of COVID-19 pandemic lockdown, bail conditions were to suitably modified.
2	[2020] 117 taxmann.com 730 Subhash Joshi v. Director General of GST Intelligence (DGGI) WP NO. 9184 OF 2020 JULY 3, 2020	MP High Court	Provisions of section 67 do not require presence of an Advocate at time of search proceedings and, thus, assessee's request for same could not be allowed.
3	M/s.P.R.Mani Electronics Vs Union of India W.P.No.8890 of 2020	Madras High Court	Transitional Credits: Time limit under Rule 117 is mandatory and not directory

- News / Latest Developments / Other updates

- ❖ **No more ban on deemed approval for GST registration**

The goods and services tax (GST) administration has lifted a ban on deemed approval for new registrations, which was imposed during the lockdown period for fear that the facility could be misused in the absence of properly functioning GST departments across the country. Several states had reported the trend of newly registered businesses being engaged in circular trading during the lockdown.

[Finance Express report](#)



Direct Taxes

- Legal Updates- Tribunals / High Courts / Supreme Court

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 117 taxmann.com 670 CIT v. Gigabyte Technology (India) Ltd. TAX APPEAL NO. 28 OF 2014 JANUARY 7, 2020	Bombay High Court	Obsolete stock which was not disposed of or sold was allowable as expenditure under section 37(1)

- News / Latest Developments / Other updates

- ❖ **End of tax harassment? Income Tax dept to contact you only through emails! CBDT says this to officials**

CBDT chief P C Mody asked the income tax officers to communicate with taxpayers only through e-mails and give priority to recovery of arrears.

[Finance Express Report](#)



ICAI Announcements

- ❖ **Accounting Standard Board of ICAI seeking views of Practicing Chartered Accountants on Questionnaire on application of Accounting Standards by Micro and Small Non-Corporate Entities by August 10, 2020.**
[Read this announcement](#)
- ❖ **Technical Guide on Easy Incorporation of Companies through SPICE Plus as brought out by CL&CGC ICAI.**
[Download your copy here](#)
- ❖ **PDC is organizing a Live Webinar on the theme Exploring Uncharted Avenues for Chartered Accountants on Friday, 24th July 2020 from 04.00 PM to 06.00 PM.**
[Use this link for more](#)
- ❖ **Live Webcast: Case Study of Orchid Pharma Resolution under IBC on 25th July 2020 (Saturday) from 11.30 am to 01.30 pm by the Committee on Insolvency & Bankruptcy Code of ICAI.**
[Use this link for more](#)
- ❖ **Research Committee is organising a Live Webinar on "Ice Breaking webinar on emerging role of Indian CAs in USA - Paving the path of a Research Study on evolving role of Professional Accountants Globally" on 25th July, 2020 at 4.00 P.M to 6.00 P.M.**
[Use this link for more](#)



Legal Updates- NCLTs / NCL-ATs / Supreme Court

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 117 taxmann.com 704 iValue Advisors Pvt. Ltd. v. Srinagar Banihal Expressway Ltd. COMPANY APPEAL (AT) (INS) NO.1142 OF 2019 JANUARY 13, 2020	NCL-AT Delhi	Merely because operational creditor had initiated proceedings before Micro, Small and Medium Enterprise Authorities would not show that there was pre-existing dispute so as to bar a petition under section 9.
2	[2020] 117 taxmann.com 715 Radhika Mehra v. Vaayu Infrastructure LLP COMPANY APPEAL (AT) (INSOLVENCY) NO. 121 OF 2020 JANUARY 30, 2020	NCL-AT Delhi	In view of overriding effect of provisions of section 238 of IBC, section 61(2) of IBC will override section 5 of Limitation Act

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

- ❖ **Cheaper, faster, and easier insolvency resolution process on cards for MSMEs: IBBI**

It would have a short time limit and provide a ‘debtor in possession’ model for MSMEs that would enable them to negotiate the resolution with creditors and incentivise them to continue running the business after insolvency resolution.

[ET Report](#)

- ❖ **MSME promoters undergoing insolvency proceedings may be able to retain control of company.**

PROMOTERS OF Medium, Small and Micro Enterprises (MSMEs) will be able to retain control of their companies, even as they undergo insolvency proceedings, under a special insolvency framework for MSMEs, according to government officials. Finance and Corporate Affairs Minister Nirmala Sitharaman had recently said the Corporate Affairs Ministry was finalising a special resolution framework for MSMEs under Section 240(A) of the Insolvency and Bankruptcy Code (IBC). The proposed framework for MSMEs will follow a “debtor in control” model for insolvency proceedings, while ordinarily the corporate insolvency resolution process follows a “creditor in control” system.

[Indian Express Report](#)



**Securities & Exchange Board
of India (SEBI)**

- ❖ **SEBI announce that in review of the COVID-19 situation, it has been decided that the regulatory measures introduced vide SEBI Press Release dated March 20, 2020, shall continue to be in force till August 27, 2020. The stock exchanges and clearing corporations will be issuing necessary instructions to the market participants in this regard.**



Economy & Finance

❖ **Bankers divided on extending moratorium, fear potential spike in bad loans.**

The banking sector is divided on extending the moratorium on loan repayments yet again. SBI Chairman Rajnish Kumar has dismissed the need for further relaxation on repayments, with initial estimates — pertaining to the impact on banks' asset quality in FY21 — causing much worry.

[Business Standard Report](#)

❖ **Why don't PSBs invoke personal guarantees? SC questions govt on bad loans**

The Supreme Court has asked the Finance Ministry to respond to a representation seeking disciplinary action against public sector banks (PSBs) for not invoking personal guarantees of promoters and directors of firms defaulting in repayment of huge loans. The plea claimed around Rs 1,900 crore are lost every day due to PSBs not invoking personal guarantees of big corporate loan defaulters.

[Business Standard Report](#)

❖ **Debt-laden Jet Airways receives resolution plan from two bidders**

Jet Airways has received resolution plans from at least two of the four shortlisted entities that made the cut in the fourth round, thereby raising hopes for a revival of the beleaguered airline. According to sources, a consortium — comprising Imperial Capital, Flight Simulation Technique Centre, and Big Charter — have placed a bid for Jet, while the other consortium is led by Kalorck Capital.

[Business Standard Report](#)



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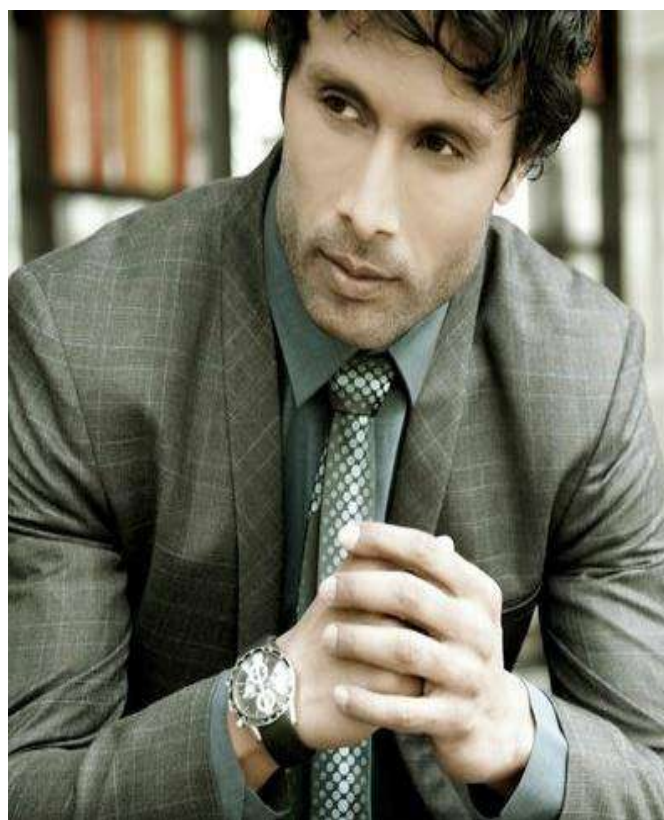
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Knowledge shared= Knowledge²

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