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[Daily newsletter related to Profession]

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Covering

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- Corporate Law
- Insolvency & Bankruptcy
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- RBI Updates
- Economy & Finance related Updates

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Indirect Taxes

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

❖ **Did you know this provision in GST?**

- Section 11 of the CGST Act empowers central government giving exemption from GST, with these parameters-
  - In public interest
  - In consultation with GST Council
  - Only by a Notification
  - Absolute or Conditional exemption
  - On specified goods or services or both
  - From the whole or any part of the tax leviable.

- **Explanation with section 11 is particularly important.**

  If an ABSOLUTE (No Conditions attached) exemption given in respect of any goods or services or both **from the whole or part,** no-one shall collect the tax, in excess of the effective rate, on such supply of goods or services or both.

  This is very important as if you charge and collect tax from recipient in case of goods or services on which unconditional exemption from tax is provided then you cannot escape penal provisions saying that I have collected and deposited the whole tax with the government. Logic is, component of tax, you charged, will enhance the cost of goods & services to consumers.

❖ **Downloading document-wise details of Table 8A of Form GSTR-9**

A facility has been provided to the taxpayers to download document wise details of Table 8A of Form GSTR-9, from the portal in excel format. This can be done by using a new option of 'Document wise Details of Table 8A' given on the GSTR-9 dashboard, from Financial Year 2018-19 onwards. This will help the taxpayer in reconciling the values appearing in Table 8A of Form GSTR 9, thus facilitate filling the Form GSTR 9.

Visit think link & have a look for more details

❖ **CBIC issue advisory for procedure to be followed in cases of manufacturing or other operations undertaken in special warehouses under section 65 of the Customs.**

Manufacture and Other Operations in Special Warehouse Regulations, 2020 (MOOSWR, 2020) and this Circular cover the procedures and documentation for a section 58A warehouse, operating under Section 65 of the Act, in a comprehensive manner including application for seeking permission under section 65, provision of execution of the bond and security by the licensee, receipt, storage and removal of goods, maintenance of accounts, conduct of audit etc.

More details in this Circular

- **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] 118 taxmann.com 42 Jabalpur Hotels (P.) Ltd., In re CASE NO. 27/2019 & ORDER NO. 10/2020 JUNE 8, 2020	AAR-MP	In case of construction of a hotel, lift becomes an integral part of building and, thus, in terms of section 17(5)(d), benefit of ITC would not be available in respect of taxes paid on purchase of lift.
2	[2020] 118 taxmann.com 12 Sundharams (P.) Ltd., In re NO. GST-ARA-36/2019-20/B-41 MARCH 18, 2020	AAR Maharashtra	Where applicant, engaged in providing warehousing, storage and support services belonging to automobile industry, has purchased paver blocks which are laid in parking area to ensure efficient and safe parking to automobiles, in view of fact that applicant has itself built an immovable property (parking) for which it has received goods i.e. paver blocks, as per provisions of section 17(5)(d), applicant can not avail ITC in respect of same

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

❖ **Haryana: CBI arrests GST official for graft after dramatic chase.**

The CBI has arrested an official of the central GST department in a graft case after a two-day chase amid a series of dramatic events that included packets of cash being flung onto neighbours' roofs in Rohtak. The agency was acting on an FIR it had registered on the basis of a complaint filed by Sonipat resident Manoj Kalra, who runs a business of manufacturing medicines. The accused — four GST officials — were booked under Section 7 of Prevention of Corruption Act and section 120 B (conspiracy) of the IPC. CBI sources confirmed the arrest of GST department superintendent Kuldeep Hooda, who was produced before a court in Panchkula on Sunday and sent to CBI custody for four days. The other officials who have been booked are Gurvinder Singh Sohal (superintendent), Rohit Malik (inspector) and Pardeep (inspector) — are also posted in the Rohtak office of central GST.

Indian Express Report

Direct Taxes

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

❖ **India's Taxpayer's Charter: Rights and obligations of Taxpayers**

It has been provided in charter that the department shall provide fair, courteous, and reasonable treatment to taxpayers, every taxpayer shall be deemed to be honest unless there is a reason to believe otherwise, provide a mechanism to lodge a complaint and provide timely decisions. Here is what the taxpayer charter says about its commitment to taxpayers.

Open this link to read more about your rights and duties

- **Legal Updates- Tribunals / High Courts / Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	2020] 118 taxmann.com 51 DCIT v. Exxon Mobil Lubricants (P.) Ltd. IT APPEAL NO.2619 (DELHI) OF 2011 JUNE 12, 2020	Delhi ITAT	Where assessee made payment of certain expenditure incurred abroad in foreign currency without deducting tax at source and, thus, said expenditure was disallowed by TPO, in view of fact that a major part of said expenses was towards reimbursement of expenses incurred by AEs outside India and, thus, tax was not required to be deducted on same, impugned disallowance was to be deleted.

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

❖ **Taxpayers need not disclose high-value transactions in income tax returns.**
Taxpayers will not be required to mention their high-value transactions in their income tax returns, officials in the know of the development said. "There is no such proposal to modify income tax return forms," an official said, responding to report of the proposed expansion of reportable financial transactions to include hotel payments over Rs 20,000, life insurance premium payment over Rs 50,000 and health insurance premium payment over Rs 20,000, donations and payment of school/college fees over Rs 1 lakh a year.
ET Report

❖ **Faceless Assessment Scheme: 97% of Income Tax work force feeling left out.**
The Joint Council of Action (JCA) comprising Income Tax Employees Federation and Income Tax Gazetted Officers Association have written to the Chairman, Central Board of Direct Taxes (CBDT) seeking to highlight the disruption to the employees caused by restructuring of the department. The JCA has pointed out that the restructuring exercise if not implemented in a thoughtful manner may result in massive displacement of manpower from one station to the other.
Zee Media Report

ICAI Announcements

- **The Committee on Public & Government Financial Management of ICAI is pleased to announce the 3rd & 4th online batches of Certificate Course on Public Finance & Government Accounting commencing from 29th August 2020 (on weekends only).**
  Open this link to know more

ICSI Announcements

- **2nd CSEET will be conducted on 21st November 2020! Register latest by 27th October 2020**
- **Certificate Course on RERA-Registration Open**
- **Certificate Course on Cyber Security-Registration Open**
- **Certificate Course on MSME-Registration Open**
- **Certificate Course on FEMA-Registration Open**
- **Certificate Course on Independent Director-Registration Open**
- **Certificate Course on Commercial Contracts Management-Registration Open**

Open this link to know more

Corporate Laws

- **NFRA issues Audit Quality Review Report of the Statutory Audit for FY 2017-18 of IL&FS Financial Services Limited.**
  Press release of MCA is here
  Copy of the report- download here
  Full Report
  Executive Summary

Insolvency & Bankruptcy

- **Notifications / Circulars / Press releases / FAQs / Portal Updates / Write-ups by Board "IBBI" and Government.**

❖ **IBBI uploaded summary of Judgment dated 14th August, 2020 of the Hon'ble Supreme Court of India in the matter of Babulal Vardharji Gurjar Vs. Veer Gurjar Aluminium Industries Private Limited & Anr. [Civil Appeal No. 6347 of 2019].**
Download here
Full judgement is here

❖ **IPA ICAI invites applications for the Post of Managing Director (on contractual basis).**
More details here

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

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 118 taxmann.com 171 Utsav Securities (P.) Ltd. v. Timeline Buildcon (P.) Ltd. C.P. NO. IB- 1559 (PB)/2019 JANUARY 4, 2020	NCLT Delhi	Where there was no element of time value for money and petitioner had given friendly loan to respondent corporate debtor, transaction would not acquire status of financial debt and petition filed under section 7 was to be dismissed.
2	[2020] 118 taxmann.com 174 Vivek Kumar Gupta v. People Tech IT Consultancy (P.) Ltd.	NCLT Banglore	Where petitioner had filed petition under section 9 against respondent corporate debtor with an intention to recover alleged outstanding salary amount for which there was serious dispute, petition was to be rejected with a direction to respondent to settle accounts of petitioner.

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

❖ **Homebuyers cannot invoke insolvency process to recover RERA awards: NCLAT.**

The National Company Law Appellate Tribunal (NCLAT) has ruled that homebuyers cannot drag realty companies through the insolvency process for recovering monies awarded to them by a real estate regulator. The NCLAT ruled that a homebuyer cannot be treated as a financial creditor when the real estate company is unable to honour a decree awarded by the State-level Real Estate Regulatory Authority (RERA). Homebuyers need to take recourse to the civil law to recover the money.

Finance Express Report

❖ **Insolvency framework should not only solve proceeding issues but also save MSMEs from being dragged to it.**

Ease of Doing Business for MSMEs: India seems to have addressed the insolvency concerns peculiar to MSMEs by introducing an entirely new insolvency framework for MSMEs, an approach which only a few countries like Japan and Korea have followed so far.

Finance Express Report

❖ **Pandemic is Starting to Affect Corporate Insolvency Levels globally.**

The month-on-month rise in corporate insolvencies in July is largely down to an increase in administrations, Compulsory Liquidations, and Creditors' Voluntary Liquidations (CVLs). Although overall numbers remain low in comparison to the same time last year, this uptick could suggest that the pandemic might now be starting to be seen in the insolvency figures.

Business News Wales report

MSME

❖ **MSME PRESENTING MSME MART**

A Global business to business (B2B) Portal facilitating Services to Micro, Small & Medium Enterprises (MSMEs) to help them grow their business Online.

Visit the MSME Mart Global Portal

Economy & Finance

- **CBI books SEL Textiles, directors for cheating consortium of banks to the tune of Rs 1,530 crore.**
  The Central Bureau of India (CBI) has booked Ludhiana-based SEL Textiles (SELT) and its directors for allegedly cheating a consortium of 10 public sector banks to the tune of Rs 1,530 crore. They managed this through a diversion of funds using one of the companies whose name had reportedly cropped up in Panama papers disclosure, officials told PTI on August 17.
  Money-control Report

- **Partial Credit Guarantee Scheme (PCGS) 2.0 extended with greater flexibility to respond to emerging demands.**
  As part of Aatmanirbhar Bharat Abhiyan, announced by the Government, Partial Credit Guarantee Scheme (PCGS) 2.0 was launched on 20.05.2020 to provide Portfolio Guarantee for purchase of Bonds or Commercial Papers (CPs) with a rating of AA and below issued by NBFCs/HFCs/ MFIs by Public Sector Banks (PSBs). It was envisaged to purchase Bonds/ CPs of Rs. 45,000 crores under PCGS 2.0 of which the maximum headroom permissible for purchase of Bonds/ CPs rated AA/AA- was 25% of the total portfolio i.e. Rs. 11,250 crores.
  Finance Ministry Release

- **Nirmala Sitharaman seeks investment from UAE for Rs 111 lakh crore National Infrastructure Pipeline.**
  Finance Minister Nirmala Sitharaman on Monday held a virtual bilateral meeting with United Arab Emirates (UAE) Minister of State for Financial Affairs Obaid Al Tayer and urged the Middle Eastern nation to participate in India's ambitious Rs 111 lakh crore National Infrastructure Pipeline. About 7,000 projects have been identified under the National Infrastructure Pipeline (NIP) with projected investment of Rs 111 lakh crore during 2020-25.
  Finance Express Report

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