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[Daily newsletter related to Profession]

No. 253 | 25 August 2020

Covering

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- Insolvency & Bankruptcy
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Indirect Taxes

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

  - **Do not miss to watch- GSTN organise free Trainings for Taxpayers.**
    Topic- Overview of Aadhar authentication while applying for registration.
    Date 25th August 2020
    Speaker Sh. Praveen Kumar, AVP, GSTN
    Time slot for Hindi session: 1100 Hrs- 1200 Hrs
    Time slot for English session: 1500 Hrs to 1600 Hrs
    For registration- click this link

  - **GSTN informs all stakeholders that filing of application for revocation of cancellation of registration is now available on GST portal. Refer Order No: 01/2020-Central Tax dated 25.06.2020.**

  - **Central Government notifies the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020) to supplement the existing operational certification procedures prescribed under different trade agreements.**
    Notification 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	LD/VC/ABA NO. 319 OF 2020 Commissioner CGST Vs. Ashok Kumar	Bombay High Court	Assessment is not a pre-requisite for arrest under GST; Bombay HC rejected Pre-arrest bail. HC also held that the Assessment is not a pre-requirement of arresting. Provisions contained in offences and penalties are not subject to 'assessment' as both are distinct and not subject to each other.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
2	[2020] 118 taxmann.com 228 Precot Meridian Ltd. v. Commissioner of Customs W.P. (MD) NO. 20504 OF 2019	Madras High Court	Where petitioner exported cotton through seven shipping bills and paid a sum towards IGST, respondent authorities relying on a circular could not refuse refund of IGST paid by petitioner for goods exported from India, which were zero rated supplies.

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

❖ **GST reduced tax rates, doubled taxpayer base to 1.24 cr: Finance Ministry**
The Finance Ministry on Monday said GST has reduced the rate at which people have to pay tax, helped increase compliance and doubled taxpayer base to 1.24 crore.
ET Report

❖ **GST registration through Aadhaar authentication: How to apply and important points to note while opting.**
As per the notification of the Central Board of Indirect Taxes and Customs (CBIC) Aadhaar authentication for GST registration has become operational with effect from August 21, 2020. For a person opting for Aadhaar authentication for new GST registration would get it within just three working days, if no notice is issued and would not need to wait for physical verification.
Zee Media Report

❖ **Compensation cess on tobacco products can generate Rs 49,740 crore, GST council told.**
Public health groups along with doctors and economists have urged the GST Council to increase compensation cess on all tobacco products which is expected to raise an additional Rs 49,740 crore as tax revenue.
Deccan 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] 118 taxmann.com 252 Commissioner of Income Tax v. Tarachanthini Services (P.) Ltd. T.C. APPEAL NOS.839 & 840 OF 2019	Madras High Court	Where assessee challenged validity of assessment on ground that its name had been stuck off from Register of Companies before passing of assessment order, in view of fact that assessee voluntarily participated in assessment proceedings and did not bring aforesaid fact to notice of Assessing Officer, plea raised by assessee was to be rejected.

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

❖ **Income from futures and options is business income if trading is regular.**
If classified as business income and transacted on a recognised stock exchange, the income derived from trading of derivatives are taxable as non-speculative business income for income tax purposes, and the individual has to file ITR 3.
Finance Express Report

❖ **Unexplained cash in your bank account? Be ready to pay up to 83% income tax.**
Such unexplained money attracts a high-income tax at the rate of 83.25% (60% tax + 25% surcharge+ 6% penalty). However, the 6% penalty will not be applied if the cash credit has already been included in return of income and tax has been paid on or before the end of relevant previous year.
Mint Report

ICAI Announcements

- **ICAI notifies dates and places for CA course examinations.**
  Next Chartered Accountants Foundation Course {Under New Scheme}, Intermediate (IPC) {Under Old Scheme}, Intermediate {Under New Scheme} and Final {Under Old & New Scheme} Examinations will be held on the dates given in attached notification at the given places provided that sufficient number of candidates offer themselves to appear from each centre.
  Notification here

- **ICAI informs that registration open for new batches of Online Course on Ind AS.**
  In a release ICAI says "It gives us immense pleasure in opening registration for 'Online Certificate Course on IND AS' w.e.f. 25th August,2020. The course shall be starting from 11th September 2020. You may use your SSP login credentials to register.
  For registration and more details- use this link

Corporate Laws

- **MCA amends CSR Rules 2014 through CSR Amendment Rules 2020 effective from 24.08.2020.**

  1. **Amendment-1 in definition of CSR Policy**
     Company engaged in research and development activity of new vaccine, drugs, and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23.
  2. **Amendment-2-amendment in Rule 4 & 6 in CSR Activities & CSR Policy**
     Activities undertaken in pursuance of its normal course of business is also allowed now.
     Notification here

  3. **Few more activities added in Schedule VII.**
     Notification here

Insolvency & Bankruptcy

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

❖ **IBBI (Disciplinary Committee) Order**
IBBI orders that Mr. Rajneesh Singhvi, IP, shall not seek or accept any process or assignment or render any services under the Code for a period of three months.
Read order 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 271 Corporation Bank v. SJN Energy Infrastructure (P.) Ltd. COMPANY APPEAL (AT) (INSOLVENCY) NO. 1184 OF 2019 MARCH 5, 2020	NCL-AT Delhi	IBC is a complete Code and as per section 238, it has overriding effect on other laws therefore, in view of pending proceedings/claims/counter claims before DRT and other forums, limitation will not get extended.

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

❖ **Supreme Court looking to rework Insolvency and Bankruptcy Code is positively dangerous.**
Rewriting the law is probably necessary at times, but the Supreme Court wanting to revisit the remit of the Insolvency and Bankruptcy Code (IBC) with respect to the sale of natural resources is worrying. To be sure, the IBC is a relatively new piece of legislation, but to question its fundamental premise, namely that financial creditors have the first right to the financial proceeds, can have deleterious consequences for the country's financial system.
Finance Express Report

SEBI

- **SEBI issued Master Circular on Mutual Funds.**
  Download here

Reserve Bank of India

- **RBI issues guidelines for banks on Ad-hoc/Short Review/Renewal of Credit Facilities.**
  RBI says that banks are expected to have a detailed Board approved policy on methodology and periodicity for review/renewal of credit facilities within the overall regulatory guidelines and adhere to the same strictly.
  Read here for more details

Economy & Finance

- **Loan Restructuring Plan Will Help Revive Economy, Says RBI Chief: Report.**
  New measures to allow Indian lenders to restructure loans will provide a "durable" resolution for cash-strapped businesses and help revive the economy, according to the central bank's chief. "On one hand health of banks is very important and on the other hand businesses are under a lot of stress due to covid," Reserve Bank of India Governor Shaktikanta Das said in an interview with CNBC-Awaaz on Friday.
  The plan has replaced a blanket loan moratorium that is due to expire later this month, he said. Speaking in Hindi, Mr Das said the moratorium was a "temporary solution" for lockdown and not a permanent fix.
  Media Report

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