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[Daily newsletter related to Profession]

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Covering

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- Insolvency & Bankruptcy
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- RBI Updates
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Indirect Taxes

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

❖ **Government notifies section 100 of Finance (No.2) Act 2019 (23 of 2019).**

Government amended section 50 of CGST Act vide section 100 of said act where in below proviso was inserted in sub-section (1) of section 50: -

"*Provided that the **interest on tax payable** in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, **shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.***"

This section was not notified earlier so vide Notification No. 63/2020–Central Tax dated 25th August 2020; government notified this section with effective date 1st day of September 2020.

Executive Summary

Interest on late payment of GST will be charged as below-

a) For the returns period from 01.07.2017 to 31.08.2020: On total tax payable (without taking ITC)
b) For the return period on & from 01.09.2020: On Tax payable in cash (after taking ITC)

Copy of Notification is here.
Copy of Finance (No.2) Act, 2019 is here.

❖ **GSTN releases summary of various advisories issued to all stakeholders.**

Click here to read more

- **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 282 Union of India v. Saraf Natural Stone R/SPECIAL CIVIL APPLICATION NO. 15925 OF 2018 MARCH 13, 2020	Gujrat High Court	**HC re-affirmed 9% rate of interest instead of 6% on delay in payment of refund.** Where High Court vide order dated 10-7-2019 directed GST Authorities to pay to assessee simple interest on delayed payment of refund amount at rate of 9 per cent per annum and GST Authorities sought review of impugned order to limited extent that directions could not have been for making payment at rate of 9 per cent per annum but, in fact, it should have been at rate of 6 per cent per annum as provided under section 56, no case was made out for review.
2	[2020] 118 taxmann.com 137 Halliburton Offshore Services Inc., in re AAR NO.16/AP/GST/2O2O MAY 13, 2020	AAR-AP	In case of applicant, providing oilfield services to exploration and production companies, reimbursement received towards tools and equipment which get stuck/damaged due to unforeseen down hole environmental situations in oil and gas well known as 'Lost in Hole (LIH)' can be considered as supply under section 7.
3	[2020] 118 taxmann.com 217 Badal Shambhubhai Shah v. Directorate General of Goods & Service Tax Intelligence	Gujrat HC	Where Authority provisionally attached bank accounts of assessee, as impugned order was passed on 10-1-2019 and period of one year was over on 10-1-2020, impugned order had lapsed on completion of one year, Authority was to be directed to lift attachment over bank accounts of assessee.

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

❖ **Regional beverage companies under GST lens.**
Regional beverage makers are facing heightened scrutiny from GST officials over tax evasion as many of them were found to be claiming that their products contain fruit juice. Sugary carbonated beverages without fruit juice attract 40% tax under GST, while ones with added fruit juice or pulp fall in the 12% tax bracket.
TOI Report

❖ **Covid-19 presents a tax crisis ahead of GST Council meet**
The states are facing an acute revenue shortfall in the middle of their fight against the coronavirus pandemic and a faltering economy. The latest SBI research paper, as a solution, calls for an unconditional and immediate central assistance to the states.
India Today Report

Direct Taxes

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

❖ **CBDT informs stakeholders that ITR 1, 2, 3, 4 & 5 for AY 2020-21 is available for e-Filing and other ITRs will be available shortly.**
Source here

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

❖ **Income tax benefits for senior citizens: Here's the list.**
The income tax benefits available to resident senior- and very senior-citizens range from higher exemption limit to deductions under various sections on account of medical expenses and interest earned on deposits.
Mint Report

❖ **All about faceless income tax assessment and how it works**
The tax assessment would be carried out by the Assessment Unit, enquiry or verification would be conducted by the Verification Unit, and technical assistance would be provided by the Technical Unit. Money Control Report

ICAI Announcements

- **3rd & 4th Online Batch of the Certificate Course on Public Finance & Government Accounting commencing from 29th August 2020.**
  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) as per the schedule given herein below.
  Time:
  3rd Batch - 10:00 AM to 1:00 PM (Morning Batch)
  4th Batch - 4:00 PM to 7:00 PM (Evening Batch)

  - **For Registration in 3rd (Morning) Batch:**
    Online Payment link
    Google Form
  - **For Registration in 4th (Evening) Batch:**
    Online Payment link
    Google Form

- **Live Webcast on "E-Invoicing under GST" on 29thAugust, 2020 from 10:00 A.M. to 12:00 Noon.**
  Link to join

ICSI Announcements

- **ICSI inaugurates Overseas Centre in London.**
  Click here to know more

- **ICSI issues CS Executive Entrance Test (CSEET) E-Bulletin for August 2020.**
  Download here

Insolvency & Bankruptcy

- **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 300 Sunedison Energy (I) (P.) Ltd. v. Sun Alternate Energy (P.) Ltd. IB NO. 2359 (ND) OF 2019 JULY 22, 2020	NCLT Delhi	Where respondent failed to repay loan availed from applicant as per agreed terms and it also failed to convert said loan into equity shares as per clauses of loan agreement, application filed under section 7 was to be admitted.

MSME

- **Fund of funds for small businesses to be launched soon: MSME secretary AK Sharma.**
  The government will soon launch the fund of funds for micro, small and medium enterprises (MSMEs), inviting venture capital and private equity firms to invest in small businesses, MSME secretary AK Sharma said on Tuesday.
  ET Report

- **Pre-packaged insolvency resolution framework for MSMEs soon, say officials.**
  The government is drawing up a framework for resolution of MSMEs under the Insolvency and Bankruptcy Code (IBC), which could be rolled out soon, said a senior official. "We may experiment with pre-packs for MSMEs and then expand it," said the official.
  ET Report

❖ **RBI to MSMEs: No need to re-register under Udyog Aadhaar for reclassification as per new definition**

Ease of Doing Business for MSMEs: MSMEs had sought clarification whether their existing registrations would remain or valid or not following the government's June 26, 2020 notification on the classification of MSMEs as per the new definition and specification of the form and procedure for registration with effect from July 1, 2020.

Finance Express Report

Reserve Bank of India

❖ **Reserve Bank of India released its Annual Report for 2019-20, a statutory report of its Central Board of Directors.**

Download here

Economy & Finance

❖ **Set up GST Council type authorities for land, labour, power to reform: RBI.**

The Reserve Bank on Tuesday suggested setting up GST Council type apex authorities for land, labour, and power to drive structural reforms and expedite implementation of national infrastructure pipeline. It said targeted public investment funded by monetisation of assets in steel, coal, power, land, railways, and privatisation of major ports by central and state governments under an independent regulator can be the way forward to revive and crowd in private investment. "In fact, Goods and Services Tax (GST) Council type of apex authorities can be set up in respect of land, labour, and power to drive structural reforms," RBI said in its 2019-20 annual report.

Mint Report

❖ **CAG notifies new Regulations on Audit and Accounts, 2007 which shall be applied to the officers and staff of the Indian Audit and Accounts Department and all ministries and departments of the Union Government, State Governments and Union Territory Governments as well as bodies, authorities and enterprises, to which the audit or accounts jurisdictions of the Comptroller and Auditor General of India extend.**

CAG Notification here

- **Structural Reforms are a Key Priority of the Government: Finance Minister.**

  Addressing the captains of the Indian Industry, Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman stressed that structural reforms are a key priority of the government as has been reflected in the slew of measures & policies announced since outbreak of COVID-19. Every policy which was introduced had a structural component. Consequently, therefrom are having significant impact on the recovery process which we are currently witnessing.

  Fin Min Release

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