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[Daily newsletter related to Profession]

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Initiative by
PRADEEP GOYAL
Chartered Accountant
B.Com | FCA | CPA-Australia | Certified Fraud Examiner |Certified Data Analyst & Scientist| Data Privacy Practitioner | Insolvency Professional | Registered Valuer | ICAI Certified GST Practitioner | Life-Time Member of Independent Directors' Data Bank with IICA
pradeepgoyal@kcsassociates.in | +91-9811777103 | Connect me at **LinkedIn**

Indirect Taxes

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

  - GSTN informs stakeholders that system computed GSTR-3B (Table-3 for liabilities) on the basis of GSTR-1 filed by taxpayers available on the GST portal for monthly GSTR-1 filers.

- **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] 119 taxmann.com 25 Cartus India (P.) Ltd., In re ORDER NO. KAR/AAAR-14-C/2019-20 FEBRUARY 9, 2020	AAAR Karnataka	**Services cannot be called as 'naturally bundled' where buyer has an option to choose services separately out of bundle.** In addition, appellant also provides different packages of bundled services and there is a specific rate for each such package. Client may choose several individual services from list (called as 'a la carte' services) or may opt for any package. However, it cannot be said that services are so bundled in ordinary course of business. Moreover, fact that client can choose from list of services based on employee requirement shows that there is no natural bundling of services in this case. Bundling of services is a construct of appellant's business model to which there is a commercial expediency. They are bundled based on requirement of client. Therefore, 'a la carte' services provided by appellant, relating to employee relocation is neither a composite supply nor a mixed supply.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
2	[2020] 119 taxmann.com 27 Bharti Airtel Ltd. v. Union of India W.P. (C) NO. 5817 OF 2020 AUGUST 31, 2020	Delhi HC	**ITC blocked on telecommunication tower & construction of immovable property challenged before Delhi HC.** Where writ petition was filed challenging legality of Explanation to section 17(5)(d) to extent it excludes telecommunication towers from meaning of term 'plant and machinery' and to extent it debars input tax credit on construction of immovable property, matter to be listed on 20-11-2020 to examine legality and validity of Explanation to section 17(5)(d).

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

  - **Govt looking into GST rate cut for automobile sector.**

    The Union minister of Heavy Industries and Public Enterprises Prakash Javadekar on Friday said the central government is looking into automobile industries recommendation for a reduction in Goods and Services Tax (GST) rates by 10% across all categories of vehicles. The announcement will be made soon, he added. Speaking at the 60th Annual Convention of industry body Society of Indian Automobile Manufacturers (SIAM), Javadekar said, "We are in discussion with finance minister Nirmala Sitharaman on GST issues."

    Mint Report

  - **Officer probing GST scam stonewalled as Sola Civil hospital fails to submit crucial papers.**

    Firm supplying housekeeping staff to Sola Civil allegedly got officials to clear Rs 2-cr bills without submitting GST challans; authorities make contradictory claims, keep investigator waiting since March for papers related to payment.

    Ahmedabad Mirror Report

Direct Taxes

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

❖ **I-T dept prepares to implement faceless income tax appeals from September 25: Finance secretary.**

Finance secretary Ajay Bhushan Pandey said preparations are being made to implement faceless income tax appeals from September 25. The income tax department has already rolled out pan-India faceless assessment facilities for all taxpayers from August 13. “It is completely doable… there may be some teething troubles, but they can be addressed,” Pandey said at a webinar on Transparent Taxation organised by ET Markets and FICCI on Friday.

ET Report

❖ **Big Data to track tax frauds? Govt lens on big deals, stock purchases.**

Union Finance Secretary Ajay Bhushan Pandey on Friday hinted at the use of Big Data to track major financial transactions, under-reporting of income and tax frauds in the country, even as he assured that the government would make the taxation process fearless and pain-free for honest taxpayers. "We are collecting much information about taxpayers without putting pressure on the assesses; be it about major cash withdrawals, property transactions, large purchases, stock transactions or foreign travel. We are getting data not only domestically, but also from 98 other countries with whom we have tax treaties. These will help streamline the tax assessment process," he said in a webinar on ‘Faceless Taxation’ jointly organised by ETMarkets and Ficci on Friday.

ET Report

❖ **New-age philosophy is to cut taxes to optimal level: Ajay Bhushan Pandey.**

The new-age tax philosophy of finance ministry is to make minimal changes, bring in ease of paying taxes and reducing the tax rates to optimal level, said Finance secretary Ajay Bhushan Pandey. Pandey said that “the attempt of the tax department is to make minimal changes in the tax rates, tax administration system and policies for better compliance and bringing ease of paying taxes for the taxpayers.”

CNBC Report

Insolvency & Bankruptcy

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

❖ **IBBI's order in the matter of Mr Abhishek Ahuja, Registered Valuer**
Mr Abhishek Ahuja before being registered as valuer under the Rules took valuation assignment in ongoing CIRP and the valuation report was also submitted by him prior his to being registered as valuer with IBBI.

Board warned Mr. Ahuja not to accept any assignment for valuation until he again undergoes the 50 Hours educational programme with IOV Registered Valuers Foundation where Mr Abhishek Ahuja is enrolled as a member.
Order copy here

❖ **In the matter of Mr Avishek Gupta, Insolvency Professional.**
Avishek Gupta as an IRP appointed a person as registered valuer who was not registered with IBBI in fact.

Board ordered Mr Gupta not to seek or accept any process or assignment or render any services under the Code for a period of two months from the date of coming into force of this Order. He shall, however, continue to conduct and complete the assignments / processes he has in hand as on date of this order.
Order copy 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 460 Vipul Ltd. v. Vipul Greens Residents Welfare Association COMPANY APPEAL (AT) (INSOLVENCY) NO. 21 OF 2020 JANUARY 8, 2020	NCLAT Delhi	**NCLT has no jurisdiction to direct debtor to deposit any amount for maintenance of plea before admission of CIRP.** Before admission of application under section 7, Adjudicating Authority has no jurisdiction to direct corporate debtor to deposit any amount to certain corpus or with regard to maintenance which may not be a subject matter of application under section 7, it is required to take into consideration Form-1 and enclosure therein to find out default if any and to proceed in accordance with law.

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

❖ **Singapore's omnibus insolvency legislation.**

The Insolvency, Restructuring and Dissolution Act 2018 (the "IRDA") came into force on 30 July 2020. The consolidation of all personal and corporate insolvency and debt restructuring legislation into a single statute, along with other legislative changes, seeks to further strengthen Singapore's position as an international debt restructuring hub. This note highlights certain key changes effected by the IRDA that are relevant to loan market participants.

Lexology Report

MSME

❖ **Rebooting MSMEs in the COVID-19 Era: ICAI issues MSME Business Continuity Checklist.**

COVID-19 pandemic has posed an unprecedented challenging situation and an existential crisis before the entire mankind. The global economic outlook for the current year is subdued on account of the pandemic that has led economies to face the situation of deceleration of growth or recession. The Indian economy is no exception to this economic fallout.

Tax Scan Report

❖ **How relevant is Artificial Intelligence AI and machine learning in MSME lending.**

The growing world of MSME lending is also deriving value from the advancements being made in AI. They are using machine learning to make improved lending decisions in the absence of business documentation by consolidating data points from various social and demographic sources. This is allowing for a larger number of businesses, who traditionally have not been able to access funds from organised sources, to be brought into the inclusive folds of formal lending. This report take a closer look at how these revolutionary technologies are helping these new age MSME lenders to bridge the gap between Grass root businesses and organised lending

CNBC TV-18 Report

Reserve Bank of India

❖ **RBI Releases Revised Priority Sector Lending Guidelines**

Reserve Bank of India has comprehensively reviewed the Priority Sector Lending (PSL) Guidelines to align it with emerging national priorities and bring sharper focus on inclusive development, after having wide ranging discussions with all stakeholders. Revised PSL guidelines will enable better credit penetration to credit deficient areas; increase the lending to small and marginal farmers and weaker sections; boost credit to renewable energy, and health infrastructure.

Read this RBI Release

Economy & Finance

- **Country witnessing V-shaped recovery; stringent lockdown led to steep contraction of economy: Finance ministry report.**
  The worst is over for the Indian economy and it is on path of a V-shaped economic recovery, said the finance ministry in its monthly economic outlook for August released Friday. The report comes days after data from the National Statistical Office showed that the Indian economy contracted by a record 23.9 per cent in the April-June quarter as the pandemic and the lockdown brought all economic activity to a complete halt. "With India unlocking, the worst seems to be behind us as high-frequency indicators show an improvement June onwards, from the unprecedented trough the economy had hit in the first quarter. Readings of economic data suggest growing convergence with previous year's activity levels on several indicators," the report said.
  Media Report

- **Default will not result in NPA, penal interest cannot go with moratorium: SC.**
  Taking note of the concerns of borrowers, the Supreme Court on Thursday directed that accounts that were not declared Non-Performing Assets (NPAs) until August 31, shall not be declared so until further orders.
  Indian Express Report

- **Govt's new measures to curb costs: Avoid functions at offices, do not create new posts.**
  There will be a ban on creation of new posts, except with the approval of department of expenditure, the finance ministry said in a statement. The coronavirus pandemic has severely affected the revenues of the central government.
  Mint Report

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