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[Daily newsletter related to Profession]

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Covering

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- ICAI Updates
- ICSI Updates
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Indirect Taxes

- **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	W.P No.8596 of 2019 Batch etc. Reserved on: 28.08.2020 and 03.09.2020 Delivered on 2109.2020	Madras High Court	**Refund restriction on Input services under Inverted Duty structure scheme is 'valid and constitutional'.** Writ petitions filed against restriction imposed by Rule 89(5) of the CGST Rules on claiming refund of unutilized ITC on input services under inverted rate structure scheme are dismissed. Hon'ble Madras HC held that the restriction is not against Article 14 of the Constitution and Rule 89(5) is in line with Clause (ii) of Section 54(3) of the CGST Act.
2	2020] 119 taxmann.com 113 Great Sands Consulting (P.) Ltd. v. Union of India WRIT PETITION (L) NO. 272 OF 2020 FEBRUARY 14, 2020	Bombay High Court	**Bom. HC sets aside order cancelling registration of assessee without considering assesee's reply to the notice.** Where Competent Authority cancelled registration of assessee stating that in response to show cause notice no reply was given by assessee, since it was evident from record that assessee had submitted reply to show cause notice within time prescribed in notice, impugned order cancelling registration of assessee deserved to be set aside.

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

❖ **E-commerce cos fret over Madras HC ruling on GST refunds on service inputs.**
Businesses such as e-comm-erce, which face higher goods and services tax (GST) on raw materials than on finished go-ods, are in a quandary over whether or not they will get refunds on taxes paid on services. Contrary to a Gujarat High Court (HC) verdict, the Madras HC on Monday held Rule 89(5) inserted by the government under the CGST Act on restricting such input tax refunds as valid.
Business Standard Report

Direct Taxes

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

❖ **Income Tax filing alert**
Final Opportunity - One-time relaxation for Verification of Income-tax Returns by EVC/ITR-V for Assessment Years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 which are pending due to non-verification. Please note that the verification must be completed by 30-SEP-2020.
Source- Income tax India E-Filing Portal.

- **Legal Updates- 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 276 DCIT, Circle 6(1)(2), Bengaluru v. State Street Services (India) (P.) Ltd.	ITAT Bangalore	Provision of Sec. 40(a)(i) is not applicable on depreciation as it is a statutory deduction & not outgoing exp.

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

❖ **With Covid restrictions gone, demonetisation cash deposits back under the Income Tax scanner.**

The taxman is back knocking on the door. In the past one month several individuals have been summoned by the investigation wing of the income tax (I-T) department for depositing large amounts of cash with banks immediately after demonetisation was announced on November 8, 2016. Chances are amid a dip in tax collection there could be more I-T notices in the coming days. Indeed, on September 18, in a communique to senior I-T officials, the apex body Central Board of Direct Taxes (CBDT) removed the restrictions - introduced in the wake of Covid-19 - on issuing adverse communication to assessees.

ET Report

ICAI Announcements

❖ **Refresher Course on Corporate Laws" by the Corporate Laws & Corporate Governance Committee of ICAI hosted by Ernakulam Branch of SIRC of ICAI.**

More details 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] 119 taxmann.com 304 Vachaspati v. IBBI W.P.(C) NO. 5711 OF 2020	Delhi HC	HC directs IBBI to communicate decision under regulation 7 to complainant in complaint against IP.

MSME

- **Ministry of MSME issue a note on Development in MSME Sector.**
  As a measure to help the MSMEs grow, the Government, vide notification no.S.O. 2119 (E) dated 26.06.2020, has notified composite criteria of classification of MSMEs based on investment in plant and machinery or equipment and turnover of the enterprise. The new criteria are effective from 1.7.2020. However, to provide hassle free transition from old system of Udyog Aadhaar Memorandum to Udyam Registration, 31.03.2021 has been fixed as deadline.
  Press Release here

- **Ministry of Micro, Small & Medium Enterprises released details about Contribution of MSMEs in Economy.**
  MSME Ministry implements various schemes and programmes for promotion and development of Micro, Small and Medium Enterprises (MSMEs) throughout the country. These include the schemes/programmes such as Prime Minister's Employment Generation Programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE), Entrepreneurship and Skill Development Programme (ESDP), Credit Guarantee Fund Scheme for Micro and Small Enterprises, Credit Linked Capital Subsidy - Technology Up-gradation Scheme (CLCS-TUS), Micro & Small Enterprises - Cluster Development Programme (MSE-CDP), National Scheduled Caste and Scheduled Tribe Hub (NSSH), etc
  Read this document

- **Delayed payments: Pending MSME dues in August declined by Rs 135 cr; ministries, CPSEs paid this much.**
  Credit and Finance for MSMEs: Government buyers are liable to pay MSMEs within 45 days of the acceptance of the order from MSMEs even as complaints made to MSE Facilitation Council (MSEFC) have to be decided within 90 days.
  Finance Express Report

- **MSME Loan: SIDBI is offering this working capital loan; scheme available for limited period.**
  Zee media report

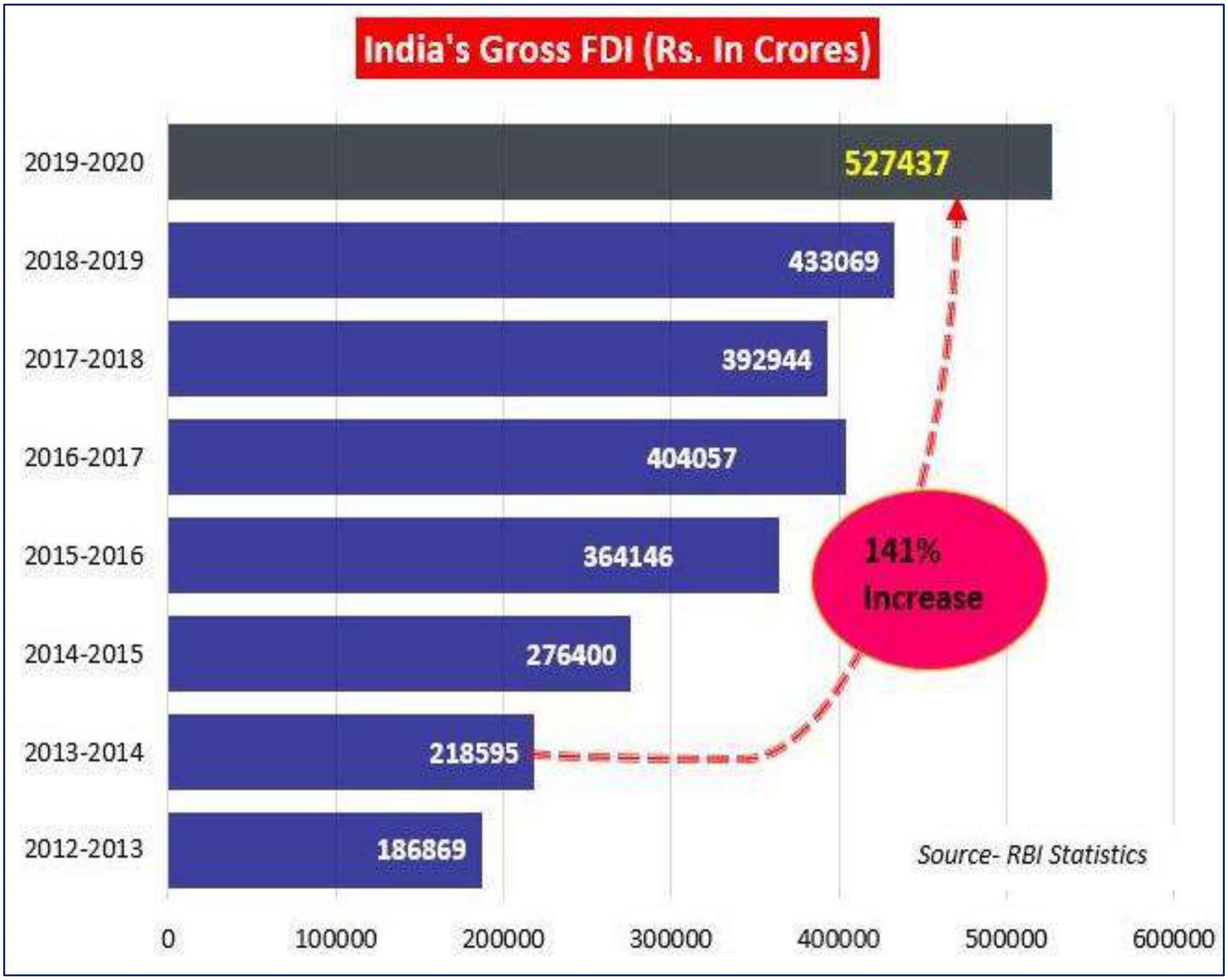
Reserve Bank of India

- **RBI issued Working Paper No. 09/2020: Measuring Financial Stress in India.**
  This paper focuses on the construction of financial stress indices for the Indian financial system using market-based indicators and three different aggregation methods. The paper finds that these indices provide useful information, which is not captured by the market indicators, on the stress build-up in the financial system. The financial stress indices developed in this paper showed a negative correlation with the Index of Industrial Production (IIP) and can be employed to predict real economic activity. The proposed financial stress indices are also found to be useful in dating past stress episodes in the Indian economy.
  RBI Release

- **Punjab and Maharashtra Cooperative Bank Limited, Mumbai, Maharashtra – Appointment of a new Administrator.**
  It was also considered necessary to supersede the Board of Directors of the bank in exercise of the powers conferred on Reserve Bank of India (RBI) under sub-section 1 of Section 36 AAA read with Section 56 of the Banking Regulation Act, 1949 in the interest of the depositors and to secure proper management of the bank. An Administrator was appointed in exercise of the powers conferred on Reserve Bank of India under sub-sections 1 & 2 of section 36AAA read with Section 56 of the Banking Regulation Act, 1949. An Advisory Committee comprising of senior bankers/ chartered accountant was also appointed to assist the Administrator.
  Release here

Economy & Finance

❖ **Foreign Investment inflows in India.**



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