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[Daily Newsletter related to Profession]

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Direct & Indirect Taxes | ICAI & ICSI Updates | Corporate laws | Insolvency | SEBI | RBI | Economy & Finance

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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	[2020] 120 taxmann.com 173 Suresh Kumar P.P. v. Deputy Director, Directorate General of GST Intelligence (DGGI)* W.A. NO. 943 OF 2020 AUGUST 14, 2020	Kerala High Court	**Audit is independent of investigation, audit & investigation proceedings to be continued Simultaneously in GST.** An operation carried out by a statutory authority invested with powers of search, inspection and seizure, by reason only of such activities having been carried out in residences and offices of any person under investigation for a long time, cannot be labelled as harassment or high-handed Audit under section 65 is independent of an investigation under section 67 and, thus, audit and investigation proceedings may be continued simultaneously An officer above rank of a Joint Commissioner carrying out investigation or enforcement activity can deposit any amounts collected, by way of cash, cheque or demand draft, during investigation or enforcement activity and same does not require generation of Forms prescribed

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

❖ **Gujarat High Court to relook at GST on intermediaries.**
The controversy around levying Goods and Services Tax on intermediaries has come back to the fore and the Gujarat High Court is planning to relook at the controversy. The issue is whether certain Indian units of multinationals or BPOs are actually supplying services or exporting. As per the GST framework 18% tax has to be levied if it is not an export.
ET News

Direct Taxes

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

❖ **Government allowed variation between arm's length price determined u/s 92C and actual price up-to 1% in the case of wholesale trading and 3% in other case.**
Central Government hereby notifies that where the variation between the arm‟s length price determined under section 92C of the said Act and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed one per cent. of the latter in respect of wholesale trading and three per cent. of the latter in all other cases, the price at which the international transaction or specified domestic transactions.
Gazetted 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	W.P.(C) 8044/2020 LAKSHYA BUDHIRAJA. Petitioner	Delhi High Court	Discretionary hearing opportunity under 'Faceless Appeal Scheme' challenged before Delhi HC.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
2	[2020] 120 taxmann.com 238 Valencia Nutrition Ltd. v. Deputy Commissioner of Income Tax IT APPEAL NOS.473 & 474 (BANG.) OF 2020 [ASSESSMENT YEARS 2015-16 & 2016-17] OCTOBER 9, 2020	Bangalore Tribunal	**AO cannot adopt NAV method to determine value of shares of a company if assessee used DCF method for the same.** Assessing Officer should scrutinize valuation report prepared under DCF method and if necessary, he can carry out fresh valuation either by himself or by calling a final determination from an independent valuer to confront assessee; he cannot change method of valuation and he has to follow DCF method only Where assessee-company, engaged in business of manufacturing of energy drinks, had issued shares at a share premium, but Assessing Officer took view that share valuation under DCF method had been carried out on basis of projections and estimations given by management and that value of share should be based on 'net Asset Method' mentioned in rule 11UA and accordingly, Assessing Officer worked out value of shares under Net Asset Method and assessed excess share premium as income of assessee under head 'income from other sources' under section 56(2)(viib), since Assessing Officer had proceeded to determine value of shares by adopting different method without scrutinizing valuation report furnished by assessee under DCF method, matter be remanded to file of Assessing Officer with direction to examine said issue afresh.

ICAI Announcements

- **ICAI informs that registration open for Post Qualification Diploma in International Taxation-ONLINE MODE-Batch-2.**
  Announcement 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 250 (Invent Assets Securitization and Reconstruction (P.) Ltd. v. Xylon Electrotechnic (P.) Ltd. COMPANY APPEAL (AT) (INSOLVENCY) NO. 677 OF 2020 AUGUST 11, 2020	NCLT Delhi	**CIRP plea filed against corporate debtor for default in year 2010 was barred by limitation.** Determination of claim of proceedings before DRT could not extend time or exclude period of limitation neither it could be a continuance of cause of action as proceedings taken before DRT was not pursued before a wrong forum, and CIRP application filed against corporate debtor for default in 2010 was barred by limitation

Economy & Finance

- **Finance minister hints at another round of stimulus package in FY21.**
  Finance minister Nirmala Sitharaman on Monday said the government has not closed the option of a third stimulus package in the current financial year ending 31 March 2021, a week after announcing demand measures to boost consumer spending and capital expenditure in the economy. “I have not closed the option for another stimulus package if it comes out to be, because every time we announced one, it has been after a lot of consideration of inputs which have come from various different sections of the society. Then we sit and work it out within the ministry and prime minister’s office and then take a final call. So I have not closed the option to come up with one more stimulus," Sitharaman said participating in a panel discussion at the virtual launch of the autobiography of 15th Finance Commission chairman N.K. Singh, titled “Portraits of Power: Half a Century of Being at Ringside".
  Mint Report

- **New privatization policy ready; Cabinet to discuss note on 'strategic sectors' soon**
  Banking and insurance will be designated as 'strategic sectors', sources told Money-control. Over the long run, the Centre will have only four PSUs in strategic sectors and exit the 'non-strategic sectors' completely.
  Money-control report

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