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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 327 Ravindra Singh Chaudhary v. Union of India D.B. CIVIL WRIT PETITION NO. 20779 OF 2019 OCTOBER 16, 2020	Rajasthan HC	**Online Fantasy Sports game is a 'game of skill' and not betting & gambling.** Where writ petition has been filed alleging that Dream-11 Fantasy Private Limited provides a platform to its users for playing sports and games on a virtual platform which are games of chance, thereby constituting illegal act of gambling/betting, since result of fantasy game depends on skill of participant and not sheer chance, and winning or losing of virtual team created by participant is also independent of outcome of game or event in real world, format of online fantasy game offered is a game of mere skill and their business has protection under Article 19(1)(g) of Constitution of India • Further as regards issue as to whether Dream-11 is wrongly classifying its virtual online games under wrong entry for GST and is also violating rule 31A(3) of CGST Rules, 2018 to evade GST, it would be appropriate to leave said second issue for GST authorities to consider in accordance with law.

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

❖ **Businesses, govt spar over fraudulent ITC claims and imprisonment under GST.**

While the government has decriminalised 48 sections of the Companies Act, a controversy is brewing over jail provisions in the GST laws. The government defends the jail provisions for clamping down on fictitious firms and fraudulent claims of the input tax credit (ITC) under the goods and services tax (GST) regime, while businessmen and tax experts find fault in the extant provisions.

Companies are likely to file a petition in the Orissa High Court (HC) soon, challenging constitutional validity of these provisions. Similar such cases are pending in the Bombay and Delhi high courts.

Business Standard Report

Direct Taxes

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

❖ **CBDT's update on Income Tax Refunds**

CBDT issues refunds of over Rs. 1,25,470 crores to more than 38.23 lakh taxpayers between 1st April 2020 to 20th October 2020. Income tax refunds of Rs. 33,870 crore & corporate tax refunds of Rs. 91,599 crores have been issued during the said period.

❖ **CBDT issues directions for exercising power of survey u/s 133A by the Income-tax authority.**

The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 has redefined the meaning of 'Income-tax Authority' for the purpose of power of survey under section 133A. Thus, the CBDT has issued directions for exercising such power by the TDS Charges, Central Charges, International Taxation Division, NeAC/NFAC Units, Exemption Charge, and I&CI Charges.

Here is Order

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

❖ **Clamour grows for extended deadline for tax audit, income-tax returns.**

Citing operational and practical difficulties faced by firms and tax professionals because of the Covid-19 pandemic, tax practitioner bodies have demanded extension in the timeline for tax audit, transfer pricing audit, and income-tax return filing to sometime early next year.

Business Standard Report

❖ **Income Tax Department carries out searches in Bihar**

The Income Tax Department carried out searches on 19.10.2020 in the cases of two Government contractors having premises in Purnea, Katihar and Saharasa and a silk trader in Bhagalpur in Bihar. The searches were based on intelligence gathered, which indicated that large scale unaccounted cash was being generated and used for various purposes.

During the search, unaccounted cash, fixed deposits, and bullion of more than Rs. 2.40 crore have been seized/restrained. In the case of the silk trader, unaccounted stock has also been detected. Evidence indicating suppression of income of about Rs. 10 crores, along with documents showing large unaccounted investments in immovable properties have been found and seized. These properties are in the process of being valued and attached.

Ministry of Finance Release

ICAI Announcements

❖ **Reopening of Empanelment of Members to act as Observers for November 2020 Examinations.**

In continuation to the Announcement dated 20th August 2020 the window for empanelment of members to act as observers at the examination centres for the Chartered Accountants examinations, November 2020 is reopened from 20th October to 25th October 2020.

More details here

❖ **Mutual Recognition Agreement (MRA) between ICAI and Malaysian Institute of Certified Public Accountants (MICPA).**

The Union Cabinet approved the Mutual Recognition Agreement between the Institute of Chartered Accounts of India (ICAI) and the Malaysian Institute of Certified Public Accountants (MICPA) to enable appropriately qualified CA (Chartered Accountant) members of either Institute to join the other Institute by receiving appropriate credit for their existing accountancy qualification.

Download copy here | Cabinet Press Release here

❖ **Memorandum of Understanding between the Institute of Chartered Accounts of India (ICAI) and the Certified Practising Accountants, Papua New Guinea (CPA PNG).**

The Union Cabinet approved Memorandum of Understanding between the Institute of Chartered Accounts of India (ICAI) and the Certified Practising Accountants, Papua New Guinea (CPA PNG)to work together in capacity building and strengthening the Accounting, Financial and Audit Knowledge base in Papua New Guinea.

Download copy here | Cabinet Press Release here

Corporate Laws

❖ **Govt extends term of Acting President, NCLT Judicial member**

The term of office of Shri Bethala Shantha Vijaya Prakash Kumar, Member (Judicial), as Acting President, NCLT is further extended for a period of one month with effect from 05.10.2020 or until a regular President is appointed or until further orders, whichever is earliest.

Notification here

Insolvency & Bankruptcy

- **Notifications / Circulars / Press releases/ Write-ups by IBBI and Government.**

  IBBI in association with The British High Commission organises Webinar on “Issues faced in Liquidation Process & Overview of Liquidation Framework in UK & Applicability in Indian context” Friday, 23rd October 2020 at 3:30 PM – 5:30 PM.

  Announcement 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] 119 taxmann.com 241 Vistara ITCL (India) Ltd. v. Dinkar Venkatasubramanian COMPANY APPEAL (AT) (INSOLVENCY) NO. 703 OF 2020† AUGUST 24, 2020	NCL-AT Delhi	**Pledging of shares by corporate debtor does not amount to a guarantee so as to bring it within ambit of financial debt.** Where appellant lent money to third party, and not to corporate debtor directly, creation of pledge of shares by corporate debtor would not be tantamount to a guarantee or indemnity so as to bring it within meaning of financial debt

Reserve Bank of India

- **RBI Working Paper No. 12/2020: "Bank Capital and Monetary Policy Transmission in India".**

  The paper examines the role of bank capital in monetary policy transmission in India during the post-global financial crisis period. Bank capital channel explains how monetary policy can affect bank lending by impacting the overall capital position of a bank. Thus, capital can have an important role in both lending and borrowing behaviour of banks.

  Download here

- **Performance of the private corporate business sector during the first quarter of 2020-21**

  RBI released data on the performance of the private corporate sector during the first quarter of 2020-21 drawn from abridged quarterly financial results of 2,5361 listed non-government non-financial (NGNF) companies.

  Check here for more details

Economy & Finance

- **India at 'doorstep of revival process' from COVID-19: RBI chief Shaktikanta Das**
  The fiscal measures taken by the government to deal with the pandemic have so far have been well calibrated and prudent, Das mentioned. Both fiscal and monetary policy were counter-cyclical and accommodative, and both were working in close symmetry, Das said.
  Mint Report

- **We are working on the next stimulus package: Economic affairs secretary.**
  Speaking at the virtual launch of 15th finance commission chairman NK Singh's autobiography, Sitharaman on Monday said she has not closed the option for another stimulus package.
  Mint Report

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