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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

- **Notifications / Circulars / Press releases / FAQs / Portal Updates / Write-ups by Board “CBIC” and Government.**
- ❖ **GSTN’s reminder to taxpayers- the facility extended to companies for filing GSTR-3B and GSTR-1 with EVC in addition to DSC is available till 31st Oct 2020 only.**
- **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 369 Ambara, In re ADVANCE RULING NO. KAR ADRG 51 OF 2020 OCTOBER 8, 2020	AAR Karnataka	No ITC on medicines used in supply of healthcare services provided to patients admitted in hospital. Assessee was engaged in business of providing health care services and also run a hospital - Whether input tax credit was required to be restricted on medicines used in supply of health care services provided to inpatients - Held, yes - Whether input tax credit was required to be restricted on medicines used in supply of health care services provided to outpatients and, further, in case medicines were supplied independent of health care services then assessee was eligible to claim input tax credit subject to payment of taxes on such independent supply of such medicines - Held, yes

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
2	[2020] 120 taxmann.com 386 Kumaran Oil Mill, In re ORDER NO. 33/AAR OF 2020 SEPTEMBER 28, 2020	AAR Tamilnadu	Prop. ITC available on goods/services used in installation of Renewable Power Generation Plant under 'REC Scheme'. Where applicant engaged in business of Edible oil was starting a new business vertical which deals in 'Generation and Distribution of Renewable Energy' using same name and existing GSTIN, and RE power generator was used in business by applicant and output of such RE Power Generator was Electricity and Renewable Energy Certificate (REC), proportionate claim of Input Tax Credit as per section 17(2) would be available to applicant on Goods/Services used in installation of Renewable Power Generation Plant under 'REC Scheme'.
3	[2020] 120 taxmann.com 388 IIT Madras Alumni Association, In re ORDER NO. 29/AAR OF 2020 MAY 12, 2020	AAR Tamilnadu	Where applicant society is a forum for its members and it is registered to facilitate professional networking among alumni, students, faculty for mutual benefit in academic, professional, and business areas and to facilitate alumni to contribute to IIT Madras by raising funds, sharing knowledge/expertise, research, academic support, technical collaboration etc., it is held that activities undertaken by applicant for its members as defined in its Memorandum of Association and byelaws, for which membership fee and other charges are collected, are covered under definition of supply of services under section 7 and since its annual turnover is above prescribed threshold as per section 22, it is liable to be registered under Act



Direct Taxes

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

- ❖ **Government amended Direct Tax Vivad se Vishwas Act, 2020 (3 of 2020).**

- 31st day of December 2020 shall be the date, on or before which a declaration shall be filed to the designated authority, by the declarant in respect of tax arrears.
- 31st day of March 2021 shall be the date on or before which the amount payable shall be paid.

[Here is gazetted copy of notification](#)

- **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 260 Rathna Stores (P.) Ltd. v. Commissioner of Income-tax-III, Chennai T.C.A. NO.359 OF 2017† AUGUST 19, 2020	Madras HC	ITAT could have condoned delay where affidavit explaining reason for delay was annexed therein; matter remanded. Where assessee waited for passing of penalty order for which direction was given by Commissioner under section 263 and when such penalty order was passed assessee filed an appeal before Tribunal and in that process, delay occurred, Tribunal could have condoned delay if reason for delay supported by an affidavit was made out by assessee before it; thus, matter was to be remanded back to Tribunal.

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

❖ **Income Tax Department conducts searches in Delhi- NCR, Haryana, Punjab, Uttarakhand, and Goa.**

The Income tax Department has carried out a search and seizure action on 26.10.2020 on a large network of individuals running the racket of entry operation and generation of huge cash through fake billing. The search operations have been conducted on 42 premises across Delhi- NCR, Haryana, Punjab, Uttarakhand, and Goa. The search has led to seizure of evidence exposing the entire network of the entry operators, intermediaries, cash handlers, the beneficiaries and the firms and companies involved. So far, documents evidencing accommodation entries of more than Rs. 500 crores have already been found and seized.

[Finance Ministry Release](#)



ICAI Announcements

❖ **ICAI's important announcement related to exams.**

A fake announcement of 27.10.2020 is doing rounds on social media, making false assertion of the postponement of the ICAI Examination schedule. It is clarified that the examination schedule, as already announced, shall commence as per attached schedule.

[Download announcement here](#)

❖ **Checklist on Tax Audit brought by DTC and TAQRB of ICAI**

Direct Taxes Committee and the Taxation Audits Quality Review Board of ICAI released a Tax Audit Checklist as an additional handy tool in addition to Guidance Note on Tax Audit to assist the fraternity to complete the assignments in more objective manner with consciousness towards related documentations.

Download the checklist here

[PDF Version](#)

[MS Word Version](#)



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] 120 taxmann.com 277 V. S. Varun, In re CP (IB) NO. 227/BB/2019 IA NO. 265/2020 AUGUST 24, 2020	NCLT Bangalore	Resolution plan to be approved when amount offered was higher than realizable value of assets. Where Resolution Plan was approved by Committee of Creditors with 79 per cent voting and said plan confirmed all requisite conditions and reasonably satisfied all stakeholders of corporate debtor and offered amount higher than realizable value of assets, said Resolution Plan was to be approved.



Reserve Bank of India

❖ Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020).

The Government of India has announced the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) (the 'Scheme') on October 23, 2020, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions.

[Complete scheme is here](#)

❖ **RBI releases “State Finances: A Study of Budgets of 2020-21”.**

The Reserve Bank of India (RBI) released the report titled “State Finances: A Study of Budgets of 2020-21”, an annual publication that provides information, analysis and an assessment of the finances of state governments for 2020-21 against the backdrop of actual and revised (or provisional accounts) outcomes for 2018-19 and 2019-20, respectively. The theme of this year’s Report is “COVID-19 and its Spatial Dimensions in India”.

[More details here](#)



Economy & Finance

❖ **Govt looks to scale up MSME exports.**

Boosting the share of small businesses in the economy is a priority and scaling up exports and lowering costs are essential to help them recover quickly, Union minister Nitin Gadkari said on Tuesday. He said the Centre has set a target of adding 50 million jobs for micro, small and medium enterprises (MSMEs). The sector currently accounts for about 110 million jobs and 30% of India’s gross domestic product (GDP). It is extremely important to raise MSMEs’ share in exports, the minister for MSMEs and transport said during a webinar hosted by Walmart on a roadmap to train small firms to participate in the global supply chain. Gadkari said the goal was to scale up the contribution of MSMEs from 30% of GDP to 50% of GDP.

[Mint Report](#)

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