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[Daily newsletter related to Profession]

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Indirect Taxes

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

- ❖ **GSTN released FAQ & User Manual on ‘Matching Offline Tool’ for matching GSTR 2B with purchase register.**

GSTN has released FAQ and user manual on Matching Offline Tool which facilitates matching of auto drafted details in Form GSTR-2B with purchase register. The document contains detailed set of FAQs on the usage of offline tool such as download and install Matching Offline Tool, viewing Form GSTR-2B files in the tool, viewing match results, etc. along with relevant screenshot.

Source- Taxmann.com

[Download 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	[2020] 119 taxmann.com 188 Amit Joshi v. Commissioner of CEST & ST, CGST W.P.(CRL) 766/2020 & CRL. M.A. NO. 5730/2020 MARCH 20, 2020	Delhi HC	No requirement in GST law to allow presence of advocate during examination of assessee by officer Where assessee had been summoned by Officers under GST, request of petitioner to allow presence of lawyer during examination was not required as per law. Held “In view of the judgment of Hon'ble Supreme Court in Pool Pandi's case (supra), no grounds are made out to allow the presence of the Advocate while questioning or examination by the officers of the respondents. The present application is, therefore, dismissed and stands disposed of accordingly.”

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
2	[2020] 119 taxmann.com 185 Amit Bothra v. State of MP M.CR.C NO.21628/2020 JULY 27, 2020	MP HC	Bail granted to partners of firm involved in clandestine removal of goods as they agreed to abide by terms of Court. Where Information was received a that firm had procured large quantities of raw material and packing material clandestinely and had supplied finished goods in same manner and partner of said firm confessed in their statements that their firm had supplied Vimal brand Pan Masala clandestinely and had evaded payment of GST since partner were ready to abide by terms and conditions to be imposed by Court, case for granting bail is made out.
3	[2020] 119 taxmann.com 174 L.R. Brothers Indo Flora Ltd. v. Commissioner of Central Excise CIVIL APPEAL NO. 7157 OF 2008	SC	Subsequent legislation to be applied retrospectively if previous one had any omission/ambiguity etc.
4	2020] 119 taxmann.com 196 AB N Dhruv Auto-craft (India) (P.) Ltd., In re	Gujrat AAR	Activity of building motor vehicle body on chasis owned by principal is a service, taxable @ 18%.

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

❖ **Govt wants auto firms to slash royalties, unlikely to lower GST.**

The automobile industry in general has started demanding a reduction in GST rate after finance minister Nirmala Sitharaman on August 25 said the government could consider bringing down GST on two-wheelers from the highest slab of 28% as they are neither luxury nor sin goods.

[HT Report](#)

❖ **Two new services introduced on portal for filing monthly GST returns; know benefits here.**

In order to make it easy for taxpayers, the GST portal has introduced two new functionalities for monthly return filing, Zee Business reports. The Goods and Services Tax Network (GSTN) has introduced these two services to simplify GSTR-3B filing.

[Zee-Biz Report](#)

❖ **Kerala GST department makes first arrest in connection with illegal trading of Rs 850 crore.**

The Kozhikode unit of the state GST Intelligence Branch (IB) has nabbed the main accused in a large-scale GST scam involving Wayanad, Karnataka, Tamil Nadu, Delhi, and Maharashtra. This is the first arrest by the state tax department since the advent of GST. The accused, who has areca palm business, used to take input tax and evade taxes by showing that they are taking registration in the name of family members from various states. Using these documents, they took input tax credit and evaded taxes. Preliminary investigation has found that tax evasion of around Rs 42 crore has taken place through this. It is estimated that the group has traded around Rs 850 crore over a long period of time.

[Indian Express Report](#)

❖ **GST search on premises of brick kiln owners**

Thadagam region is home to more than 200 brick kilns. Sources said that the searches that started at 10 am on Thursday continued for nearly 10 hours.

[Indian Express Report](#)



Direct Taxes

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

❖ **Income Tax Department carries out searches in Jammu & Kashmir**

The Income Tax Department carried out a search and seizure operation on a prominent Hotelier, owning a chain of Hotels at Srinagar, Gulmarg, Sonamarg and Pahalgam with another hotel under construction at Leh. Various incriminating documents and materials evidencing unexplained investments in immovable properties, construction of hotels and residences aggregating to Rs. 25 crores in the last six financial years have been seized during the search, though he has not paid any tax since A.Y. 2014-15. Almost all these investments are in cash and outside the known sources of income.

[Finance Ministry Release](#)

❖ **Tax tribunal makes innovative and aggressive use of IT techniques to dispense faster justice in the field of Direct Taxes despite corona, Online Judicial proceedings begins immediately upon lifting of lockdown, more than 5000 cases disposed of since partial lifting of lockdown.**

The Income Tax Appellate Tribunal, a statutory quasi-judicial institution created under the Income Tax Act, 1961 and the second appellate authority dealing with disputes in the field of Direct Taxes and widely acclaimed as the ‘Mother Tribunal’, has been modelling itself on its motto of ‘Nishpaksh Sulabh Satvar Nyay’, meaning Impartial, Easy and Speedy Justice, by maintaining good disposal even during the COVID-19 Pandemic period. The innovative and aggressive use of techniques of Information Technology to dispense justice in the field of Direct Taxes in such times when physical hearing of cases was not found feasible on concerns of safety, etc. has been seamlessly adopted by the ITAT.

[Law Ministry Release](#)

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 187 Fozia Khan v. Income Tax Officer IT APPEAL NO. 246 (JP) OF 2019 AUGUST 7, 2020	ITAT Jaipur	Commission paid to agent who provided assistant in sale of house allowable as deduction while computing capital gain. Where assessee sold a residential house and claimed deduction under section 48 on account of commission paid to agent in respect of such sale, since preparation of documents being sale deed, purchase of stamp duty and other documents and formalities required assistance and help of a well versed person who have experience of such work, Assessing Officer was to be directed to allow 2 per cent of sale consideration as expenditure on account of commission paid to real estate agent by assessee.



Corporate Laws

- ❖ On 18th September 2019 MCA constituted company law committee for examining and making recommendations to the govt on various provisions and issues pertaining to Companies Act and LLP Act. Tenure of committee was fixed for one year.

Now Govt have extended the tenure up-to 17.09.2021.

[MCA Order is here](#)



Insolvency & Bankruptcy

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

- ❖ Application of for grant of certificate of registration as a registered valuer under rule 6 of the companies (registered valuers and valuation) rules, 2017 rejected as it was found that the eligibility of the applicant for registration as Valuer, as prescribed under the Rules, is not established. Therefore, in exercise of the powers conferred on the Authority under rule 6 (g) (b) of the Companies (Registered Valuers and Valuation) Rules, 2017.

[Order 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 200 Rita Kapur v. Invest Care Real Estate LLP COMPANY APPEAL (AT) (INSOLVENCY) NO. 111 OF 2020 SEPTEMBER 2, 2020	NCL-AT Delhi	Once a debt is converted into capital, same cannot be termed as ‘Financial Debt’, CIRP could not be initiated. Provisions of section 7 of the I&B Code, 2016 provides for initiation of CIRP by 'Financial Creditor; only and that too, if there is a 'Debt' and 'Default', however, once 'Debt' is converted into 'Capital' it cannot be termed as 'Financial Debt' and appellant cannot be described as 'Financial Creditor', thus, CIRP could not have been initiated

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

- ❖ **SC rejects SBI plea for resuming insolvency proceedings against Anil Ambani.**

India's Supreme Court rejected a petition by State Bank of India, the nation's largest lender, to allow a personal bankruptcy case against tycoon Anil Ambani to resume. A three-judge panel headed by Justice L. Nageswara Rao ruled that the bankruptcy case against the former billionaire will remain suspended and directed the Delhi High Court to decide on Ambani's challenge to provisions of India's insolvency law.

[TOI Report](#)

- ❖ **250 distressed firms rescued under insolvency law till June: IBBI chief.**

Asserting that rescuing the lives of firms is the main objective of the insolvency law, IBBI Chairperson M S Sahoo on Thursday said that around 250 distressed firms have been rescued through insolvency resolution plans till June 2020. Referring to suspension of provision for filings for insolvency during the Covid-19 period, he said a course correction was required with a limited and clear sunset clause.

[Business Standard Report](#)



SEBI

- ❖ **SEBI's Circular on mutual funds**

- Uniformity in applicability of Net Asset Value (NAV) across various schemes upon realization of funds
- Trade Execution and Allocation
- For orders pertaining to equity and equity related instruments
- Requirements with respect to investments in all instruments
- Monitoring of Compliance
- Applicability

The circular shall be applicable with effect from January 1, 2021.

[Circular is here](#)



Economy & Finance

❖ **Lenders have RBI's 7 June circular to resolve stress in the absence of IBC: Rajnish Kumar.**

Although new cases under India's insolvency law has been suspended for six months, lenders have RBI's stressed asset resolution framework released on 7 June last year to fall back on, said Rajnish Kumar, chairman, State Bank of India (SBI).

In June, President Ram Nath Kovind had promulgated an ordinance suspending the Insolvency and Bankruptcy Code (IBC) for a period of at least six months from 25 March to protect businesses from being dragged to bankruptcy courts.

"That should not matter because in any case, the resolution framework of Reserve Bank of India (RBI) gives a window of about six months to arrive at a resolution framework and only if lenders do not succeed in that period, they have the choice to take the borrower through the legal process of DRT or NCLT," Kumar said at an event organised by industry body FICCI on Thursday.

[Mint Report](#)

❖ **LS passes Banking Regulation Bill to address disruptions in financial system.**

The Lok Sabha has passed a Bill to address the potential disruptions in the financial system and to ensure that cooperative banks are conducted in a manner that protects the interests of the depositors by increasing professionalism, enabling access to capital, improving governance and ensuring sound banking through the Reserve Bank of India (RBI).

[Times News Report](#)

[Copy of bill as passed can be downloaded here](#)



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