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[Daily newsletter related to Profession]

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Covering

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- Insolvency & Bankruptcy
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- RBI Updates
- Economy & Finance related Updates

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Indirect Taxes

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

❖ **GSTN introduced Auto-drafted ITC statement GSTR-2B for the month of July 2020.**

GSTR-2B has been introduced as an auto-drafted ITC statement which will be generated for every registered person on the basis of information furnished by the supplier in GSTR-1, GSTR-5 and GSTR-6. It will indicate all ITC available and not available. GSTR-2B shall be made available on the 12th day of succeeding month for the month of July, it has been made available on the common portal on trial basis.

Check here for more details

Finance Ministry Press Release here

❖ **GSTN also launched facility for Import data in GSTR-2A.**

two new tables have been inserted in GSTR-2A for displaying details of import of goods from overseas and inward supplies made from SEZ units / SEZ developers. Taxpayers can now view their bill of entries data which is received by the GST System (GSTN) from ICEGATE System (Customs). The present data upload has been done on a trial basis to give a feel of the functionality and to get feedback from the taxpayers on the same.

Currently, the system is displaying data up to 6th August 2020. Further, taxpayers may note that system is currently does not contain import information for bill of entries filed at non-computerized ports (non-EDI ports) and imports made through courier services/post office. This will be made available shortly.

It may also be noted that amendment information made in the details of bill of entries will also be provided.

CBIC informs taxpayers to share their feedback through raising a ticket on the self-service portal soon using this link

Finance Ministry Press Release here

❖ **Borrowing options to meet the GST Compensation requirement for 2020-21**

2 borrowing options to meet the GST Compensation requirement for 2020-21 consequent to the discussions in the 41stmeeting of the GST Council held on 27th August, 2020 has been communicated to States, as per the document attached with this press note, to communicate their preference within seven working days.

Finance Ministry Press Release

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

❖ **Data analytics at work to improve GST.**

The Goods and Service Tax Network's (GSTN) move to autogenerate input tax credit (ITC) certificates is welcome. The statement, called GSTR 2B, gathers information from returns filed by suppliers and collates the tax paid on supplies to a particular entity. This entity now can safely claim ITC for this amount, and reconcile the amounts credited with the taxes paid on purchases and follow up with vendors who have not filed their returns.

ET Report

❖ **Chandigarh tops India in monthly GST returns compliance.**

Chandigarh has topped India in the financial year 2019-2020 in filing of monthly Goods and Services Tax returns (GSTR-3B) by achieving 99% compliance against the national average of 87%.

HT Report

Direct Taxes

- **Legal Updates- Tribunals / High Courts / Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2020] 118 taxmann.com 347 Sayqul Islam v. Income Tax Officer IT APPEAL NO.235 (GAU.) OF 2019 [ASSESSMENT YEAR 2014-15] JULY 31, 2020	Guwahati Tribunal	Where assessee's turnover exceeded Rs. one crore but it failed to get accounts audited under section 44AB, in such a case, Assessing Officer could make addition to assessee's income on estimation basis under section 44AD only after rejecting books of account and thereafter passing a best judgment assessment order under section 144

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

❖ **Income Tax dept asks banks to refund charges collected on UPI, RuPay transactions since January 1.**

The Income Tax department on Sunday asked banks to refund the charges collected on or after January 1, 2020, on transactions carried out through electronic modes like RuPay cards or BHIM-UPI. The Central Board of Direct Taxes (CBDT), in a circular on 'imposition of charge on the prescribed electronic modes under section 269SU of I-T Act', also advised banks not to impose any charges on any future transactions carried out through these modes.

Finance Express Report

ICAI Announcements

❖ **ICAI gave relaxation for provisionally registered students in the Intermediate Course till 31st July 2020 through Direct Entry Route for appearing in May 2021 Intermediate Examination on account of outbreak of COVID 19.**

Students who have provisionally registered for Intermediate through Direct Entry route till 31st July 2020 are required to submit satisfactory proof of having passed the graduation examination with the minimum marks as provided in sub-regulation (4) of Regulation 28F before filling the examination form of May 2021 Intermediate course.

Such Students are required to start their Practical Training on or before 15th September 2020 and complete Orientation Course and IT Training on or before 31st December 2020 and then appear for May 2021 Intermediate examination.

Read the announcement here

❖ **IASB, ICAI is organizing Live Webinar on Mentoring SMPs - Internal Audit on August 31, 2020 from 7:00 PM-9:00 PM.**

More detail here

❖ **Live Webcast: Case Study of Ruchi Soya Resolution under IBC on 4th September 2020 (Friday) from 3.00 pm to 5.00 pm organized by Committee on Insolvency & Bankruptcy Code of ICAI.**

Link to join

- **Interactive Meet of NIRC of ICAI with CPC IT Dept Bangalore to resolve pending issues of CPC | Kindly Send your issues by 2nd September 2020.**
  CPC IT Dept Bangalore is organising a Webinar jointly with Northern India Regional Council of The Institute of Chartered Accountants of India (NIRC-ICAI) to discuss the issues related to E-Filing of Income Tax Return (ITR). Therefore, NIRC of ICAI request your good self to kindly send your specific queries and case specific issues in advance till 2nd September 2020 so that the same can be forwarded to CPC IT Dept. Bangalore so that same can be verified and resolution can be offered by them during the Live Webinar.
  Day & Date: Monday, 7th September 2020
  Time: 3 pm Onwards (IST)

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] 118 taxmann.com 569 Sushil Ansal v. Ashok Tripathi COMPANY APPEAL (AT) (INSOLVENCY) NO. 452 OF 2020 AUGUST 14, 2020	NCL-AT Delhi	Decree-holder would not fall within definition of 'Financial Creditor' as amount claimed under decree is an adjudicated amount and not a debt disbursed against consideration for time value of money and does not fall within ambit of any of clauses enumerated under section 5(8) and, thus, decree-holder, though included in definition of Creditor, cannot seek initiation of Corporate Insolvency Resolution Process as 'Financial Creditor'.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
2	[2020] 118 taxmann.com 405 IRK Raju v. Immaneni Eswara Rao COMPANY APPEAL (AT) (INSOLVENCY) NO. 1058 OF 2019† JANUARY 30, 2020	NCL-AT Delhi	A statutory due becomes operational debt only when same is to be paid to relevant authority and not otherwise Where application under section 9 was moved fraudulently with malicious intent for extracting more amount, as covered by section 65 and not for liquidation or resolution, impugned order admitting application under section 9 was to be set aside
3	[2020] 118 taxmann.com 367 R. Ramela Rangasamy v. Kandrikar Shahid Mansoor MA NO. 1061 OF 2019 CP NO. 522 (IB) OF 2018 DECEMBER 5, 2019	NCLT Chennai	Where suspended directors had diverted funds of employees gratuity trust fund, said act did not fall within ambit of fraud as mentioned in Explanation under section 447 of Companies Act, 2013 and, therefore, application filed under section 66 to declare transaction as fraudulent was to be rejected.

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

❖ **Chances of finding a white knight for failing firms remote, surge in IBC cases unlikely, says IBBI Chief.**

In an interview to FE's Banikinkar Pattanayak, Sahoo also explains why it is important to have a special insolvency mechanism for MSMEs and why the country desperately needs an institutionalised framework for the valuation profession. He also says work has started on a pre-pack insolvency mechanism.

Finance Express Report

Economy & Finance

- **FM Nirmala Sitharaman to review implementation of resolution framework for COVID-19 stress in bank loans.**
  Finance Minister Nirmala Sitharaman is set to review the implementation of the resolution framework for COVID-19-related stress in bank loans with top management of Scheduled Commercial Banks (SCBc) and non-banking finance companies (NBFCs). "Union Minister for Finance & Corporate Affairs Nirmala Sitharaman will review with the top management of SCBs and NBFCs, the implementation of the resolution framework for COVID-19 related stress in bank loans on Thursday, September 3, 2020," the Ministry of Finance said.
  Money control report

- **Funds leverage, capex by CPSEs may boost GDP by 2-3%: Public Enterprises Selection Board chief.**
  Central public sector enterprises, which have a combined net worth of close to Rs 12 lakh crore, can boost India's GDP by 2- 3 per cent by leveraging funds and stepping up capital expenditure, Public Enterprises Selection Board (PESB) chairman Rajiv Kumar has said.
  ET Report

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