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[Daily newsletter related to Profession]

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Covering

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- Insolvency & Bankruptcy
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Indirect Taxes

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

  - **Last date of filing of GSTR 4 for FY 2019-20 extended to 31st October 2020.**
    No. 64/2020–Central Tax dated 31.03.2020
    [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] 118 taxmann.com 408 Lakhan Singh Chauhan & Company v. Union of India W.P. NOS. 21978 AND 22712 OF 2019 & 462 OF 2020 FEBRUARY 25, 2020	MP High Court	**Appeal rejected without considering grounds under memo of appeal remanded to Appellate Authority for re-consideration** Where Appellate Authority had rejected appeal of assessee on ground of delay without consideration to grounds mentioned in memo of appeal, impugned order deserved to be quashed and matter required to be remanded back to Appellate Authority to decide question of delay afresh.

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

  - **Punjab, Delhi, Kerala, Telangana, and West Bengal, these 5 states reject govt's GST shortfall remedy.**
    The GST Council had offered the states 2 borrowing options to tide over GST revenue shortfall. States could either borrow ₹97,000 crore from RBI or take ₹2.35 tn from market under different terms.
    [Mint 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 429 Zaveri & Co. (P.) Ltd. v. DCIT, Circle 4(1)(2), Ahmedabad* IT APPEAL NOS. 1080, 1081, 1193 & 1194 (AHD.) OF 2018	Ahmedabad Tribunal	**Interest earned on FD kept with bank for obtaining letter of credit was to be assessed as business income** Where assessee earned interest income from fixed deposit (FD) receipts with bank which were made by assessee in course of its trading business of import for purpose of re--export, for obtaining letter of credit for its purchases, same was to be assessed as business income.

ICAI Announcements

- **Live Webcast on Valuation of Shares under the Companies Act, 2013 and Income Tax Act, 1961 on 1st September 2020 from 3:00 PM to 5:00 PM by the Valuation Standards Board of ICAI.**
  Read here for more

- **Committee for Members in Practice is Organising 11 CPE Hours Virtual Refresher Course on Capacity Building Measures of Practitioner From 2nd September 2020 to 5th September 2020**
  Read this announcement

Corporate Laws

- **Role of Company Secretary in Corporate Governance – PIL in Supreme Court Challenging MCA Notification**

  The Three-Judge Bench presided over by the Chief Justice of India had, on 5th August, 2020, heard a writ petition filed as a public interest litigation challenging the Ministry of Corporate Affairs Notification CSR 13(E) dated 3rd January, 2020 which came into force on 1.4.2020, which changed Rule 8A of the Companies (Appointment and Remuneration) Rules, 2014 (in short "the Rules") which states that "every private company which has a paid up share capital of ten crore rupees or more shall be required to be get a secretarial audit conducted by a practising CS.

  Source- Taxmann

Insolvency & Bankruptcy

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

  - **IBBI invites Invitation of Application for Empanelment for Platform for Distressed Assets (PDAs).**

    The purpose of this invitation of application is to enable IBBI to empanel the Platforms for Distressed Assets (PDA). This empanelment process will allow platform providers to get themselves empanelled. The services offered by the empanelled platforms will be published on IBBI website enabling stakeholders to use it.

    Read this offer document

- **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 416 Abhishek Agarwal v. Manasadevi Bakers (P.) Ltd. COMPANY APPEAL (AT) (INS) NO.1012 OF 2019 JUNE 8, 2020	NCL-AT Delhi	**Unsecured Loan without any interest and no fixed time to repay did not fall under category of financial debt.** Where Adjudicating Authority after considering record found that there was material in form of MOU and agreement which dealt with interest free unsecured loan advanced by financial creditors to corporate debtor and concluded that there was no time value of money and that it was not financial debt, findings recorded by Adjudicating Authority could not have been interfered with.

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

❖ **Single-member bench cannot hear insolvency plea, rules NCLAT.**

A single-member bench of the National Company Law Tribunal (NCLT) cannot hear and decide on a company when the law requires a division bench, including both judicial and technical members, to constitute the adjudicating authority. Indore-based Indison Agro Foods Ltd, which is facing insolvency resolution by Allahabad Bank in the Ahmedabad NCLT, had approached the National Company Law Appellate Tribunal (NCLAT), seeking appellate tribunal's intervention for referring the matter to a division bench.

ET Report

SEBI

- **Relaxation from default recognition due to restructuring of debt.**
  CRAs recognize default based on the guidance issued vide SEBI circulars dated May 3, 2010 and November 1, 2016. Further, SEBI vide circular dated March 30, 2020 had provided for relaxation from recognition of default owing to moratorium permitted by RBI and lockdown due to COVID-19 pandemic.

  The Reserve Bank of India (RBI), vide notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020, has provided for a resolution framework for COVID-19 related stress.3.Based on its assessment, if the CRA is of the view that the restructuring by the lenders/ investors is solely due to COVID-19 related stress or under the aforementioned RBI framework , CRAs may not consider the same as a default event and/or recognize default. Appropriate disclosures in this regard shall be made in the Press Release.4. The above relaxation is extended till December 31, 2020.
  Read this circular

Reserve Bank of India

- **The Reserve Bank of India has today released Lending Rates of Scheduled Commercial Banks based on data received during the month of August 2020.**
  Read this release

Economy & Finance

- **Govt released Monthly Review of Accounts of Union Government of India up-to the month of July 2020 for the Financial Year 2020-21.**
  GOI received Rs. 2,32,860 crores (10.4% of corresponding BE 2020-21 of Total Receipts) up-to July 2020 comprising Rs. 2,02,788 crore Tax Revenue (Net to Centre), Rs. 24,614 crore of Non-Tax Revenue and Rs.5,458 crore of Non-Debt Capital Receipts. Non-Debt Capital Receipts consists of Recovery of Loans (Rs. 5,455 crore) and Disinvestment proceeds (Rs. 3 crore). Fin Min Press Release

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