SEPTEMBER 10, 2019 | TUESDAY ISSUE 64

THE DAILY LIFELINE

Official Newsletter of Diucon

WHAT'S NEW IN PROFESSIONAL/ BUSINESS WORLD TODAY:

Goods & Service Tax
Direct Tax Code
Income Tax
Economy | Finance

BIGGEST CHALLENGE- HOW TO KEEP UPDATED ON DAILY BASIS

By Pradeep Goyal, FCA | ACPA, Australia

Laws are changing frequently in India, there are big developments and announcements on daily basis in Economic & Finance world and many other reforms are on the way. This newsletter will keep you updated on daily basis along with documents taken from authentic sources.

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UPDATES RELATED TO

Updates related to New Direct Tax Code-Ministry of Finance

- **Government to tweak Income Tax Act, won't replace it with direct tax code**

  The government is unlikely to replace the Income Tax Act with the direct tax code, and will only incorporate select suggestions from the draft law to avoid creating more uncertainty for businesses amid an economic slowdown.

  Some suggestions in the draft legislation, submitted to government on 19 August, will find their way into the Income Tax Act, 1961 through amendments in the next budget session of Parliament, said a person privy to the discussions in the government.

  [Live mint report]

Updates related to Goods & Service Tax & other Indirect taxes by CBIC

- **Notification/Circular/Press release/FAQs/Portal Update/Write-up by CBIC**

- CBIC issues a clarification about applicability of GST on under construction and ready-to--move-in property.

  Read here for more

- **Chennai Customs Zone is organising "IGST REFUND DRIVE".**

- **Legal updates- Court/AAARA judgements/Advance Rulings**
  [AAARA- Appellate Authority for Advance Ruling | ARA- Advance Ruling Authority]

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/ Judgement	Summary
1	[2019] 108 taxmann.com 216 Torque Pharmaceuticals (P.) Ltd. v. Union of India WRIT TAX NO. 655 OF 2018 JULY 19, 2019	High Court of Allahabad	Judgement	Determination of location of State Bench of Tribunal is in domain of Central Government; role of State Government is confined to determine place of area benches. *[Section 109 of CGST Act analysed]*
2	[2019] 108 taxmann.com 283 Ikhlaq Mohammad Ismail Shaikh v. State of Gujarat R/SPECIAL CIVIL APPLICATION NO. 11137 OF 2019 JULY 25, 2019	High Court of Gujarat	Judgement	Where Competent Authority had affixed a seal on warehouse of assessee, assessee was advised to make application under section 67(6) for release of seized goods before Competent Authority, who shall look into same and pass appropriate order *[Section 67(6) of CGST Act analysed]*

Tip (specially for students/fresher)
If you want to understand the provisions of GST, always read the ruling/judgement along with the sections/Rules analysed or referred in the ruling or judgement.

Updates related to Income Tax by CBDT

- **Legal updates- Tribunals, High Court & Supreme Court judgements**

Sr.No.	Key to find the document	Description	
		Tribunal/Court	**Brief judgement**
1	[2019] 108 taxmann.com 59 CIT, Gandhinagar v. Suvas Hitendra Barot SPECIAL LEAVE PETITION (CIVIL) DIARY NO.(S) 11857 OF 2019† MAY 9, 2019	Supreme Court of India	Where High Court upheld Tribunal's order deleting addition made on account of unaccounted investment to assessees income by taking a view that material on record did not justify any such addition, SLP filed against said order was to be dismissed [Section 69 of Income Tax Act analysed]
2	[2019] 108 taxmann.com 177 CIT v. Rubix Trading (P.) Ltd. SLP (CIVIL) DIARY NO. 21285 OF 2019 JULY 8, 2019	Supreme Court of India	Where AO initiated reassessment proceedings taking a view that interest income earned by assessee had to be taxed as income from other sources and High Court quashed said proceedings by taking a view that entire question of taxing assessee's interest income was minutely scrutinized by Assessing Officer during original assessment proceedings and, in such a case, reopening of assessment would be based on mere change of opinion, SLP filed against said order was to be dismissed. [Section 56 & 147 analysed]

Sr.No.	Key to find the document	Description	
		Tribunal/Court	Brief judgement
3	[2019] 108 taxmann.com 171 Navin Fluorine International Ltd. v. CIT-7, Mumbai T APPEAL NO. 1205 (MUM.) OF 2014 JUNE 10, 2019	Mumbai Tribunal	Where an asset was part of block of assets which were used for business purposes and depreciation was granted on that block during previous year, depreciation could not be denied on ground that one of assets was not used by assessee in year under consideration [Section 32 of the Income-tax Act, 1961 analysed]
4	[2019] 108 taxmann.com 170 Bairappa Krishnappa V CIT (Appeals) WRIT PETITION NO. 35998 OF 2018 (T-IT) JULY 4, 2019	High Court of Karnataka	Where Assessing Officer made additions under section 68 on account of loans received by assessee from several parties treating same to be bogus, in view of fact that documents furnished by assessee by way of letter of confirmation issued by said parties to establish genuineness of loans received by assessee were not considered by Assessing Officer, impugned additions were unjustified and matter was to be remanded [Section 68 of the Income-tax Act, 1961 analysed]

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

❖ **Income tax terror: Overzealous taxmen get court rap on 'windfall gain'**
I-T dept seeks to tax damages earned by foreign firm under arbitration as 'windfall gains', HC turns down move. Finance Express report

Updates related to Announcement by ICAI

- **ICAI issues Advisory on Auditor's Reporting on Section 197(16) of the Companies Act, 2013.**
  auditors of public companies need to report as to whether the remuneration paid by the company to its directors is in accordance with the provisions of this section, whether remuneration paid to any director is in excess of the limit laid down under this section and give such other details as may be prescribed. This reporting have to be done in auditor's report under the Section "Report on Other Legal and Regulatory Requirements".
  [Read advisory here]

- ICAI conducts Ind AS 116, Leases, post implementation survey trough this questionnaire

The Insolvency and Bankruptcy Law.

- For the information of Insolvency Professionals- Availing the IU Services of NESL-IU by Insolvency Professionals.
  [Letter from NESL]

Updates related to Foreign Trade Policy by DGFT

- DGFT issues clarification regarding confusion about MEIS/RoSCTL and informed that MEIS has not been discontinued w.e.f. 1.8.2019. The issues under inter-ministerial consideration are-
  1) Continuation of 2% increase sanctioned w.e.f.1.11.2017 in labour intensive/MSME sectors.
  2) Continuation of MEIS for RMG & made-ups (iii) continuation of RoSL with existing MEIS rates or RoSCTL only for RMG & made-ups. Govt decision would be notified on these issues at the earliest. MEIS system has been blocked for LEO after 1.8.2019.

  Source here

Updates related to Start-ups by Start Up India Department

- Happy Milk uses IoT devices to track the health of the cows and check the consistency and quality of milk produced. The start-up packages its products in glass bottles and clay pots that are recyclable. Watch here

- TechXchange Declares Top 14 Start-ups Qualified for India UK Partnership Programme. Read here

- Meet these young Pune start-ups giving competition to its neighbouring hubs. Read the success story

- How Ahmedabad Is Rising as A Start-up Hub Thanks to Gujarat's Start-Up-Friendly Environment. Read here for more

- Why Uber wants Bengaluru start-up Sun Mobility's battery swap tech
  Chetan Maini of Sun Mobility was the pioneer of India's electric vehicle movement. Now, he is looking beyond cars, creating an energy management business. Read here for more

- Meet the edtech start-up that wants to make learning fun by rewarding students who study. Read here

- This start-up by BITS Pilani alumnus is betting on AI and analytics to predict match outcomes. Read more

Updates related to Money Market/Banks by RBI

- RBI releases the Report of the Committee on the Development of Housing Finance Securitisation Market.
  Read here

- RBI issued Master Circular - Disbursement of Government Pension by Agency Banks. Download here

- RBI released Lending Rates of Scheduled Commercial Banks based on data received during the month of August 2019.
  Read here

Updates related to Latest developments in Economy & Finance world

❖ **Bumpy ride ahead: Tax department in rush to fight faceless regime hurdles**
The ambitious faceless tax administration project, set to start on October 8, will initially take up the limited scrutiny cases across the country. Within a year, the new tax regime is expected to cover the complete scrutiny cases as well. However, the pilots have not shown encouraging results, indicating that the new system seeking to redefine the assessment process is not fully prepared for the shift. Sources in the tax department attributed this to lack of appropriate supporting infrastructure and ground-level teething problems. So, both tax authorities and taxpayers are likely to face hardship in the changeover phase. Read here for more

❖ **African nations offer India barter deal: Copper, gold for infra projects**
Bartering, or the exchange of goods and services for other goods and services, has been used as a trading tool since the earliest times. In 6000 BC Mesopotamian tribes bartered for trade and so did the Phoenicians. Today, that millennia-old practice is about to be revived by some African nations. Hit by the liquidity crisis and foreign exchange woes, they are reaching for the barter system to fund infrastructure projects such as roads, rails and other basic amenities. Read more

❖ **NBFCs with exposure to realty developers stare at fresh trouble**
Wholesale non-banking financial companies (NBFCs), which have huge exposure to real estate developers, could see their asset quality slide as early as the second half of FY20 if refinancing pressure continues, said rating agency India Ratings & Research (Ind-Ra) in its NBFC sector outlook for FY20. Most of these NBFCs have given a moratorium of 18-24 months on the principal amount lent in the last two years. This will end towards the second half of FY20 and the first half of FY21. NBFCs account for about 16 per cent of the total loan outstanding to real estate developers. Of the total of Rs 6 trillion, NBFCs have an exposure of around Rs 1 trillion. Read here for more)

❖ **Securities Appellate Tribunal (SAT) quashes SEBI's order against Price Waterhouse in Satyam scandal**
In a major relief to Price Waterhouse (PW), the Securities Appellate Tribunal (SAT) on Monday quashed the order passed SEBI against the global audit firm for its role in the decade-old Satyam scandal.

SAVE WATER || SAVE UNIVERSE

Knowledge shared= Knowledge^2

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About Scribbler

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Profile *Page*

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