

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

- **New Direct Tax Code-Ministry of Finance**
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- **Latest developments in Economy & Finance world.**



Updates related to New Direct Tax Code-Ministry of Finance

❖ **Compliance key focus in new Direct Tax Code report: Akhilesh Ranjan, the convener of the Direct Tax Code task force.**

Compliance has several aspects and is not just about lower tax rate, but also about improving litigation management and making the law itself more comprehensible and organized, said Ranjan, who is a member of the Central Board of Direct Taxes (CBDT). [Read this report from live mint](#)

❖ **Lower income tax rates likely in direct tax code regime.**

As low growth in tax revenue is adding to the government's fiscal woes, a new strategy to boost direct tax mop-up, at the core of which will be moderate rates and simplified laws and systems aimed at improving compliance. "Lower rates improve compliance and that's the focus of the report by the task force set up to review direct tax laws. [Finance express report tell you more about this](#)



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

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

❖ **GST**

▪ **Want to know all about Advance Ruling Mechanism in GST?**

[Here is CBIC's e-flyer in simplified manner](#)

❖ **OTHER INDIRECT TAXES**

▪ **CBIC issued clarification regarding duty drawback allowed in cases of short realisation of export proceeds due to bank charges deducted by foreign banks**

Since agency commission up to the limit of 12.5% of FOB value is allowed vide CBIC Circular No. 64/2003- Customs dated 21.07.2003, such deduction of foreign bank charges is allowed within this overall limit of 12.5% of FOB value. Agency commission & foreign bank charges, separately or jointly, exceeding this limit should be deducted from FOB value for granting duty drawback.

[\[Here is CBIC Circular No. 33/2019-Customs dated 19th September, 2019\]](#)

❖ **CBIC notified rate of exchange for export and import of goods.**

Section 14 of Customs Act, 1962 (52 of 1962) empowers CBIC to determine rate of exchange as a reference rate of calculation of price with respect to valuation of goods.

[\[Notification No.66/2019 - Customs \(N.T.\) dated 19th September, 2019\]](#)

▪ **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 557 Manjunatha Designer Tiles v. Nodal Officer WRIT PETITION NO. 24438 OF 2019 JUNE 20, 2019	High Court of Karnataka	Judgement [Download copy of full judgement here]	HC directed GSTN to quickly implement Nodal Officer's recommendations for rectification of Tran-1 filed by assessee. [Section 140 of CGST Act, 2017 & rule 117 discussed]
2	[2019] 108 taxmann.com 567 Mohammad Salim Mohammad Ismail Shaikh v. State of Gujarat CIVIL APPLICATION NO. 11138 OF 2019 JULY 25, 2019	Gujrat High Court	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 of CGST Act discussed]

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/ Judgement	Summary
3	[2019] 108 taxmann.com 556 Shaikh Ayub Shaikh Ali, In GST-ARA-129/2018-19/B-62, JUNE 1, 2019	Authority for Advance Rulings, Maharashtra	Advance Ruling	Where applicant filed an application before Authority for Advance Ruling seeking ruling on a question and subsequently he requested Authority to allow withdrawal of application, application was disposed of as being withdrawn unconditionally. [Section 98 of CGST Act discussed]
4	[2019] 108 taxmann.com 568 Swastik Traders v. State of U.P. NO. 19798 OF 2019 JULY 22, 2019	Allahabad High Court	Judgement	Where Competent Authority had seized goods of assessee under transport as well as vehicle and vide order passed under section 129(3) demanded tax and penalty, since Appellate Authority without hearing assessee upheld impugned order, order of Appellate Authority was to be set aside and matter was to be remanded back to him for decision afresh. [Section 129 of CGST Act discussed]

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/Judgement	Summary
5	[2019] 108 taxmann.com 572 AT & S India (P.) Ltd. v. Union of India WRIT PETITION NO. 22368 OF 2019 JUNE 20, 2019	High Court of Karnataka	Judgement [Download copy of full judgement here]	Where assessee while uploading Form GST TRAN-1 noticed that a certain amount being unavailed credit of 50 per cent in respect of capital goods had not been entered in its Electronic ledger and Competent Authority rejected request of assessee to revise Form GST TRAN-1, said authority was directed to reconsider request of assessee. [Section 140 of CGST Act, 2017 & rule 117 discussed]
6	[2019] 108 taxmann.com 571 Red Coin Paper Product v. Deputy Commissioner of State Tax R/SPECIAL CIVIL APPLICATION NO. 10854 OF 2019	Gujrat High Court	Judgement	GST Authorities to take appropriate decision where assessee's refund claim was rejected by Competent Authority/ [Section 54 of CGST Act & Rule 86 discussed]

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/Judgement	Summary
7	[2017] 108 taxmann.com 573 Kalebudde Logistics v. Commercial Tax Officer, (Enforcement) WRIT PETITION NO. 110937 OF 2019 (T-RES) JUNE 17, 2019	High Court of Karnataka	Judgement	Where Competent Authority had seized goods of assessee under transport as well as vehicle and vide order passed under section 129 directed assessee to pay tax and penalty within seven days since assessee had already filed an appeal before Appellate Authority against order of Competent Authority, assessee could not have filed writ petition for release of goods which were subject matter of appeal. It is open for the assessee to seek appropriate interim relief in the pending appeal, if law permits. [Section 129 and 130 of CGST Act discussed]

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

❖ **GST Council to opt for just minor tax tweaks**

GST Council will also consider states' demand for extending cess on select products like automobiles beyond 2022. The Council will also consider a uniform tax rate for lottery tickets, which are currently taxed at 12% or 28%.

[Live Mint Report](#)

- ❖ **GST Council meet today; fitment panel rejects rate cut demand for 200 items**
 Goods and services tax on caffeinated drinks will go up substantially, if the Council accepts the fitment panel's recommendation of a steep increase in the tax rate to 40 per cent (28 per cent GST and 12 per cent cess), from the current 18 per cent, in its meeting on Friday here. [\[Business Standard Report\]](#)
- ❖ **GST Council meet: Taxpayers seek simplification of annual return form**
 Although the Council has extended the date for filing the annual return for 2017-18 several times, it doesn't help much as the return form itself seems to have flaws. [\[Business today report\]](#)
- ❖ **GST Council meet: A look at key items of the agenda**
 The goods and services tax (GST) council is meeting on Friday in Goa to deliberate a number of issues, including reduction in tax rates on a number of items amid a chorus of demands for measures to address the slowing economy. ET looks at key items of the agenda. [\[Economic Times Report\]](#)
- ❖ **Bankrupt companies take indirect tax department to court over GST software not being in sync with IBC.**
 Many bankrupt companies are complaining that the GST software doesn't allow them to pay current or future taxes without clearing dues from earlier years. [\[ET Report\]](#)
- ❖ **ET View: It's time the GST regime is totally overhauled**
 As GST council meets in Goa, they have to find a way to boost economy. The answer is to overhaul the GST totally. [\[ET Report\]](#)
- ❖ **Biz EOD: India unprepared for Aramco-like attacks, taxpayers seek simpler GST returns and more**
 With India's drone policy still a few months, the country seems lacking in preparedness to avoid Aramco-like attacks. With GST Council set for a meeting on September 20, some quarters of taxpayers are asking for urgent hearing is the simplification of the GST annual return form GSTR-9. Read for more top stories from world of business and economy. [\[Business today report\]](#)
- ❖ **Ice-cream makers pitch for cut in GST**
[Read this TOI Report](#)



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 494 Jai Pal Gaba v. ITO, Ward-III (2), Ludhiana, IT APPEAL NO. 244 (CHD.) OF 2018 MAY 16, 2019	Chandigarh Tribunal	Where assessee took loan from bank for purpose of business but not in course of business, subsequent waiver of loan amount under one-time settlement could not be said to be benefit or perquisite arising from business to assessee taxable under section 28(iv). Assessing Officer was of view that waived amount was income of assessee under section 28(iv) - It was noted that loan was taken for purpose of business but same was never taken in course of business or to say that loan sourced was not linked to trading receipts or like - A part of amount was waived because there were little chances of recovery of entire amount and this one time settlement was not done as part of business activity of assessee, rather, transaction of loan and waiver was a separate transaction
2	[2019] 108 taxmann.com 497 (Madras) K. Devakar v. ACIT Business Range VIII, Chennai	Madras High Court	HC set-aside penalty order as assessee furnished plausible explanation against additions made by AO.



Updates related to Announcement by ICAI

- ❖ The Council of ICAI has decided to extend the last date for payment of Membership /COP fee for the year 2019-20 up to 30th November, 2019.
[\[Announcement here\]](#)
- ❖ The Council of ICAI has decided to waive off condonation fees for delay of all online application forms / documents of members and students with transaction dates from 01st April, 2019 to till date and filed on or before 30th November, 2019.
[\[Announcement here\]](#)
- ❖ ICAI extended time limit of UDIN generation from 15 days to 30 days - One Time Relaxation.
[\[Announcement here\]](#)



Updates related to Announcement by ICSI

- ❖ ICSI revise names of its various chapters.
[\[Announcement here\]](#)
- ❖ ICSI sets up Contact Centre at Eliezer Joldan Memorial College, Leh.
[\[More details here\]](#)



Corporate Laws by MCA

- ❖ Principal Rule 5 of National Financial Reporting Authority Rules, 2018 mandate every auditor referred to in rule 3 “Classes of companies and bodies corporate”, to file a return with the Authority on or before 30th April every year in such form as may be specified by the Central Government.

Ministry of Corporate Affairs amended above rule vide National Financial Reporting Authority (Amendment) Rules, 2019 dated 5th September, 2019 published in official gazette vide G.S.R. 636(E) effective from same date. Now above-said annual return have to be filed 30th November every year in Form NFRA-2. [\[Notification here\]](#)



Updates related to Start-ups by Start Up India Department

- ❖ Two global economies are coming together at The UK India Start-up Launchpad, which was launched by the Indian Government in London. The Launchpad is a platform for innovators and entrepreneurs to exchange knowledge, learn from each other and further conduct joint programs. UK India Start-up Launchpad, a soft-landing platform for Start-ups to exchange knowledge, learn from each other and further conduct joint programs.



Updates related to Micro, Small & Medium Enterprises by Ministry of MSME

- ❖ A 6-member delegation led by Dr. Arun Kumar Panda, Secretary Ministry of MSME met with H.E. Vladimir Bartl, Deputy Minister of Industry and Trade of Czech Republic, both sides focused the discussion on cooperation in MSME sector on mutually agreed terms.



Updates related to Money Market/Banks by RBI

- ❖ **RBI issues fresh guidelines over Concurrent Audit System**
[Here is Notification](#)
- ❖ **RBI issues advisory for Implementation of Section 51-A of Unlawful Activities Prevention Act (UAPA), 1967- Updates to ISIL (Da'esh) & Al-Qaida Sanctions List.**
REs are advised to ensure meticulous compliance with the aforementioned instruction pertaining to UAPA and ensure that they do not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, circulated by UNSC.
[\[Notification here\]](#)



Updates related to Latest developments in Economy & Finance world

❖ Finance Minister reviews performance of banks with top management of Public Sector Banks

Discussions held on overall credit growth with focus on disbursements to key sectors to support the needs of economy. Finance Minister reviews banking initiatives announced earlier with focus on credit growth, rate cut transmission and amalgamation.

Banks loan disbursement to key sector remains robust, with disbursement of Rs. 11.83 lakh crore done for MSME sector in FY 2018-19 as against Rs. 8.53 lakh crore done in FY 2017-18. Bank have also continued to support housing sector by disbursing Rs. 2.19 lakh crore for home loans in FY 2018-19 as against Rs. 1.81 lakh crore in FY 2017-18. Pool buy-out of NBFC/HFC post Sep-18 till 15th Sep-19 was Rs. 93,018 crore, including Rs. 9,155 crore under the newly launched Partial Credit Guarantee Scheme. Proposals of another Rs. 33,200 crore under the new scheme are also in the pipeline. [\[MoF Release\]](#)

❖ Before GST meet, Sitharaman may announce fresh measures for economy

Finance Minister Nirmala Sitharaman is likely to announce further measures to boost the flagging economy on Friday, when she addresses the media in Goa. In her address, ahead of the 37th meeting of the Goods and Services Tax (GST) Council, Sitharaman is expected to announce measures to support small and medium enterprises. [\[Business Standard Report\]](#)

❖ Loan 'melas' are back: PSBs to hold credit meets in 400 districts, says FM

Public-sector banks (PSBs) will hold public meetings with borrowers for distributing loans in 400 districts of the country to boost demand ahead of the festive season, Union Finance Minister Nirmala Sitharaman announced on Thursday. [\[Business Standard report\]](#)

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A man with dark, wavy hair and a light beard is shown from the chest up. He is wearing a grey textured suit jacket over a dark blue shirt and a patterned tie. His hands are clasped together in front of him, and he is wearing a black leather watch with a silver-toned face on his left wrist. He is looking directly at the camera with a serious expression. The background is a blurred bookshelf.

- ❖ **Fellow Member** of the Institute of Chartered Accountants of India.
- ❖ **Associate member** of Professional Accounting Body of Certified Practising Accountants (CPA), Australia.
- ❖ **CFA (Corporate Finance)**- Columbia Business School, USA | EMERITUS Institute of Management, Singapore.
- ❖ **Certified Goods & Service Tax Practitioner** from ICAI & Ministry of Micro, Small & Medium Enterprises, Government of India.

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