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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.

INDEX

UPDATES RELATED TO

- New Direct Tax Code-Ministry of Finance
- Goods & Service Tax by CBIC
- Income Tax by CBDT
- Announcement by ICAI
- Announcements by ICSI
- Corporate Laws by MCA
- The Insolvency and Bankruptcy Law by IBBI
- Listing/Market by SEBI
- Foreign Trade Policy by DGFT
- Start-ups by Start Up India Department
- Micro, Small & Medium Enterprises by Ministry of MSME
- Money Market/Banks by RBI
- New acts notified/Bills introduced in parliament or Executive orders by President
- Latest developments in Economy & Finance world.

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

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

  - **GST**

    - **Outcomes of 37th Meeting of GST Council held in Goa on 20 September, 2019**
      - Related to law &procedure. [Check this press release]
      - Related to GST Rate on Services. [Check this press release]
      - Related to GST Rate on Goods. [Check this press release]

      [Detailed discussion on this will be done once relevant notifications/circulars will be issued]

- **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] 109 taxmann.com 305 G Nxt Power Corp. v. Union of India WP (C) NOS. 2457 & 2981 OF 2019 AUGUST 29, 2019	High Court of Kerala	Judgement [Here is judgement copy]	Where petitioner claimed refund of IGST in relation to goods exported i.e. zero rated supplies, respondent authorities were to be directed to pay IGST minus higher rate of duty drawback already availed by petitioner within time granted by Court. **[Section 16 of IGST Act and Rule 96 of the CGST Rules discussed]**

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/ Judgement	Summary
2	[2019] 109 taxmann.com 311 Tejas Constructions & Infrastructure (P.) Ltd., In re GST/ARA/03/2019-20/B-90 AUGUST 20, 2019	Authority for Advance Rulings, Maharashtra	Advance Ruling	Where applicant (contractor) was providing construction service to 'SGSSGM' (contractee/recipient of service) and as per agreement, cement, mild steel, tor steel and structural steel required for work was supplied by contractee, tax as per section 15 was payable on entire contract value as per certificate issued by architect without deducting value of above-mentioned components provided by contractee. **[Section 15 of CGST Act & Circular no. 47/21/2018 discussed]**

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

❖ **Hotel owners and operators cheer GST reduction**

Hotel owners and operators on Friday welcomed GST rate cut on room tariffs. According to Dipak Haksar, chairman of CII National Committee on Tourism & Hospitality, the move will create a positive sentiment across travel, trade and hotel industry. "The GST rate rationalisation is an extremely positive development, which augurs well for the Indian tourism industry. We are grateful… for considering this demand of the industry," he said.

Business Standard report

Updates related to Income Tax by CBDT

- **Notification/Circular/Press release/FAQs**

The Finance Minister, Smt. Nirmala Sitharaman addressed a press conference in Panaji, Goa yesterday and announced several fiscal measures to promote growth and investment in the country. These changes shall be effecting from Financial Year 2019-20 through Taxation Laws (Amendment) Ordinance, 2019 to make relevant amendments to the Income-tax Act, 1961 and the Finance (No. 2) Act, 2019.

- Government issued Taxation Laws (Amendment) Ordinance, 2019 (15 of 2019) dated 20.09.2019. Here is gazetted copy
- Summary of proposal in Annexure-1

- **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 543 ITO, Ward 38 (5), New Delhi v. Ajay Raj, IT APPEAL NO. 1184 (DEL.) OF 2017 CO NO. 07 (DELHI) OF 2019, JUNE 18, 2019	Delhi Tribunal	Where notice under section 143(2) was served to assessee on address which was none of addresses as specified in rule 127(2) of 1962 Rules, assessment order passed on basis of such invalid notice deserved to be set aside
2	[2019] 108 taxmann.com 547 W.P. NO. 27438 OF 2017, JULY 5, 2019	Madras High Court	HC set-aside reassessment order as AO rejected assessee's objection without dealing with it

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

- **Still waiting for income tax refund? You might have made this mistake**
  Not everyone is aware that the income tax department has changed income tax refund rules from March this year. All those who filed their ITR for financial year 2018-19 this time need to be compliant to new rules to get timely refund.

  How to check if you are compliant with the new income tax refund rule:
  To check if your bank account is linked with your PAN, login to the income tax department's e-filing portal and check "pre-validate your bank account" in profile settings. Once the pre-validation process of your bank account is complete, there should be no issue in receiving tax refund.
  [Live mint report]

- **Income Tax department seizes Rs 30 Crore paintings in tax evasion probe against Kuldeep Bishnoi.**
  The Income Tax Department has seized paintings worth Rs 30 crore in connection with its tax evasion and benami assets probe against Haryana Congress leader Kuldeep Bishnoi, official sources said on Friday.

- **Speculation rife on possible income tax cut for individuals**
  After a cut in the corporate tax, speculation around an income tax cut for individual taxpayers is rife. While some believe that government might look at tweaking the income tax structure a bit to cheer up the taxpayers around the festive season, some think government will restrain from any cut, considering Rs 1.45 lakh crore revenue outgo due to corporate tax cut.
  Asian Age Report

Updates related to Announcement by ICAI

- Extension of Last Date of Filling MEF 2019-20 to 30th September, 2019.
  Here is announcement

- Financial Reporting Review Board of ICAI is organizing a webcast on ‘Commonly Found Non-compliances of AS 5 (Net Profit or Loss for the Period, Prior Period items and changes in Accounting Policies) and AS 9 (Revenue Recognition)’ on 27th September, 2019 (Friday) from 4:00 PM to 6:00 PM for the members.
  [Use this link to join]

- Advanced Integrated Course on Information Technology and Soft Skills (Advanced ICITSS) - Adv. Information Technology Test – Computer Based Mode on Sundays, the 5th January, 2020 and 16th February, 2020 from 10.30 AM to 12.30 PM (IST).
[Read here for more]

Updates related to Announcement by ICSI

- ICSI informs its members about allotment of new unique code in case of change of state of practicing firms.
Read this announcement

The Insolvency and Bankruptcy Law.

- Initiation of Corporate Insolvency Resolution Process (CIRP) of below companies have been ordered by NCLT. Creditors are called upon to file their claims.

Serial No.	Name of corporate debtor (company for which CIRP announced)	Date of Announcement	Last date of Submission of claims	More details
1	Dewa Projects Pvt. Ltd.	17.09.2019	29.09.2019	Announcement
2	Suman Agritech Ltd.	17.09.2019	28.09.2019	Announcement
3	Innovative Ventures (India) Pvt. Ltd.	17.09.2019	30.09.2019	Announcement
4	NTL Electronics India Ltd.	16.09.2019	28.09.2019	Announcement
5	Magic Info Solutions Pvt. Ltd.	16.09.2019	28.09.2019	Announcement
6	Multiwal Duplex Pvt. Ltd.	15.09.2019	27.09.2019	Announcement

Listing/Market by SEBI

- SEBI issued Risk management framework for liquid and overnight funds and norms governing investment in short term deposits.
  Download Circular No.: SEBI/HO/IMD/DF2/CIR/P/2019/101 dated 20.09.2019

Updates related to Start-ups by Start Up India Department

- Delhi-based an online B2B footwear marketplace ShoeKonnect has raised Rs 11 crore in a Pre-Series A round of funding.
  Read this report

- Bengaluru-based self-driving car rental firm, Zoomcar India secured a fund infusion of $1.98 million from its US-based parent entity, Zoomcar Inc
  Read this story

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

- Ministry of MSME brings out a monthly e-newsletter which contains details of activities/events/schemes implemented by the Ministry, information on MSME policy matters, articles on MSME related topics, success stories, etc.
  Here is e-newsletter for the month of August 2019

Updates related to Money Market/Banks by RBI

- RBI issues a notification on Priority Sector Lending (PSL) – Classification of Exports under priority Sector.
  Download here

- Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems
  Download notification here

New acts notified/Bills introduced in parliament or Executive orders by President

- Government issued Taxation Laws (Amendment) Ordinance, 2019 (15 of 2019) dated 20.09.2019. Here is gazetted copy

Updates related to Latest developments in Economy & Finance world

- **New corporate tax rates closer to global ones, says Shaktikanta Das**
  The government's decision to cut corporation tax rates is extremely bold and will augur well for the economy, said RBI Governor Shaktikanta Das. One of the major drawbacks that India had was high corporation tax rates. These tax rates take us closer to the tax rates that prevail in this part of the world. So, corporation tax rates coming down is a very bold and welcome measure and will augur extremely well for the economy- he said. Read more here

- **How India's new corporate tax rates compares with its Asian counterparts**
  Following the FM's announcement on the corporation tax rate for existing firms being reduced from 30 per cent to 22 per cent, with effect from April 1, 2019, the effective tax rate (inclusive of surcharge) now stands at 25.2 per cent. At the same time, the tax rate for new manufacturing firms registered after October 1 has been reduced from 25 per cent to 15 per cent, giving a big boost to Prime Minister Narendra Modi's 'Make in India' initiative. The effective tax rate including surcharge for these companies now stands at 17 per cent.
  With this, the new tax rates now bring India broadly in line with its South-East Asian counterparts. Read here for more

- **Corporate tax cut a big positive, but demand recovery may take time**
  First, since the new corporation tax rates are now competitive globally, the move will help encourage foreign investments over the medium term, especially from companies looking at an alternative to China, and thus boost domestic consumption, too. Read more here

SAVE WATER || SAVE UNIVERSE

Summary of Proposals- Annexure-1

Corporate tax rate slashed

Reduce tax rate for domestic company from existing 30% to 22% subject to condition that such company is not availing of any exemption or incentive. The effective tax rate shall be 25.17% inclusive of Surcharge and Cess.

New tax rate for manufacturing companies

For manufacturing companies incorporated on or after October 1, 2019 which don't avail of any exemption/incentive and would commence their production on or before March 31, 2023, corporate tax rate reduced from existing 25% to 15%.

Companies can opt for concessional tax regime after expiry of tax holiday

Companies which do not opt for the concessional tax regime and avail the tax exemption/incentive shall continue to pay tax at the pre-amended rate. However, those companies can opt for the concessional tax regime after expiry of their tax holiday/exemption period. After the exercise of the option they shall be liable to pay tax at the rate of 22% and option once exercised cannot be subsequently withdrawn.

MAT isn't leviable on companies availing of concessional tax rates

Companies who have opted for concessional tax regime under the Income-tax Act shall not be required to pay Minimum Alternate Tax.

MAT rate reduced

In order to provide relief to companies which continue to avail of exemptions/incentives, the rate of Minimum Alternate Tax (MAT) has been reduced from existing 18.5% to 15%.

Withdrawal of enhanced surcharge

Enhanced surcharge introduced by the Finance (No.2) Act, 2019 shall not apply to capital gains arising on sale of equity shares in a company or a unit of an equity oriented fund or a unit of a business trust liable for securities transaction tax, in the hands of an individuals, HUF, AOP, BOI and AJP.

Further, the enhanced surcharge shall also not apply to capital gains arising on sale of any security including derivatives, in the hands of Foreign Portfolio Investors (FPIs).

- **No buy-back tax on listed Cos that have announced buy-back of shares before July 5, 2019**

The scope of Section 115QA of the Income-tax Act, which provides for levy of additional income-tax on companies opting for buy-back of shares, was expended by the Finance (No. 2) Act, 2019 to include listed companies under its ambit. It was provided that listed companies shall also be liable to pay additional income-tax at the rate 20% on income distributed by way of buy-back of shares on or after July 5, 2019.

Now, in order to provide relief to listed companies which have already made a public announcement of buy-back of shares before 5th July 2019, it is provided that tax on buy-back of shares in case of such companies shall not be charged.

- **Govt. expands scope of spending of CSR funding; now CSR can be spent on Govt. aided research institutes, IITs, etc.**

The Govt. has decided to expand the scope of the spending of 2% of CSR. The CSR fund of 2% can now be spent on incubators funded by the Central or the State Govt. or any agency or public sector undertaking of Central or State Govt. making contribution to public funded universities, IITs, National laboratories and Autonomous Bodies (established under the auspices of ICAR, ICMR, CSIR DAE, DRDO, DST, Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting National labs, IITs, established under CSIR, ICMR , DRDO,DAE, etc., engaged in conducting research in science, medicine, Information Technology.

- ***Source: Taxmann online***

Knowledge shared= Knowledge^2

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About Scribbler

PRADEEP GOYAL

- **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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Connect

pradeep@pgaa.in

+91-9811777103

http://www.pgaa.in

Profile

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