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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.

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UPDATES RELATED TO

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

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

❖ **Provisional Assessment in GST**

The Asst. Commissioner/Dy. Commissioner of Central Tax provisionally determines the amount of tax payable by the supplier and is subject to final determination. On provisional assessment, the supplier can pay tax on provisional basis but only after he executes a bond with security, binding them for payment of the difference between the amount of tax as may be finally assessed and the amount of tax provisionally assessed. On finalization of the provisional assessment, any amount that has been paid on the basis of such assessment is to be adjusted against the amount that has been finally determined as payable. In case of short payment, the same has to be paid with interest and in case of excess payment, the same will be refunded with interest.

CBIC E-flyer- download here

- **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] 112 taxmann.com 335 Infobase Services (P.) Ltd., In re CASE NO. 44 OF 2019 ORDER NO. 38/WBAAR/2019-20 DECEMBER 24, 2019	AAR West Bengal	AR	Supply of printing service & intermediary service for selling space for advertisement is a mixed supply, taxed@18%. Supply by a taxable person of a bundle of services at a single price, if it does not constitute a composite supply, is a mixed supply within meaning of section 2(74).

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/ Judgement	Summary
2	[2019] 112 taxmann.com 195 Sales Tax Bar Association v. Union of India W.P. (C) 10284 OF 2018 CM APPL. 40111 OF 2018 OCTOBER 31, 2019	Delhi High Court	Order	Where Sales Tax Bar Association filed writ petition raising several issues in relation to difficulties being faced in entertainment, processing and allowance of refund claims, before taking decision in matter, a meeting requested to be held in Judges Chamber with CEO of GSTN and a member of CBIC.

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

❖ **CBIC issued FAQs on Online Upload and Download of Form GST ANX-2 JSON File**
Read here for more

❖ **Know the truth about E-invoice in GST**

- Will you need to issue invoices through GST Portal?

  No, you would continue to issue invoice same way you are doing it right now, you will just have to generate the "Invoice Reference Number "IRN" for each invoice issued through your billing software, ERP or accounting software.

- Will IRN generation will take several minutes and effect your business?

  No, IRN generation will take hardly seconds and very easy.

❖ **Do not miss this golden opportunity to update your pending GSTR-1**

➢ As a one-time measure to enable taxpayers to clear the backlog of all GSTR-1 which have not been filed from July 2017 to Nov 2019, a late fee waiver till 10.01.2020 (vide NN 74/2019 dated. 26.12.2019) has been provided.

- After 10.01.2020 a late fee of Rs. 50 per day for non-filing of GSTR-1 up to a maximum of Rs. 10,000 per statement will be levied as per existing provisions. So clear any backlog with respect to GSTR-1 by 10.01.2020.

- Further, the Government plans to take a number of steps if the pending GSTR-1 are not filed by 10.01.2020 such as blocking of E-way bill, etc.

- Also, it is beneficial for the recipients to encourage their suppliers to file their GSTR-1 in time as it is important that the credit taken by the recipients in their GSTR-3B matches with the details auto-populated in their GSTR-2A.

- **India is still halfway from realizing GST's full potential**

  A typical long-haul commercial truck used to cover about 225km a day on average prior to July 2017 and spend a fifth of its run time at inter-state border check posts. After these check posts were dismantled in July 2017, when India replaced 17 central and state taxes with a goods and services tax (GST), the logistics industry emerged as a clear winner. Logistics cost, which used to account for about 14% of the value of goods sold in the country, came down to 10-12% while the distance covered in a day improved from about 225km to 300-325km, according to an analysis by the roads ministry.

  Source-Mint 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] 112 taxmann.com 199 Maple Logistics (P.) Ltd. v. PCIT W.P. (C) NO. 7003 OF 2019 OCTOBER 14, 2019	Delhi High Court	Mere issuance of notice under section 143(2), would not be a sufficient ground to withhold refund under section 241A

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

❖ **Income Tax officials pursuing Ambani money trail overseas**

The Income Tax department said it has 'exchanged' information regarding "members of the Mukesh Ambani family" over alleged "undisclosed foreign income and assets" in a quarterly meet this month at Ukraine, with seven countries India had pacts with. Under the Double Tax Avoidance Agreements (DTAAs) as well as Anti Money Laundering and Countering the Financing of Terrorism pacts, India's tax department can expect a response within 90 days from its counterparts in seven countries — Switzerland, St. Lucia, Mauritius, Luxembourg, US, UK and Belgium.

Source- Hindu Report

❖ **NPS investment: How to maximise income tax benefits**

If the suggestions of the pension fund regulator PFRDA are accepted by the government in next year's Budget, NPS or National Pension Scheme could get more income tax benefits. The pension fund regulator has urged the government to increase the income tax deduction limit to ₹1 lakh for investment in Tier I NPS account under Section 80CCD (1B) of the Income Tax Act. The current limit is ₹50,000. To increase the attractiveness of NPS as an option towards savings for retirement years, the government this year increased the income tax exemption limit on withdrawal from NPS to 60% on retirement, or reaching the age of 60, from compared to 40% earlier.

Source- Mint Report

❖ **Got Income Tax notice under section 142 (1)? Last date for response extended**

If you have recently received an income tax notice, there's good news for you. The National E-Assessment centre has extended the time limit for filing of responses to notices issued under Section 142(1) of the Income Tax Act, 1961 under the e-assessment scheme 2019. For the notices issued up to December 24, 2019, the last date to file the response has been extended up to January 10, 2020. The statement says, "With a view to providing relief to the taxpayers and tax professionals and to facilitate the compliance with respect to e-Assessment proceedings under E-Assessment Scheme, 2019, the time limit for filing of response to notices under section 142(1) of the Income-tax Act issued up to 24.12.2019 by the National e-Assessment Centre is extended up to 10.01.2020 or time given in such notices, whichever is later."

Source-Financial Express Report

- **Income Tax Returns: Capital Gains Calculation Glitch Haunts Taxpayers**
  An upward revision in capital gains by the revenue department in the income tax returns this year is confounding taxpayers. The central processing cell of the tax department recently issued notices to hundreds of taxpayers, making or proposing to make adjustments in the disclosed capital gains. Some notices also state that the returns are defective. The sudden spate of notices is attributable to a glitch in the tax departments' ITR processing software.
  Source-Bloomberg Report

- **Want FN Nirmala Sitharaman to cut income tax rates in Budget? She wants your suggestion**
  Union Finance Minister Nirmala Sitharaman is having pre-Budget consultations with leaders of various industries and other stakeholder groups including industrialists, economists, farmers, traders, union leaders, etc. To make the budget making process more inclusive and participatory, the finance ministry has decided to seek suggestions even from ordinary citizens.
  You can log onto the MyGov website and click on the "Inviting Ideas and Suggestions for Union Budget 2020-2021" banner to submit your suggestions. "Do you have ideas/ suggestions that can become a part of Union Budget 2020-21? Here is the opportunity to share them with @FinMinIndia," reads a tweet from citizen engagement platform MyGov.
  Source-Mint Report

- **Income Tax Alert! Top 5 investments solutions that save money for you during ITR filing**
  There are some other angles too, that an income taxpayer must look at. And that is an investment. There are various sections of the Income Tax Act 1961 that provide income tax exemption to the income tax-payer, allowing him to save his money.
  Read this report from ZeeBiz

Updates related to Announcement by ICAI

- Online Applications are invited from Chartered Accountant firms/LLPs who desire to be empanelled with the office of the Comptroller and Auditor General of India for the year 2020-2021 for the purpose of appointment of auditors of Companies as per Sections 139 (5) and 139(7) of the Companies Act 2013 and of Statutory Corporations/Autonomous Bodies as per the provisions of their respective Acts.
  Read this ICAI announcement for more details

❖ Peer Review Board is organising National Conference 2019 on the Theme "The Power of You" on 28th & 29th December, 2019 at JSS Academy of Technical Education (Auditorium) C-20/1, Sector 62, Noida-201301, 12 CPE hours will be granted.
Read this ICAI announcement for more details

Updates related to Announcement by ICSI

❖ **ICSI reached to government with a request for Relaxation of additional fees for filing of various e-forms given below under the Companies Act, 2013.**
- For filling of Annual return in e-form MGT-7
- Statement of transfer of amount in e-form IEPFA-1A
- Return in respect of declaration under section 90 in e-form BEN-2

Representation letter here

The Insolvency and Bankruptcy Law.

- **Legal updates- NCLAT | Court**

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	[2019] 112 taxmann.com 224 Milestone Trusteeship Services (P.) Ltd. v. Shriram Land Development (P.) Ltd. IBA NO. 863 OF 2019 SEPTEMBER 20, 2019	NCLT- Chennai	Where issuer of debentures failed to redeem debentures and repay financial creditor, and corporate debtor who stood as guarantor also defaulted in repayment of amount to financial creditor, CIRP application against corporate debtor was to be admitted.

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

❖ **How path-breaking verdicts, crucial amendments shaped insolvency laws in 2019**
The IBC Amendment Bill 2019 expanded the ambit of the insolvency law by including provisions on interim finance, setting of threshold limit on application by homebuyers and providing immunity to corporate debtor post successful resolution plan. Business Today Report

Listing/Market by SEBI

- **SEBI informs about Measures to strengthen the conduct of Investment Advisers (IA)**

  Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (IA Regulations) provides for code of conduct to be followed by IAs. In order to further strengthen the conduct of IAs, while providing investment advice and to protect the interest of investors seeking their advice, the IAs shall comply with the measures given in this Dec 27, 2019 | Circular No.: SEBI/HO/IMD/DF1/CIR/P/2019/169

Updates related to Money Market/Banks by RBI

- **Reporting of Large Exposures to Central Repository of Information on Large Credits (CRILC) – UCBs**

  RBI decided that Primary (Urban) Co-operative Banks (UCBs) having total assets of ₹500 crores and above as on 31st March of the previous financial year shall report credit information, including classification of an account as Special Mention Account (SMA), on all borrowers having aggregate exposures of ₹5 crores and above with them to Central Repository of Information on Large Credits (CRILC) maintained by the Reserve Bank. Aggregate exposure shall include all fund-based and non-fund based exposure, including investment exposure on the borrower.

  Read this release

Updates related to Latest developments in Economy & Finance world

- **Three Technology Development Projects Inaugurated. 8 Centres of Excellence for Technology Development Established by DHI Scheme for Enhancement of Competitiveness in Capital Goods Sector to be Scaled up.**

  Secretary, Department of Heavy Industry (DHI), Dr. A.R. Sihag inaugurated three Technology Development Projects at IISc Bangalore and Central Manufacturing Technology Institute (CMTI) Bengaluru recently. He also inaugurated two Technology Development Projects at PSG College of Technology and Scientific and Industrial Testing and Research Centre(SiTARC), Coimbatore respectively**.**

  Read this MOCI Release

- **Confidence among bankers to disburse loans missing: HDFC's Renu Sud Karnad**
  Demonetisation, RERA, and GST did cause some uncertainty and people stopped buying homes, as they didn't see homes being delivered, says managing director of HDFC Renu Sud Karnad.
  Business Standard Report

- **Slowdown, credit squeeze to increase NPA, but banks more resilient now: RBI**
  After witnessing a fall in the gross non-performing assets (NPAs) ratio in March 2019 — the first time in seven years — Indian banks' GNPA ratio is set to rise again, as a slowing economy and shrinking credit make the share of bad debt in the loan book larger, according to the half-yearly Financial Stability Report (FSR), released by the Reserve Bank of India (RBI) on Friday.
  Read this report from Business Standard

- **Housing prices in cities continue to moderate, says RBI report**
  The annual growth in all-India housing price index (HPI) continued to moderate and stood at 2.8 per cent in the second quarter of 2019-20 (Q2FY20) as against 3.4 per cent in the previous quarter and 5.7 per cent a year ago. The index is based on transaction-level data received from housing registration authorities in 10 major cities — Ahmedabad, Bengaluru, Chennai, Delhi, Jaipur, Kanpur, Kochi, Kolkata, Lucknow and Mumbai. "Barring Mumbai and Delhi, all other cities recorded an increase in HPI on an annual basis," the central bank said in a statement.
  Read this report from Business Standard

Knowledge shared= Knowledge^2

About Scribbler

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