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THE DAILY LIFELINE

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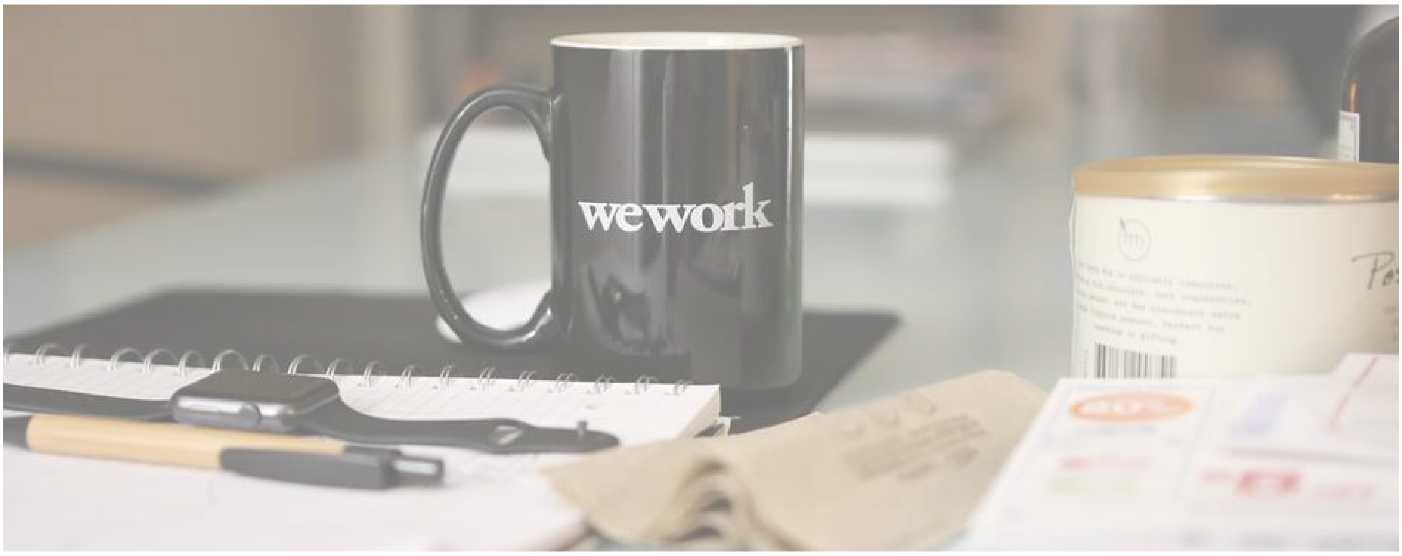

WHAT'S NEW IN PROFESSIONAL/ BUSINESS WORLD TODAY:

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

- **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
1	[2020] 113 taxmann.com 24 Sanghvi Movers Ltd., In re TN/AAAR/08/2019 (AR) AND A.R. APPEAL NO. 6/2019/AAAR NOVEMBER 13, 2019	Appellate Authority For Advance Ruling, Tamilnadu	Branch office entitled to avail full ITC of tax paid by H.O. where payments are netted off against receivables.
2	[2019] 113 taxmann.com 25 Specsmakers Opticians (P.) Ltd., In re TN/AAAR/09/2019 (AR) AND A.R. APPEAL NO. 7/2019/AAAR NOVEMBER 13, 2019	Authority For Advance Ruling, Tamilnadu	Value of goods for supply by H.O. to branch office shall be 'open market value' where branch is eligible for full ITC.
3	[2020] 113 taxmann.com 55 CMC Vellore Association, In re ORDER NO. 50/AAR/2019 NOVEMBER 25, 2019	Authority For Advance Ruling, Tamilnadu	Medicines, drugs, stents, consumables and implants used in course of providing health care services to in-patients admitted to hospital for diagnosis, or medical treatment or procedures is a composite supply
4	[2020] 113 taxmann.com 56 Sree Varalakshmi Mahaal LLP, In re ORDER NO. 51/ARA/2019 NOVEMBER 25, 2019	Authority For Advance Ruling, Tamilnadu	No ITC available for goods/services received by applicant for construction of Marriage Hall on his own account

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

  - **GST fraud | CBIC asks DGFT to tighten process after star exporter pays Rs 1,650 tax seeks Rs 3.9cr refund**
    CBIC has asked the Directorate General of Foreign Trade to make the accreditation system for star exporters more robust to curb tax fraud. "Since an exporter enjoying 'star' status is allowed many facilities, including reduced customs inspections, it makes for a strong case for DGFT to continuously (or annually) seek a compliance and verification report from other regulators or obligate the exporters to produce statutory records of compliance, including certifications from the banks of No NPAs," the CBIC said in a letter to the DGFT earlier this month.
    [Money control Report]

Updates related to Income Tax by CBDT

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

  - **The CBDT notified Form ITR-1 and ITR-4 for the Assessment Year 2020-21, first time government notified the ITR forms before the relevant assessment year begins. Corresponding return filing utility yet to be notified.**
    [CBDT Notification No. G.S.R. 9(E) dated 3rd January, 2020 effective from 1st day of April, 2020- Income-tax (1st Amendment) Rules, 2020]

- **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 354 Mahesh Software Systems (P.) Ltd. Vs ACIT, Circle-11(2), Pune	Pune Tribunal	In terms of Rule 37BA(3)(i) benefit of TDS is to be given for AY for which corresponding income is assessable, therefore, where assessee raised invoice on 'A' in March 2011, benefit of TDS had to be allowed in AY 2011-12 even though tax on invoice amount was deposited by 'A' in April 2011

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

  - **Income tax department issues new 2020 calendar for taxpayers with all deadlines.**
    The income tax department has issued a new calendar for the year 2020 having a list of all the important tax-related deadlines. Designed as the "File-it-yourself" calendar to help taxpayers file their income tax returns easily, the e-calendar maps your ITR filing journey. "Here is a calendar with important dates for you so that you don't have to miss a thing. We hope that this will make your filing journey easier," the income tax department said in an email sent out to taxpayers.
    Click here to download the calendar

Corporate Laws by MCA

- **Government notified the Companies (Appointment and Remuneration Personnel) Amendment Rules, 2020 vide notification dated 03.01.2020 which shall be applicable in respect of financial years commencing on or after 1st April, 2020**

  - **Existing rule 8A substituted by new rule 8A**
    Every private company which has a paid up share capital of 10 crore rupees or more shall have a whole -time company secretary.

  - **Section 204(1) of Companies Act, 2013 mandate for Every listed company and prescribed class of a company under Rule 9, to file secretarial audit report, given by a company secretary in practice, with board report.**
    New clause (c) inserted with sub-rule (1) of Rule 9 to add below class of companies to obtain secretarial audit report.
    Every company having outstanding loans or borrowings from banks or public financial institutions of 100 crore rupees or more.

  - **Below explanation is added-**
    For the purposes of this sub-rule, it is hereby clarified that the paid up share capital, turnover, or outstanding loans or borrowings as the case may be, existing on the last date of latest audited financial statement shall be taken into account.

- **Notification/Circular/Press release/FAQs by IBBI or Government**

❖ **Notification - regarding look after arrangement for office of President NCLT**

Consequent on the completion of the term of Office of Justice Shri M.M Kumar as President, National Company Law Tribunal (NCLT) on 04.01.2020, Shri Bethala Shantha Vijaya Prakash Kumar, Member (Judicial), the senior most Member in NCLT, shall act as President, NCLT in terms of Section 415 of the Companies Act, 2013 (18 of 2013) for a period of three months with effect from 05.01.2020 or until a regular President is appointed or until further orders, whichever is earliest.

Check this MCA notification no. S.O. 72(E) dated 03.01.2020

❖ **IBBI amends IBBI (Liquidation Process) Regulations, 2016 by notifying IBBI (Liquidation Process) (Amendment) Regulations, 2020.**

1. The amendment clarifies that a person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of CD, shall not be a party in any manner to a compromise or arrangement of CD u/s 230 of the Companies Act, 2013. It also clarifies that a secured creditor cannot sell or transfer an asset which is subject to security interest, to any person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of CD.

2. The amendment provides that a secured creditor, who proceeds to realise its security interest, shall contribute its share of the IRP cost, liquidation process cost and workmen's dues, within 90 days of the liquidation commencement date. It shall also pay excess of realised value of the asset, which is subject to security interest, over the amount of its claims admitted, within 180 days of the liquidation commencement date. Where the secured creditor fails to pay such amounts to the Liquidator within 90 days or 180 days, as the case may be, the asset shall become part of Liquidation Estate.

3. The amendment provides that a Liquidator shall deposit the amount of unclaimed dividends, if any, and undistributed proceeds, if any, in a liquidation process along with any income earned thereon into the Corporate Liquidation Account before he submits an application for dissolution of the corporate debtor. It also provides a process for a stakeholder to seek withdrawal from the Corporate Liquidation Account.

Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2020- IBBI/2019-20/GN/REG053 dated 06.01.2020

- **Legal updates- NCLAT | Court**

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	[2019] 112 taxmann.com Ruby Kumari v. Krishna Assets Developers (P.) Ltd. COMPANY PETITION (IB) NO. 626 (PB) 2019 SEPTEMBER 24, 2019	NCLT Delhi	Home buyers, who purchased residential flat is a financial creditor and can initiate CIRP against defaulting builder who had defaulted to refund booking amount on its failure to give possession of flat on time
2	[2019] 112 taxmann.com 350 Sobodh Kumar Agrawal v. EIH Ltd. COMPANY APPEAL (AT) (INSOLVENCY) NO. 1122 OF 2019 OCTOBER 24, 2019	NCL-AT Delhi	Claim against corporate debtor and counter claim by corporate debtor in same proceeding could not be decided by Arbitral Tribunal during moratorium

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

  - **Plea in SC Challenges Provisions of IBC Ordinance 2019 Imposing Conditions On Homebuyers' Right.**
    A writ petition has been filed in Supreme Court Challenging Section 3 of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 (Ordinance). The said provision, which adds certain provisos to Section 7 of the Insolvency and Bankruptcy Code (IBC) and purports to set out new conditions for real estate allottees to approach the NCLT, is alleged to be ultra vires the Constitution of India and in violation of Articles 14 and 21.
    Live-law report

  - **Include MSME dues under IBC in CIRP costs: FISME to finance Minister**
    TOI Report

- **IBC has rescued businessmen from deeper perils, provided them an exit avenue: PM Modi**
  Govt focus has been on giving businesses a transparent work environment, says PM. The Insolvency and Bankruptcy Code (IBC) has rescued businessmen from deeper perils by providing an exit avenue, said Prime Minister Narendra Modi.
  Business Line Report

Updates related to Latest developments in Economy & Finance world

- **Action against corrupt shouldn't be seen as crackdown on India Inc.: PM Modi**
  During his meeting with India Inc bigwigs during the day, the PM focused on issues facing the industry and measures needed to boost the economy. Speaking at the centenary celebrations of Kirloskar Brothers in the evening, he encouraged businesses to invest without fear, stressing that action against a few corrupt entities should not be seen as government crackdown on the corporate sector. The government will walk shoulder to shoulder with the industry, he added, in a bid to revive the animal spirit.
  Business Standard Report

- **Fraction of exporters may have misused GST refund facility, says FIEO**
  The Federation of Indian Export Organisations (FIEO) on Monday said all traders should not be looked from same prism for GST fraud cases as there could be a fraction who might have misused the facility. FIEO President Sharad Kumar Saraf said that it is unfortunate that exporters have been singled out for GST frauds.
  Business Standard Report

- **RBI's relaxation for banks to lend Rs 3.5 trillion extra set to end**
  The Reserve Bank of India (RBI) may not extend the relaxation given last year to banks to comply with its capital conservation buffer (CCB) norm of 2.5 per cent by the end of 2019-20 (FY20). The Centre has to take this aspect into account when it pencils in the recapitalisation amount for state-run banks for FY21. The amount was about Rs 70,000 crore in FY20.
  BS Report

- **RBI allows banks to offer foreign exchange quotes to users at all times**
  The Reserve Bank of India (RBI) on Monday allowed banks to offer foreign exchange quotes to users at all times, out of their Indian books, either by a domestic sales team or through their overseas branches. BS Report

- **RBI buys and sells bonds worth Rs 10,000 crores in third open market operation**

  The Reserve Bank of India (RBI) on Monday conducted its third special open market operation (OMO) where it sold medium-to-longer tenure bonds and bought bonds maturing in this year to correct the yield spread. The cut-off yield for the de-facto 10-year bond (9-year now) came at 6.54 per cent, three basis points lower than the market close on the paper. The central bank bought three papers maturing between 2024 and 2029. The total amount offered by the participants were Rs 64,505 crore for a purchase plan of Rs 10,000 crore.

  Business Standard Report

- **Govt may cut back on spending by Rs 2-trn as it faces revenue shortfall**

  India's government is likely to cut spending for the current financial year by as much as Rs 2 trillion Indian as it faces one of the biggest tax shortfalls in recent years, three government sources said. Asia's third largest economy, which is growing at its slowest pace in over six years because of lack of private investment, could be hurt further if the government cuts spending. But with a revenue shortfall of about Rs 2.5 trillion, the government has little choice to keep its deficit within "acceptable limits", the first official, who did not want to be named, told Reuters. The government has spent about 65 per cent of the total expenditure target of Rs 27.86 trillion till November but reduced the pace of spending in October and November, according to government data. A Rs 2 trillion reduction would be about a 7% cut in total spending planned for the year.

  Report from Business Standard

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Knowledge shared= Knowledge^2

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About Scribbler

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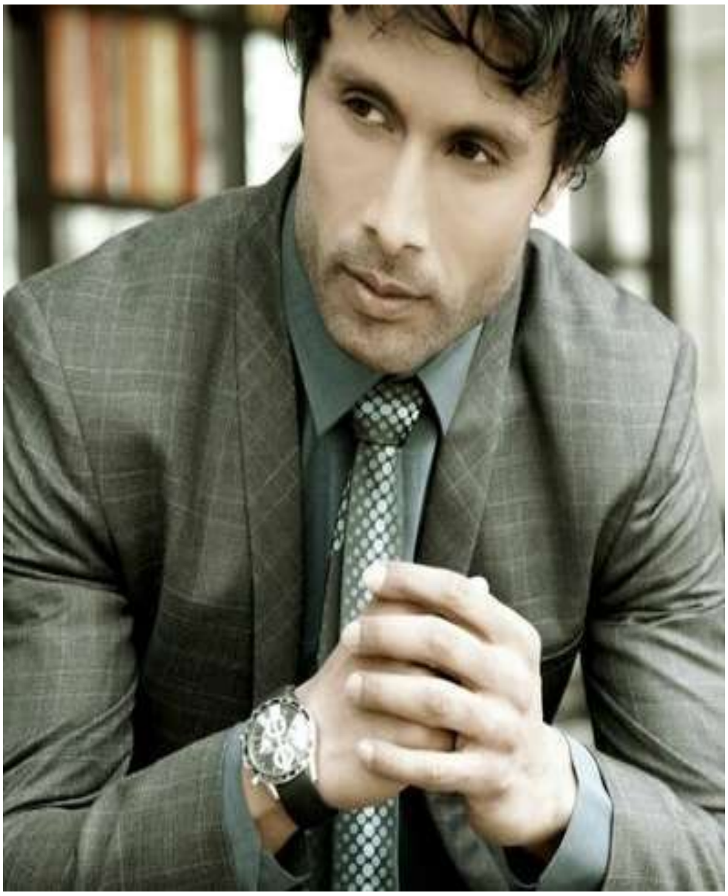

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