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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**

  - **CBIC issues its Weekly GST Update dated 04.01.2020**

    It covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 28.12.2019. It supplements the earlier GST Updates. It is based on CGST Act/Rules/ Notifications, except the provisions related solely to SGST provisions. It advises similar parallel provisions in State Laws may be referred to as required.

    It covers- (Developments between 28.12.2019 and 04.01.2020)

    - Three Central Tax notifications
    - Three Central Tax (Rate) Notifications
    - One CBIC Central Tax Circular issued
    - One PIB Press release on revenue collections issued

    Download your copy here

  - **CBIC's e-flyer on new GST Returns**

    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 360 Sudhir Kumar Aggarwal v. Directorate General of GST Intelligence W.P. (CRL) NO. 2686 OF 2019 NOVEMBER 6, 2019	Delhi High Court	Order	Where assessee filed petition seeking presence of lawyer at time of questioning or examination by GST Authorities, presence of lawyer could not be allowed to assessee.

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/ Judgement	Summary
2	[2020] 113 taxmann.com 99 Macro Media Digital Imaging (P.) Ltd., In re APPEAL CASE NO. 12/WBAAAR/APPEAL/2019 DECEMBER 17, 2019	Appellate Authority for Advance Ruling, West Bengal	AR	Where appellant is doing job of printing of content provided by customer on polyvinyl chloride banners and supplying such printed trade advertisement material, supplies by appellant would constitute supply of services falling under Heading 9989 of scheme of classification of services.

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

❖ **Nine-point plan firmed up to plug GST revenue leaks**

The action plan was finalised after a meeting of state and central GST chief commissioners on Tuesday chaired by revenue secretary Ajay Bhushan Pandey. "The committee of Centre and state officers will come out with a detailed standard operating procedure within a week, which may be implemented across the country by January-end," said a GST Council Secretariat statement. ET Report

- **Central government, states to get tough on GST refund claims**

  Central and state government officials on Tuesday decided to scrutinize goods and services tax (GST) refund claims more diligently, compulsorily investigate all fake claims and step up coordination between income-tax and GST authorities. The move to tighten enforcement measures comes amid the continued shortfall in GST revenue collections. The decision to deal with fake tax refund claims by businesses and traders with no leniency was taken at a meeting of central and state officials in the capital.

  Mint Report

- **GST will be 'simplified' further: FM Sitharaman tells traders**

  Sitharaman said the govt has constituted a panel, under chairmanship of the revenue secretary, which is working day and night to explore the ways to simplify GST. The govt is seized of the problems being faced by traders in the taxation system and it would do its utmost for providing maximum relief.

  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 382 PCIT (Central), Ludhiana v. Kulwinder Singh IT APPEAL NO. 101 OF 2017 (O&M) MARCH 28, 2019	Punjab & Haryana High Court	Where land purchased by assessee was different from that mentioned in seized document and department could not prove understatement of sale consideration, addition made under section 69B on account of undisclosed investment in respect of purchase of land was not justified

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

❖ **Simple ITR-1 income tax return form not for those paying ₹1 lakh in electricity bill, owning house jointly**

According to the notification, two major changes in the ITR forms have been effected. First, an individual taxpayer cannot file return either in ITR-1 or ITR4 if he is a joint-owner in house property. Secondly, ITR-1 form is not valid for those individuals who have deposited more than ₹1 crore in bank account or have incurred ₹2 lakh or ₹1 lakh on foreign travel or electricity respectively, it said. Such taxpayers will have to use different forms, which will be notified in due course. An individual who "owns a house property in joint ownership with two or more persons" is required to furnish a return of income, the notification said.
Mint Report

Updates related to Announcement by ICAI

❖ **Results of the Chartered Accountants Final Examination (Old course & New Course) held in November 2019 are likely to be declared on Thursday, the 16th January, 2020 (evening) / Friday, the 17th January 2020**
Detailed announcement here

Corporate Laws by MCA

❖ **MCA's Notice for striking off LLPs under section 75 of LLP Act, 2008 and Rule 37(2) of Limited Liability Partnership Rules, 2009.**
Download here to check the list

The Insolvency and Bankruptcy Law.

- **Legal updates- NCLAT | Court**

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	2019] 112 taxmann.com 384 Mrs. Neetu Sinha v. Cosmos Infraestate (P.) Ltd	NCLT, Allahabad Bench	Where default occurred in August, 2013 when corporate debtor cancelled flat booking of applicant and denied to refund booking amount, CIRP petition filed in 2019 was grossly time barred

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

- **Karvy clients challenge IBC amendment on individual creditors**

  Clients of Karvy Private Wealth who saw defaults on their loans to builders introduced by Karvy have challenged recent amendments to the Insolvency and Bankruptcy Code (IBC), introduced by an Ordinance passed on 28th December. The IBC amendments have imposed requirements of at least 100 creditors or 10% of a class of creditors in order for a petition to be filed. According to the Karvy clients, this has placed unreasonable requirements on individual financial creditors. A petition challenging the amendments was filed by the Association of Karvy Investors, a body representing various clients of Karvy Private Wealth on 7th January in the Supreme Court. Mint has seen a copy of the petition. "Individual investors of a Company are not necessarily localised and are spread out across the Country. Further-more the contact details of the investors of the Company are not available publicly. Most of such investments are made through an intermediary, which itself is hand in gloves with the defaulting Corporate Debtor," the petition points out.

  Mint Report

- **Homebuyers move SC against the IBC amendment introducing minimum threshold**

  Group of homebuyers have filed multiple writ petition with the Supreme Court challenging the recent amendment brought in by the government in the Indian Bankruptcy Code (IBC) which has put a minimum threshold on the number of home buyers that can approach the National Company Law Tribunal (NCLT) in order to start the liquidation process against the defaulting developer. Government brought in an amendment under IBC in mid-December to introduce a minimum threshold of 100 or 10 per cent home buyers whichever is lower required to take a defaulting developer to the NCLT for starting the liquidation process. The government later came out with an ordinance to clear this amendment.

  Mint Report

- **Bankruptcy board notifies IBC amendments; here are the new norms for creditors, liquidators**

  The Union Cabinet, chaired by Prime Minister Narendra Modi, in December had agreed to promulgate an ordinance for further amend the Insolvency and Bankruptcy Code.

  Business Today Report

Updates related to Latest developments in Economy & Finance world

- **Surat Commissionerate has unearthed a case of fraudulent claim of IGST refunds on exports amounting to Rs. 657 Cr**

  Acting on intelligence regarding claim of fraudulent IGST refunds on exports by M/s Gita Fabrics, Surat, as received from Chief Commissioner's Office, Vadodara, Central GST & Central Excise, Surat Commissionerate has unearthed a case of fraudulent claim of IGST refunds on exports made by Surat-based 19 firms including M/s Gita Fabrics, M/s Monika Impex, M/s Radhika Exports and others. Preliminary investigation reveals that these firms received only invoices totally valued at Rs. 679 crores from other non-existing firms / fake firms without receipt of goods, and thereby, availed fraudulent Input Tax Credit (ITC) to the tune of Rs. 55 crores.

  Source- A2Z Taxcorp LLP mailer

- **Govt approves Ordinance to amend law to ease rules for coal mines auctions**

  The government on Wednesday approved an Ordinance to amend a law in order to ease rules for auctioning of coal mines and opening it for steel and power sectors. The decision taken by the Cabinet Chaired by Prime Minister Narendra Modi will also do away with end-use restrictions of the mining blocks, Coal Minister Pralhad Joshi said. "The Cabinet has approved promulgation of Mineral Laws (Amendment) Ordinance 2020," the minister said, addressing media after the Cabinet meeting. The Ordinance will ease rules for auctioning coal mines to open up to all sectors. The Ordinance to allow auction of 46 iron ore and other mines before March 31, 2020.

  Business Standard Report

- **Govt's mega plan to boost exports: Credit at lower rate for small biz soon**

  The Union government is working on measures to arrest declining exports. For that, it plans to come up with an export financing scheme in the next couple of weeks, to offer lower interest rates in rupee and dollar terms as well as reduced premium cost for small businesses. Under the Nirvik (Niryat Rin Vikas Yojana) scheme, the interest rates will likely fall to 3.15 per cent for export credit in dollar terms and 7.35 per cent in rupee terms, according to the proposal moved to the Cabinet. Currently, the interest rates are pegged at 3 to 6 per cent for credit in foreign currency and around 10 per cent in rupee terms.

  Business Standard Report

❖ **Banks will see good recoveries from NPAs in Q3, Q4, says SBI Chairman**

The banking sector is going to see good recoveries from non-performing assets in the third and fourth quarters of the current fiscal, helped by resolution of some large stressed accounts, SBI Chairman Rajnish Kumar said. The time taken for resolution of bad loans is also likely to reduce going ahead with stronger resolution mechanism, he said. “These two quarters (Q3 and Q4) will be very good quarters. The recoveries will be at peak because large assets would have been resolved by March or latest by June," Kumar said at a credit conclave organised by Edelweiss.

Business Standard Report

❖ **Recoveries from stressed assets will be much better in H2FY20: SBI Chairman**

State Bank of India today said recoveries from stressed assets are expected to be much better in the second half of current financial year on the back of resolution in big ticket cases. The third and fourth quarters of current financial year will be good (for recovery) and many assets will be resolved in quarter ending March and June, SBI chairman Rajnish Kumar said in an Interaction at Credit Conclave organised by Edelweiss group.

Business Standard Report

Knowledge shared= Knowledge^2

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About Scribbler

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Page

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