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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**

  - **CBIC organise Webinar on E-Way Bill: Blocking/ Unblocking for Taxpayers in Tamil will be held on January 23, 2020 at 11:30 PM.**
    To Register Please Click here

  - **CBIC issues FAQs and User's Manual on New Returns Sahaj and Sugam Dashboard**
    - ✓ For FAQs, click here
    - ✓ For User's manual, click 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
1	[2020] 113 taxmann.com 367 Enprocon Enterprise Ltd. v. Assistant Commissioner of State Tax CIVIL APPLICATION NO. 14129 OF 2019 JANUARY 8, 2020	Gujrat High Court	Where search and seizure was undertaken by the authorities and proceedings under section 73 have been initiated against the writ applicant engaged in the business of laying of pipelines, works contract, etc., and later, an order of provisional attachment of the immovable property came to be passed by the Assistant Commissioner of State Tax in exercise of powers under section 83, since Commissioner ought not to have delegated his powers of provisional attachment under section 83 to the Assistant Commissioner, order of provisional attachment is not sustainable particularly when the order has been passed by the Assistant Commissioner and the order has been passed without any credible materials, available for the purpose of passing such order of provisional attachment.

Updates related to Income Tax by CBDT

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

❖ **Govt mulls mediation to solve tax issues with companies.**

The government may adopt a mediation mechanism that will help companies determine their future tax liabilities and even settle disputes, said a person familiar with the development. The concept, which is widely prevalent overseas, is being discussed amid preparations for the February 1 budget, the person said. Mediation will allow taxpayers to get a fix on how much they need to pay and avoid disputes. "This will bring down litigation substantially," the person said.

ET Report

❖ **Will Govt revamp income tax slabs to give more cash in hand?**

Surjeet Singh, a camera retailer in Old Delhi, is a worried man. Sales have been low for several months, with fewer customers going for an upgrade of equipment or accessories. The slump, he says, has forced him to defer plans to add more brands. "There is no cash in the hands of people. Very few of my customers are investing in new equipment for want of new projects," he says. Singh is among several shopkeepers who feel the pinch of a sharp economic slowdown, which has impacted the purchasing power of people.

Mint Report

❖ **Income tax dept warns taxpayers of phishing mails; lists out genuine senders**

The income tax department periodically issues warnings to taxpayers about ways to safeguard themselves against frauds. On Thursday, it sent an email to taxpayers informing them about the genuine sources (email, SMS, and websites) from which they will receive any sort of official communication. This information is also there on the homepage of the income tax department's website.

ET Report

Corporate Laws by MCA

- **MCA's very important Message for stakeholders**
    1. As part of Government of India's Ease of Doing Business(EODB) initiatives, MCA would be shortly notifying & deploying a new Web Form christened 'SPICe+' (pronounced 'SPICe Plus') replacing the existing SPICe form.
    2. SPICe+ would be an integrated Web form offering multiple services viz. name reservation, incorporation, DIN allotment, mandatory issue of PAN, TAN, EPFO, ESIC, Profession Tax (Maharashtra) and Opening of Bank Account. It will also facilitate allotment of GSTIN wherever so applied for by the Stakeholders. After deployment of SPICe+ web form, RUN shall be applicable only for change of name of existing companies.
    3. Upon notification & deployment, all new name reservations for new companies as well as new incorporations shall be applied through SPICe+ only.
    4. However, incorporation of companies for names reserved through the existing RUN service shall continue to be filed in the existing SPICe eform along with related linked forms as applicable and if marked under resubmission shall be resubmitted in SPICe eform.
    5. Resubmission of SPICe forms submitted prior to date of deployment of SPICe+ web form shall also be filed in the existing SPICe eform and related linked forms as applicable.
    6. Due to the proposed changes to the RUN web service (for companies), RESUBMISSION OPTION for name reservation SHALL NOT BE AVAILABLE from 1st Feb 2020 ONWARDS for approximately 15 days. Hence, after 01 Feb 2020, stakeholders are advised to EITHER AWAIT DEPLOYMENT OF SPICe+ AND THEN APPLY FOR NAMES through SPICe+ web form or perform due diligence while submitting any application in existing RUN web service for name reservation. RUN applications (for companies) filed w.e.f 1st February 2020 onwards shall either be approved or rejected based on checks performed by CRC officers. Stakeholders may kindly note and plan accordingly.

The Insolvency and Bankruptcy Law.

- **Notification/Circular/Press release/FAQs/Portal Update/Write-ups**

    - **Model Evaluation Matrix by Insolvency Professional Agency of Institute of Cost Accountants of India (IPA ICAI)**
      Download here

- **Legal updates- NCLAT | Court**

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	2020] 113 taxmann.com 190 Ice TV (P.) Ltd. v. Sreedevi Digital Systems (P.) Ltd. CP (IB) NOS. 12/9/AMR/2019 AND 273/9/HDB/2018 OCTOBER 4, 2019	National Company Law Tribunal, Hyderabad Bench	Where corporate debtor defaulted in payment of dues towards supply of Digital Set Top Boxes by operational creditor and no dispute was raised within statutory period of 10 days from date of issuance of demand notice, CIRP petition was to be admitted.
2	[2020] 113 taxmann.com 421 (SC) Maharashtra Seamless Ltd. v. Padmanabhan Venkatesh CIVIL APPEAL NOS. 4242, 4967,4968 OF 2019 JANUARY 22, 2020	Supreme Court of India	Whether where Adjudicating Authority had primarily relied on section 31 in approving resolution plan and there was no breach of any provisions, and successful resolution applicant wanted to run the company and infuse more funds, Appellate Authority ought not to have interfered with order of Adjudicating Authority in directing successful Resolution Applicant to enhance their fund inflow upfront. Accordingly order of NCLAT is set aside and that of Adjudicating Authority is affirmed.
3	[2020] 113 taxmann.com 191 Pashupati Jewellers v. Marigold Overseas Ltd. COMPANY PETITION (IB) NO. 1458/PB/2019 SEPTEMBER 20, 2019	National Company Law Tribunal, New Delhi (Special Bench)	Financial creditor can claim its due from guarantor on default of principal borrower in repayment of loan.

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

❖ **An IBC roadmap for firms such as DHFL**

A finance company includes a large number of retail depositors. Secured and unsecured creditors should be treated at par. DHFL has been admitted as the first IBC (Insolvency and Bankruptcy Code) case from the financial sector. This is a new case in every sense. It would create precedence in financial sector insolvency cases. Judgments in past cases (non-financial), however, may not be readily applicable in this case. The nature of industry is different. Trust and confidence of customers and other counter-parties, and positive public perception, are essential for survival of finance companies.
Business Line Report

❖ **IBC: Uttam Galva Steels Challenges Deutsche Bank's Move to Initiate Insolvency**

Deutsche Bank AG has moved an insolvency application against Uttam Galva Steels Ltd. at the National Company Law Tribunal to recover dues against the foreign currency-denominated loans its Singapore branch extended.
Bloomberg Report

❖ **A Nascent Code - IBC, has grown steadily and positively in 2019**

India has improved its ranking on the World Bank's "Ease of Doing Business" 2020 report. As per the report, India has moved up 14 positions to 63rd position as compared to 77th position in 2018. In the Resolving Insolvency Index, India's ranking jumped 56 places to 52 in 2019 from 108 in 2018. Recovery rate increased from 26.5% in 2018 to 71.6% in 2019 and time taken in recovery improved from 4.3 years in 2018 to 1.6 years in 2019. India is also amongst the top 10 improvers. India's positive leap in the Ease of Doing Business ranking is attributable to continuous, conscious and collective efforts of the legislature, Ministry of Corporate Affairs, as well as the judiciary. The Insolvency and Bankruptcy Code, 2016 (the "Code") has played a pivotal role in the aforesaid improvements in India's overall rankings. The Code has attracted the NPA-laden Indian Banks, entrepreneurs (Indian and International), and professionals like CAs CS and lawyers alike. However, it was inevitably hit by challenges and complexities in its interpretation and implementation like any other law in its nascent stage. But with number of trend setting decisions delivered by the judiciary coupled with timely effective amendments to the Code, many of IBC's teething issues have been eliminated. This report discusses here some of the key developments vis-à-vis IBC in 2019.
India Info-line Report

- **Explained: Why lenders prefer IBC over SARFAESI Act for recovery of dues.**
  The changes in the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act that give primacy to secured creditors will come into effect shortly. But guided by past experience, lenders are more inclined to use the Insolvency and Bankruptcy Code (IBC) for recovery of dues. "I don't see an improvement in cases, where the SARFAESI Act has been invoked. The waterfall mechanism has brought in clarity, but unless we have value in the asset to be unlocked, there is little banks can do," said Ashok Kumar Pradhan, managing director and chief executive officer, United Bank of India (UBI). Business Standard Report

Listing/Market by SEBI

- SEBI Chairman's speech dated January 23, 2020 during the research conference on "Changing Landscape of Securities Market" jointly organized by SEBI and NISM, at the NISM Patalganga Campus.
  Read it here

Updates related to Money Market/Banks by RBI

- **RBI issues Revised Guidelines for Merchanting Trade Transactions (MTT)**
  In suppression of Circular A.P. (DIR Series) No.115 dated March 28, 2014 ibid containing directions relating to merchanting trade transactions, issues revised guidelines to further facilitate merchanting trade transactions.
  Read this A.P. (DIR Series) Circular No.20 dated January 23, 2020

Updates related to Latest developments in Economy & Finance world

- **RBI raises investment limit for FPIs in government and corporate bonds**
  The Reserve Bank of India on Thursday raised the investment limit for FPIs in government and corporate bonds, a move that is likely to bring in more foreign funds in the country. According to the current norms, short-term investments by a foreign portfolio investor (FPI) should not exceed 20 per cent of the total investment of that FPI in either central government security (including treasury bills) or state development loans. Business Standard Report

SAVE WATER || SAVE UNIVERSE

Knowledge shared= Knowledge^2

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About Scribbler

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