

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
Insolvency Laws

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

- **New Direct Tax Code-Ministry of Finance**
- **Goods & Service Tax by CBIC**
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- **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 launches application for sharing information between Centre and State for targeted enforcement action against GST evasion. A big leap in intelligence sharing and cooperative federalism.

- ❖ **CBIC Introduces Machine Release of imported Goods**

Under the new dispensation, the Customs officer will be able to do all compliance verification such as examination of goods even before duties are paid, and once the importer pays the duty, the Customs System would automatically give the clearance or “Out of Charge” to the imported goods. The new initiative has been launched as a pilot at two ports, Chennai and Nhava Sheva from 06.02.2020 and will soon be rolled out to all ports across India, including the Inland Container Depots, Airports etc.

[Press Release 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 435 (Delhi) SRC Aviation (P.) Ltd. v. Union of India W.P. (C) NO. 12167 OF 2019 DECEMBER 17, 2019	Delhi High Court	Where assessee while filing Form GST TRAN-1 had committed some error inasmuch as it had claimed input tax credit of Rs. 64 lakhs instead of Rs. 78 lakhs, Competent Authority was directed to either open online portal so as to enable assessee to file rectified Form GST TRAN-1 electronically or to accept same manually with correction.

Sr.No.	Key to find the document	Court/ARA/AAAR	Description
2	[2020] 113 taxmann.com 509 Vedanta Ltd. v. Commissioner of Customs (Drawback) W.P. (MD) NO. 6209 OF 2019 OCTOBER 31, 2019	Madras High Court	Where assessee claimed for refund of additional IGST paid and Competent Authority was not in a position to refund same, as there was no provision for processing refund manually, said Authority was to be directed to refund additional IGST in terms of Circular No. 40/2018-Customs F. No. 450/119/2017-Cus-IV, dated 24-10-2018

▪ News/Latest Developments/Other updates

❖ Hacking GST database can now lead to 10-year imprisonment

Hacking into the government's India's goods and services tax (GST) database and its associated infrastructure dependencies installed at GST Network (GSTN) can now lead to 10-year imprisonment, as the assets have been declared as 'protected systems' by the finance ministry, under the IT Act. Protected systems are part of critical information infrastructure and their destruction can have a debilitating impact on national security, economy, public health or safety.

[ET Report](#)

❖ GSTR-9 & GSTR-9C filing due date extended till February 12 by Rajasthan HC

In a ruling that will have far reaching impact, the Rajasthan High Court has stepped in to address the grievances and extend the due date of filing GSTR-9 and GSTR-9C for taxpayers in the state. The Jodhpur bench of the Rajasthan High Court has directed the Revenue department to accept GSTR-9 and GSTR-9C till February 12, without late fees. The court further directed the department to file a detailed reply about their preparedness and GSTN capacity.

[ET Report](#)

- ❖ A Hyderabad-based Chartered Accountant (CA), the director of a private limited company, was arrested by Directorate General of GST Intelligence (DGGI) Thursday on charges of issuing fake invoices worth Rs 69 crore. He was remanded in judicial custody till February 19. Officers said leads suggest the beneficiaries of the ITC fraud include some leading infrastructure companies in the country, but refused to reveal anything further as investigations are in progress.

[Indian Express 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	[2020] 113 taxmann.com 453 Commissioner of Income-tax v. JRD Stock Brokers (P.) Ltd. IT APPEAL NO. 544 OF 2005 SEPTEMBER 12, 2018	Delhi High Court	Where assessee accepted that it was providing accommodation entries to various parties and for same it had opened a fictitious bank account in which amounts were deposited and later on transferred to an assessee's concern, merely because these amounts were included in total turnover would not ipso facto shut out an inquiry into credits, thus, addition of peak credit under section 68 was justified

▪ News/Latest Developments/Other updates

- ❖ **Income Tax Department conducts search on prominent persons in Film Industry in Tamil Nadu.**

Search in the case of 4 major players in the Film Industry including a Producer, a prominent Actor, his Distributor and Financier based in Tamil Nadu.

[Income Tax India Press Release](#)

- ❖ **Income tax dept launches e-calculator to compare due tax under new, old regime**

[Click here to visit the calculator](#)



Corporate Laws by MCA

- ❖ **MCA Notify National Company Law Tribunal (Amendment) Rules, 2020 effective from 03/02/2020.**

- In principal rules, new rule 80A inserted Application under section 230.
 - “An application under sub-section (12) of section 230 may be made in Form NCLT-1 and shall be accompanied with such documents as are mentioned in Annexure B.”
- Fees of Rs. 5000/- for application in cases of takeover offer of companies which are not listed. (New entry 22A in schedule of fees)
- Documents along with Application in cases of takeover offer of companies which are not listed, prescribed-
 1. Affidavit verifying then petition
 2. Memorandum of appearance with copy of the Board’s Resolution or the executed vakalatnama, as the case may be.
 3. Documents in support of the grievance against the takeover.
 4. Any other relevant document.”

[Gazetted Notification here](#)

- ❖ **MCA issue Companies (incorporation) Amendment Rules, 2020 vide notification dated 6th February, 2020 effective from 15th February, 2020**

- **Rule 9 substituted by new Rule 9 as below**

An application for reservation of name shall be made through the web service available at www.mca.gov.in by using web service SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32), and for change of name by using web service RUN (Reserve Unique Name) along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014, which may either be approved or rejected, as the case may be, by the Registrar, Central Registration Centre after allowing resubmission of such web form within fifteen days for rectification of the defects, if any, with effect from the 15th February, 2020.

- In the said rules, in rules 10, 12, sub-rule (I) of rule 19, sub-rules (1), (2), (3), (a), (7) and (9) of rule 38, for the words, letters, figures and brackets, "Form No INC-32 (SPICE), wherever they occur, the letters, brackets, words and figures spIcE+ (Simplified Proforma for Incorporating company Electronically Plus INC-32)" shall be substituted.
- Marginal heading of rule 32 changed from Electronically (sPICE) to "Electronically Plus (sPICE+)".
- In the said rules, in rule 38A, -
- In the marginal heading, for the words, brackets and letters "and Employees', provident Fund Organisation (EPFO) Registration", the words, brackets and letters “, Employees' Provident Fund organisation (EPFO) Registration and profession Tax Registration and Opening of Bank Account" shall be substituted;
- For the letters "AGILE", the letters "AGILE-PRO", shall be substituted;
- After clause (c), the following clauses shall be inserted, namely: -
 - © Profession Tax Registration with effect from the 1st February, 2020
 - (d) Opening of Bank Account
- For the forms “RUN, e-form No INC-32(SPICE), and e-form No, INC-35(AGILE)', new form spice+ substituted.

[MCA Notification here](#)



The Insolvency and Bankruptcy Law.

▪ Legal updates- NCLAT | Court

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	[2020] 113 taxmann.com 494 Asset Reconstruction Company (I) Ltd.(ARCIL) v. Koteswara Rao Karuchola Resolution Professional of Viceroy Hotels Ltd.	NCL-AT Delhi	After constitution of CoC, without its permission, Resolution Professional was not competent to entertain more applications to include one or other person as financial creditor.



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

❖ Loan Facility for Setting up of New Industry in MSME Sector

Union Minister for Micro, Small and Medium Enterprises and M/o RT&H, Shri Nitin Gadkari informed the Lok Sabha in a written reply that 5,87,416 employment opportunities were created by giving margin money subsidy of Rs. 2070 crore to 73,427 projects during the year 2018-19. The Ministry of MSME implements credit linked subsidy scheme namely Prime Minister's Employment Generation Programme (PMEGP) to promote self-employment opportunities through establishment of micro-enterprises in non-agriculture sector. He also added that Government of India also implements Pradhan Mantri MUDRA Yojana (PMMY) to provide collateral free loans up-to Rs 10 lakh.

[MoMSME Release here](#)



Updates related to Money Market/Banks by RBI

❖ The Reserve Bank of India has today released the data on External Commercial Borrowings (ECB), Foreign Currency Convertible Bonds (FCCB) and Rupee Denominated Bonds (RDB) both, through Automatic Route and Approval Route, for the month of December 2019.

[Here is notification](#)



Updates related to Latest developments in Economy & Finance world

❖ Insolvency process: MCA orders SFIO probe into Castex Technology affairs

The Ministry of Corporate Affairs (MCA) has ordered the Serious Fraud Investigation Office (SFIO) to look into the affairs of Castex Technology, a subsidiary of automotive component maker Amtek Auto, currently undergoing a corporate insolvency resolution process. A senior government official told Business Standard the investigation had been ordered on the basis of the findings of an audit report of Castex Technology during the resolution process. The details of the report could not be accessed. SFIO is in the process of constituting a team to start the probe into the matter.

[Business Standard Report](#)

- ❖ **Monetary policy review: RBI holds rates, keeps door open for cuts in future**
The Reserve Bank of India (RBI), in its sixth bi-monthly monetary policy of 2019-20 on Thursday, kept its policy rates and stance unchanged but adopted unconventional measures to lower banks' cost of funds so that they could reduce their lending rates further and boost retail advances to revive consumption demand. The six-member monetary policy committee (MPC) voted unanimously to keep the rates unchanged because the inflation outlook remained "highly uncertain."
[Business Standard Report](#)
- ❖ **SBI cuts MCLR for ninth straight month making auto, home loans cheaper**
India's largest lender State Bank of India (SBI) has decided to reduce its Marginal Cost of Funds based Lending Rate (MCLR) by five bps across all tenors. The one year MCLR comes down to 7.85 per cent per annum (p.a) from 7.90 per cent per annum with effect from 10th February 2020. This is the ninth consecutive cut in MCLR in FY 2019-20, SBI said in statement. This will lead to a reduction in home and auto loan rates.
[Business Standard Report](#)
- ❖ **Current architecture of GST is my brainchild, says PM Narendra Modi**
Prime Minister Narendra Modi on Thursday told Parliament that the current architecture of goods and services tax (GST), including greater weighting to manufacturing states, was his brainchild, which he had suggested as chief minister of Gujarat to then finance minister Pranab Mukherjee, but eventually Arun Jaitley, the finance minister during his government's previous term, included it into the law.
[Business Standard Report](#)
- ❖ **ArcelorMittal makes \$1.6 bn equity contribution for Essar Steel acquisition**
ArcelorMittal's equity contribution for the acquisition of Essar Steel India (now AM/NS India) is \$1.6 billion, the company said while announcing its 2019 financial results. Described as its biggest achievement in 2019, ArcelorMittal said that the acquisition of Essar formed a fifth steel pillar for it. However, in spite of its equity contribution towards the acquisition of Essar, Arcelor's net M&A spend in 2019 was offset by portfolio optimisation including the formation of the shipping joint venture.
[Business Standard Report](#)

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- ❖ **Fellow Member** of the Institute of Chartered Accountants of India.
- ❖ **Associate member** of Professional Accounting Body of Certified Practising Accountants (CPA), Australia.
- ❖ **Registered Valuer with IBBI-** Asset Class- Securities or Financial Assets
- ❖ **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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<http://www.pgaa.in>



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