

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 | CPA, 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**
- **Income Tax by CBDT**
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- **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

❖ Below is summary of total notifications, circulars and orders issued in GST till today i.e. 8th February, 2020.

Particulars	Notifications		Circulars	Orders	
	Non-Tariff	Tariff (Rate)		General	Special-Removal of Difficulty-RODs
Central Tax	239	106	131	18	15
State Tax	239	106	131	18	15
Union Territory tax	34	106	0	1	15
Integrated Tax	21	109	4	0	0
Compensation Cess	3	12	1	0	0
Total	297	439	267	37	45
GRAND TOTAL : 1085					

- Legal updates- Court/AAARA judgements/Advance Rulings

[AAARA- Appellate Authority for Advance Ruling | ARA- Advance Ruling Authority]

Sr.No.	Key to find document	Court/ARA/AAAR	Description
1	[2020] 114 taxmann.com 122 Pitambra Books (P.) Ltd. v. Union of India	Delhi High Court	Petitioner deprived of benefit of availing refund of unutilised ITC owing to restrictions imposed in para 8 of Circular 125/44/2013/GST, which inhibited refund claims for a period of two separate (not successive) financial years, it was held rigour of paragraph 8 of Circular No. 125/44/2019-GST, dated 18-11-2019 was to be stayed & respondent authorities to either open online portal so as to enable petitioner to file tax refund electronically, or to accept same manually

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

- ❖ **GST's 'inverted' logic on refunds**

Inverted duty refunds

Section 54(3)(ii) of the CGST Act read with Rule 89(5) of CGST Rules are the go-to Sections for refunds in case of an inverted duty structure. When it was introduced, Rule 89 stated that the refund amount would be on the basis of a proportionate formula of the turnover to the net input tax credit. 'Net ITC' was defined as input tax credit availed on inputs and input services during the relevant period. This rule was substituted through Notification No 21/2018 (CT dated April 18, 2018), the substitution removed the word input services.

[Business-Line Report](#)

- ❖ **CBI raids GST Office in Delhi after arresting Delhi Dy.CM Manish Sisodia's OSD, IAS officer also raided.**

The probe by the Central Bureau of Investigation in the alleged corruption in connection with GST is moving towards a direction where it appears that an organised racket was being operated by the officials of Delhi Government. During the questioning of Manish Sisodia's OSD, Gopal Krishna Madhav and middleman Dheeraj Gupta, the CBI gathered evidence that many other officials working with the GST (Goods and Services) department are involved in corruption, after which the CBI carried out raids at the GST office in national capital.

[India Today Report](#)

- ❖ **CBIC issued guidelines regarding electronic Sealing-Deposit in and removal of goods from Customs Bonded Warehouses.**

[Read here for more](#)

- ❖ **CBIC introduces yet another step towards #EODB. Automated clearance of goods to delink procedural verifications from duty payment and reduce clearance time further. Pilot launched at Chennai and Nhava Sheva.**



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 441 Trimex Fiscal Services (P.) Ltd. v. PCIT, Kolkata IT APPEAL NO. 892 (KOL.) OF 2018 NOVEMBER 20, 2019	Kolkata Tribunal	Action of Assessing Officer accepting assessee's computation of value of shares issued at premium could not be considered as erroneous or prejudicial to interest of revenue where Commissioner had neither conducted any enquiry on issue nor recorded finding that assessee's calculation was unsustainable in law

▪ News/Latest Developments/Other updates

❖ Union Budget: Widening and Deepening of Tax Base

In order to widen the TCS, the Finance Minister at Para 3.3 made the following observation in her budget 20 speech.

3.3 Widening the scope of TCS: It is proposed to provide for tax collection at source (TCS) on remittance under Liberalised Remittance Scheme of Reserve Bank of India exceeding seven lakh rupees in a year and on sale of overseas tour package. Further, TCS is also proposed on sale of goods in excess of fifty lakh rupee in a year by a seller whose turnover is more than 10 crore rupees.

It covers TCS on LRS remittances, sale of overseas tour packages and sale of goods in excess of Rs 50 lakhs.

Source: Taxmann

❖ Cash deposit during demonetisation – Feel the heat

All the assesseees who have deposited good amount of cash during the demonetisation, got notice u/s 143(2) for the assessment year 2017-18 and the assessments completed on or before 31st Dec 2019.

The assessments have been completed with the addition of such cash deposit as income u/s 68 or Sec 69A of the Income Tax Act. The tax rate applicable on such income u/s 115BBE is 60% and the income chargeable to tax under clause (i) of sub-section (1) of Section 115BBE of the Income Tax Act shall be increased by a surcharge of 25% of such income tax. Further, as per Sec 115BBE (2), no deduction in respect of any expenditure or allowance or set off of any loss shall be allowed to the assessee under any provisions of this Act.

[Source: Taxmann](#)

❖ **New income tax slab rate: You might not need a CA to file income tax return (ITR)**

Besides lowering tax outgo for several taxpayers, opting for the new income tax regime will have another advantage. The new personal income tax regime, with lower rates, is expected to be so simple that you will not require the help of a chartered accountant (CA) or any other professional from next year for filing of income tax return (ITR). Riddled with various exemptions and deductions, the Income Tax Act makes it tough for most taxpayers to file ITR without professional help.

[Mint Report](#)

❖ **Finance ministry makes a budget case for small investors**

No relook at dividend distribution tax, said the FM; new direct tax regime seen benefitting 80% of assesseees, DDT changes are conducive if you look at taxpayers whose applicable rate is below 15% or 20%.

[Mint Report](#)

❖ **70% of taxpayers will benefit from new income tax rates, slabs: Finance Ministry**

Fin-Min expects at least 80% of taxpayers to move to new personal income tax regime, says Revenue Secretary Ajay Bhushan Pandey. Pandey said the government did an analysis of 5.78 crore taxpayers before the budget and found that almost 70% of them would save on tax payouts under the new system.

[Mint Report](#)



Updates related to Announcement by ICAI

- ❖ Date for Payment of Membership/COP fee for the year 2019-20 is further extended to 29th February, 2020. Online fee payment facility is being open at SSP shortly.



Updates related to Announcement by ICSI

- ❖ **CSI Revamps Training Structure - Focus on Practical and Skill Based Training**
[Read this release](#)



The Insolvency and Bankruptcy Law.

- **Notification/Circular/Press release/FAQs/Portal Update/Write-up by CBIC**
- ❖ **IBBI invites applications for Engagement of Research Associates in Law/Economics/Public Policy/Business Management in the Insolvency and Bankruptcy Board of India on Contract Basis.**
[Read this notice](#)
- **Legal updates- NCLAT | Court**

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	[2020] 113 taxmann.com 485 Marmo Stone (P.) Ltd. v. Glow Softech (P.) Ltd. COMPANY PETITION (IB) NO. NO. 660 (ND) OF 2018 SEPTEMBER 20, 2019	NCLT Delhi	Where corporate debtor filed suit against its contractor on allegation of fraud in connivance with supplier of construction materials but no complaint was ever made or any proceedings initiated against operational creditor, pendency of said suit against contractor could not be treated as a pre-existing dispute in case of CIRP filed by operational creditor.

- **News/Latest Developments/Other updates**
- ❖ **Supreme Court allows an aggrieved creditor to revive IBC plea after a settlement between the corporate debtor and another financial creditor.**
The NCLT order for initiation of resolution proceedings was set aside by the NCLAT in light of the settlement leaving the appellant aggrieved.
[Bar and Bench Report](#)

- ❖ **Govt's NPA game plan: Rs 4 trillion recovered via IBC proceedings, says Thakur**
Addressing the 70th annual function of the Institute of ICAI, the junior finance minister said when Modi assumed office in 2014 in his first term, NPA stood Rs 52 trillion. Due to the Narendra Modi government's efforts to bring down non-performing assets (NPAs) in banks and financial institutions, Rs 4 trillion has been recovered through insolvency and bankruptcy proceedings since 2014 which is a "major achievement."

[Business Standard Report](#)



Updates related to Start-ups by Start Up India Department

- ❖ **Department for Promotion of Industry and Internal Trade (DPIIT) has recognized 27,916 start-ups, as on 1st February 2020.**

In the state of Rajasthan 800 start-ups have been recognized by the Department for Promotion of Industry and Internal Trade, as on 1st February 2020. Details of district wise Start-ups recognized in the state of Rajasthan as on 1st February 2020 are given in [this press release of Fin Min.](#)



Updates related to Money Market/Banks by RBI

- ❖ **RBI issued Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances – Projects under Implementation**

[Here is notification](#)



Updates related to Latest developments in Economy & Finance world

- ❖ **Will involve retail investors in LIC IPO, says FM Nirmala Sitharaman**

On Friday, Union Finance minister Nirmala Sitharaman and Life Insurance Corporation Chairman MR Kumar sought to assuage concerns over the decision to list the government-owned insurer on stock exchanges. Sitharaman had said in her recent Budget speech that the government would sell part of its 100 per cent holding in LIC through an IPO in the next fiscal year. The finance minister, who was in Mumbai on Friday, told media persons: "At the moment we are looking at an IPO (of LIC). And the IPO will in a way bring in retail investors into the picture and also make issue more transparent for everybody to have a look at what is happening."

[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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