FEBRUARY 11, 2020 | TUESDAY ISSUE 164

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.

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 537 Larsen & Toubro Ltd. v. Union of India W.P.(C) NO. 32968 OF 2019(U) DECEMBER 19, 2019	Kerala High Court	Where assessee, consequent to migration to GST regime, was entitled to carry forward tax paid on purchase of goods during VAT regime to GST regime and to avail credit under latter regime, in view of fact that assessee could not file requisite declaration in Form GST-TRAN-1 due to error in software system, same could not be a reason for denying substantive benefit of carrying forward credit earned by assessee under erstwhile regime.
2	[2020] 113 taxmann.com 510 Bharatiya Vitta Salahkar Samiti v. Union of India W.P. (C) NOS. 6900 OF 2018 AND 3247 OF 2019 NOVEMBER 19, 2019	Delhi High Court	Where assessee filed writ petition challenging provisions of sections 109 and 110 and sought directions to GST Authorities to not take steps for appointment and/or constitution of GST Tribunal in terms of aforesaid provisions, GST Authorities were to be directed to do needful.

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

  - **Panel set up to consult traders on GST return filing.**
    A panel of industry and trade representatives has been set up to give suggestions to the Goods and Services Tax Network (GSTN) on the functioning of the IT systems supporting GST, said a statement from the Confederation of All India Traders (CAIT) which is part of the panel. The committee will provide feedback and suggestions on new functionalities in GST system and on adoption of new IT Tools, said the statement. There was no official announcement of the panel but a person privy to the development said that the work on setting up the committee was on for more than a month. The authorities are consulting traders and small businesses to iron out the glitches in the IT system, which is key to stepping up GST compliance.
    Mint Report

  - **Tax dept wants cos to pay GST on non-compete fee**
    Non-compete agreements during acquisitions that restrict the seller from starting a new venture for some time or poaching employees and customers, have attracted the taxman's attention. Several private equity firms, strategic investors and others that have bought businesses and entered into these contracts with the sellers have received notices from the indirect tax department, demanding that they pay goods and services tax at 18% on the non-compete fee.
    ET Report

  - **GST Council will revise rates yearly, says FM Sitharaman**
    GST Council, the federal indirect tax body, is set to make changes in tax rates of goods and services a yearly affair, moving away from frequent rate revisions to remove 'uncertainty' for businesses and the government, finance minister Nirmala Sitharaman said on Sunday.
    Mint Report

  - **Govt to soon release another Rs 35,000 crore GST compensation to states**
    Finance Minister Nirmala Sitharaman in her Budget speech said the government has decided to transfer to the GST Compensation Fund balances in two instalments.
    Business Today Report

❖ **Govt released final data of Sabka Vishwas – Legacy Dispute Resolution Scheme.**

The total number of settlements done under the Sabka Vishwas (Legacy Dispute Resolution Scheme, 2019) as on dated 05.02.2020 are 49,534 and amount involved in these cases is 24,970 crores.

Fin-Min Release

🕮 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 534 RDS Project Ltd. v. Assistant Commissioner of Income tax, New Delhi W.P. (C). NO. 11274 OF 2019 OCTOBER 23, 2019	Delhi High Court	Where in case of assessee, Assessing Officer initiated reassessment proceedings on ground that assessee had received accommodation entries in form of share capital from two sham companies, in view of fact that even though identity of investor companies might have been established, neither financial capacity/creditworthiness of said investor companies, nor genuineness of transaction was examined at time of assessment, validity of impugned reassessment proceedings deserved to be upheld.

🕮 Corporate Laws by MCA

❖ MCA issued Consultation Paper to examine the existing provisions of law and make suitable amendments therein to enhance audit independence and accountability.

Read here for more

- ❖ Form AOC-4 NBFC (Ind AS) is available for filing as e-Form w.e.f. 11th February 2020.

🕮 The Insolvency and Bankruptcy Law.

- **Legal updates- NCLAT | Court**

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	[2020] 113 taxmann.com 543 Rasayano v. Katariya Pet (P.) Ltd. CP (IB) NO. 2144/MB/C-IV/2019 DECEMBER 6, 2019	NCL-AT Mumbai	Where no notice of dispute was raised upon demand notice, and arbitration clause was invoked after receipt of demand notice, defence of corporate debtor that there was pre-existing dispute could not be sustained, and CIRP application by operational creditor was to be admitted.
2	2020] 113 taxmann.com 544 Devendra P. Jain v. Asis Logistics Ltd. IA NOS. 461 OF 2018 & 50 OF 2019 C.P. (IB) NO. 148/10/NCCT/AHM/2017 AUGUST 28, 2019	NCLT Ahmedabad	Where CoC did not think it fit to consider resolution plan received from applicant, adjudicating authority cannot question wisdom of CoC and their recommendation for liquidation of corporate debtor company.

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

  ❖ **People's forum FPCE opposes setting a minimum number of home-buyers to move NCLT.**

  People's forum FPCE has written to a Parliamentary panel on finance, opposing an amendment to the insolvency law that seeks to mandate a minimum number of flat owners to approach the National Company Law Tribunal (NCLT) against defaulting builders.

  ❖ **Dispute Raised to Application U/S 9 IBC Over Telephone Inadmissible: NCLT, Allahabad.**

  In its recent order the Allahabad bench of the NCLT has decided that 'notice of dispute' to a claim under Section 9 of the Insolvency and Bankruptcy Code.
  Live-law Report

  ❖ **The interplay of India's new insolvency code with income tax law**

  India overhauled its insolvency and bankruptcy regime by enacting the Insolvency and Bankruptcy Code, 2016 (IBC). The IBC is landmark legislation and represents a transformation of the insolvency regime in India. The insolvency resolution under the IBC envisages the invitation of resolution plans from potential bidders for the revival of a stressed debtor. These resolution plans, amongst other things, provide for the restructuring of the stressed corporate debtor.
  International-tax online report

📖 Updates related to Latest developments in Economy & Finance world

❖ **Industry urges FM Nirmala Sitharaman to change tax settlement scheme.**

Industry on Monday asked Finance Minister Nirmala Sitharaman to tweak the Bill on settling direct tax disputes by reducing the amount of tax under the scheme on the lines of a similar one for indirect taxes announced in the previous Budget. Sitharaman on Monday met industry representatives on the scheme that provides opportunity to taxpayers to pay outstanding taxes and get waiver of interest and penalty.
Business Standard Report

Knowledge shared= Knowledge^2

==========

About Scribbler



PRADEEP GOYAL

- **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.

==========

Connect

pradeep@pgaa.in

+91-9811777103

http://www.pgaa.in

Profile *Page*

[Double click on icons to open]