

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 New Direct Tax Code-Ministry of Finance

❖ **Much-hyped Direct Tax Code in cold storage for now**

The government has junked the much-hyped Direct Tax Code (DTC), a reform initiative to overhaul the direct tax system on the lines of GST, for now as it has already taken steps to align the tax rates with other countries. Tax experts pointed out that the government is also not in a position to make further changes that will have revenue implications. There was also apprehension that adopting DTC would put question mark on the rulings based on the present Income Tax Act.

[Outlook Report](#)



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 395 Ajay Hardware Industries (P.) Ltd. v. Union of India CWP NO. 4648 OF 2019 NOVEMBER 29, 2019	High Court of Punjab and Haryana	Where High Court, placing reliance upon a judgment of Gujarat High Court, directed GST Authorities to permit assessee to file Form GST TRAN-1 by extended date and revenue sought review of impugned order on ground that judgment passed by Gujarat High Court itself had been taken up in review, appropriate remedy for revenue would be to approach Supreme Court.

▪ **News/Latest Developments/Other updates**

- ❖ Directorate General of GST Intelligence busts firm for making bogus Input Tax Credit invoices of more than Rs 268 crores.



Updates related to Income Tax by CBDT

- **Notification/Circular/Press release/FAQs**

- ❖ **CBDT notifies Income-tax (4th Amendment) Rules, 2020 to prescribe manner of Exercise of option under sub-section (5) of section 115BAA.**

Section 115BAA (1) provides that income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall, at the option of such person, be computed at the rate of twenty-two per cent, if the conditions contained in sub-section (2) are satisfied.

Sub-section (5) provides that nothing contained in this section shall apply unless the option is exercised by the person in the prescribed manner on or before the due date specified under sub-section (1) of section 139 for furnishing the returns of income for any previous year relevant to the assessment year commencing on or after the 1st day of April, 2020 and such option once exercised shall apply to subsequent assessment years.

[Download gazetted notification G.S.R. 110\(E\) dated 12.02.2020](#)

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

- ❖ **Searches conducted by the Income Tax Department lead to detection of unaccounted income of more than Rs. 2000 crore.**

Income Tax Department carried out Search and Seizure action on 6th February 2020 at Hyderabad, Vijaywada, Cuddapah, Vishakhapatnam, Delhi and Pune. More than 40 premises were covered. The search action included three prominent infrastructure groups based in Andhra Pradesh and Telangana. Investigations led to busting of a major racket of cash generation through bogus sub-contractors, over-invoicing and bogus billing. Several incriminating documents and loose papers were found and seized during the search, apart from emails, WhatsApp messages and unexplained foreign transactions unearthed during the search.

[CBDT Press Release](#)

- ❖ **How many people in India actually pay tax? Income tax department clarifies PM Modi's claim**

The income tax department on Thursday said that only 1.46 crore people pay tax on their income in the country. It comes a day after Prime Minister Narendra Modi said that of a total population of 130 crore people, only 1.5 crore pay income tax.

[Finance Express Report](#)

- ❖ **These individuals can't switch between old and new income tax regimes every year**

According to the explanatory memorandum to the Finance Bill, taxpayers having business income are not eligible to choose between the existing tax regime and new tax regime every year. This would mean that salaried individuals and pensioners would be eligible to switch between new tax regime and old tax regime as per their convenience every year provided they don't have business income.

[ET Report](#)



Updates related to Announcement by ICAI

- ❖ **ICAI issues Educational Material on Indian Accounting Standards 20, Accounting for Government Grants and Disclosure of Government Assistance.**

[Download here](#)



Corporate Laws by MCA

- ❖ **MCA states that to reduce Procedures, Time and Cost for all new company incorporations, SPICe+ and AGILE-PRO would be deployed shortly.**
- ❖ **MCA issues Companies (Issue of Global Depository Receipts) Amendment Rules, 2020.**

[Download here](#)



The Insolvency and Bankruptcy Law.

- ❖ **IBBI issues its quarterly Newsletter for Oct-Dec, 2019**
- ❖ **IBBI notifies Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2020.**

[Download here](#)

- Legal updates- NCLAT | Court

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	[2020] 113 taxmann.com 545 Aswad Engineering (P.) Ltd. v. Zeus Engitech (P.) Ltd. IA NO. 605 OF 2019 C.P. (IB) NO. 16/NCLT/AHM/2019\ NOVEMBER 20, 2019	NCLT Ahmedabad	CIRP plea was to be rejected due to pre-existing dispute with regard to material supplied by operational creditor.



Listing/Market by SEBI

- ❖ **SEBI develops an online system for detecting misuse of clients' securities by brokers**

[SEBI Press release here for more details](#)

- ❖ **SEBI issues Guidelines for Portfolio Managers**

SEBI, based on the recommendations of a Working Group and inputs from public consultation, reviewed the framework for regulation of Portfolio Managers and the SEBI (Portfolio Managers) Regulations, 2020 ("PMS Regulations") has been notified on January 16, 2020.

In addition to the above, certain changes to the regulatory framework for Portfolio Managers are mandated now.

[Download this Circular](#)



Updates related to Money Market/Banks by RBI

- ❖ **RBI release Scheduled Banks' Statement of Position in India as on Friday, January 31, 2020.**

[Read here for more](#)



Updates related to Latest developments in Economy & Finance world

❖ **Ministry of Finance notifies Banning of “Unregulated Deposit Schemes Rules, 2020”.**

Fin Min Notification No. S.O. 663 (E) dated 12th February, 2020 effective from 12th February, 2020

[Download here](#)

❖ **I-T dept lines up Rs 1-trillion PSU tax row under 'Vivad se Vishwas Bill'**

Responding to the Vivad se Vishwas Bill introduced in the Lok Sabha earlier this month, the Income-Tax Department has identified at least 50 central and state public sector undertakings (PSUs) to be covered under the litigation settlement scheme. These state-run firms have been embroiled in legacy tax rows involving an estimated disputed amount of Rs 1 trillion, according to sources in the know. The action plan came up in a video-conferencing discussion on Thursday between the top officials of the Central Board of Direct Taxes (CBDT) and Revenue Secretary Ajay Bhushan Pandey. SBI, LIC and ONGC are among the major PSUs with pending direct tax disputes estimated at Rs 30,000-40,000 crore, said an official dealing with the matter. The tax department will approach them to settle their tax matters under the new legislation, he added.

[Business Standard Report](#)

❖ **DGGI busts firm for making bogus Input Tax Credit invoices of more than Rs 268 crores.**

The Directorate General of GST Intelligence (DGGI), Gurugram Zonal Unit (GZU), Haryana, has arrested Shri Nitin Jain, resident of Sonapat, Haryana, proprietor of M/s Shiv Trade Incorporation, Delhi, for issuing bogus invoices. During investigation it was revealed that Shri Nitin Jain has issued bogus invoices through his firm M/s Shiv Trade Incorporation and another firm M/s Om Trade Inexim, opened in the name of dummy person, of various types of goods namely ferrous/ non-ferrous scrap, ingots, nickel cathode etc. amounting to Rs 268.3 crores (approx.).

[Fin-Min Press Release](#)

=====

- ❖ **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.



<http://www.pgaa.in>



[Double click on icons to open]