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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
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**
- **Announcement by ICAI**
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- **The Insolvency and Bankruptcy Law by IBBI**
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- **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**

  - **Know all about Deemed Exports in GST**
    Download CBIC E-Flyer

  - **CBIC issued clarifications on some discussions in social media w.r.t. interest calculation on delayed GST payments post a few media reports regarding Rs. 46000 Crores interest on the delayed GST payments to be collected by tax authorities.**
    - The GST laws, as of now, permit interest calculation on delayed GST payment on the basis of gross tax liability. This position has been upheld in the Telangana High Court's decision dated 18.04.2019.
    - In spite of this position of law and Telangana High Court's order, the Central Government and several State Governments, on the recommendations of GST Council, amended their respective CGST/SGST Acts to charge interest on delayed GST payment on the basis of net tax liability.
    - Such amendment will be made prospectively. The States of Telangana and West Bengal are in the process of amending their State GST Acts. After the process of amendment is complete, the changed provisions can be put in operation for the entire country.

    [Source- CBIC Twitter Account- posted last night]- Link 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 621 Gillette India Ltd. v. Union of India W.P. (C). 2697 TO 2699 OF 2018 NOVEMBER 21, 2019	Delhi High Court	Where assessee while filing Form GST TRAN-1 had committed some errors and as a result of which it could not file Form GST TRAN-2, GST Authorities were to be directed to either open online portal so as to enable assessee to file Form GST TRAN-1 and Form GST TRAN-2 electronically or to accept same manually on or before 6-1-2020.
2	[2020] 114 taxmann.com 233 (AAR - Las Palmas Co-operative Housing Society Ltd., In re ORDER NO. GST-ARA-31/2019-20/B-13 JANUARY 22, 2020	AAR Maharashtra	applicant, a co-operative housing society paying GST on maintenance charges collected from its members shall not be entitled to ITC of GST paid on replacement of existing lift/elevator at its own premises to vendor registered under GST Act for manufacture, supply, installation and commissioning of lift/elevator, as lift, after erection and installation is an immovable property because it becomes part of an immovable property that is building.

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

❖ **New GST filing format, e-invoicing to help in ease of doing biz, reporting for taxes: GSTN CEO**

ET Report

Updates related to Income Tax by CBDT

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

  - **CBDT notifies the Rule to make PAN inoperative if it is not linked with Aadhaar- New Rule 114AAA inserted in principal rules by Income-tax (5th Amendment) Rules, 2020.**
    CBDT has inserted a new Rule 114AAA to provide the manner in which the PAN of a person will become inoperative if it is not linked with the Aadhaar on or before 31-03-2020. Once PAN of an assessee become inoperative, it shall be deemed that he has not furnished or intimated or quoted his PAN, as the case may be. The inoperative PAN can be reactivated subsequently by intimating the Aadhaar to the department.
    CBDT Notification No. G.S.R. 112(E) dated and effective from 13.02.2020

  - CBDT launched Instant PAN allotment in near to real time free of cost. Individuals (other than minors) with a valid Aadhaar number (with updated Mobile number) can avail the PAN allotment facility.
    Visit here to apply

- **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 606 Chekkattu Chitty Funds v. Commissioner of Income-tax SLP (CIVIL) DIARY NO. 34647 OF 2019	Supreme Court	Where High Court upheld Tribunal's order holding that search carried in case of assessee was valid because warrant had been issued in name of individual who was actively involved in affairs of assessee-firm, SLP filed against said order was to be dismissed

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

- **Income tax department reveals how many CAs, doctors declared income above ₹1 crore.**

  How many professionals in India have declared annual income of ₹1 crore from their profession in their tax returns? About 2200. This was clarified in a series of tweets by the income tax department, sharing income tax return data for the financial year 2018-19. "In the ITRs filed by individuals in current financial year, only about 2200 doctors, chartered accountants, lawyers and such other professionals have disclosed annual income of more than Rs.1 crore from their profession (excluding other incomes like rental, interest, capital gains etch)," Income Tax department tweeted.

  Mint Report

- **CBDT's Income tax calculator makes it easier to choose between new and old tax regimes.**

  The income tax department has launched a new e-calculator on the e-filing portal. You can access the income tax calculator 2020 here. The income tax calculator for resident individuals for FY 2020-21 asks your age group (below 60, in between 60-79 years and those above 79 years), estimated annual income and exemptions, deductions that you want to claim as per the old regime.

  Mint Report

- **Govt explains the rationale behind new TDS-like move on remittances.**

  The government imposed a tax collection at source (TCSNSE -0.35 %) — akin to TDS on remittances — after an internal survey by the income tax department showed that a large number of those sending out money had not filed income tax returns. The finance bill 2020 has proposed an amendment to section 206C to levy 5% TCS on overseas remittance and for sale of overseas tour package.

  ET Report

Updates related to Announcement by ICAI

- **ICAI release Draft report of the High Level Independent Committee on Exam Processes and Regulations.**

  ICAI had on 26th September 2019, constituted a High Level Independent Committee (HLIC) to look into the Examination processes/ Regulations governing CA Examinations including Regulation 39(4) of the Chartered Accountants Regulations, 1988 and suggest changes wherever required in the ICAI examination system.

  Read this announcement

- **Extension of the Last Date for submission of application for Empanelment of Chartered Accountants firms/LLPs with O/o C&AG for the year 2020-21.**
  Considering the difficulties faced by Chartered Accountant firms/LLPs in submitting the online empanelment for audit of PSUs for the year 2020-21, the office of C&AG at the request of ICAI has extended the last date for submission of online application from 14th February, 2020 to 2nd March, 2020 as a onetime relief. Further, the last date for submission of hard copy of the documents at O/o C&AG also stand extended from 28th February, 2020 to 6th March, 2020.
  Announcement here

- **Decision of the Council of the Institute regarding cut-off date for condonation of cases for the year 2020-21.**
  The Council has decided to extend the due date of submission of all forms up to 29th February, 2020 and waive all condonation fees for a further period of 29 days up i.e. to 29th February, 2020 as one-time measure. This condonation would also automatically allow cut-off for CAG and MEF Empanelment for the year 2020-21 till 29th February, 2020 instead of 31st January, 2020.
  Read this announcement

Updates related to Announcement by ICSI

- In order to provide knowledge and skill sets in management and administration of cases before NCLT & NCLAT, the Corporate Affairs Committee of PHDCCI is organising Conference on NCLT & NCLAT: Convergence of Corporate Jurisdiction on Tuesday, 25th February 2020 from 2:15 PM to 6:45 PM (followed by Hi-Tea) at PHD House, New Delhi.
  ICSI Announcement

Corporate Laws by MCA

- MCA inform all stakeholders that SPICe+ and AGILE-PRO would be deployed shortly which will help to reduce Procedures, Time and Cost for all new company incorporations. Till the deployment of new Web forms, stakeholders may continue to use existing SPICe and AGILE forms.

- MCA notify NIDHI (Second Amendment) Rules, 2020.
  Download notification here

❖ **Competition Commission of India engages with States to boost competition advocacy.**
[Read this release from MCA]

The Insolvency and Bankruptcy Law.

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

❖ **IBBI invites Public comments on Discussion Paper on Corporate Insolvency Resolution Process.**
This discussion paper is regarding amendment to Insolvency and Bankruptcy Board of India (Corporate Insolvency Resolution Process) Regulations, 2016 and solicits comments on the following issues, namely: -
- Issue 1: Replacement of Authorised Representative
- Issue 2: Voting by class of creditors at two stages
- Issue 3: Voting on two or more compliant resolution plans simultaneously

[Download this detailed document]

- **Legal updates- NCLAT | Court**

Sr.No.	**Key to find the document**	**NCLAT/Court**	**Summary**
1	[2020] 113 taxmann.com 471 Rohit Sehgal v. Santosh Overseas Ltd. C.A. NO. 1686 (PB) OF 2019 CP IB NO. 948 (PB) OF 2018	NCLT Delhi	Where resolution process failed, there being no acceptable resolution plan and CoC with requisite majority had decided to liquidate corporate debtor, order for liquidation of corporate debtor was to be passed

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

❖ **Key data that shows the progress IBC has made in saving a firm in distress.**
The latest data shows while the number of cases admitted to CIRP has almost doubled, so have the liquidations.
[Business Standard Report]

- **NCLT orders inclusion of Videocon's overseas assets in insolvency**

  The National Company Law Tribunal (NCLT) has ordered the inclusion of Videocon Industries' overseas oil and gas business in the ongoing insolvency process being conducted in the country. Videocon was in the first list of the 12 largest accounts that the Reserve Bank of India referred for bankruptcy in late 2016. The diversified group owes collectively over Rs 1 trillion to lenders.

  "there is cross creation of the security interest by all lenders in other business assets of Videocon Group treating it as a single economic entity," the NCLT has said.

  Business Standard Report

Updates related to Money Market/Banks by RBI

- **The Reserve Bank of India releases monthly data on India's international trade in services with a lag of around 45 days.**

  The value of exports and imports of services during the month of December 2019 are given in the following release.

Updates related to Latest developments in Economy & Finance world

- **Merger of 10 public sector banks: Cloud hangs over April 1 deadline**

  Six months after announcing its plan to merge 10 public sector banks (PSBs) into four, the Union government is now treading cautiously even though the deadline to merge the balance sheets of these lenders is just one and a half months away. A senior government official said Prime Minister Narendra Modi wanted to see the "outcome of the amalgamation of Bank of Baroda (BoB)" before taking a final call on the merger of the 10 PSBs. "He wants to review the outcome of the BoB merger and know in detail what benefits it has entailed. This is the latest position on the merger," the official said, requesting anonymity.

  Business Standard Report

- **SEBI issues show-case notice to 2 former senior executives of CARE Ratings**.

  SEBI issued a show-case notice to two former senior executives of CARE Ratings for their alleged interference in the rating action of YES Bank and Dewan Housing Finance (DHFL). In the notice, SEBI has asked former managing director (MD) and CEO Rajesh Mokashi and chairman SB Mainak to explain why they should not be debarred from holding key managerial positions of market intermediaries & listed companies. Business Standard Report

SAVE WATER || SAVE UNIVERSE

Knowledge shared= Knowledge^2

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About Scribbler

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Profile

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