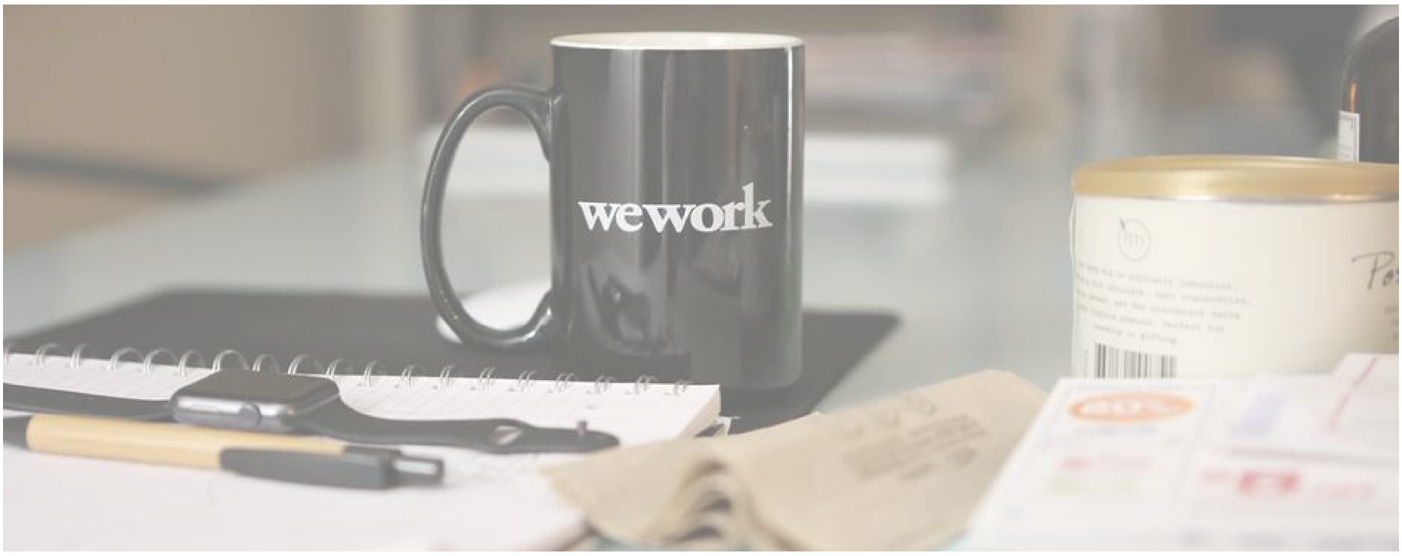
FEBRUARY 19, 2020 | WEDNESDAY ISSUE 170

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

[From Monday to Friday 5 days a week as Saturdays and Sundays being holiday and closure of all government departments hence no updates]

Goods & Service Tax & other Indirect taxes

- **Notifications/Circulars/Press releases/FAQs/Portal Updates/Write-ups by CBIC/Government**

❖ **In order to launch Faceless e-Assessment for imported goods, CBIC invites suggestions, views, comments etc. from stakeholders.**

In order to modernise the Customs administration, ease the burden of compliance for EXIM community, enhance transparency and efficiency, develop and maintain functional specialization, improve the quality of assessment practices, rely upon risk driven approach and fast track border clearances, the Central Board of Indirect Taxes and Customs has carried out several reforms in the past few years. The focus of these reforms has been to cut down redundancies, place greater faith in the EXIM community and simplify the business processes and improve the robustness of our risk management system to balance facilitation and enforcement. Going forward, Indian Customs is embarking on a new reform which would add further momentum to the ongoing reforms i.e. Faceless Assessment.

Download this notice for more details

❖ **CBIC issued GST weekly update dated 15.02.2020**

This Presentation covers the GST changes /observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 08.02.2020. It supplements the earlier GST Updates.

Contents-

- One notification dated 4th February, 2019 by Dept of Revenue declaring the GST database in GSTN as protected system under IT act, 2000;
- Clarification about interest on delayed GST Payments under section 50 of CGST Act, 2017;
- Details about Scheme for Rebate of State and Central taxes and Levies (RoSCTL) on export of garments and made-ups;

Download the update here

❖ To streamline the manufacturing operations in India, CBIC issued an ordinance regarding the conditions for clearance of warehoused goods in the country. Learn about these conditions here

- **Legal updates- Advance Ruling Authorities/Tribunals/High Courts/Supreme Court**

Sr.No.	**Key to find the document**	**Authority who passed the order**	**Details of decision**	
			Provisions Involved	**Decision**
1	[2020] 114 taxmann.com 27 Bansal Earthmovers (P.) Ltd. v. Assistant Commissioner of State Goods and Service Tax WPA NO. 82 OF 2019 DECEMBER 5, 2019	Kolkata High Court	Section 129 read with Rule 138	Where Competent Authority had detained goods of assessee under transport and thereafter served penalty notice under section 129(3) to driver of vehicle and imposed penalty upon assessee, there had been a clear violation of principles of natural justice and Competent Authority was to be directed to issue a fresh notice upon assessee and pass a reasoned order
2	[2020] 114 taxmann.com 29 (Kerala) Sri Kubera Constructions (P.) Ltd. v. State of Kerala W.P. (C) NO. 33446 OF 2019 (E) DECEMBER 11, 2019	Kerala High Court	Section 62	Where Competent Authority after finding that assessee had not furnished necessary returns within time passed assessment order and also issued notice for recovery of tax and assessee filed writ petition challenging assessment order and recovery proceedings, only alternative for assessee was to approach Appellate Authority against assessment order

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

❖ **GST Council may discuss pay out to states, review tax structure.**
The Goods and Services Tax (GST) Council will meet soon to decide on the compensation to be paid to states for shortfall in revenue after implementation of GST and for a limited review of the tax structure. The federal indirect tax body will meet either by the end of February or early March before Parliament re-convenes after a recess, a person familiar with the discussions between Union and state government officials said on the condition of anonymity.
Mint Report

Income Tax

- **Notifications/Circulars/Instructions/Press releases/FAQs by Board/Government.**

❖ **Government notify the rules regarding exercise of option under sub-section (5) & sub-section (7) of section 115BAA by domestic companies.**
Section 115BAA is applicable from 01.04.2020
(1) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, other than those mentioned under section 115BA and section 115BAB, the 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.
Download gazetted notification here

- **Legal updates- Tribunals, High Court & Supreme Court judgements**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions Involved	**Decision**
1	[2020] 114 taxmann.com 39 Wholesale Trading Services (P.) Ltd. v. ICAI	Delhi High Court	Section 22 of the Chartered Accountants Act, 1949	Complaint of professional misconduct filed after 7 years of signing audit report was to be quashed.

<table>
<tr><th rowspan="2">Sr.No.</th><th rowspan="2">Key to find the document</th><th rowspan="2">Authority who passed the order</th><th colspan="2">Details of decision</th></tr>
<tr><th>Provisions Involved</th><th>Decision</th></tr>
<tr><td>2</td><td>[2020] 114 taxmann.com 424
Lakshmi Satyanarayana Dutt Tadikonda
v.
Union of India
W.P. (CRL.) NO. 343 OF 2020
CRL. M.A. NO. 2540 OF 2020
FEBRUARY 12, 2020</td><td>Delhi High Court</td><td>Section 133A of Income Tax Act</td><td>Where in course of survey operation under section 133A of the Income-tax Act, 1961, revenue authorities found that petitioner helped in tax evasion by facilitating payments against bogus bills and invoices raised to 'P' Ltd. by entities based in foreign jurisdiction and, thus, proceedings for Look Out Circular (LOC) were initiated against him under section 53, in view of fact that petitioner had joined investigation as and when called by IO and his statements had already been recorded wherein he had made some admissions as well, it was opined that there was no justification in keeping the LOC alive and same was, therefore, directed to be recalled by the issuing authority</td></tr>
</table>

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

❖ **90% of pending income tax cases will be settled under new scheme: Anurag Thakur.**
The scheme is aimed at resolving tax disputes worth over ₹9.32 trillion in 4.8 lakh cases. The minister assured that the interests of entrepreneurs paying taxes honestly will be protected and emphasised the need to curb frauds in the tax system.
[Mint Report]

Announcement by ICAI

❖ **ICAI releases Educational Material on Indian Accounting Standards 20, Accounting for Government Grants and Disclosure of Government Assistance.**
Ind AS 20 is to be applied in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance. This Educational Material on Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance contains guidance by way of Frequently Asked Questions (FAQs) and illustrations explaining the principles enunciated in the Standard. This publication will provide guidance to the stakeholders in accounting and to reporting entities in disclosure of various government grants and government assistance received.
[Download here your copy]

The Insolvency and Bankruptcy Law

- **Legal updates- NCLT | NCLAT | SUPREME COURT**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions Involved	**Decision**
1	2020] 114 taxmann.com 428 JSW Steel Ltd. v. Mahender Kumar Khandelwal	NCL-AT Delhi	Section 31 & 32A of IBC	Once resolution plan is approved, investigating agencies/ED don't have power to attach assets of corporate debtor.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions Involved	Decision
2	[2020] 114 taxmann.com 46 Gorur Narasimhamurthy Venkataraman, In re C.P. (IB) NO. 65/BB/2017 I.A NO. 677 OF 2019 DECEMBER 18, 2019	National Company Law Tribunal, Bengaluru Bench	Section 54 of IBC	Where in course of liquidation proceedings, Liquidator sold major portion of assets by conducting public auction and thereupon, he distributed unsold assets among various stakeholders as directed by adjudicating authority, application filed under section 54 seeking to pass order for dissolution of corporate applicant was to be allowed
3	[2020] 114 taxmann.com 415 Captain Anant Dewan v. Air India Ltd. SPECIAL LEAVE PETITION (CIVIL) DIARY NO. 31664 OF 2019 OCTOBER 18, 2019	Supreme Court	Section 9	SC directs NCLT would go into section 9 application filed by petitioner, pilot afresh after considering objections raised by respondent, Air India ltd. that issues, though relatable to section 9A of Industrial Disputes Act, 1947 have a vital bearing on payments to be made ultimately to petitioner as a pilot

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

- **Supreme Court allows transfer of pending petition challenging IBC Ordinance from Delhi High Court to itself.**
  The Supreme Court on Monday allowed for the transfer of a petition challenging the Insolvency and Bankruptcy Code (IBC) Ordinance pending before the High Court to itself. (KIC Food Products Pvt Ltd. vs Union of India). The petitioner had moved a transfer petition before the Supreme Court on the grounds that the Apex Court was already seized of a similar matter and had issued notice on the same in the case of Manish Kumar vs Union of India. The petitioner had challenged the validity of Section 3 the IBC Ordinance which is vitally the main issue before the Apex Court in Manish Kumar and similar petitions as well. Owing to the same, the petitioner sought for the challenge to the Ordinance to be heard by the Supreme Court along with similar petitions and for the same to be transferred from the Delhi High Court.
  Source- The Bar and Bench

- **Number of insolvency cases surged 30.29 per cent between October-December, 2019.**
  Nearly four years back when the Insolvency and Bankruptcy Code (IBC) came into effect, the perception was that the corporate defaults would come down drastically as the law enforces separation of the promoters from their bankrupt businesses. According to the latest data of Insolvency and Bankruptcy Board of India (IBBI), the number of new cases admitted to insolvency courts has increased by 30.29 per cent to 3,312 in the three months until December 2019. In the calendar year 2019, the number of cases soared by 123 per cent.
  Source- Business Today

Security and Exchange Board of India (SEBI)

- **SEBI issues press release for Implementation of Section 51A of Unlawful Activities (Prevention) Act, 1967 (UAPA, 1967) - Addition of 1 entry in 1267 List.**
  Here is press release

Economy & Finance

❖ **Beleaguered Jet gets another EOI; CoC extends deadline for resolution plan**

Russia-based Far East Development Fund has submitted an expression of interest (EOI) for the beleaguered Jet Airways, sources close to the development said. This is the third EOI that the airline has received in the second round of bidding. Following the development, the committee of creditors on Tuesday decided to extend the date for submitting a resolution plan to March 9. The Russian fund submitted their interest to the resolution professional on February 14 and also hired a consultancy firm to help them with the bidding process. The idea behind the bid is to explore developing Moscow and St. Petersburg as hubs for India-Europe and India-US traffic. The fund is also keen to introduce Russian civil aircraft like Sukhoi SuperJet 100 in the Indian market, said a source. The Russian fund proposes to set up a consortium of Russian financial and aviation companies for revival of the airline.

Business Standard Report

❖ **Soon, less paperwork for donors to get tax benefit**

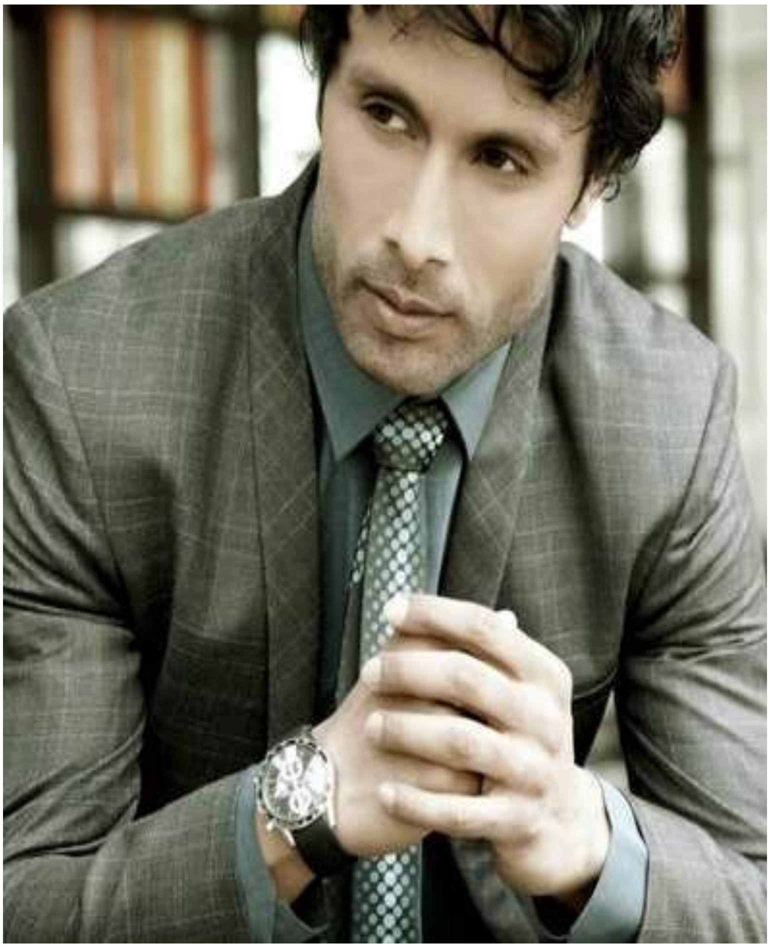
If you donate with the dual purpose of giving back to society and getting a tax deduction under Section 80G of the Income-tax Act, 1961, you won't have to worry about procuring the relevant documents to claim tax benefit from the next assessment year, Livemint reported. Budget 2020 has shifted the onus of furnishing details of the amount of donation and the donor from the individual taxpayer to the charitable institution to which the donation is made. You will find the details pre-filled in the forms at the time of filing your income tax return (ITR).

Business Standard Report

Knowledge shared= Knowledge²

==

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]