

THE DAILY LIFELINE

Official Newsletter of Diucon



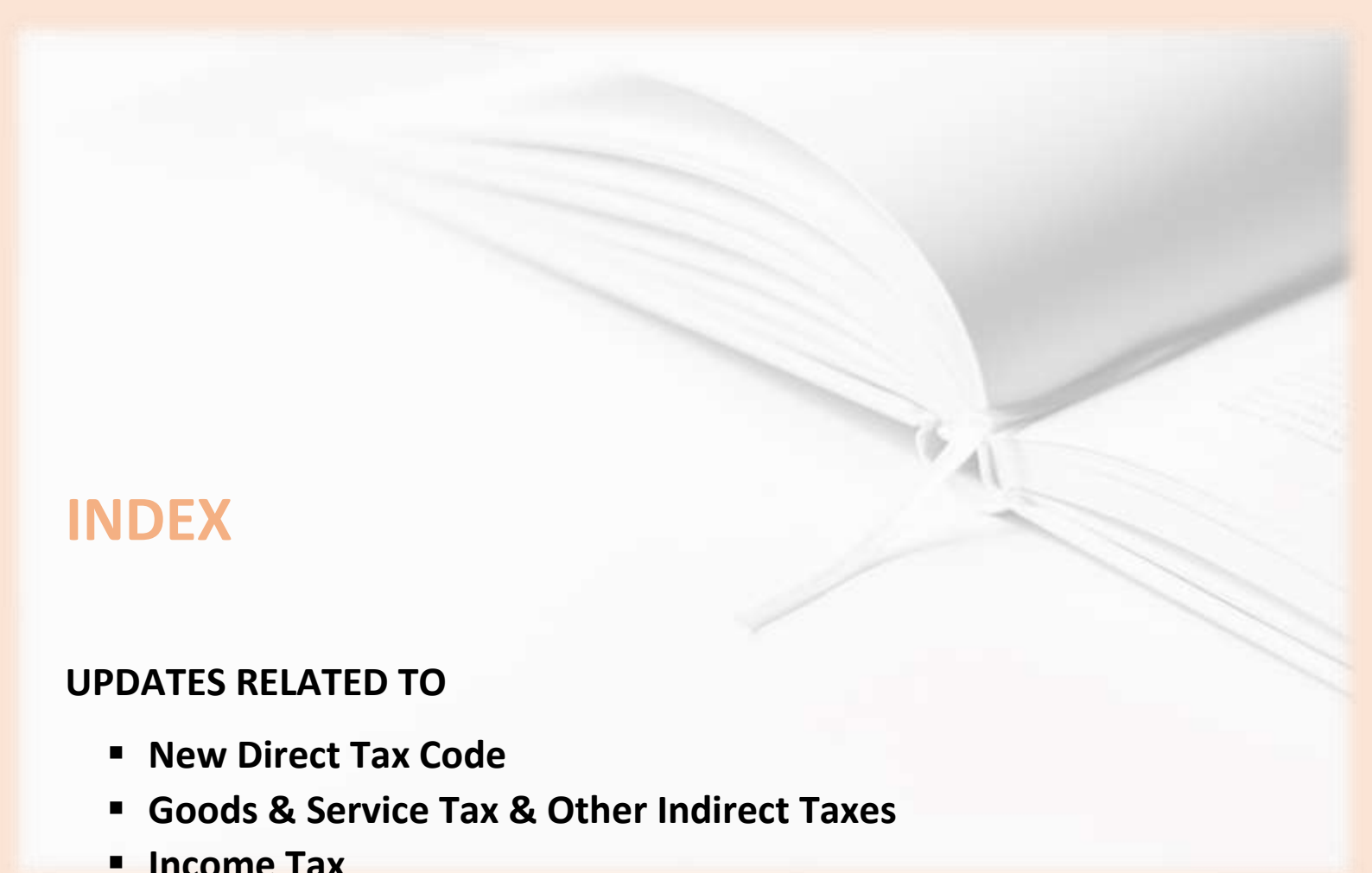
WHAT'S NEW IN PROFESSIONAL/ BUSINESS WORLD TODAY:

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**
- **Goods & Service Tax & Other Indirect Taxes**
- **Income Tax**
- **Announcements by ICAI**
- **Announcements by ICSI**
- **Corporate Laws**
- **The Insolvency and Bankruptcy Law**
- **Security and Exchange Board of India (SEBI)**
- **Director General of Foreign Trade (DGFT)**
- **Start-ups**
- **Micro, Small & Medium Enterprises**
- **Reserve Bank of India**
- **New acts notified/Bills introduced in parliament or Executive orders by President**
- **Economy & Finance.**

[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.
- ❖ CNIC issues Transportation of goods (Through Foreign Territory) Regulations, 2020.
[Custom Circular No. 14/2020 dated 21th February, 2020](#)
- 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 discussed	Decision
1	[2020] 114 taxmann.com 33 Macleods Pharmaceuticals Ltd. v. Union of India CWP NO. 1551 OF 2018 NOVEMBER 20, 2019	High Court of Himachal Pradesh	Section 140	Where assessee filed writ petition seeking directions to GST Authorities to consider its case for amendment of Form GST TRAN-1, GST Authorities were to be directed to consider case of assessee for amendment of Form GST TRAN-1.
2	[2020] 114 taxmann.com 163 Tech Force Composites (P.) Ltd. v. Union of India WRIT PETITION NO. 78 OF 2019 SEPTEMBER 27, 2019	Mumbai High Court	Section 140 read with Rule 117	Where assessee while filing Form GST TRAN-1 committed error, granted liberty to make representation to CBIC and further CBIC was to be directed to consider such representation.

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

- ❖ **Centre pays Rs19,950 crore GST compensation to states.**

The central government has paid Rs19,950 crore on Monday to states as compensation for their revenue loss in the goods and services tax (GST) regime, said a government official. Including this, the Narendra Modi administration has paid over Rs1.2 trillion towards GST compensation to states and union territories, said the official, who spoke on condition of anonymity. The compensation payment made is more than what has been collected so far this year by way of the cess on certain luxury goods and tobacco amounting to Rs78,874 crore. For the additional payments, the Centre has utilized the surplus cess collected in the previous years.

[Mint Report](#)

- ❖ **Companies take taxman to court over denial of GST credit on gifts**

Under the Goods and Services Tax (GST) framework, companies can set off costs incurred on raw materials or input services against future tax liabilities. However, it denies this benefit on goods distributed as gifts or given free. Group of companies has dragged the government and the indirect tax department to court over denying input tax credit on gifts and samples given to customers and clients.

[ET Report](#)



Income Tax

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

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions discussed	Decision
1	[2020] 114 taxmann.com 492 Salem Sree Ramavilas Chit Company (P.) Ltd. v. DCIT	Madras High Court		AO should call for written explanation before concluding proceedings under e-Assessments.

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

- ❖ **Income tax department to reward officials for good performance**

Officers who have unearthed unique modus operandi by tax evaders, helped in tax mop-ups and even those who have implemented the Prime Minister's Swachh Bharat Abhiyan will be feted. The Central Board of Direct Taxes (CBDT) has decided to award such officials at public ceremonies and use their body of work for future references.

[ET Report](#)

- ❖ **Impact of proposed new income tax rates on a Rs 20 lakh salary**

Budget 2020 proposes to give taxpayers the option of paying taxes either as per the existing tax structure or forgo most tax exemptions and deductions to pay as per a new lower income tax rate regime. How can a salaried individual earning more than Rs 15 lakh, say Rs 20 lakh, decide if he/she should continue with the existing tax regime or opt for the new tax regime?

[Here is report from ET Report](#)

- ❖ **Income tax benefits on EPF contributions: New vs existing tax regime**

Salaried employees are required to contribute 12 per cent of their salary (basic plus dearness allowance) to their Employees' Provident Fund (EPF) account. Employer is also required to make a matching contribution to an employee's EPF account. Budget 2020 has proposed a new tax regime which comes with lower income tax rates but requires an individual to forgo most commonly availed 70 tax-exemptions and deductions. The new tax regime is optional in nature. This means that an individual having no business income can choose between any tax regime every financial year as per his/her convenience.

[ET Report](#)



Announcement by ICAI

- ❖ Direct Taxes Committee of ICAI is organizing a LIVE Webcast on “Vivad Se Vishwas Bill 2020 - Issues & Challenges” on 25th February 2020 (Tuesday) from 3:00 p.m. to 5:00 p.m. at ICAI, HO, New Delhi.

[For more details and link to join, click here](#)



The Insolvency and Bankruptcy Law

- **Notification/Circular/Press release/ Write-ups/Newsletters by IBBI/Government**
 - ❖ [Vide its order dated 23.01.2020](#), IBBI constituted committee for recommending rules and regulatory framework for smooth implementation of proposed cross border Insolvency provisions in the Insolvency and Bankruptcy Code, 2016. Now IBBI added new term of reference in that said order to add study of model law on enterprise group insolvency issued by The United Nations Commission on International Trade Law (UNCITRAL), in domain of committee.
[Download the order](#)

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

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions discussed	Decision
1	[2020] 114 taxmann.com 149 Electro Magnetic Industries v. Energo Engineering Projects Ltd. COMPANY APPEAL (AT) (INSOLVENCY) NO. 660 OF 2019 NOVEMBER 25, 2019	National Company Law Appellate Tribunal, New Delhi	Section 40 of IBC	Where liquidation proceedings had already been initiated, operational creditor could file its claim before liquidator of corporate debtor who was to verify same, and after consolidation of claims, it was only liquidator who was empowered to admit or reject claims under section 40.
2	2020] 114 taxmann.com 109 Jai Kishan Gupta v. Green Edge Buildtech LLP	National Company Law Appellate Tribunal, New Delhi	Section 12A of IBC	Decision taken by CoC in rejecting withdrawal request could not be challenged before Authority.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions discussed	Decision
3	2020] 114 taxmann.com 131 Ravi Srinivas v. Super Agri Seeds (P.) Ltd. COMPANY APPEAL (AT) (INSOLVENCY) NO. 1200 OF 2019 NOVEMBER 20, 2019	National Company Law Appellate Tribunal, New Delhi	Section 60 of IBC	Adjudicating Authority has no jurisdiction to decide any allegations either against Resolution Professional or Liquidator, though if any act of Resolution Professional or liquidator, against provisions of I&B code is noticed, then matter is to be referred to Insolvency and Bankruptcy Board of India
4	[2020] 114 taxmann.com 133 Jindal Steel and Power Ltd. v. Arun Kumar Jagatramka COMPANY APPEAL (AT) NO. 221 OF 2018 OCTOBER 24, 2019	National Company Law Appellate Tribunal, New Delhi	Section 33 And 29A of IBC	In a liquidation proceeding under I&B Code, a petition under section 230 to 232 of Companies Act is maintainable. Promoters who are ineligible under section 29A, cannot make an application for compromise and arrangement for taking back immovable and movable property or actionable claims of corporate debtor.



Director General of Foreign Trade (DGFT)

- ❖ DGFT hereby invites applications for preparation of a panel for engagement as Young Professionals in various disciplines to work in policy formulation and implementation of the schemes under the Foreign Trade Policy. Internship with DGFT provides an exciting opportunity to be a part of India's economic growth as well as grow professionally with experience. A Young Professional can, progressively, grow up as a Consultant in the fourth year of engagement, thereby becoming a valuable asset for contributing to the Trade Policy of country.

[Read this notification for more details](#)



Reserve Bank of India

- ❖ **Minutes of the Monetary Policy Committee Meeting February 4 to 6, 2020.**
The twenty first meeting of the Monetary Policy Committee (MPC), constituted under section 45ZB of the Reserve Bank of India Act, 1934, was held during February 4 to 6, 2020 at the Reserve Bank of India, Mumbai. The meeting was attended by all the members – Dr. Chetan Ghate, Professor, Indian Statistical Institute; Dr. Pami Dua, former Director, Delhi School of Economics; Dr. Ravindra H. Dholakia, former Professor, Indian Institute of Management, Ahmedabad; Dr. Janak Raj, Executive Director (the officer of the Reserve Bank nominated by the Central Board under Section 45ZB(2)(c) of the Reserve Bank of India Act, 1934); Dr. Michael Debabrata Patra, Deputy Governor in charge of monetary policy – and was chaired by Shri Shaktikanta Das, Governor.

[Here is release](#)



Economy & Finance

- ❖ **Service providers feel the pain as India Inc faces working capital squeeze.**
The country's largest corporations are hitting the brakes on payments to be made to service providers such as consulting and law firms amid a liquidity crunch, say senior executives in India Inc.

[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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