

THE DAILY LIFELINE

Official Newsletter of Diucon



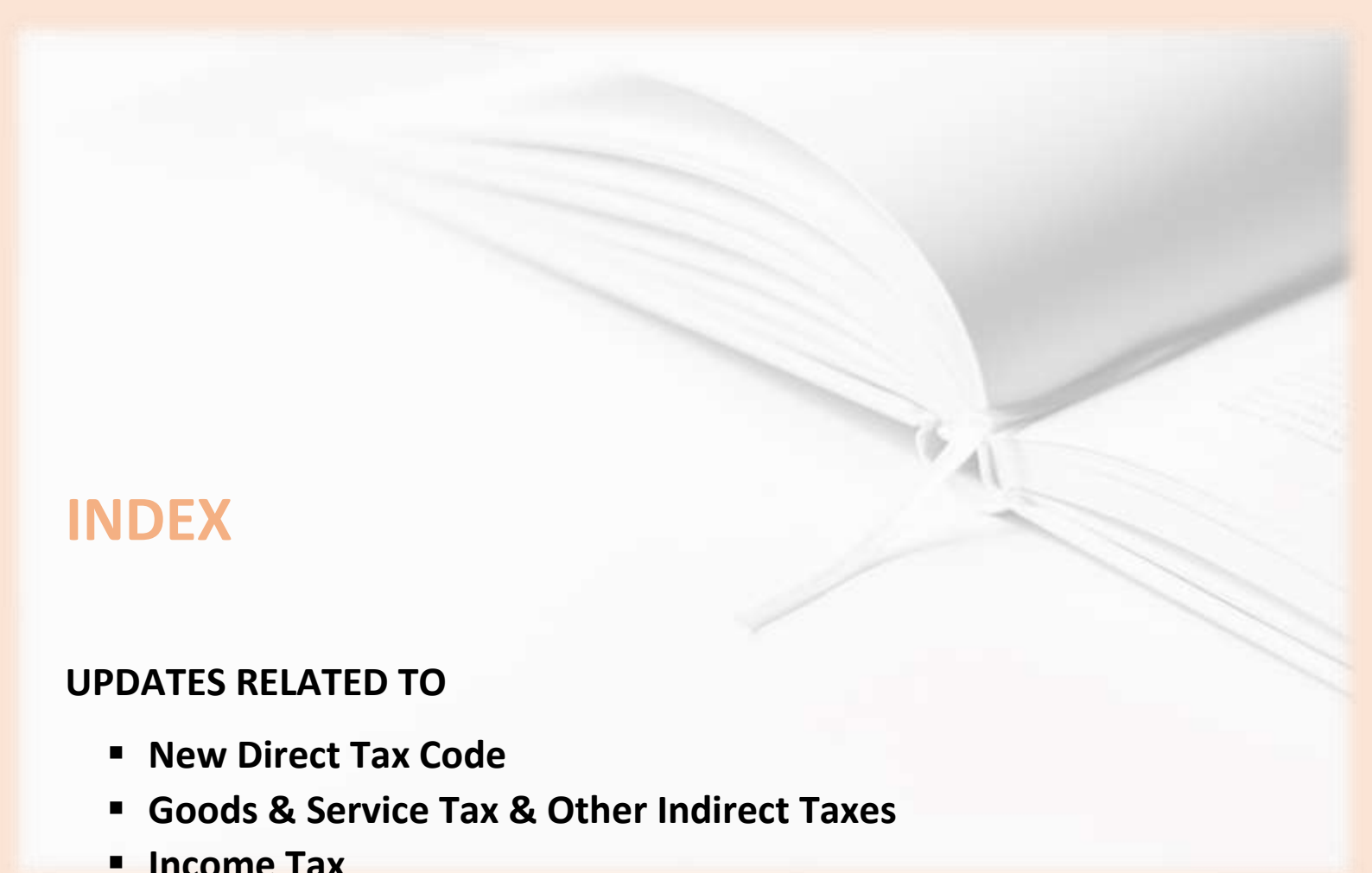
WHAT'S NEW IN PROFESSIONAL/ BUSINESS WORLD TODAY:

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.**
- ❖ **Government issues notification for amendment in the CGST Rules, 2017 to prescribe the value of lottery- CGST (Second Amendment) Rules, 2020**
In place of existing sub-rule (2) of rule 31A of CGST Rules, 2017, new sub-rule (2) substituted effective from 1st March, 2020 vide CBIC Notification no. 08/2020 – Central Tax dated 2nd March, 2020.
“The value of supply of lottery shall be deemed to be 100/128 of the face value of ticket or of the price as notified in the Official Gazette by the Organising State, whichever is higher”
[Download notification here](#)
- ❖ **GSTN's GST Help Desk is coming out with GITA (GST Interactive Tech Assistant) to instantly resolve technical issues.**
- **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 740 Neva Plantation (P.) Ltd. v. ACSTE EXN-005/2019-GST-2992-97 FEBRUARY 12, 2020	Appellate Authority - GST, Himachal Pradesh	Section 129	Penalty cannot be imposed u/s 129 (1) where machine was transported for repair without e-way bill.

▪ News/Latest Developments/Other updates

❖ Firm busted for issuing fake invoices to claim input tax credit of goods worth Rs 436 crores.

Officers of Anti-Evasion, Central GST Delhi East Commissionerate have unravelled a major operation of Circular Trading, involving use of fake invoices to claim fraudulent refunds of Input Tax Credit. Shri Asif Khan, Shri Rajeev Chhatwal and Shri Arjun Sharma, operating a total of 17 fake firms, procured invoices without actual supply of goods and availed as well as passed on ITC fraudulently, to the tune of Rs 436 crores. The fraudulently availed ITC was used by them to file refund claims to the tune of Rs. 11.55 crores under Inverted Duty Structure. The said refund claims were also filed by fake firms floated by the accused persons.

[Ministry of Finance Release](#)

❖ ₹ 1,05,366 crore gross GST revenue collected in the month of February, 2020.

The gross GST revenue collected in the month of February, 2020 is ₹1,05,366 crores of which CGST is ₹20,569 crores, SGST is ₹27,348 crores, IGST is ₹48,503 crores (including ₹20,745 crores collected on imports) and Cess is ₹8,947 crores (including ₹1,040 crores collected on imports). The total number of GSTR 3B Returns filed for the month of January up to 29th February, 2020 is 83.53 lakh.

[Ministry of Finance Release](#)



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 314 Assistant Commissioner of Income-tax, (8)(3)(1) v. Swastik Safe Deposit And Investments Ltd.	Supreme Court of India		Matter rightly remanded back as AO failed to adjudicate objections raised by assessee; SLP dismissed.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions discussed	Decision
2	[2020] 114 taxmann.com 323 Vodafone M-Pesa Ltd. v. DCIT Circle 8(3)(2), Mumbai IT APPEAL NOS. 1073 & 2032 (MUM.) OF 2019 DECEMBER 13, 2019	ITAT Mumbai	Section 56 of the Income-tax Act, 1961 read with rule 11UA of the Income-tax Rules, 1962.	Where assessee company determined fair market value of shares issued at premium on basis of Discount cash flow method and valuation was done by a merchant banker, CIT(A) were unjustified in rejecting such valuation of shares by comparing factual results of company with projection adopted by valuer and changing method of valuation of shares to Net value added method.

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

❖ **Income Tax Department conducts search on a group of individuals, hawala dealers and businessmen in Raipur.**

The total unaccounted transactions unearthed till date are over Rs. 150 crores and the figure is likely to substantially increase after the seized evidences and leads found during the search are further scrutinized and investigated. The search action and investigations are continuing and a number of Prohibitory Orders have been placed, including on several bank lockers.

[CBDT Press Release](#)

❖ **Income Tax Department conducts search on prominent metal processing and financing group in Tamil Nadu.**

As per evidence detected during the search, the search action resulted in cash seizure of Rs. 1 crore and detection of unaccounted income exceeding Rs. 400 crores. The investigations are still ongoing and the Department is in the process of finalizing the proceedings.

[CBDT Release](#)



Announcement by ICAI

❖ ICAI President's Message - March 2020

[Read here](#)



Announcement by ICSI

❖ ICAI's announcement regarding PHD Chamber of Commerce and Industry's Workshop on Prohibition of Money Laundering and Benami Laws" on 13th March 2020 at PHD House, New Delhi.

[Read here for more details](#)



Corporate Laws

❖ MCA announce that new companies incorporated through SPICe+ and thereby have obtained EPFO/ESI numbers will have to file statutory returns only when they cross thresholds prescribed under the relevant Acts.

❖ MCA notifies Companies (Appointment and Qualification of Directors) Amendment Rules, 2020 effective from date of their publication in the Official Gazette- published vide no. G.S.R. 145(E) on 28th February, 2020.

[Notified copy here](#)

❖ MCA notifies Companies (Auditor's Report) Order, 2020 effective from date of their publication in the Official Gazette- published vide no. S.O. 849(E) on 25th February, 2020.

[Notified copy here](#)



The Insolvency and Bankruptcy Law

▪ Notification/Circular/Press release/ Write-ups/Newsletters by IBBI/Government

❖ Insolvency and Bankruptcy Board of India (In association with Federation of Indian Chambers of Commerce and Industry) announces Seminar on "MSMEs and Insolvency and Bankruptcy Code" on Friday, March 6, 2020 at New Delhi.

[Read here for more](#)

▪ 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 245 Sanvijay Rolling & Engineering Ltd. v. Rollwell Forge (P.) Ltd. C.P. (I.B.) NO. 171/9/NCLT/AHM/2018 NOVEMBER 6, 2019	NCLT Ahmedabad	Section 9	CIRP application u/s 9 was to be dismissed where there was pre-existing dispute and intention of operational creditor appeared to be not for resolution of corporate debtor, but only for recovery which was not object of filing application under section 9

▪ News/Latest Developments/Other updates

❖ Recovery through insolvency process better compared to other options: IBBI chief M S Sahoo

The Insolvency and Bankruptcy Code (IBC), which came into effect in 2016, provides for a time-bound and market-linked resolution of stressed assets. In case, the resolution does not happen, the company concerned goes for liquidation. Sahoo, Chairperson of the Insolvency and Bankruptcy Board of India (IBBI), said incidental recovery has been pretty good under the code.

[ET Report](#)



Security and Exchange Board of India (SEBI)

❖ Central Government hereby extends the term of appointment of Shri Ajay Tyagi as Chairman of the Securities and Exchange Board of India for a period of six months beyond 29.02.2020 or until further orders, whichever is earlier.

[Notification here](#)



Economy & Finance

❖ **63.5 Million ITRs e-filed till Feb 15; number will increase further, says Thakur.**

The number of income tax returns (ITRs) filed through electronic mode has been increasing since the assessment year 2016-17 (AY17). The number of ITRs at 63.5 million till February 15 for AY20 has already surpassed that for AY19. The belated returns for AY20 can be submitted till March 31, 2020. Therefore, this number will increase further, Minister of State for Finance Anurag Thakur said in a written reply in the Lok Sabha. He said the tax department had identified 1.56 million non-filers for AY19 through the non-filers monitoring system.

[Business Standard Report](#)

❖ **Finance Minister Shrimati Nirmala Sitharaman will move The Direct Tax Vivad Se Vishwas Bill, 2020 in loksabha today.**

Resolution "that the Bill to provide for resolution of disputed tax and for matters connected therewith or incidental thereto, be taken into consideration."

Source- [Loksabha List of Business dated 03.03.2020 entry no. 23.](#)

Knowledge shared= Knowledge²

About Scribbler

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