MARCH 18, 2020 | WEDNESDAY ISSUE 189

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
- Corporate Laws

BIGGEST CHALLENGE- HOW TO KEEP UPDATED ON DAILY BASIS

By Pradeep Goyal, FCA | CFA | CPA, Australia | Registered Valuer | Insolvency Professional | ID-IICA | ICAI Certified GST Expert

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 exempts foreign company which is an airlines company, to furnish reconciliation statement in FORM GSTR-9C, subject to conditions-**

    - **Covered under the notification issued under sub-section (1) of section 381 of the Companies Act, 2013 (18 of 2013);**
      MCA, vide its notification dated 19th July, 2016 published in official gazette vide no. S.O. 2463(E) dated 19th July, 2016 covered foreign company which is an airlines company having a share capital to follow special procedure for filing certain documents with registrar of companies.

    - **Have complied with the sub-rule (2) of rule 4 of the Companies (Registration of Foreign Companies) Rules, 2014;**
      This rule requires every foreign company to prepare financial statement of its Indian business operations in accordance with Schedule III or as near thereto as may be possible for each financial year and to be filed with the Registrar of companies.

    - For each GSTIN, submit a statement of receipts and payments for the financial year in respect of its Indian Business operations, duly authenticated by a practicing Chartered Accountant in India or a firm or a Limited Liability Partnership of practicing Chartered Accountants in India by the 30th September of the year succeeding the financial year.
      [MCA notification dated 19th July, 2016 published in official gazette vide no. S.O. 2463(E) dated 19th July, 2016 as mentioned above mandate these companies to submit same document in same manner with Registrar of companies hence just need to submit a copy of same with GST department as mandated under this notification].

      Download CBIC notification no. 09/2020– Central Tax dated 16th March, 2020

  - **Webinar on common tips and queries related to GST portal in Hindi will be held on 18th March, 2020 at 11:30 AM by GSTN officials.**
    Click here to register

- **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] 115 taxmann.com 215 India Rubber Ltd., In re ADVANCE RULING NO. RAJ/AAR/2019-20/23 OCTOBER 21, 2019	Authority for Advance Rulings, Rajasthan	Section 16 and 17(5)(d)	Applicant, engaged in manufacturing procured tread rubber, un-vulcanized rubber strip gum, universal spray cement and tyre envelopes for tyre retreading industry, is not eligible to claim input tax credit of GST charged by vendor for supply of goods and services to it, which are used for carrying out activities of civil work and external developmental works for setting up of Maintenance Repair and Overhaul facility (MRO Facility).
2	[2020] 115 taxmann.com 35 Raj Chamunda Roadlines v. State of Gujarat R/SPECIAL CIVIL APPLICATION NO. 20021 OF 2019	Gujrat High Court	Section 129 and 130	Where Competent Authority had confiscated goods of assessee under transport as well as vehicle on ground that after checking assessee's record according to GST system, assessee appeared to be involved in bogus billing practice or making false claim of input tax credit, notice was to be issued on GST Authorities.

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

- **Racket busted of Large number of non-operational Partnership firms falsely claiming refunds against accumulated ITC in Delhi NCR- generated invoices for passing on Input Tax Credit ascertained to be Rs 1892 crore so far. Refund claims amounting to Rs 264 crore have been paid to these firms.**
  A large number of proprietorship / partnership firms registered with Gautam Buddha Nagar and other Commissionerates of Delhi NCR which were apparently connected and had claimed huge amount of refunds against accumulated Input Tax Credit (ITC) on account of inverted tax structure and Zero-rated supply of Goods were identified. Searches were conducted on 13.3.2020 by officers of CGST Gautam Budha Nagar along with other Commissionerates at various places declared as principal places of business and residential premises located in Delhi, Faridabad, Gurgaon, Noida and Greater Noida.
  Fin Min Press Release

- **Patanjali fined for not passing GST benefits to customers, increasing rates**
  Patanjali Ayurveda Ltd has been fined Rs 75.08 crore by the National Anti-Profiteering Authority (NAA) for not passing the benefits of goods and services tax (GST) rate reduction on to the consumers. According to reports, the NAA has said that Patanjali had increased the price of their washing powder after GST reduction.
  Business Today Report

- **Evasion of Service Tax & GST by Motor Driving Schools of Rs. 1.86 crore**
  Massive evasion of Service Tax and GST has been found by prominent Motor Driving Schools in the Nagpur City. The entities were providing driving lessons without obtaining registration either under Service Tax or GST. Bulk of receipts were taken in cash from trainees to evade payment of tax. It is estimated that taxable value of over Rs. 10 Crore has been suppressed in the last 5 years, involving Service Tax and GST of Rs. 1.86 Crore (approx.).
  Source- Taxmann.com

Income Tax

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

- Ministry of Law and Justice notifies The Direct Tax Vivad se Vishwas Act, 2020 [No. 3 of 2020] after Parliament received the assent of the President on 17th March, 2020.
  Notified copy here

- **Agreement between India and Brunei for Exchange of Information notified.**
  The Agreement enables exchange of information, including banking and ownership information, between the two countries for tax purposes. It is based on international standards of tax transparency and exchange of information and enables sharing of information on request as well as automatic exchange of information. The Agreement also provides for representatives of one country to undertake tax examinations in the other country. Moreover, it provides for assistance in collection of tax claims.
  CBDT Press Release

- **CBDT advisory- Don't miss the deadline**
  It is mandatory to link your PAN and Aadhaar before 31st March, 2020. You can do it through Biometric Aadhaar authentication & also by visiting the PAN service centers of NSDL and UTITSL.
  More information here

Announcement by ICAI

- **Auditing and Assurance Standards Board of ICAI has released "E-Book containing Video Lectures" on Guidance Note on Audit of Banks 2020 Edition.**
  This is available at Digital Learning platform of ICAI "Digital Learning Hub" at this link and can be accessed by the members using their SSP login credentials.

Announcement by ICSI

- ICSI knocked door of Corporate affairs ministry to allow participation of directors in a meeting through video conferencing or other audio visual means to exercise certain powers which are currently restricted under Companies Act, 2013.
  Restricted matters not allowed through video conferencing or other audio visual means: -

Restricted matters are as follows:
(a) the approval of the annual financial statements;
(b) the approval of the Board's report;
(c) the approval of the prospectus;
(d) the Audit Committee Meetings for consideration of financial statement including consolidated financial statement if any, to be approved by the board under sub-section (1) of section 134 of the Act; and
(e) the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

Here is detailed representation

- **ICSI Auditing Standards - Mandatory from 1st April,2020**
  [Here is detailed announcement]

Corporate Laws

- **MCA notifies Companies (Registration Offices and Fees) Second Amendment Rules, 2020 effective from March 13th, 2020.**
  Gazetted copy here

- **MCA notifies Companies (Incorporation) Second Amendment Rules, 2020 effective from March 13th, 2020.**
  Gazetted copy here

- **Government introduced The Companies (Amendment) Bill, 2020 on 17.03.2020 in parliament.**
  Copy of bill is here

The Insolvency and Bankruptcy Law

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

  - **IBBI has enabled a feature on the platform for modification of an already submitted Form.**
    An IP may modify a Form already submitted by him by submitting a modified Form on the platform on payment of the applicable fee. However, such modification till 31st March, 2020 shall not attract any fee.
    Circular No. IBBI/CIRP/030/2020 here for more details.

- **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 667 This Is It Designs (P.) Ltd. v. Kayo Enterprises (P.) Ltd.	NCLT Delhi	Section 5(6) r/w Section 9	Without any specific details of material particulars or evidence fact of existence of dispute couldn't be sustained

Security and Exchange Board of India (SEBI)

- **SEBI issues guidelines and modifications on General Information Document.**
  Circular No.: SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated 17.03.2020
  Download here

Reserve Bank of India

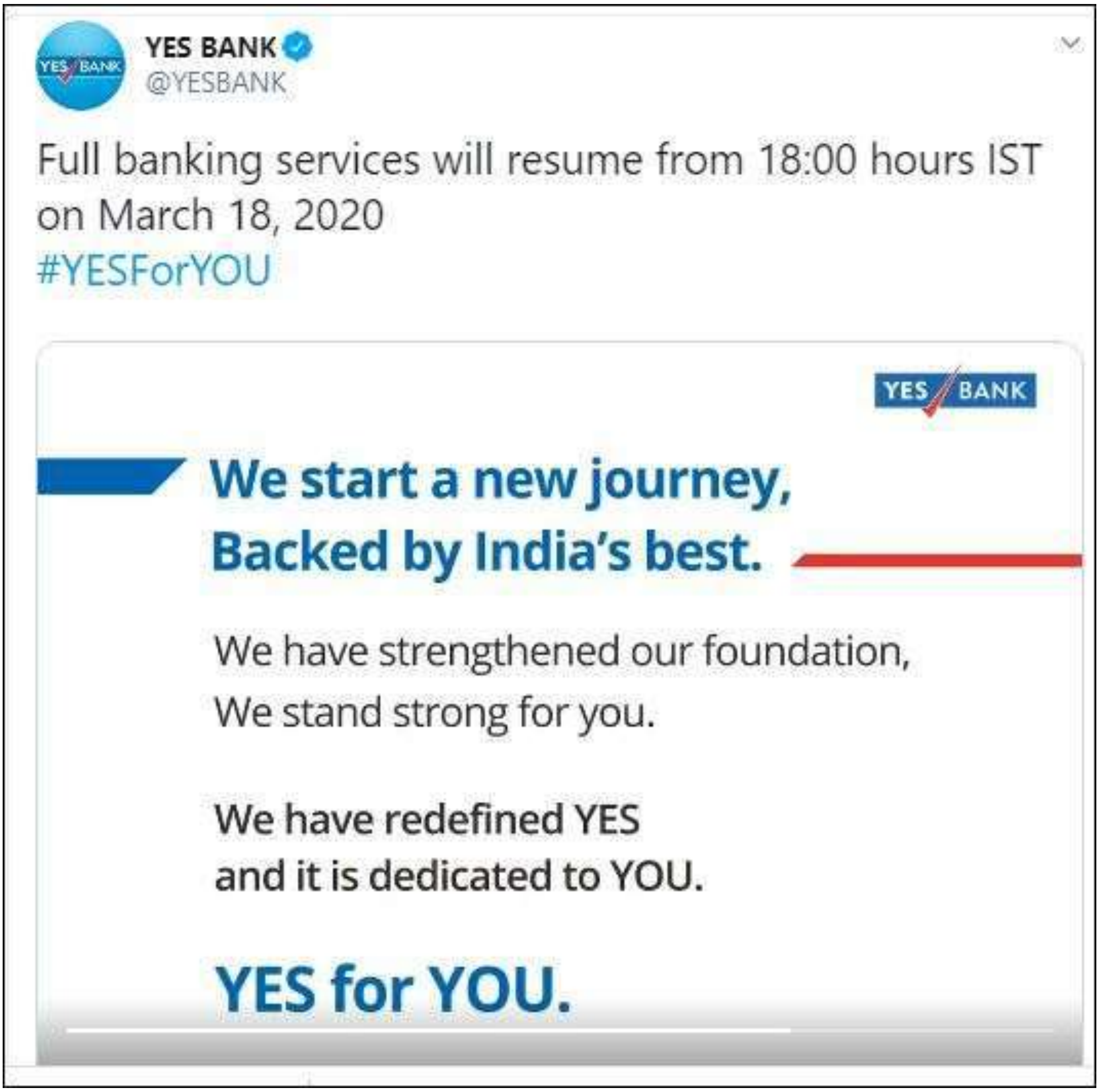
- **RBI Working Paper No. 04/2020: Macroeconomic Effects of Uncertainty: A Big Data Analysis for India.**
  The paper reviews the emerging literature on macroeconomic uncertainty, including its economic impact and measurement. In particular, the study uses a novel dataset – consisting of newspaper articles and internet search intensity data – to construct three alternative indices for measuring uncertainty in the Indian context. Further, using a local projections-based econometric framework, the study finds that uncertainty shocks influence financial markets as well as the real economy in India. The results indicate that both investment activity and real GDP growth fall in the face of heightened uncertainty in the economy. The paper concludes that such uncertainty indices can help in strengthening policy simulation exercises and in improving near-term projection of macroeconomic variables which exhibit high degree of sensitivity to uncertainty.
  Download here | RBI Press release here

Economy & Finance

- **IndusInd Bank says it is financially strong amid speculation around stock.**
  Lender IndusInd Bank on Wednesday reiterated that it is "financially strong, well-capitalised, profitable, and a growing entity with strong governance". The bank's statement comes in the wake of significantly higher level of speculation around its stock. On Wednesday, the bank's stock on the BSE fell by Rs. 61.10 or 9.20 per cent to close at Rs. 603.05 from its previous close.
  Business Standard Report

- **Centre set to overhaul audit regime to check lapses in governance**
  The ministry of corporate affairs is set to make major changes to the framework of statutory audits to ensure that managements cannot arm-twist or tempt auditors into overlooking governance lapses.
  Source- BS Report.

❖ **Announcement from Yes Bank**



Knowledge shared= Knowledge^2

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About Scribbler

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Profile

Page

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