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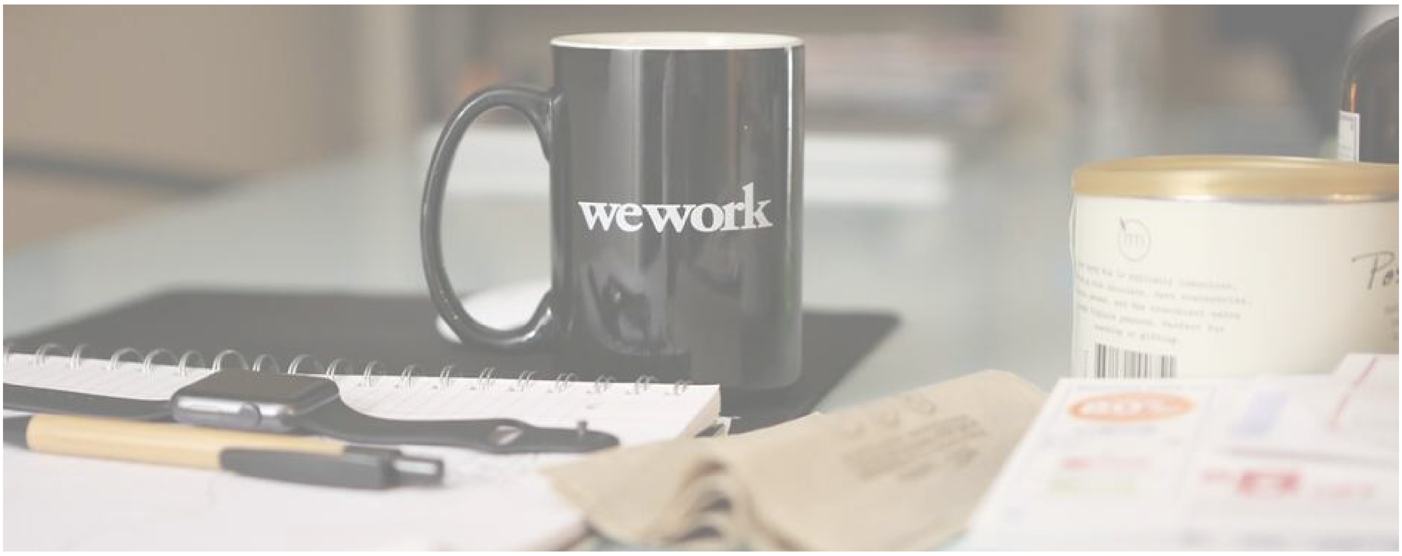
THE DAILY LIFELINE

Official Newsletter of Diucon



WHAT'S NEW IN PROFESSIONAL/ BUSINESS WORLD TODAY

Goods & Service Tax
Direct Tax Code
Income Tax
Economy | Finance
Insolvency Laws
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]

5 अप्रैल, रविवार, रात 9 बजे अपने घर के दरवाजे के बाहर या बालकनी में एक घी का दीया या मोमबत्ती हमारे शहीदों के नाम और एक दीया कोरोना वायरस के खिलाफ इस जंग मैं हम सब देशवासियों की एकजुटता को दर्शाने के लिए जरूर जलाये.

हम जीतेंगे !!!

Goods & Service Tax & other Indirect taxes

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

❖ **Concept of Input Service Distributor (ISD) in GST**

Input Service Distributor (ISD) means an office of the supplier of goods or services or both which receives tax invoices towards receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax (CGST), State tax (SGST)/ Union territory tax (UTGST) or integrated tax (IGST) paid on the said services to a supplier of taxable goods or services or both having same PAN as that of the ISD.

Download this CBIC E-flyer of this

❖ **Ordinance 2020 provides relief from compliances under the GST Act.**

- The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 (hereinafter referred to as 'Ordinance, 2020') issued on 31-03-2020 has inserted a new Section 168A in the CGST Act, 2017, which empowers the Government to extend the time limit, on the recommendations of GST Council, in respect of actions which could not be completed due to force majeure, namely, war, epidemic, flood, drought, etc. or any other calamity caused by nature affecting the implementations of provisions of CGST Act, 2017.

- The Dept. has issued two press releases dated 24-03-2020 and 31-03-2020 to provide relief to the taxpayers amid COVID-19 outbreak by extending the due dates of various compliances under the GST Act. As per the press release, registered persons whose aggregate annual turnover is less than Rs. 5 Crore, no interest, late fee and penalty shall be charged from him if he files the returns by 30-06-2020. For the registered persons with an aggregate annual turnover of Rs. 5 crores or more, interest at the lower rate of 9% per annum shall be levied from 15 days after the due date, however, no late fee and penalty to be charged, if return filing is completed till 30-6-2020.

- The relevant notifications are yet to be issued giving effect to the extension of time limits of the compliances as given in the press release dated 24-03-2020 and the 31-03-2020.

- **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] 116 taxmann.com 9 Skipper Ltd. v. Union of India WRIT TAX NO. 344 OF 2018 FEBRUARY 7, 2020	Allahabad High Court	Section 129	Where Competent Authority had seized goods of assessee as well as vehicle and by an order dated 4-12-2019 passed under section 129(3) required assessee to furnish a bank guarantee equivalent to amount of its liability determined at time of seizure of goods and vehicle, since assessee had furnished security in form of a bank guarantee of amount and in manner required of it by GST Authorities under section 129(1)(a) read with section 129(1)(c) even prior to order dated 4-12-2019 and seized goods and vehicle had been released, impugned order was infructuous.
2	[2020] 116 taxmann.com 10 JMK Solar Energies (P.) Ltd. v. State of Gujarat CIVIL APPLICATION NO. 9769 OF 2019 FEBRUARY 5, 2020	Gujrat High Court	Section 129 and 130	Assessee to file reply for confiscation notice issued by authority after payment made for release of goods & vehicle Where Competent Authority had detained goods of assessee under transport as well as vehicle and assessee got them released after payment of requisite amount and later Competent Authority issued notice under section 130 for confiscation of goods and vehicle, assessee was to be directed to appear before Competent Authority and file an appropriate reply to make good its case.

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

❖ **GST Revenue Collection for March, 2020, Rs. 97,597 Crore of gross GST revenue collected.**
The gross GST revenue collected in the month of March, 2020 is Rs. 97,597crore of which CGST is Rs. 19,183 crores, SGST is Rs. 25,601 crores, IGST is Rs. 44,508 crores (including Rs. 18,056 crore collected on imports) and Cess is Rs. 8,306 crores (including Rs. 841 crore collected on imports). The total number of GSTR-3B Returns filed for the month of February up to 31st March, 2020 is 76.5 lakh.
MOF Release

Income Tax

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

❖ **Ordinance 2020: New due dates for compliances under the Income-tax Act.**
Amid COVID-19 outbreak, the Finance Minister, Smt. Nirmala Sitharaman, held a press conference to announce various measures to address the concerns relating to statutory and regulatory compliance. To give effect to such announcement, the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 (hereinafter referred to as 'Ordinance 2020') has been promulgated by the President of India.

The Ordinance provides for the extension of various time-limits under the Taxation and Benami Acts. It also provides for the extension of time-limits contained in the Rules or Notification which are prescribed/issued under these Acts.
Here is ordinance

❖ **Ordinance 2020: New interest rates on delayed payment of taxes**
It has been provided in the Ordinance 2020 that any delay in payment of tax which is due for payment from 20-03-2020 to 29-06-2020 shall attract interest at the lower rate of 0.75% for every month or part thereof if same is paid after the due date but on or before 30-06-2020. The Government is also empowered to further extend the said date of 30-06-2020 if needed. Further, no penalty and prosecution proceedings shall be initiated for the delay in payment of tax in such a case. Currently, the interest is charged at the rate of 1.5% in case of delay in payment of TDS and at the rate of 1% in other cases. As the Government has only reduced the rate of interest and has not provided any relaxation from payment of interest, the taxpayers should make the payment by the due date.

- **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] 116 taxmann.com 12 PCIT v. Vilson Particle Board Industries Ltd.	Bombay High Court	Section 142(2A), read with section 153B	Bombay HC quashes order proposing conduct of special audit as AO did give hearing opportunity to assessee.

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

❖ **Section 80G deduction - An added incentive to donate to the PM CARES Fund**
Centre announced that donations to the PM CARES Fund (Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund) will get tax breaks under Section 80G of the Income Tax Act. This should help galvanise contributions to the fund that has been set up to provide relief to persons affected by the coronavirus outbreak.
Read for more details (Business Line Report)

Announcement by ICSI

❖ The ICSI, in its endeavour to support the members in understanding these relaxations and the new compliance requirements and deadlines, has brought out a comprehensive booklet 'Covid19-Regulatory Updates', covering the initiatives of Judiciary, Ministries and various Regulators.
Download this booklet here

❖ Extension of last date for registration to CS executive entrance test(CSEET) for May, 2020 session to 5th may, 2020.
Announcement here

❖ **ICSI's announcement for extension of date of fees payment**
The annual membership fee and certificate of practice fee for FY 2020-21 has become payable w.e.f. 1st April, 2020. The last date for payment of annual membership fee and certificate of practice fee will be 30th June, 2020.
Announcement here

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

  - Indian Institute of Insolvency Professionals of ICAI invites all Insolvency Professionals and other stake holders to attend the Webinar Filing of CIRP Forms & Disclosures and Ease of Doing Business. scheduled on 3rd April 2020 from 03:00 PM to 04:30 PM.
    Link to join

  - **IBBI release its Annual Accounts for FY 2017-18.**
    Download here

- **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] 116 taxmann.com 14 Rajesh Narang v. LIC Housing Finance Ltd. COMPANY APPEAL (AT) (INSOLVENCY) NO. 1268 OF 2019† NOVEMBER 18, 2019	NCL-AT Delhi	Section 7	**Opportunity of being heard couldn't be said to be denied as advocate of corporate debtor advanced numerous arguments** Where on date of admission of CIRP application of financial creditor, advocate of corporate debtor appeared and advanced numerous arguments to oppose admission of CIRP application, plea taken by corporate debtor that order of admission of CIRP was passed without giving opportunity of hearing was to be rejected

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

❖ **New Zealand to Introduce Measures to Help Companies Facing Insolvency.**

New Zealand said on Friday that it would introduce new legislation to help companies facing insolvency due to the coronavirus pandemic to remain viable and keep people employed. The new legislation gives directors of companies facing significant liquidity problems a "safe harbour" from insolvency under the Companies Act, Finance Minister Grant Robertson said in a news conference.

Source- Ney York Times

❖ **Planned Changes to UK Insolvency Laws to Enable Companies to Continue Trading.**

On Saturday 28 March 2020, the Business Secretary, Alok Sharma, announced that the UK government would be introducing legislation to make changes to existing insolvency laws in response to COVID-19. The new measures seek to enable companies undergoing a rescue or restructuring process to continue trading and help them avoid insolvency, and include a temporary suspension of wrongful trading provisions retrospectively from 1 March 2020 for three months.

National Law Review UK Report

❖ **COVID-19: Relaxations in The IBC in India**

Certain measures announced by Government of India in respect of the Insolvency and Bankruptcy Code, 2016 (IBC) to give businesses a safety net to enable them to continue trading in the current period of uncertainty as opposed to facing imminent insolvency and eventual closure.

Mondaq Report

Start-ups

❖ **Shri Piyush Goyal holds videoconference with stakeholders of Start-up ecosystem**

Minister of Railways and Commerce & Industry Minister Shri Piyush Goyal today held a meeting through Video Conference with the stakeholders of Start-up ecosystem, including developers, leading start-ups, Angel investors and others, to assess the impact of COVID-19 and lockdown in the country. The meeting was also attended by the Officers from Department for Promotion of Industry and Internal Trade, Ministry of Corporate Affairs, SEBI, CBDT, CBIC, NITI Aayog, and SIDBI.

MOCI Release

Reserve Bank of India

- **RBI announces further measures for dealing with the COVID-19 pandemic.**
  Extension of realisation period of export proceeds
  Presently value of the goods or software exports made by the exporters is required to be realized fully and repatriated to the country within a period of 9 months from the date of exports. In view of the disruption caused by the COVID-19 pandemic, the time period for realization and repatriation of export proceeds for exports made up to or on July 31, 2020, has been extended to 15 months from the date of export. The measure will enable the exporters to realise their receipts, especially from COVID-19 affected countries within the extended period and also provide greater flexibility to the exporters to negotiate future export contracts with buyers abroad.
  RBI Release here

- **FREQUENTLY ASKED QUESTIONS: RBI Allowed Banks to Declare Moratorium on Term Loans.**
  Here is MOF Press Release

Economy & Finance

- **Covid-19 relief: Citi Bank releases FAQ on deferred EMIs and its impact.**
  The Reserve Bank of India announced a slew of measures to deal with the coronavirus (Covid-19) pandemic. The measures were aimed at providing relief to the common people by allowing a moratorium of three months on payments of EMIs. Citi Bank released an FAQ on what its customers can expect.
  Business Standard Report

- **Coronavirus outbreak, recession cloud credit quality outlook, says CRISIL.**
  The intensifying impact of Covid-19, coupled with a looming global recession, has cast an unprecedented shadow over the credit quality outlook of India Inc, which was already struggling due to the economic slowdown, said CRISIL.
  Business Standard Report

Knowledge shared= Knowledge²

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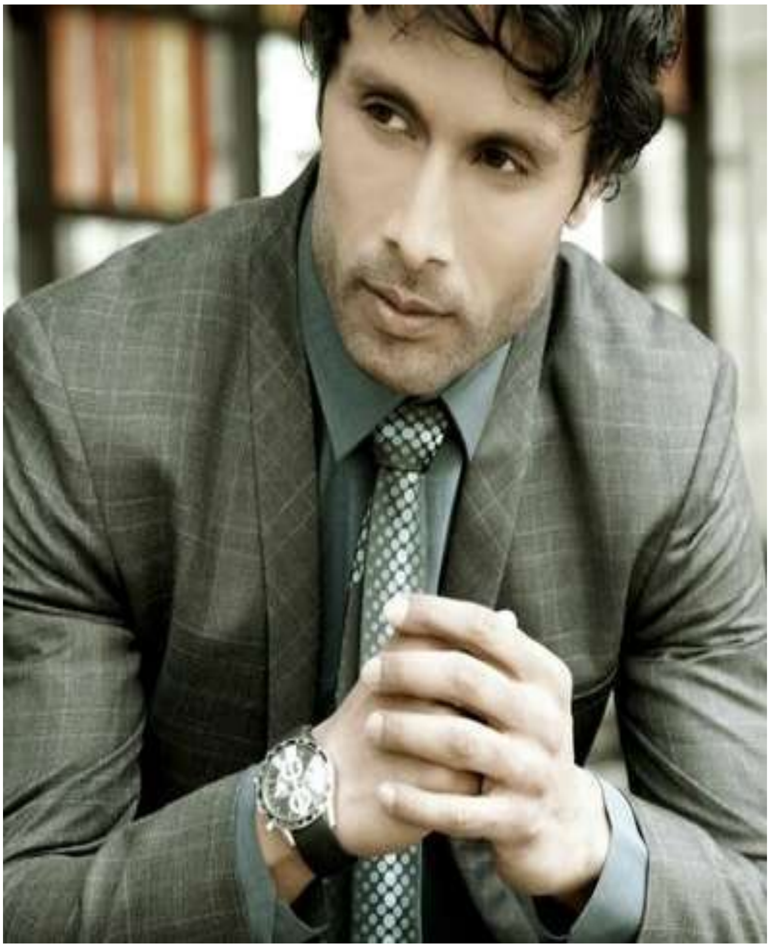
About Scribbler

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.

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Profile

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