APRIL 08, 2020 | TUESDAY ISSUE 204

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

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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

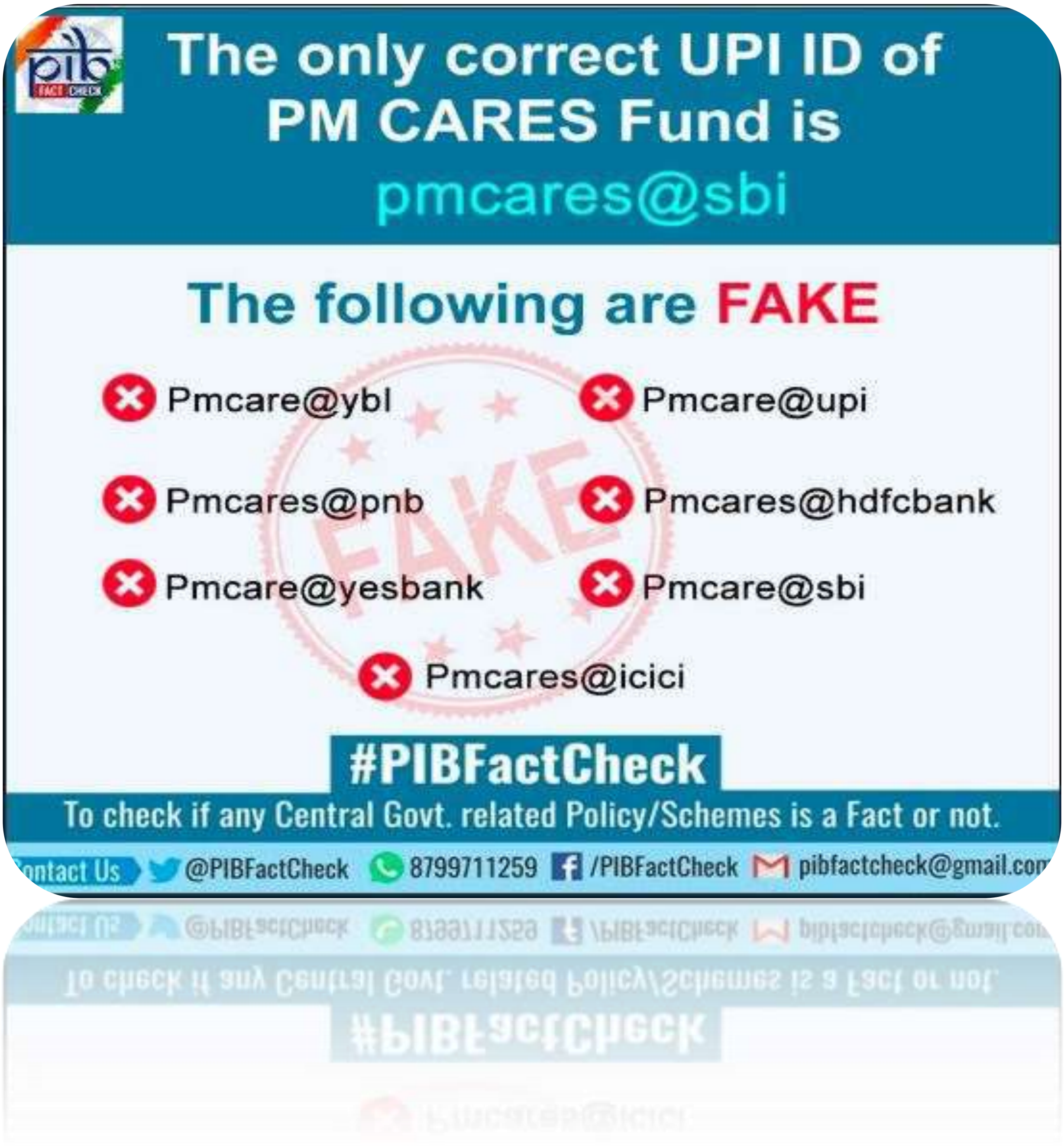
- **New Direct Tax Code**
- **Goods & Service Tax & Other Indirect Taxes**
- **Income Tax**
- **Announcements by ICAI**
- **Announcements by ICSI**
- **Corporate Laws**
- **The Insolvency and Bankruptcy Law**
- **Security and Exchange Board of India (SEBI)**
- **Director General of Foreign Trade (DGFT)**
- **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]

The correct UPI ID for PM CARES Fund is pmcares@sbi

Keep your valuable contribution safe from fraudulent UPI ID's.

Verify the genuineness before making any donations.



Goods & Service Tax & other Indirect taxes

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

❖ Total GST notifications, circulars, general orders and special (Removal of Difficulty Orders) issued by Government from 1st July 2017 to till date i.e. 8th April, 2020.

Particulars	Central Tax		Integrated Tax		Union Territory Tax		Cess	
	Non-Tariff	Tariff	Non-Tariff	Tariff	Non-Tariff	Tariff	Non-Tariff	Tariff
Notifications	268	109	22	112	34	109	3	12
Circulars		136		4		0		1
General Orders		18		0		1		0
Special orders		15		0		3		0
Total	268	278	22	116	34	113	3	13
Grand Total	**546**		**138**		**147**		**16**	
Total documents	847							
Corresponding notifications/circulars/orders issued by every state under State GST Act.								

❖ **GSTN issues advisory on Opting-in for Composition Scheme for 2020-21 - Extension of Dates in view of COVID-19 pandemic**

1) Due to COVID-19 pandemic and challenges faced by taxpayers, Government has extended dates for opting for composition scheme by normal taxpayers, for the financial year 2020-21. These are notified in Notifications 30/2020 Central Tax, dated 03.04.2020. Circular No. 136/06/2020-GST dated 3rd April, 2020 has also been issued.

2) Existing Normal taxpayers who want to opt for Composition Scheme in Financial Year 2020-21 may note changes as advised by GSTN- open this link

- **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 28 Bindal Smelting (P.) Ltd. v. Additional Director General, Directorate General of GST Intelligence* CWP NO. 31382 OF 2019 (O&M) DECEMBER 20, 2019	Punjab & Haryana High Court	Section 83 of CGST Act.	**HC quashed attachment order of cash credit account of assessee who purchased goods from non-traceable supplier.** Where Competent Authority had provisionally attached over cash credit account of assessee maintained with a bank, attachment of account in teeth of intent and purpose of section 83 was bad.
2	[2020] 116 taxmann.com 29 Mozart Global Furniture v. State Tax Officer (Intelligence), Nilambur WP (C) NOS. 34457, 34470, 34494, 34505, 34531, 34560 & 34451 OF 2019 DECEMBER 17, 2019	Kerala High Court	Section 74, read with section 122, of CGST Act.	**Competent Authority to adjudicate issue involved in demand notice after hearing the assessee's objections.** Where Competent Authority had seized certain documents from premises of assessee and thereafter served on it notices under section 74 read with section 122(1) proposing demand of tax/penalty from estimated turnover for assessment years 2017-18 and 2018-19, said Authority was to be directed to adjudicate issue in notices after hearing assessee.

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions discussed	Decision
3	[2020] 116 taxmann.com 35 Sanjay Shangri v. Director General of Goods & Services tax Intelligence CRIMINAL MISC. M-50256 OF 2019 JANUARY 23, 2020	Punjab & Haryana High Court	Section 132 of CGST Act.	**Assessee arrested for issuing fake invoices of more than Rs. 900 crores, not entitled for bail.** Where assessee for commission of economic offence of high magnitude punishable under section 132 was arrested on 7-10-2019, he was not entitled for grant of bail.
4	[2020] 116 taxmann.com 30 Securities and Intelligence Services (India) Ltd. In re NO. GST-ARA-125/2018/RECTIFICATION-4/2019-20-B-08† JANUARY 17, 2020	Advance Ruling by AAR Maharashtra		**Visvesvaraya National Institute of Technology is not a Governmental Authority, ineligible for GST exemption.** Where applicant provides security services to Visvesvaraya National Institute of Technology, Nagpur (VNIT), VNIT cannot be considered as Governmental Authority and, therefore, Sl. No. 3 of Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017 is not applicable in subject case.

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

❖ **Remuneration paid to directors to attract GST: AAR**

In an application filed before the Rajasthan bench of the AAR, Clay Craft India Pvt Ltd had sought clarification on whether salaries paid to directors would attract Goods and Services Tax. The company said its directors are working as employees for which they are being compensated by way of a regular salary and other allowances. Companies will have to pay GST on the remuneration they dole out to directors, the Authority for Advance Ruling (AAR) has said.
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] 116 taxmann.com 34 Principal Commissioner of Income-tax-1 v. Ami Industries (India) (P.) Ltd. IT APPEAL NO. 1231 OF 2017 JANUARY 29, 2020	Bombay High Court	Section 68 of Income Tax Act.	Where first appellate authority had returned a clear finding of fact that assessee had discharged its onus of proving identity of creditors, genuineness of transactions and credit worthiness of creditors which finding of fact stood affirmed by Tribunal and revenue had not been able to show any perversity in aforesaid findings of fact by authorities below, Tribunal was right in holding that no addition could be made under section 68

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions discussed	Decision
2	[2020] 116 taxmann.com 33 Kuthannur Service Co-operative Bank Ltd. v. Income-tax Officer, Ward 5, Pallaked IT APPEAL NOS. 197, 198, 199, & 202 OF 2019 JANUARY 8, 2020	Kerala High Court	Section 80P	**Plea of considering criteria laid down by Circular not acceptable as it cannot have any primacy over Court's ruling.** Circulars issued by a Government department cannot have any primacy over decision of jurisdictional High Court, hence plea of assessee of considering criteria laid down by CBDT circular 133/6 of 2007 dated 9-5-2007 over ruling of High Court in Mavilayi Service Co-operative Bank Ltd. v. CIT 2019(2) KHC 287, while ascertaining whether a co-operative society is conducting banking business so as to dis-entitle it for deduction under section 80P(4) could not have been allowed

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

❖ **You may have to claim refund for FY2019-20 tax saving done after March 31**

The government has extended the deadline to complete tax-savings to June 30, 2020, via an ordinance dated March 31, 2020. However, this might lead to individuals filing ITR to claim excess tax deducted from their salary income.

Read this report from ET

- ❖ **Your Income Tax Queries: NRIs do not need to quote Aadhaar in ITR or link PAN with Aadhaar.**
  Financial Express writes some interesting issues in Income Tax

- ❖ **New criteria for NRI status and how income will be taxed in India effective from FY2020-21.**
  At the stage of the passing of the Bill, the amendments originally proposed in the criteria determining 'residential status' in India of a person in the Finance Bill 2020 were relaxed. This change will directly impact the non-resident Indian.
  Read this ET Report

Announcement by ICAI

- ❖ **Important decision of ICAI with regards to Way forward for issues arising out of Outbreak of pandemic Coronavirus across globe and non-conduct of CPE programmes till 15.04.2020.**
  Here is announcement

- ❖ **Live Webcast on Analysis and key features of Companies Fresh Settlement Scheme 2020 & Revised LLP Settlement Scheme, 2020 on 9th April, 2020 from 4.00 pm – 6.00 pm by CL&CGC ICAI in association with MCA.**
  Corporate Laws & Corporate Governance Committee of ICAI in association with the Ministry of Corporate Affairs (MCA) is organising a live webcast on Analysis and key features of Companies Fresh Settlement Scheme 2020 & Revised LLP Settlement Scheme, 2020 on 9th April, 2020 from 4.00 pm – 6.00 pm.
  Details here
  Link to join webcast

Announcement by ICSI

- ❖ **ICSI approached CDSL & NSDL for relaxation from compliance with provisions of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018due to the COVID-19 virus pandemic.**
  Here is copy of representation before CDSL
  Here is copy of representation before NSDL

- ❖ **ICSI Announces 15 Days e-Academic Programme including 8 days e-EDP (3 days e-governance and 05 days Skill Development Programme).**
  More details here

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 discussed	Decision
1	[2020] 116 taxmann.com 32 Royal Splendour Developers P. Ltd. In re MA NO. 1234/2019 CP NO. 628/IB/CB/2017 DECEMBER 23, 2019	NCLT Chennai	Section 31 of IBC, 2016	Where resolution plan was approved by CoC with 70.93 per cent voting and same was beneficial to financial creditors, corporate debtor and all stakeholders, said plan was to be approved.
2	[2020] 116 taxmann.com 31 Prashantha H.M. v. Shree Balaji Betel Nuts (P.) Ltd. COMPANY PETITION (IB) NO. 3127 (PB) OF 2019	NCLT Delhi	Section 3(12), read with sections 5(21) and 9 of IBC, 2016.	'Default' is defined in section 3(12) in very wide terms as meaning non-payment of a debt once it becomes due and payable, which includes non-payment of even part thereof.
3	Ultra Tech Nathdwara Cement Ltd., (formerly known as Binani Cements Vs. Union of India Ltd. D.B. Civil Writ Petition No. 9480/2019	Jodhpur High Court Order here		The demand notices, sent by Central Goods and Service Tax Department, whereby the petitioner was called upon to pay Goods and Service Tax (G.S.T.) for the period prior to the resolution plan being finalized, are ex-facie illegal, arbitrary and per-se and cannot be sustained.

Director General of Foreign Trade (DGFT)

- Electronic filling and Issuance of Preferential Certificate of Origin for India's Exports under AIFTA, IJCEPA, SAPTA, SAFTA, APTA, ISLFTA is made live on the eCoO Platform w.e.f. 07th April 2020
  For details please refer to DGFT Trade Notice 01/2020-2021

Reserve Bank of India

- **Moratorium option should be for all: RBI**
  RBI says moratorium facility should be extended to all unless a borrower chooses to opt out of it. Many banks are offering the option to defer the payment of loan interest and principal only to borrowers who specifically ask for it. The move could put some of the banks with high credit- deposit ratio and NBFCs struggling to roll over liabilities in a spot.
  ET Report

- **RBI issued final directions for Hedging of Foreign Exchange Risk.**
  Here is press release

Economy & Finance

- **SC issues guidelines for functioning of Courts through video conferencing during Covid-19 pandemic**
  Faced with unprecedented and extraordinary outbreak of a pandemic, it is necessary that Courts at all levels respond to call of social distancing and ensure that Court premises do not contribute to the spread of virus. This is not a matter of discretion but of duty. Taking cognizance of the measures adopted by this court and by the High Courts and District Courts, it is necessary for this Court to issue directions by taking recourse to the jurisdiction conferred by Article 142 of Constitution.
  SC Order download here

Knowledge shared= Knowledge^2

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About Scribbler

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Profile

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