OCTOBER 10, 2019 | THURSDAY ISSUE 90

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

BIGGEST CHALLENGE- HOW TO KEEP UPDATED ON DAILY BASIS

By Pradeep Goyal, FCA | ACPA, 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-Ministry of Finance
- Goods & Service Tax by CBIC
- Income Tax by CBDT
- Announcement by ICAI
- Announcements by ICSI
- Corporate Laws by MCA
- The Insolvency and Bankruptcy Law by IBBI
- Listing/Market by SEBI
- Foreign Trade Policy by DGFT
- Start-ups by Start Up India Department
- Micro, Small & Medium Enterprises by Ministry of MSME
- Money Market/Banks by RBI
- New acts notified/Bills introduced in parliament or Executive orders by President
- Latest developments in Economy & Finance world.

Updates related to Goods & Service Tax & other Indirect taxes by CBIC

❖ GOODS AND SERVICE TAX

- **Notification/Circular/Press release/FAQs/Portal Update/Write-up by CBIC**

Government issue 6 Central Tax Non-Tariff Notification number from 44 to 49 all dated 9th October, 2019 to implement the decisions of GST Council in the 37th meeting held on 20.09.2019 at Goa.

For detailed discussion on the notifications, ***please refer Annexure-1*** at the end.

- **Legal updates- Court/AAARA judgements/Advance Rulings**

[AAARA- Appellate Authority for Advance Ruling | ARA- Advance Ruling Authority]

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/ Judgement	Summary
1	[2019] 109 taxmann.com 381 Kwangjin India Authosystems (P.) Ltd. v. Assistant Commissioner W.P. NO. 17393 OF 2019 AUGUST 1, 2019	Madras High Court	Order	IT Grievance Redressal Committee to take decision w.r.t. technical glitches taking place while paying GST from ITC

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

❖ **Two Persons arrested for involving in fake invoices racket & fraudulently availing Input Tax Credit**

The Directorate General of GST Intelligence (DGGI), Gurugram Zonal Unit (GZU), Haryana has arrested two persons namely Sh. Gulshan Dhingra resident of Ramesh Nagar, New Delhi and Sh. Sanjay Dhingra resident of Punjabi Bagh, New Delhi who were found involved in fake invoices racket having taxable value of Rs. 931 crore and fraudulently passing/ availing Input Tax Credit (ITC) amounting to Rs. 127 crore through a complex web chain of various entities. Many of these entities were under their control and they also formed separate entities in the name of their employees/ dummy persons and generated fake invoices without actual movement of goods, namely ferrous/ non-ferrous scrap, ingots, nickel cathode etc., thereby causing loss to exchequer by evasion of GST. They availed this fraudulent ITC to offset their GST liability and also passed on such fraudulent ITC to further buyers who availed the same to discharge their GST liability against their outward supplies with an ulterior motive to defraud the Government exchequer. During the course of investigation, their employees/ dummy persons admitted of having no knowledge of movement of above mentioned goods.

Press Release from Ministry of Finance

Updates related to Income Tax by CBDT

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

Sr.No.	Key to find the document	Description	
		Tribunal/Court	**Brief judgement**
1	[2019] 109 taxmann.com 388 Dharmraj Prasad Bibhuti v. ITAT Patna MISC. APPEAL NO. 245 OF 2008 AUGUST 8, 2019	Patna High Court	Where AO made additions to income of assessee in respect of cash found during search at residential premises of his father-in-law, since father-in-law of assessee had accepted that cash recovered from his premises belonged to him and also filed his return of income showing said seized cash, impugned addition was unjustified

Corporate Laws by MCA

- Form NDH-4 (Form for filing application for declaration as Nidhi Company and for updation of status by Nidhis) notified vide the Nidhi (Amendment) Rules 2019 dated 1st July 2019 shall be available for filing w.e.f 11th October 2019'. Stakeholders may please take note and plan accordingly.

The Insolvency and Bankruptcy Law.

- **Legal updates- NCLAT | Court**

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	[2019] 109 taxmann.com 127 Bank of India v. Rai Homes Universal (P.) Ltd. BER CP (IB) NO. 218/7/NCLT/AHD/2018 JUNE 19, 2019	NCLTT Ahmedabad Bench	Where Corporate debtor acknowledged debt borrowed from financial creditor but neglected and failed to repay same, CIRP application filed by financial creditor was to be admitted
2	[2019] 110 taxmann.com 130 Karan Goel v. Pashupati Jewellers COMPANY APPEAL (AT) (INSOLVENCY) NO. 1021 OF 2019 OCTOBER 1, 2019	NCLTT Delhi Bench	Merely because a suit has been filed by applicant and pending, cannot be a ground to reject application under section 7. Pre-existing dispute cannot be a subject matter of section 7, though it may be relevant under section 9

Updates related to Latest developments in Economy & Finance world

- **OECD proposes plan to tax Google, Netflix among other tech giants**
  The Organisation of Economic Co-operation and Development (OECD) has proposed an overhaul in the taxation system for multinational companies. This move could force entities, including digital giants Google, Netflix, Facebook, and Amazon, to shell out taxes in countries where they do not have physical presence. The consultation paper floated by the 36-member bloc will also affect India's right to tax these companies. While the Central Board of Direct Taxes has lauded the general intent, it has also expressed reservations over certain provisions. The final agreement is expected by 2020. Read here for more

- **No special liquidity window for NBFCs, says RBI deputy governor**
  Extending a special liquidity facility to non-banking financial companies (NBFCs) is not being considered, said the Reserve Bank of India (RBI). In a teleconference with researchers and analysts, N S Vishwanathan, deputy governor at the central bank, said: "The RBI's position is that there is adequate liquidity in the system and it is for the lenders to take a view on which borrower to give money to.
  Read here for more

ANNEXURE-1

DISCUSSION ON GST NOTIFICAIONS ISSUES ON 9TH OCTOBER, 2019

<table>
<tr><th rowspan="2">Serial No</th><th colspan="3">Details</th><th rowspan="2">Relevant Sections & issue</th><th rowspan="2">Description</th></tr>
<tr><th>Date of issue</th><th>No.</th><th>Type</th></tr>
<tr><td>1</td><td>09.10.2019</td><td>44/2019</td><td>NT</td><td>Section 168 & Rule 61(5)</td><td>GSTR-3B returns for each of the months from October, 2019 to March, 2020 shall be furnished and tax, interest, penalty, fees or any other amount payable to be deposited on or before 20th day of the month succeeding such month.</td></tr>
<tr><td>2</td><td>09.10.2019</td><td>45/2019</td><td>NT</td><td>Section 148</td><td>Special procedure for furnishing quarterly GSTR-1 by registered persons whose aggregate turnover of <u>up to 1.5 crore rupees</u> in the preceding financial year or the current financial year-
<table>
<tr><th>Quarter</th><th>Time period of return filing</th></tr>
<tr><td>Oct-19 to Dec-19</td><td>31.01.2020</td></tr>
<tr><td>Jan-20 to March-20</td><td>30.04.2020</td></tr>
</table>
<hr>
Time limit for furnishing details of inward supplies as mentioned in section 38(2) for the months of October, 2019 to March, 2020 will be notified later.</td></tr>
<tr><td>3</td><td>09.10.2019</td><td>46/2019</td><td>NT</td><td>Section 168 & 2nd proviso to section 37(1)</td><td>Special procedure for furnishing GSTR-1 by registered persons whose aggregate turnover <u>more than Rs. 1.5 crore rupees</u> in the preceding financial year or the current financial year-
For each of the months from October, 2019 to March, 2020- on or before 20th day of the month succeeding such month
<hr>
Time limit for furnishing details of inward supplies as mentioned in section 38(2) for the months of October, 2019 to March, 2020 will be notified later.</td></tr>
</table>

Serial No	Details			Relevant Sections & issue	Description
	Date of issue	No.	Type		
4	09.10.2019	47/2019	NT	Section 148	Registered persons up-to aggregate turnover of Rs. 2 Crores in a financial year- have OPTION to file annual return in respect of financial years 2017-18 and 2018-19.
5	09.10.2019	48/2019	NT	Section 128	Section 128 empowers government to waive penalty or fees for late filing of various returns. Using these powers, Government issues Notification no. 41/2019-CT dated 31.03.2019 for waiver of late fees for state of Jammu & Kashmir and also for certain other flood affected states. Above notification 41 amended by Government by issuing this current notification 48 to provide more times of returns filing without late fees for state of Jammu & Kashmir.
6	09.10.2019	49/2019	NT	Section 164	**Government issued CGST (6th Amendment) Rules, 2019.** 1. **Amendments in Rule 21A "Suspension of registration"** **a) Explanation with Sub-rule (3) inserted** Sub-rule (3) says a registered person shall not make any taxable supply during the period of suspension. Now explanation been inserted with this sub-rule stating that expression "shall not make any taxable supply" shall mean that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension

Serial No	Details			Relevant Sections & issue	Description
	Date of issue	No.	Type		
					b) Insertion of New sub-rule (5) if order of revocation of suspension of registration has been passed, clause (a) of sub-section (3) of section 31 and section 40 in respect of the supplies made during the period of suspension and the procedure specified therein shall apply. Section 31(3)(a) deals with issuance of invoice in specific cases and section 40 deals with filing of First Return in specific case. So these sections correlated for issuance for invoices and filing of first return for suspension period transactions.
					2. Amendments in Rule 36 "Documentary requirements and conditions for claiming input tax credit" **New sub-rule (4) inserted** Registered persons not allowed to claim ITC in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37, more than 20% of eligible credit in respect of invoices or debit notes uploaded by supplier in GSTR-1.
					3. Amendments in Rule 61 "Form and manner of submission of monthly return" **Sub-rule (5) substituted by new sub-rule (5) and sub-rule (6) deleted with effect from 01.07.2017 retrospectively**

Serial No	Details			Relevant Sections & issue	Description
	Date of issue	No.	Type		
					Proviso to new sub-rule (5) states that where a return in FORM GSTR-3B is required to be furnished by a person referred to in sub-rule (1) then such person shall not be required to furnish the return in FORM GSTR-3.
					4. Amendments in Rule 83A "Examination of GST Practitioners" **Existing clause (i) of sub-rule (6) is substituted by new clause (i)-** Persons enrolled as a sales tax practitioner or tax return preparer under the existing law and who is enrolled as GSTP at GST portal, is required to pass the examination on or before 01.01.2020.
					5. Amendments in Rule 91 "Grant of provisional refund" a) Sub-rule (3) amended with effect from 24th September, 2019 by adding words "on the basis of a consolidated payment advice" at end. b) With effect from 24th September, 2019, new sub-rule (4) inserted- The Central Government shall disburse the refund based on the consolidated payment advice issued under sub-rule (3).
					6. Amendments in Rule 97 "Consumer Welfare Fund" **a) New sub-rule 7A inserted with effect from 1st July 2017 retrospectively-** Allocation of amount for publicity or consumer awareness on Goods and Services Tax.

Serial No	Details			Relevant Sections & issue	Description
	Date of issue	No.	Type		
					b) in sub-rule (8), with effect from the 1st July, 2017, clause (e) shall be omitted.
					7. Amendments in Rule 117 "Tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day" a) sub-rule 1A amended to empower commissioner to extend date of filing of TRAN-1 from 31^{st} March 2019 to 31^{st} December, 2019 (In respect of registered persons who could not submit the said declaration by the due date on account of technical difficulties on the common portal and in respect of whom the Council has made a recommendation for such extension.] b) Proviso with Sub-rule (4)(b)(iii) amended to extend date of filing TRAN-2 by person who filing TRAN-1- Date extended to 31^{st} January 2020 from 30^{th} April 2019.
					8. Amendments in Rule 142 "Notice and order for demand of amounts payable under the Act" **a) New sub-rule 1A inserted.** officer, before show cause (SCN), under sub-section (1) of Section 73 or sub-section (1) of Section 74, shall communicate the details of any tax, interest and penalty as ascertained by the said officer, in Part A of FORM GST DRC-01A. **b) Sub-rule 2 amended** information of tax paid to officer **c) new sub-rule 2A inserted** Where the person referred to in sub-rule (1A) made partial payment of amount communicated to him or desires to file any submissions against the proposed liability, he may make such submission in Part B of FORM GST DRC-01A.

Serial No	Details			Relevant Sections & issue	Description
	Date of issue	No.	Type		
					9. New "FORM GST DRC-01A "Intimation of tax ascertained as being payable under section 73(5)/74(5) [See Rule 142 (1A)], introduced. ***[Amendment rules will be effective from date of publication in official gazette of India except as effective date specifically mentioned with any rule]***

Knowledge shared= Knowledge^2

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About Scribbler

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Profile

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