DECEMBER 14, 2019 | SATURDAY ISSUE 129

# 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

# This update covers all developments from 12$^{th}$ December, 2019 to 14$^{th}$ December, 2019 [Last update was on 11$^{th}$ December, 2019]

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

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

❖ Various notifications issued by government for implementation of provisions related to e-invoice and QR Code for a class of taxpayers

| Sn | No, date and type of Notification | Subject | |
|---|---|---|---|
| 1 | 68/2019-Central tax, 13.12.2019 [notification copy here] | CGST (Eighth Amendment) Rules, 2019. | Manner of issuance of E-Invoice in form GST-Inv-1 |
| 2 | 69/2019-Central tax, 13.12.2019 [notification copy here] | Notifies Common CGST Electronic Portal for the purpose of preparation of E-invoice | |
| 3 | 70/2019-Central tax, 13.12.2019 [notification copy here] | Registered persons with aggregate turnover in a financial year > Rs.100 Crore to prepare E-invoice from 01.04.2020 | |
| 4 | 71/2019-Central tax, 13.12.2019 [notification copy here] | 5th proviso to Rule 46 notified with effect from 01.04.2020 | Tax invoice shall have Quick Response (QR) code from 01.04.2020. |
| 5 | 72/2019-Central tax, 13.12.2019 [notification copy here] | Category of persons who will issue invoice with QR Code from 01.04.2020 | Invoice issued by a registered person, whose aggregate turnover in a financial year > Rs.500 Crores, to an unregistered person (B2C invoice), shall have Quick Response (QR)code |

- **Recorded-Webinar by GSTN | E-Way Bill Blocking and Unblocking for Taxpayers**
  Topics discussed-
  - ✓ Blocking of EWB generation facility
  - ✓ Unblocking of EWB generation facility
  - ✓ By filing of Return for default period(s)
  - ✓ By filing an application to Jurisdictional Officer
  - ✓ Viewing Accept/Reject Order on the portal
  - ✓ Validity period of unblocking.

  [Watch here in HINDI] | [Watch here in ENGLISH]

- **Dr. Ajay Bhushan Pandey, Secretary, Revenue Department, gave a presentation on the Major Initiatives taken by the Revenue Department on GST. Here is summary-** [Source- Finance Ministry Press Release]

| | |
|---|---|
| Refund of IGST | In Financial Year 2018-19 Rs. 56057 Core [Rs. 38988 Crore refunded in 2019-2020 till 13th December, 2019] |
| Refund of Input Tax Credits | In Financial Year 2018-19 Rs. 36513 Core [Rs. 33395 Crore refunded in 2019-2020 till 13th December, 2019] |
| New Refund System | Completed Automated Refund Process implemented from 26.09.2019:<br>➢ Online filing of refund application (including uploading of supporting documents)<br>➢ Online processing, sanction and disbursement in the Bank account<br>Single Source Disbursement of Refund<br>➢ The complete refund amount under the head of IGST, CGST, SGST and Cess to be disbursed by Centre |
| Introduction of e-invoicing | ✓ From 01.01.2020, it will be optional for all taxpayers with turnover more than Rs. 500 Crores will have to generate E-Invoice for all the B2B transactions.<br>✓ From 1.04.2020, it will be compulsory for all taxpayers with turnover more than Rs. 100 Crores will have to generate E-Invoice for all the B2B transactions.<br>✓ Once E-Invoice is generated all future returns for the taxpayer will be automatically populated.<br>✓ In future, E-Way Bill will not be needed for E-Invoices |

<table>
<tr><td>Other measures</td><td>
<ul>
<li>✓ For FY 2017-18 and 2018-19, Annual Return and Reconciliation Statement has been made optional for taxpayers less than Rs. 2 Crore</li>
<li>✓ For FY 2017-18 and 2018-19, many of the prominent fields have made optional for taxpayers in Annual Return and Reconciliation statement</li>
<li>✓ A “Stakeholder Feedback Diwas” drive was organized on 07.12.2019 in around 193 cities where 19645 stakeholders participated.</li>
<li>✓ Document Identification Number (DIN): From 08.11.2019, DIN has been made mandatory for following activities:
<ul>
<li>➢ to all search authorisations, summons, arrest memo,</li>
<li>➢ To inspection notices and letters issued by tax authorities</li>
</ul></li>
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<tr><td>Refund Drive</td><td>
To clear pending refund of MSME a drive was under taken in the month of September- 2019 in which following amounts were sanctioned-
<ul>
<li>➢ Amount pending before drive- 10841 Cr in 74905 cases</li>
<li>➢ Amount sanctioned in the drive 9561 Cr in 66150 cases</li>
</ul>
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</table>

❖ **CBIC’s e-flyer on “Valuation in GST”**
Download here

- **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] 111 taxmann.com 509 Himani Munjal v. Union of India Criminal Misc. IV Bail Application No. 12077 Of 2019 September 30, 2019 | Rajasthan High Court | Order | HC refused to grant bail to assessee as fake firms were created by her evading GST of more than Rs. 66.81 crores. Where assessee (a lady) for offence punishable under section 132(1)(i) and (iv) was in custody since 3-8-2018, keeping in view seriousness of allegations levied against assessee, bail application required to be rejected |

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

❖ **Buzz of increasing GST rates everywhere except my office: FM Nirmala Sitharaman**

Ahead of the crucial meeting of the GST Council, Finance Minister Nirmala Sitharaman on Friday said the buzz of an increase in GST rates is everywhere other than her office. She was responding to a question on talk of current Goods and Services Tax (GST) rates of 5, 12, 18 and 28 per cent being raised to make up for the fall in revenues that has even hampered giving compensation to states for loss of revenue from implementation of the indirect tax regime.

Source- ET News

# Updates related to Income Tax by CBDT

- **Notification/Circular/Press release/FAQs**

❖ **Government notified Taxation Laws (Amendment) Act, 2019 with effect from 20th day of September, 2019.**
An Act further to amend the Income-tax Act, 1961 and to amend the Finance (No. 2) Act, 2019
Download notified copy here

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

| Sr.No. | Key to find the document | Description | |
|---|---|---|---|
| | | Tribunal/Court | Brief judgement |
| 1 | [2019] 112 taxmann.com 91 (Gujarat)<br>Principal Commissioner of Income-tax<br>v.<br>Dishman Pharmaceuticals & Chemicals Ltd.* | Gujrat High Court | Once prior period income was held to be taxable, prior period expenditure should also be allowed to be set off and assessee was not obliged in law to indicate any direct or indirect nexus between prior period income and prior period expenditure |

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

❖ Ministry of Finance issued a presentation on various legislative measures taken for tax reforms in India.
[Download presentation here]

## Updates related to Announcement by ICAI

- **ICAI issues Advisory on Exhibit B3 of SEBI's Circular dated 29th March 2019 regarding Procedure and formats for limited review / audit report of the listed entity and those entities whose accounts are to be consolidated with the listed entity.**
  SEBI has issued a Circular dated 29th March 2019 regarding Procedure and formats for limited review / audit report of the listed entity and those entities whose accounts are to be consolidated with the listed entity. Exhibit B3 of the abovementioned Circular pertains to "Independent Auditor's Review Report on Review of Consolidated Unaudited Quarterly and Year to date Financial Results for banks". Point Nos. 7 and 8 of Exhibit B3 require quantification of (a) total assets (b) total revenue (c) Total net profit/(loss) after tax (d) cash flows(net) with respect to branches of banks
  *Members are advised that while reporting as per Exhibit B3 they need not report on net profit/(loss) after tax and cash flows of branches if such details are not contained in the financial statements.*

  [Read this announcement here]

- **Announcement on Joining/Association with "Networks" by Members in Practice**
  Clarification by Institute on information that members in practice are joining/associating themselves with "Networks" which are other than the Networks registered with the Institute, with the mutual referral of professional work being the main objective of such Networks, among others. This is not allowed as per ICAI regulations.
  [Read here for more]

## Corporate Laws by MCA

- Scheme containing the terms and conditions for the empanelment of chartered accountants for the office of the official liquidator, attached to the high court of Gujarat effective from 03.12.2019.
  Download here detailed notification

# The Insolvency and Bankruptcy Law.

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

❖ **Cabinet approves Insolvency and Bankruptcy Code (Second Amendment) Bill, 2019 and bill introduced in loksabha.**

Details of the Proposal

The Amendment Bill seeks to amend sections 5(12), 5(15), 7, 11, 14, 16(1), 21(2), 23(1), 29A, 227, 239, 240 and insert new section 32A in the Insolvency and Bankruptcy Code, 2016 (Code).

Impact

1. Amendments to the Code to remove bottlenecks, streamline the CIRP and protection of last mile funding will boost investment in financially distressed sectors.
2. Additional thresholds introduced for Financial Creditors represented by an authorized representative due to large numbers in order to prevent frivolous triggering of Corporate Insolvency Resolution Process (CIRP).
3. Ensuring that the substratum of the business of corporate debtor is not lost, and it can continue as a going concern by clarifying that the licenses, permits, concessions, clearances etc. cannot be terminated or suspended or not renewed during the moratorium period.
4. Ring-fencing corporate debtor resolved under the IBC in favour of a successful resolution applicant from criminal proceedings against offences committed by previous management/promoters.

[Fin-Min Press Release here] | [Copy of Bill introduced in Parliament]

- **Legal updates- NCLAT | Court**

| Sr.No. | Key to find the document | NCLAT/Court | Summary |
|---|---|---|---|
| 1 | [2019] 111 taxmann.com 521 (NCLT - Hyd.) Katragadda Narayana Rao v. Avanti Leathers Ltd. CP(IB) NO. 720/7/(HDB.) OF 2019 | NCLT Hyderabad | Loans advanced without consideration for time value of money is not financial debt |

## Updates related to Money Market/Banks by RBI

- **RBI issues Master Circular on Collection of Direct Tax – OLTAS and withdrawn all earlier circulars.**
  Read this release

## Updates related to Latest developments in Economy & Finance world

- **Arcelor-Mittal set to close Rs 42,000-cr Essar Steel deal next week**
  Arcelor-Mittal is set to close its Rs 42,000-crore transaction with the Essar Steel lenders next week. For the world's largest steel maker, the timeline of one month for the full payment ends on Monday. Lenders as well as other sources close to the development said the payment could be made by that day. The funds are in a State Bank of India (SBI) account and will be distributed to financial creditors and operational creditors on Monday, a lender said.
  *Source- Business Standard*

- **PMO, Fin-Min to hold Budget 2020 meetings to discuss ideas to boost economy**
  Prime Minister Narendra Modi and his economic departments have lined up a series of meetings with economists and advisors next week to discuss ideas, which may find their way into the 2020-21 Budget, in a bid to boost the sagging economy. On December 19, the NITI Aayog will hold a meeting with public and private sector economists; the next day, Finance Minister Nirmala Sitharaman will meet experts for pre-Budget consultations, and on December 21, the prime minister will receive briefings and presentations from various departments, and advisors.
  *Source- Business Standard*

- **Presentation made by Chief Economic Adviser K. Subramanian on measures taken to boost Indian Economy**
  Smt. Nirmala Sitharaman, Union Minister for Finance & Corporate Affairs, held a press conference on the measures taken to boost economy. Chief Economic Adviser K. Subramanian, gave a presentation on Major Interventions to Boost Economy.
  Here is detailed presentation

# Knowledge shared= Knowledge$^2$

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## About Scribbler

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