JANUARY 28, 2020 | TUESDAY ISSUE 155

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

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

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

❖ **CBIC issues its GST Weekly update dated 25th January, 2020.**
It covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBIC since the last update on 11.01.2020. No update was issued on 18.01.2020. It supplements the earlier GST Updates. This is based on CGST Act/Rules/Notifications, except the provisions related solely to SGST provisions. Similar parallel provisions in State Laws may be referred to as required.
Download your copy here

❖ **All about GST provisions related to advances received for Future Supply.**
Download CBIC E-flyer

❖ **Few clarifications regarding GSTR-9 and 9C by government.**
Below are steps taken towards simplification of annual filing

Changes in Filing Requirements Form GSTR 9 & 9C

- Filing made optional for Aggregate Turnover (PAN based) up to Rs 2 Crore. (calculated from 1st July, 2017 to 31st March, 2018, for FY 2017-18)
- The simplifications notified in Form GSTR-9 and Form GSTR-9C effective only for FY 2017-18 and 2018-19
- For FY 2017-18, the last date for filing GSTR-9 and GSTR-9C extended to 31st Jan, 2020.
- For FY 2018-19, the last date for filing GSTR-9 and GSTR-9C extended to 31st March, 2020.

Simplifications made in Form GSTR-9 (1)

- In Tables 4B to 4E and 5A to 5F, taxpayers given an option to fill details net of CN, DN and amendments.
- Option to fill exempt, NIL rated and Non GST supplies on consolidated basis in Table 5D.
- ITC bifurcation into inputs, capital goods and input services made optional. Can be reported in inputs row only.
- ITC related to RCM goods from Registered and Unregistered can be merged and reported in Table 6D.

Simplifications made in Form GSTR-9 (2)

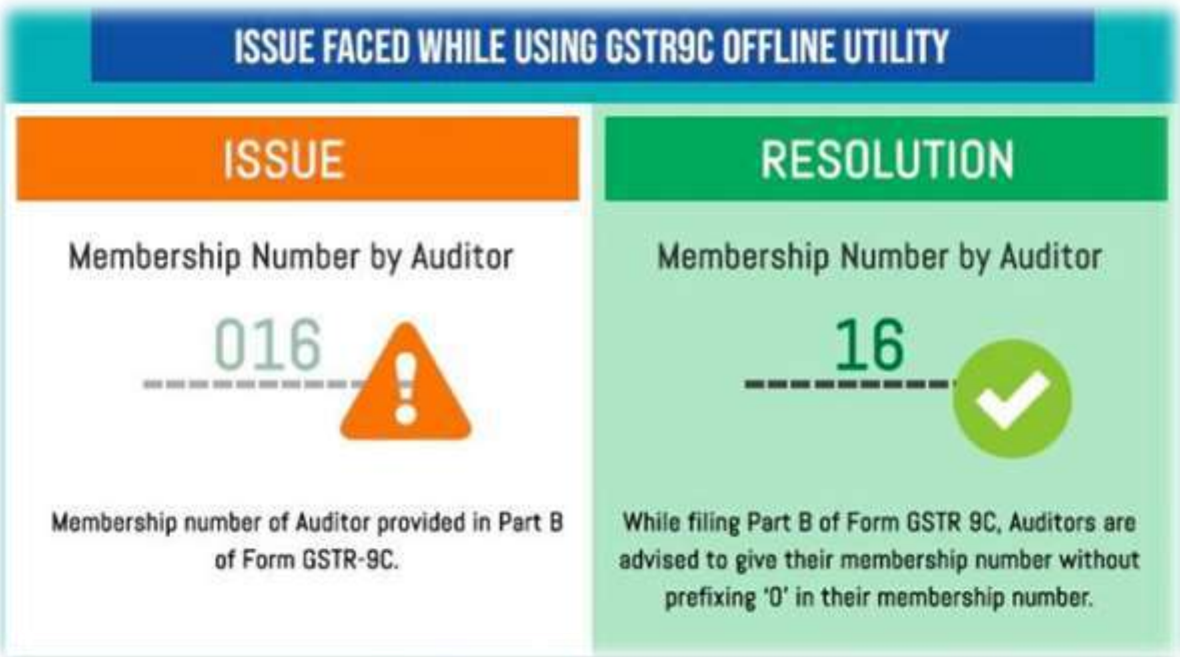
- Entire ITC reversal {as per Rule 37, 39, 42, 43 & Sec 17 (5)} can be reported in Table 7H.
- Reversal on a/c of TRAN-1 (Table 7F) and TRAN-2 (Table 7G) to be reported separately in respective tables.
- Tables 12, 13, 15 to 18 now made optional.
- Option to upload other ITC related information in Tables 8A to 8D, duly signed in pdf format in GSTR-9C without CA certification.

Simplifications made in GSTR 9C

- Not mandatory to attach cash flow statement.
- Instead of 'True & Correct' opinion Auditor required to give 'True & Fair' opinion.
- Table 14 made optional.
- Option provided not to fill 'ITC booked in previous FY claimed in current FY; and, ITC booked in current FY to be claimed in next FY', in Table 12.
- Option provided not to fill unbilled revenue, unadjusted advances & other entries in Table 5. Any adjustments requiring reporting can be entered in Table 5 O.

Issue reported	It may be because of:
ITC auto populated in Table 8 A does not match figures of Form GSTR 2A in Form GSTR 9	• Figures in GSTR 2A flow from GSTR- 1 filed by your supplier taxpayer. If it has not been filed by supplier taxpayer till 30th April, 2019, for FY 2017-18, this amount will not flow into Table 8A of Form GSTR-9. • Figures for FY 2017-18, reported by supplier taxpayer in GSTR-1 after 30th April, 2019, will reflect in your GSTR-2A but will not be auto populated in Table 8A of GSTR-9. *(Please note that after recent changes taxpayers are also given an option to upload ITC related information in Tables 8A to 8D of GSTR-9, duly signed in pdf format in GSTR-9C without CA certification.)*

Issue reported	It may be because of:
Unable to upload Balance Sheet and P & L A/c (Form GSTR-9C)	• One of the possible reasons could be that key words i.e. Balance Sheet/ Profit and Loss Account/ Income and Expenditure Statement, if uploaded in your office network, may be denied upload by firewall/ content security filter, as these contain sensitive information. Ask your Administrator to allow upload of such documents. • An open network can also be used to upload these documents.



- **Big initiative towards ease of doing business- Implementation of automated clearance of good imported for home consumption on pilot basis.**
  CBIC has decided to implement the facility of automated clearance as envisaged in 1st proviso to Section 47(1) in ICES. However, the facility will be initially rolled out on a pilot basis at two customs locations- Chennai Customs House and Jawaharlal Nehru Customs House from 06.02.2020. Thereafter, the facility will be reviewed and further expanded on PAN India basis at all Customs EDI locations where RMS is enabled and functional.
  Custom Circular No. 05/2020 dated 27.01.2020

- **26th GST newsletter of GST & Indirect Taxes Committee of ICAI.**
  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	[2020] 113 taxmann.com 187 Ingersoll-Rand Technologies & Services (P.) Ltd. v. Union of India WRIT TAX NO. 1120 OF 2019 NOVEMBER 21, 2019	Allahabad High Court	Order	Writ petition seeking intervention of HC to allow it to file revised TRAN-1 or manually accept same to enable it to avail credit pertaining to SAD, which was not claimed inadvertently, a writ, as prayed for, could not be granted.
2	[2020] 113 taxmann.com 501 Crown Tours & Travels, In re ARN RAJ/AAR/2019-20/25	Rajasthan AAR	Advance Ruling	'Ancillary Services' provided to tour operators are 'Support Services' classified under heading 9985, taxed @ 18% GST.

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

- **Government blocks Rs 40,000 crore GST claims on returns mismatch.**
  The Central Board of Indirect Taxes and Customs (CBIC) has frozen tax credits of around Rs 40,000 crore as the returns did not match, exposing alleged fraud by close to 2,000 entities, apart from cases where returns were not filed. Last week, the indirect tax wing of the revenue department blocked the credits within four hours, CBIC chairman John Joseph said at an event on Monday.
  TOI Report

Updates related to Announcement by ICSI

- **ICSI's Certificate Course on Certified CSR Professionals – Last date of registration extended till 6th Feb,2020**
  Click here for more details

The Insolvency and Bankruptcy Law.

- **Legal updates- NCLAT | Court**

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	[2020] 113 taxmann.com 281 Devsaria Boring (P.) Ltd. v. Perfect Boring (P.) Ltd. C.P. (IB) NO. 148/9/NCLT/AHM/2019 SEPTEMBER 30, 2019	NCLT Ahmedabad	Where civil suit was filed by corporate debtor company alleging defective and inferior quality of material supplied by operational creditor after three months of issuance of demand notice by operational creditor, it could not be considered as a pre-existing dispute between parties.

Sr.No.	Key to find the document	NCLAT/Court	Summary
2	[2020] 113 taxmann.com 285 CTC Projects (P.) Ltd. v. Hind Inns and Hotels Ltd. CP (IB) NO. 168/CHD/2018 OCTOBER 31, 2019	NCLT Chandigarh	Where civil construction work for corporate debtor was completed by contractor and defects were rectified during defect liability period which expired after 12 months from date of completion of work, on default in paying retention money, CIRP application was to be admitted Where on 21-7-2015 corporate debtor sent mail to operational creditor that operational creditor had attended all defects in construction work and rectified same as and when required while demand notice was issued on 1-3-2018, same was within period of limitation
3	[2020] 113 taxmann.com 200 Srikanth Dwarakanath v. Bharat Heavy Electricals Ltd. MA NO. 1052/2019 CP (IB) NO. 646/CB/2017 NOVEMBER 20, 2019	NCLT Chennai	When debt is secured, creditor is always at liberty to proceed under section 52 to realise its security interest over asset and such right cannot be whittled down by Resolution Professional by filing an application to enable him to treat it as an asset falling under section 53

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

- **Lease rent dues of an immovable property not 'Operational Debt' under IBC, NCLAT.**

  The National Company Law Appellate Tribunal (NCLAT) has held that the lease rent dues of an immovable property does not fall within the ambit of 'Operational Debt' under the Insolvency and Bankruptcy Code, 2016 (IBC). The Order was passed by a three-member Bench of Member (Judicial), Justice AIS Cheema and Members (Technical) Kanthi Narahari, VP Singh in an appeal against an order passed by National Company Law Tribunal, Hyderabad.

  Bar and Bench Report

- **Unitech takeover: Despite IBC and RERA, homebuyers find no relief.**

  The recent Supreme Court judgment allowing the Centre to take over the management of the beleaguered real estate firm Unitech has once again put the spotlight on the issues concerning homebuyers and their disputes with builders. A sense déjà vu prevailed: Around a decade back, the government had to similarly step in to rescue fraud-hit Satyam. While many stakeholders celebrated the SC's order in Unitech, it raised questions on the efficacy of the regulatory and redress mechanisms under the Real Estate Regulation Act (Rera) and the Insolvency and Bankruptcy Code (IBC).

  Business Standard Report

- **NCLT grants post-facto approval to Liquidator under IBC to initiate legal proceeding on behalf of Corporate Debtor.**

  The National Company Law Tribunal, Cuttack has granted post-facto approval in terms of Section 33(5) of Insolvency & Bankruptcy Code, 2016 to a Liquidator for initiation of a legal proceeding on behalf of the corporate debtor. The order was passed by a single-member Bench of Member (Judicial), Sucharitha R in a Section 60 (5) IBC application by the Liquidator of the Corporate Debtor ie. M/s Coastal Projects Ltd. The order of liquidation was passed by the NCLT in December 2018.

  Bar and bench Report

- **No default under IBC by Real-Estate Developer if possession is delayed due to reasons beyond its control, NCLAT**

  The NCLAT has held that a real-estate developer cannot be said to have committed a 'default' under the Insolvency & Bankruptcy Code, 2016 when the possession of an apartment/flat/premise is delayed due to reasons beyond its control.

  Bar and Bench Report

- IBBI rejected registration as Registered Valuer even if RVO recommended registration as applicant does not meet the eligibility requirements in terms of educational qualification prescribed under the Rules for registration as RV. Therefore, the application for registration as valuer was rejected under rule 6 (9) (b) of the Companies (Registered Valuers and Valuation) Rules, 2017.
  Read this order

- **NCLT extends immunity to new board-appointed members at IL&FS firms**
  In a development that could help the IL&FS group, in trouble for months over loan defaults and resulting probes for suspected breach of law, the National Company Law Tribunal (NCLT) has clarified that legal immunity would be extended to board-appointed members at its various subsidiary entities.

Listing/Market by SEBI

- **SEBI's Review of Margin Framework for Commodity Derivatives Segment.**
  Read this circular

Updates related to Latest developments in Economy & Finance world

- **SEBI's expert panel proposes stricter related-party regulations.**
  The Securities and Exchange Board of India on Monday proposed tightening the norms governing related-party transactions (RPTs) at listed companies to prevent their misuse, and safeguard the interest of minority shareholders. The regulator has proposed widening the definition of related party and RPTs, changing the threshold for determining RPTs, and tighter disclosures and approvals.
  Business Standard Report

- **Budget 2020: Govt may consider tax sops, easier norms to boost investments**
  The Union Budget may focus on giving a boost to the investment climate by providing tax concessions to private investors and announcing easier operational norms, official sources said on Monday. With revenue projections, relating particularly to taxes, going awry in the current fiscal year (April 2019-March 2020, or FY20), the targets in the Budget are likely to be far more realistic, the sources said. Also, Off-Budget expenditures would be clearly mentioned to give a clear-cut picture of the fiscal deficit.
  Business Standard Report

Knowledge shared= Knowledge^2

==

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.

================================

Connect

pradeep@pgaa.in

+91-9811777103

http://www.pgaa.in

Profile

Page

[Double click on icons to open]