



Newsletter

MAY, 2020

5/01/2020



INCOME TAX:

GOVERNMENT TO ISSUE ALL PENDING INCOME TAX REFUNDS UP TO RS. 5 LAKHS IMMEDIATELY:

Government has decided to issue all the pending income-tax refunds up to five lakh rupees immediately. This will benefit around 14 lakh taxpayers.

It has also been decided to release all pending GST and Custom refunds which will provide benefit to around one lakh business entities, including MSME.

The total refund granted will be approximately eighteen thousand crore rupees. The decision has been taken in view of the COVID-19 situation and with a view to provide immediate relief to the business entities and individuals.

EXTENSION OF QUARTERLY TDS/ TCS STATEMENT FILING DATES:

All the due dates prescribed or notified under the Income Tax Act, which fall during the period from March 20, 2020 to June 29, 2020 have been extended to June 30, 2020. In view of the same, the timelines to submit the quarterly TDS/ TCS statement has been extended.

The revised timelines to finish the TDS/TCS statement for quarter four for financial year 2019-20 is till June 30, 2020.

CBDT REVISED RETURN FORMS FOR FY 2019-20 TO BE NOTIFIED BY END OF THIS MONTH:

Central Board of Direct Taxes is revising the return forms for Financial Year 2019-20 which shall be notified by the end of this month.

This is being done in order to enable income tax payers to avail full benefit of various timeline extensions up to 30th of June, 2020 granted by Centre due to COVID-19 pandemic.



INDIRECT TAXES:

GST PMT 09 LIVE ON GST PORTAL | FILE GST PMT-09:

Form GST PMT-09 is now available on GST portal and it enables a taxpayer to make intra-head or inter-head transfer of amount available in Electronic Cash Ledger.

Form GST PMT 09 provides flexibility to taxpayers to make multiple transfers from more than one Major/ Minor head to another Major/ Minor head if the amount is available in the Electronic Cash Ledger.

A taxpayer can file GST PMT 09 for transfer of any amount of tax, interest, penalty, fee or others available under one (major or minor) head to another (major or minor) head in the Electronic Cash Ledger.



Source: <https://www.gst.gov.in/newsandupdates/read/375>

ADVISORY ON OPTING-IN FOR COMPOSITION SCHEME FOR 2020-21 - EXTENSION OF DATES IN VIEW OF COVID-19 PANDEMIC:

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 Notification 30/2020 Central Tax, dated 03.04.2020. Circular No. 136/06/2020-GST dated 3rd April, 2020 has also been issued in this regard.

Source: <https://www.gst.gov.in/newsandupdates/read/373>

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-30-central-tax-english-2020.pdf>

CBIC ALLOWS IMPORT, EXPORT OF GOODS WITHOUT FURNISHING BONDS TO CUSTOMS AUTHORITIES:

The Central Board of Indirect Taxes and Customs (CBIC) on Friday allowed businesses to import and export goods without furnishing bonds to the customs authorities till the end of the month. In a circular, the CBIC said importers and exporters will have to furnish an undertaking to the Customs authorities till 15th May, 2020 in lieu of the bonds.

Source:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-17-2020.pdf>

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-21-2020.pdf>

CBIC NOTIFIES VARIOUS RELIEFS TO BUSINESSES ON TAX CREDITS, E-WAY BILLS, REFUNDS, ETC. TO FACILITATE BUSINESSES UNDER COVID-19 PANDEMIC:

The Central Board of Indirect Taxes and Customs (CBIC) notified major relief to businesses by offering flexibility in claiming tax rebates and extending the validity of electronic permits for movement of goods.

In a notification issued CBIC said the restriction on businesses availing of tax credits where suppliers have not furnished details of invoice or credit notes, will apply only cumulatively for the period of February to August 2020.

This gives them the flexibility to take the full tax credit for the period and ensure compliance by the time they file returns for the tax period of September. At present, there is a 10% limit to businesses availing of credits for the taxes they have paid on raw materials and other services procured if the supplier has not furnished details of invoices or credit notes. Various measures have been taken like:

- a) 24*7 Customs clearance.



- b) Dedicated single window 'COVID-19 helpdesk' on CBIC website for EXIM trade to facilitate quick resolution of issues faced by importer/ exporter.
- c) Appointment of Nodal officers from CBIC Customs Zones for facilitating Customs clearances.
- d) Machine-based automated release of import consignments.
- e) Traders can submit undertaking on plain paper in lieu of bond.
- f) Exemption of customs duty on ventilators, personal protection equipment, covid-19 testing kits and inputs for these goods.
- g) Provisional clearance of goods without the submission of original signed certificates of origin.
- h) Enabling electronic communication of out of charge, bill of entry and gate-pass to brokers.
- i) Personal hearing in respect of any proceeding under Customs Act, 1962 may be conducted through video conferencing with a view to ensure social distancing.
- j) Drive to expeditiously process all pending customs refund and drawback claims in order to provide immediate relief to business entities, especially MSMEs.
- k) Extension of the facility of SB005 error correction in the Customs EDI system for Shipping Bills with date up to 31.12.2019.
- l) Waiver of Demurrage Charges levied by ICDs/ CFSs/ Ports/ Terminal Operators during lockdown.
- m) The time limit for filing of appeal, furnishing of return, or any other compliance under the Customs Act or Customs Tariff Act, which was expiring from 20th March 2020 to 29th June 2020, has been extended up to 30th June 2020.

Source: <https://www.cbic.gov.in/htdocs-cbec/customs/covid-19/covid-19-measures>
https://www.cbic.gov.in/resources/htdocs-cbec/gst/Circular_Refund_136_6_2020.pdf



MINISTRY OF CORPORATE AFFAIRS:

AN OPPORTUNITY TO REGULARIZE DEACTIVATED DINs WITHOUT FEE:

The Ministry of Corporate Affairs (MCA) has categorized the Companies that did not file e-form ACTIVE as 'non-compliant companies. MCA has given a one-time opportunity for 'ACTIVE non-compliant' companies to become 'Active Compliant' without levy of any fees through a six-month. This facility will be available between April 1 and September 30, without a filing fee of ₹10,000.

Source:

<https://www.thehindubusinessline.com/economy/policy/mca-gives-deactivated-dins-an-opportunity-to-regularise-without-fee/article31228735.ece>

MCA ALLOWS COMPANIES TO HOLD FIRST AGM BEFORE SEPTEMBER 30, 2020:

The Ministry of Corporate Affairs (MCA) allowed companies whose financial year ended in December, 2019 to hold their first Annual General Meeting (AGMs) within the first nine months of their current fiscal or September 30, 2020 without it being viewed as a violation under the Companies Act.

The relaxation has been given on due to many such companies requesting leniency on the AGM rules owing to the social distancing norms and the lockdown resulting from the Covid-19 outbreak.

Source: http://www.mca.gov.in/Ministry/pdf/Circular18_21042020.pdf

MCA ALLOWS COMPANIES TO HOLD EXTRAORDINARY GENERAL MEETINGS (EGMs) THROUGH VIDEO CONFERENCING OR OTHER AUDIO-VISUAL MEANS COMPLEMENTED WITH E-VOTING FACILITY/ SIMPLIFIED VOTING THROUGH REGISTERED EMAILS:

In furtherance of the Government's objective of facilitating corporate compliances during the current lockdown period and other restrictions on account of COVID 19, the Ministry has issued a circular allowing companies to hold Extraordinary General Meetings (EGMs) through Video Conferencing or other Audio-Visual Means complemented with e-Voting facility/ simplified voting through registered emails, without requiring the shareholders to physically assemble at a common venue.

The Companies Act, 2013 allows ordinary and special resolutions to be passed through postal ballot/ e-voting route without holding a physical general meeting. However, in present lockdown/social distancing conditions due to COVID 19, postal ballot facilities cannot be utilized by the companies.

Source: https://www.mca.gov.in/Ministry/pdf/Circular14_08042020.pdf

http://www.mca.gov.in/Ministry/pdf/Circular17_13042020.pdf

PERIOD FOR FILING OF NAMES FOR COMPANIES AND RE-SUBMISSION OF FORMS EXTENDED:



MCA has extended period for filing of names for companies and re-submission of forms which fall due/ expired between 15th March, 2020 till 3rd May, 2020 to an extended time limit beyond 3rd May, 2020.

Source: http://www.mca.gov.in/Ministry/pdf/Extension_22042020.pdf

CONTRIBUTION MADE TO 'CHIEF MINISTER'S RELIEF FUNDS' OR 'STATE RELIEF FUND FOR COVID-19' SHALL NOT QUALIFY AS CSR EXPENDITURE:

MCA has clarified that companies cannot make financial contributions to any 'Chief Minister's Relief Fund' or 'State Relief Fund for COVID-19' and claim that as 'corporate social responsibility' (CSR) spending as per existing law.

'Chief Minister's Relief Fund' or 'State Relief Fund for COVID-19' is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure.

Source: http://www.mca.gov.in/Ministry/pdf/Notification_10042020.pdf

MCA TO OFFER FACELESS ADJUDICATION OF COMPANY LAW BREACHES:

Inspired from Income Tax Department's faceless assessments, the ministry of corporate affairs will also offer faceless adjudication of specified company law offences to enable social distancing as well as eliminate bureaucratic discretion.

Source:

<https://www.livemint.com/news/india/govt-to-offer-faceless-adjudication-of-company-law-breaches-11585920406015.html>



सत्यमेव जयते

Ministry of Corporate Affairs

Governments of India



FINANCIAL MARKETS:

RBI BANS BANKS, COOPERATIVES FROM PAYING DIVIDENDS:

The Reserve Bank has debarred all commercial and cooperative banks from paying dividends to shareholders and promoter groups amid the threat as the Covid-driven economic shocks would continue longer and may put the health of the financial system at risk.

The decision will hit the already sunk finances of the Centre, given the massive shocks to the economy from the coronavirus-driven lockdown and the already falling growth rates bringing down demand for loans and thus the profitability of banks which were anyways grappling with high bad loans.

Source: https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11869

RBI GIVES NPA CLASSIFICATION REPRIEVE TO ACCOUNTS UNDER 3-MONTH MORATORIUM:

The Reserve Bank of India has decided to provide an asset classification standstill for standard accounts that avail a moratorium between 1 March and 31 May, 2020. This means that the bad loan classification period changes to 180 days for all such accounts from 90 days.

Banks classify accounts as standard, substandard and doubtful, based on the number of days their payments are delayed. Borrowers turn non-performing only after 90 days of overdue and are classified as standard prior to that, notwithstanding any delay in repayments.

Source: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11835&Mode=0>

RBI ANNOUNCES ₹ 50,000 CRORE SPECIAL LIQUIDITY FACILITY FOR MUTUAL FUNDS (SLF-MF):

Intense volatility in capital markets as a response to COVID-19 has imposed liquidity strains on mutual funds (MFs). The stress is, however, confined to the high-risk debt MF segment at this stage; the larger industry remains liquid. With a view to easing liquidity pressures on MFs, it has been decided to open a special liquidity facility for mutual funds of ₹ 50,000 crore.

Based on requests received from banks, it has now been decided that the regulatory benefits announced under the SLF-MF scheme will be extended to all banks, irrespective of whether they avail funding from the Reserve Bank or deploy their own resources under the above-mentioned scheme.

Source: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49728

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49746

FIRM OR INDIVIDUAL FROM A COUNTRY SHARING BORDER WITH INDIA CAN INVEST IN INDIA ONLY AFTER GOVERNMENT APPROVAL:



A company or an individual from a country that shares land border with India can invest in any sector here only after getting government approval, according to Department for Promotion of Industry and Internal Trade.

The decision has been taken to curb "opportunistic takeovers or acquisitions" of domestic firms due to the current COVID-19 pandemic. Currently, government permission is mandatory only for investments coming from Bangladesh and Pakistan.

Source: https://dipp.gov.in/sites/default/files/pn3_2020.pdf

RELIEF TO EXPORTERS:

Presently, value of the goods or service 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 July 31, 2020, has been extended to 15 months from the date of export.

The measure will enable the exporters to realize their receipts, especially from COVID-19 affected countries within the extended period and provide greater flexibility to the exporters to negotiate future export contracts with buyers abroad.

Source: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49619

SIDBI TO PROVIDE EMERGENCY WORKING CAPITAL OF UP TO Rs 1 CRORE TO MSMEs:

The Small Industries Development Bank of India (SIDBI) has said that it will provide emergency working capital of up to one crore rupees to small and medium enterprises (MSMEs) against their confirmed government orders.

The SIDBI Assistance to Facilitate Emergency response against Corona virus (SAFE PLUS) will be offered collateral free and disbursed within 48 hours. In a press release, SIDBI informed that the loans will be offered at an interest rate of five per cent.

The limit of SAFE loans has been enhanced to two crore rupees. The scheme was launched to provide financial assistance to MSMEs engaged in manufacturing of hand sanitizers, masks, gloves, head gear, bodysuits, shoe-covers, ventilators and goggles used in dealing with COVID-19.



OTHER UPDATES:

EXTENSION OF DUE DATE FILING OF ELECTRONIC CHALLAN CUM RETURN (ECR) UP TO 15-05-2020:

Considering the lockdown announced by the Central Government to prevent the spread of Covid-19, the Employee's Provident Fund Organization has decided to allow grace period of 30 days (from 16.04.2020 to 15.05.2020) for filing of Electronic Challan cum Return (ECR) to the employers for the wages for March, 2020.

It is clarified that that employers, who seek to avail the above relief, need to file ECR for wage month March, 2020 on or before 15.05.2020, duly certifying the disbursement of wages to employees by declaring actual date of disbursement of wages for March, 2020 in the column "Salary disbursal date" in the ECR and remit the contributions and administrative/ inspection charges on or before 15.05.2020.

Source: https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2020-2021/GraceperiodMarch2020.pdf

LABOUR MINISTRY NOTIFIES PROVIDENT FUND CONTRIBUTION SCHEME:

The labour ministry notified the special scheme wherein the government will contribute 24% of the employee and employer provident fund share per month for three months to PF accounts of employees earning less than Rs 15,000 to tide over the impact of Covid-19 on small establishments.

Under the scheme, the central government will grant relief in form of credit of EPF & EPS contributions (24% of wages) for three months in Universal Account Numbers (UANs) of contributory EPF members, earning monthly wage of less than Rs 15,000.

Source:

https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2020-2021/SchemeCOVID_24_10042020.pdf

FINANCE MINISTRY EXTENDS DEADLINE FOR MANDATORY MINIMUM DEPOSIT IN PPF, SUKANYA SAMRIDHI ACCOUNT TILL JUNE 30:

Finance Ministry has extended the deadline for mandatory minimum deposit in Public Provident Fund (PPF) and Sukanya Samriddhi Account (SSA) for 2019-20 by three months up to June 30, 2020 in view of the lockdown due to coronavirus outbreak.

To keep these accounts active the subscribers are required to make some specified deposit in a year otherwise penalty is charged over that.

Source: <http://newsonair.nic.in/Main-News-Details.aspx?id=385337>

IBBI EXCLUDES LOCKDOWN FROM RESOLUTION TIME FRAME:



The Insolvency and Bankruptcy Code, 2016 (IBC) stipulates that the resolution process of a stressed company will have to be completed in a maximum of 270 days.

The Insolvency and Bankruptcy Board of India (IBBI) has issued notification to exclude the lockdown period following the Covid-19 outbreak from the time frames governing corporate insolvency resolution or liquidation processes.

COMPLIANCE CALENDAR:

GST



FOR NORMAL TAXPAYER

Type of Taxpayer	Tax Period	GSTR 3B			GSTR 1
		T/o upto Rs 1.5cr	T/O between Rs 1.5 cr to Rs 5 cr	T/O more than Rs 5 cr	All Taxpayers
Normal Tax payer	Feb-20	30-06-20	29-06-20	04-04-20	11-03-20
	Mar-20	03-07-20	29-06-20	05-05-20	30-06-20
	Apr-20	06-07-20	30-06-20	04-06-20	30-06-20
	May-20	12 th & 14 th July – State Wise		27-06-20	30-06-20
	Late fees	Nil if filed up to the above mentioned due date		Nil if filed by 24 th Jun, 20	Nil if filed up to above due date
	Interest			9% if filed between revised due date to 24-06-20	N/A

The above interest and late fees waiver is not applicable for May, 2020 GSTR 3B.



FOR COMPOSITION TAXPAYERS

Type of Taxpayer	Tax Period	Return Type	Revised Due Date
Composition Taxpayer	FY 20-21	CMP-02	30-06-20
	Jan, 20 to Mar-20	CMP-08	07-07-20
	FY 19-20	GSTR 04	15-07-20

OTHERS

Sr.No	Particulars	Due Date
1.	TDS payment for April'20	7 th May, 2020
2.	TDS / TCS returns - March'2020	30 th June, 2020
3.	PF Payment for March'20	15 th May,2020