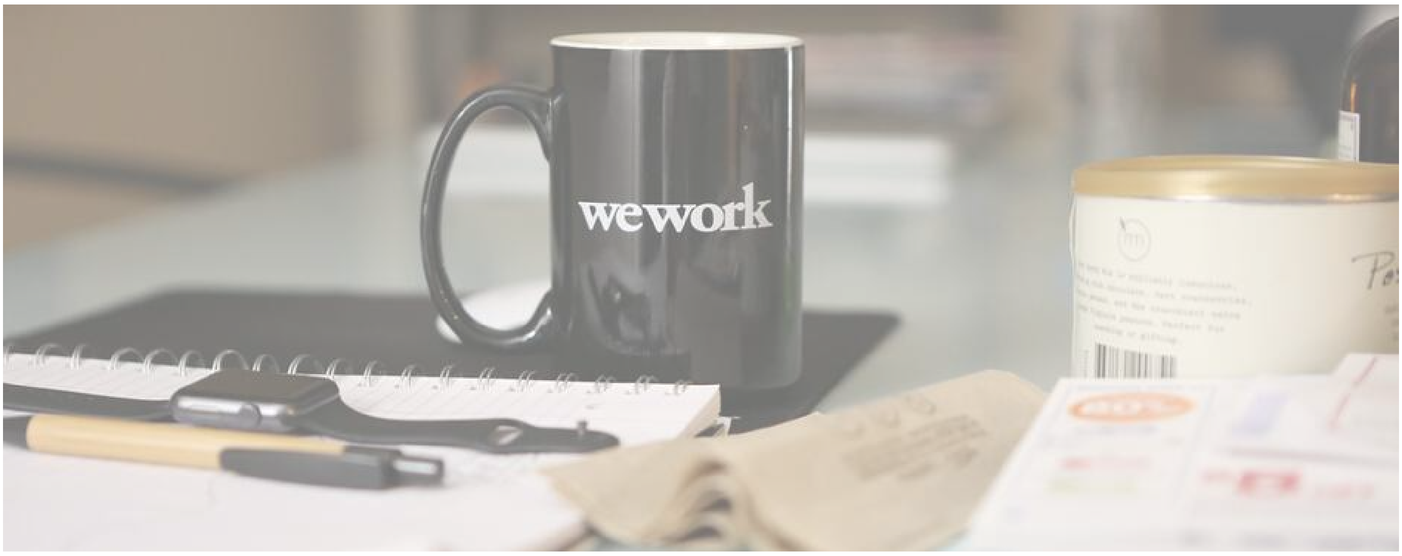
MARCH 25, 2020 | WEDNESDAY ISSUE 195

# 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

By Pradeep Goyal, FCA | CFA | CPA, Australia | Registered Valuer | Insolvency Professional | ID-IICA | ICAI Certified GST Expert

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]*

# Goods & Service Tax & other Indirect taxes

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

  - **Summary of Finance Minister's announcements relating to GST compliance matters in view of COVID-19 outbreak.**
    - **Extension of GSTR-3B returns filing dates** for the returns related to supplies made in month of February, March and April, 2020 and returns falling due in the month of March, April and May 2020

      - **For having Turnover less than Rs. 5 Crore**
        last week of June, 2020. ***No interest, late fee, and penalty to be charged.***

      - **Others**
        Last week of June 2020 but the same would attract reduced rate of interest @9 % per annum from 15 days after due date (current interest rate is 18 % per annum). ***No late fee and penalty to be charged, if complied before till 30th June 2020.***

    - **Composition scheme**
      Date for opting for composition scheme is extended till the last week of June, 2020. Further, the last date for making payments for the quarter ending 31st March, 2020 and filing of return for 2019-20 by the composition dealers will be extended till the last week of June, 2020.

    - Date for filing GST annual returns of FY 18-19, which is due on 31st March, 2020 is extended till the last week of June 2020.

    - Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws where the time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.

    - Payment date under Sabka Vishwas Scheme shall be extended to 30th June, 2020. No interest for this period shall be charged if paid by 30th June, 2020.

# Income Tax

- **Notifications/Circulars/Instructions/Press releases/FAQs by Board/Government**

  - **The Lok Sabha has passed the Finance Bill, 2020 on March 23, 2020.**

    The Lok Sabha has passed the Finance Bill, 2020 on March 23, 2020. The Bill which was presented originally in the Lok Sabha on 01-02-2020 has not passed in its original shape

    Click here to get the copy as approved

  - **Summary of Finance Minister's announcements relating to Income Tax compliance matters in view of COVID-19 outbreak.**

    - Extend last date for income tax returns for (FY 18-19) from 31st March, 2020 to 30th June, 2020.
    - Aadhaar-PAN linking date to be extended from 31st March, 2020 to 30th June, 2020.
    - Vivad se Vishwas scheme – no additional 10% amount, if payment made by June 30, 2020.
    - Due dates for issue of notice, intimation, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents and time limit for completion of proceedings by the authority and any compliance by the taxpayer including investment in saving instruments or investments for roll over benefit of capital gains under Income Tax Act, Wealth Tax Act, Prohibition of Benami Property Transaction Act, Black Money Act, STT law, CTT Law, Equalization Levy law, Vivad Se Vishwas law where the time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.
    - For delayed payments of advanced tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, STT, CTT made between 20th March 2020 and 30th June 2020, reduced interest rate at 9% instead of 12 %/18 % per annum (i.e. 0.75% per month instead of 1/1.5 percent per month) will be charged for this period. No late fee/penalty shall be charged for delay relating to this period.

- **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] 115 taxmann.com 73 Suresh Anuradha v. Commissioner of Income-tax W.P. (MD) NO. 1099 OF 2020 W.M.P. (MD) NOS. 889 AND 890 OF 2020<br><br>JANUARY 22, 2020 | Madras High Court | Section 220, read with section 246A | Where Assessing Officer passed assessment order on assessee and levied huge tax and assessee against impugned order filed appeal along with petition for stay under section 220(6), assessee was to be directed to remit Rs. 2 lakhs and on such deposit, order challenged before Appellate Authority stood stayed till disposal of appeal. |

## Announcement by ICAI

- **While staying at home, keep the Learning Going - ICAI Digital Learning Hub**
  ICAI Digital Learning Hub is an integrated Learning Management System (LMS) which brings a new knowledge ecosystem in a collaborative pedagogical model and with participatory learning to improve learner outcomes. The platform brings you professional and academic content in multiple formats which can be used in a self-paced manner. It provides a platform for interaction with your peers through knowledge sharing engagements making the best use of technology such as smartphones and tablets to disseminate learning snippets. The content is tailored to suit each niche learner segment. For example, it can help members earn CPE hours or help students understand a concept.
  Use this link to open the portal

## Announcement by ICSI

❖ **ICSI's Request to MCA for relaxation in filing of forms and certain compliances under the Companies Act, 2013.**
Here is representation copy

## Corporate Laws

❖ **Summary of Finance Minister's announcements relating to Corporate laws compliance matters in view of COVID-19 outbreak.**

- No additional fees shall be charged for late filing during a moratorium period from 01st April to 30th September 2020, in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date, which will not only reduce the compliance burden, including financial burden of companies/ LLPs at large, but also enable long-standing non-compliant companies/ LLPs to make a 'fresh start';
- The mandatory requirement of holding meetings of the Board of the companies within prescribed interval provided in the Companies Act (120 days), 2013, shall be extended by a period of 60 days till next two quarters i.e., till 30th September;
- Applicability of Companies (Auditor's Report) Order, 2020 shall be made applicable from the financial year 2020-2021 instead of from 2019-2020 notified earlier. This will significantly ease the burden on companies & their auditors for the year 2019-20
  Here is MCA Order to this effect
- As per Schedule 4 to the Companies Act, 2013, Independent Directors are required to hold at least one meeting without the attendance of Non-independent directors and members of management. For the year 2019-20, if the IDs of a company have not been able to hold even one meeting, the same shall not be viewed as a violation.
- Requirement to create a Deposit reserve of 20% of deposits maturing during the financial year 2020-21 before 30th April 2020 shall be allowed to be complied with till 30th June 2020.
- Requirement to invest 15% of debentures maturing during a particular year in specified instruments before 30th April 2020, may be done so before 30th June 2020.
- Newly incorporated companies are required to file a declaration for Commencement of Business within 6 months of incorporation. An additional time of 6 more months shall be allowed.

- Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, under Section 149 of the Companies Act, shall not be treated as a violation.

MCA General Circular No. 11 /2020 dated 24/03/2020

## The Insolvency and Bankruptcy Law

- **Notification/Circular/Press release/ Write-ups/Newsletters by IBBI/Government**

❖ **Summary of Finance Minister's announcements relating to IBC matters in view of COVID-19 outbreak.**

- Threshold of default under section 4 of the IBC 2016 enhanced from Rs. 1 Lacs to Rs 1 crore. This will be effective from 24/03/2020.
MCA notification No S.O. 1205(E) dated 24th March 2020

- If the current situation continues beyond 30th of April 2020, Government may consider suspending section 7, 9 and 10 of the IBC 2016 for a period of 6 months so as to stop companies at large from being forced into insolvency proceedings in such force majeure causes of default.

- **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] 115 taxmann.com 349<br>ASK Investment Managers (P.) Ltd.<br>v.<br>MA NOS. 1263 & 1360 OF 2019<br>CP(IB) NO. 939 OF 2018<br><br>JANUARY 3, 2020 | NCLT Chennai | Section 5(24), read with section 21 | Financial services provider having nominal shareholding in corporate debtor Co. wasn't a related party. |

## Security and Exchange Board of India (SEBI)

- **SEBI release list of entities providing the capital and debt market services, which are exempted from closure order No 40-3/2020 dated March 24, 2020 of The Ministry of Home Affairs. These entities are open and working as usual.**
  Here is complete list

## Economy & Finance

- **Experts peg India's Covid-19 lockdown cost at $120 bn, call for relief plan**
  Pegging the cost of the Covid-19 lockdown at $120 billion (approximately Rs 9 trillion) or 4 per cent of the GDP, analysts on Wednesday sharply cut their growth estimates and stressed on the need to announce an economic package. The Reserve Bank of India (RBI), which is scheduled to announce its first bi-monthly policy review on April 3, is set to deliver a deep rate cuts and it should also be assumed that the fiscal deficit targets will be breached, analysts said.
  Prime Minister Narendra Modi announced a three-week complete lockdown of the country to prevent the spread of the coronavirus infections in the country. The equity markets were in the red early into the trade on Wednesday, down 0.47 per cent.
  Business Standard Report

**STAY HOME || STAY SAFE**

**SAVE WATER || SAVE UNIVERSE**

## Knowledge shared= Knowledge$^2$

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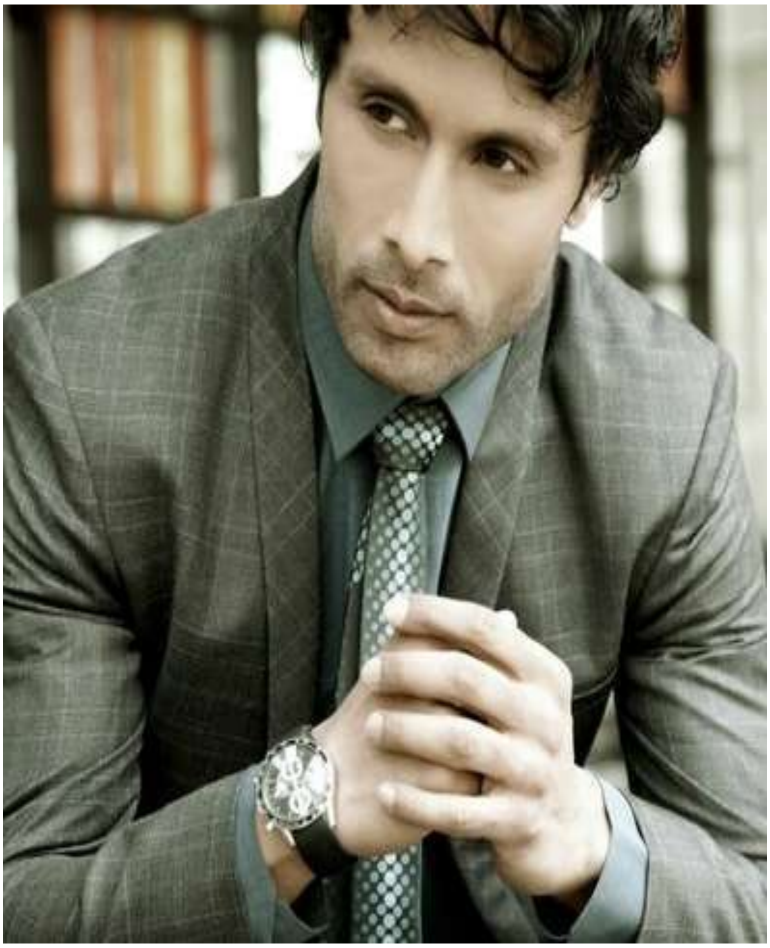
### About Scribbler

**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.

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