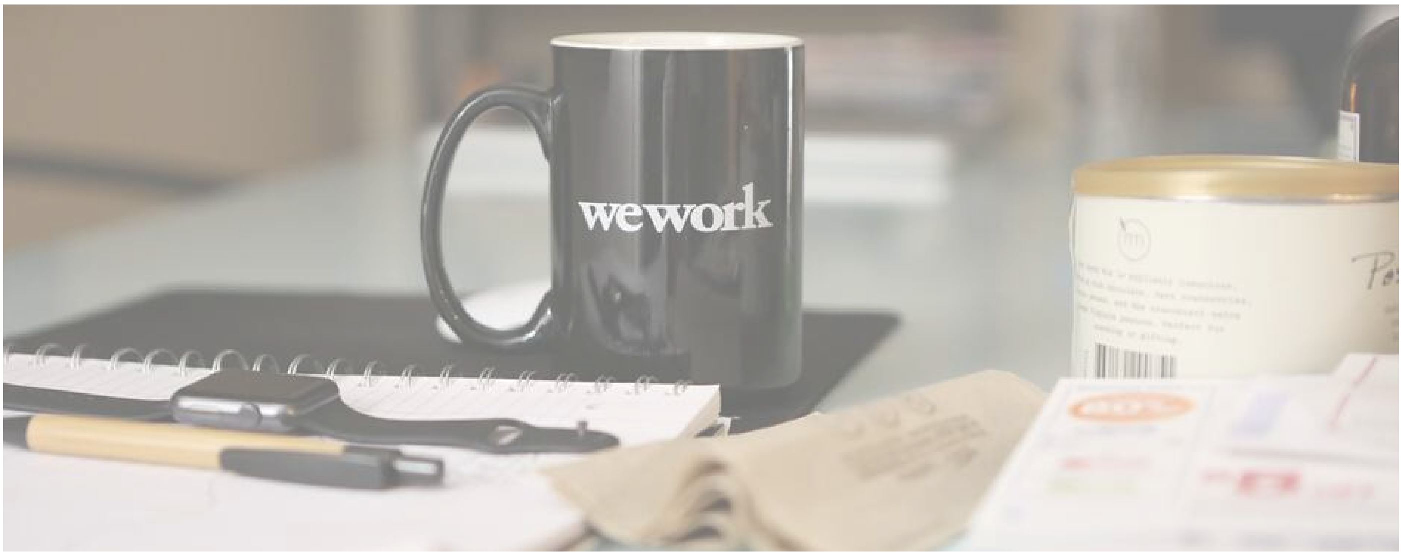
APRIL 01, 2020 | WEDNESDAY ISSUE 200

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]

“Wish you a very prosperous and successful new Financial Year 2020-2021”

Goods & Service Tax & other Indirect taxes

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

  ❖ **GST Policy Wing to CBIC issued clarification on certain refund related issues through Circular No. 135/05/2020 – GST dated 31st March, 2020.**

1. **Bunching of refund claims across Financial Years.**
   Referring section 16(3) of IGST Act, 2017 and section 54(3) of the CGST Act, Board find that it appears no bar in claiming refund by clubbing different months across successive Financial Years hence decided to remove the restriction on clubbing of tax periods across Financial Years. Accordingly, circular No. 125/44/2019-GST dated 18.11.2019 stands modified to that extent i.e. the restriction on bunching of refund claims across financial years shall not apply.

2. **Refund of accumulated input tax credit (ITC) on account of reduction in GST Rate is not allowed.**
   CBIC clarified that refund of accumulated ITC in terms clause (ii) of section 54(3) of CGST Act is available where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies. *It is noteworthy that, **the input and output being the same** in such cases, though attracting different tax rates at different points in time, do not get covered under the provisions of clause (ii) of section 54(3) of the CGST Act.* It is hereby clarified that refund of accumulated ITC under clause (ii) of *section 54(3) of the CGST Act* would not be applicable *in cases where the input and the output supplies are the same*.

3. **Change in manner of refund of tax paid on supplies other than zero rated supplies.**
   Refund of tax paid on supplies other than zero rated supplies will be admissible proportionately in the respective original mode of payment i.e. in cases of refund, where the tax to be refunded has been paid by debiting both electronic cash and credit ledgers (other than the refund of tax paid on zero-rated supplies or deemed export), the refund to be paid in cash and credit shall be calculated in the same proportion in which the cash and credit ledger has been debited for discharging the total tax liability for the relevant period for which application for refund has been filed. Such amount, shall be accordingly paid by issuance of order in FORM GST RFD-06 for amount refundable in cash and FORM GST PMT-03 to re-credit the amount attributable to credit as ITC in the electronic credit ledger.

4. **Guidelines for refunds of Input Tax Credit under Section 54(3).**
   Refund of accumulated ITC shall be restricted to the ITC as per those invoices, the details of which are uploaded by the supplier in FORM GSTR-1 and are reflected in the FORM GSTR-2A of the applicant. Accordingly, para 36 of the circular No. 125/44/2019-GST, dated 18.11.2019 stands modified to that extent.

5. **New Requirement to mention HSN/SAC.**
   Annexure-B of the circular No. 125/44/2019-GST, dated 18.11.2019 stands modified to that extent. A suitably modified statement format is attached with this circular for applicants to upload the details of invoices reflecting in their FORM GSTR-2A. The applicant is, in addition to details already prescribed, now required to mention HSN/SAC code which is mentioned on the inward invoices. In cases where supplier is not mandated to mention HSN/SAC code on invoice, the applicant need not mention HSN/SAC code in respect of such an inward supply.

   Download copy of circular here

Income Tax

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

  - **Govt. brings Ordinance to extend various time limits under Taxation and Benami Acts**
    In order to give effect to the announcement made the Finance Minister on statutory and regulatory compliance matters across sectors due COVID-19 outbreak, the Govt. has brought in an Ordinance which provides to extension of various time limits under the Taxation and Benami Acts. The Ordinance allow amends section 80G of Income-tax Act to allow 100% deduction if donation made towards PM CARES Fund.
    Download gazetted copy of ordinance
    Finance Ministry Press Release in detailed manner

  - **CBDT extends validity of nil/lower deduction certificate by 3 months due to outbreak of COVID-19**
    Income Tax Dept. is unable to dispose off the application received for nil/lower TDS/TCS certificate hence CBDT clarified that tax can be deducted as per the existing TDS/TCS certificates up to June 30, 2020 for the Financial Year 2020-21 until their application is disposed of by the AO.
    Here is copy of order

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

- **Income tax new rules: 5 changes that come into effect from today.**

  The current financial year 2019-20 is closing on 31st March as usual and the new financial year 2020-21 is starting from today (April 1). In view of the lockdown to check the spread of coronavirus, the government had earlier extended the deadline for filing income tax returns for 2018-19 as well as that for linking PAN with Aadhaar by three months to June 30.

  Here are some changes in income tax rules that will come into effect from April 1, 2020, as announced in Budget 2020- Mint report

- **Income Tax clarifications: From belated ITR to Section 80C investments – 7 points every taxpayer should know.**

  Post various announcements by Govt., there is some confusion in the mind of taxpayers over various tax-related issues. For example, whether the duration of Financial Year 2019-20 has also been extended till June 30, 2020 from March 31, 2020? Or, what will happen if someone invests in April or May? Whether that will be counted as investments for FY2019-20 or FY2020-21?

  Finance Express trying to find the answers to some of such questions in this report

Announcement by ICAI

- **ICAI's Invitation to participate in the activities of the Internal Audit Standards Board, ICAI.**

  The Members may send us their detailed proposal to prepare draft or to review and revise existing Industry Specific Technical Guide and Generic Guide to us along with their detailed profile by filling form at this link

  Detailed announcement here

- **GST & Indirect Taxes Committee of ICAI has come up with "Live webcast series" covering important topics of GST, which are as follows: -**

2nd April, 2020	Concept of Supply and Levy of GST including Composition
4th April, 2020	Nature of Supply and Place of Supply under GST
6th April, 2020	Input tax credit
8th April, 2020	Valuation and Time of Supply
10th April, 2020	Reverse Charge Mechanism, Interest, late Fee & Penalty

  - Timing of webinars 4pm to 6pm
  - Click here to join

Announcement by ICSI

- **ICSI is Making e-MSOP accessible to all eligible students during the period of complete lock down due to COVID 19 by relaxing the criterion of two years' time bar.**
  Read this announcement

Corporate Laws

- DIN holders of DINs marked as 'Deactivated' due to non-filing of DIR-3KYC/DIR-3 KYC-Web and those Companies whose compliance status has been marked as "ACTIVE non-compliant" due to non-filing of Active Company Tagging Identities and Verification(ACTIVE) e-form are encouraged to become compliant once again in pursuance of the General Circular No. 11 dated 24th March, 2020 & General Circular No.12 dated 30th March 2020 and file DIR-3KYC/DIR-3KYC-Web/ACTIVE as the case may be between 1st April, 2020 to 30th September, 2020 without any filing fee of INR 5000/INR 10000 respectively.

The Insolvency and Bankruptcy Law

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

  - **IBBI suspends enrolments for the Limited Insolvency Examination and the Valuation Examinations till 14th April 2020.**
    In view of the Advisory on Social Distancing Measure in view of spread of COVID-19 disease, all enrolments for the Limited Insolvency Examination and the Valuation Examinations from 21st March 2020 to 31st March 2020 were suspended. In view of the lock-down announced by the Central Government all enrolments till 14th April 2020 have been suspended. The candidates will be allowed option to reschedule their enrolments.
    IBBI announcement

Director General of Foreign Trade (DGFT)

- **Foreign Trade Policy 2015-2020 extended for one year, Other immediate relief measures also announced.**
  The Union Commerce and Industry Ministry announced changes in the Foreign Trade Policy (FTP) of Government of India. The present Policy which came into force on 1st April, 2015, is for 5 years and has validity up-to 31st March, 2020.

In view of the unprecedented current situation arising out of the pandemic Novel COVID-19, the Govt. has decided to continue relief under various export promotion schemes by granting extension of the existing Foreign Trade Policy by another one year i.e. up to 31st March, 2021. Several other relief measures have also been announced to support trade and industry.
Salient points of the changes made in the FTP are given in this link

Reserve Bank of India

- **RBI advised banks to offer doorstep Banking Services for Senior Citizens and Differently Abled Persons.**
  Here is RBI notification

Economy & Finance

- **RBI EMI Moratorium: IBA answers all the questions you may have.**
  Last week, the Reserve Bank of India had announced a 3-month moratorium on all term loans outstanding as on March 1, 2020, as well as relief on working capital facilities to ease the burden caused by the Covid-19 outbreak. Here, the Indian Banks Association clarifies a few frequently asked questions on the matter- Indian Express Report

- **Merger of 10 PSU banks into 4 effective from today; 6 banks cease to exist**
  The biggest ever consolidation exercise in the public sector banking space is slated to take shape on Wednesday when six PSU lender will be merged into four in a bid to make them globally competitive. The exercise assumes significance as it is taking place at a time when the entire country is under the grip of COVID-19 outbreak. It has triggered 21-day lockdown to contain the spread of the deadly virus.
  Business Standard Report

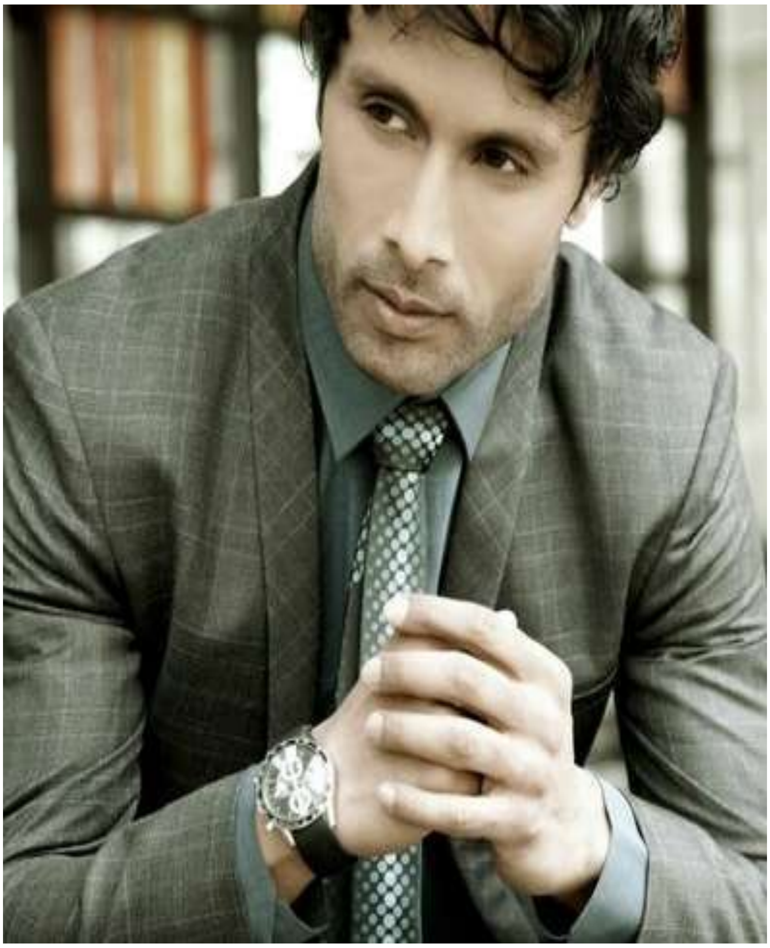
SAVE WATER || SAVE UNIVERSE

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]