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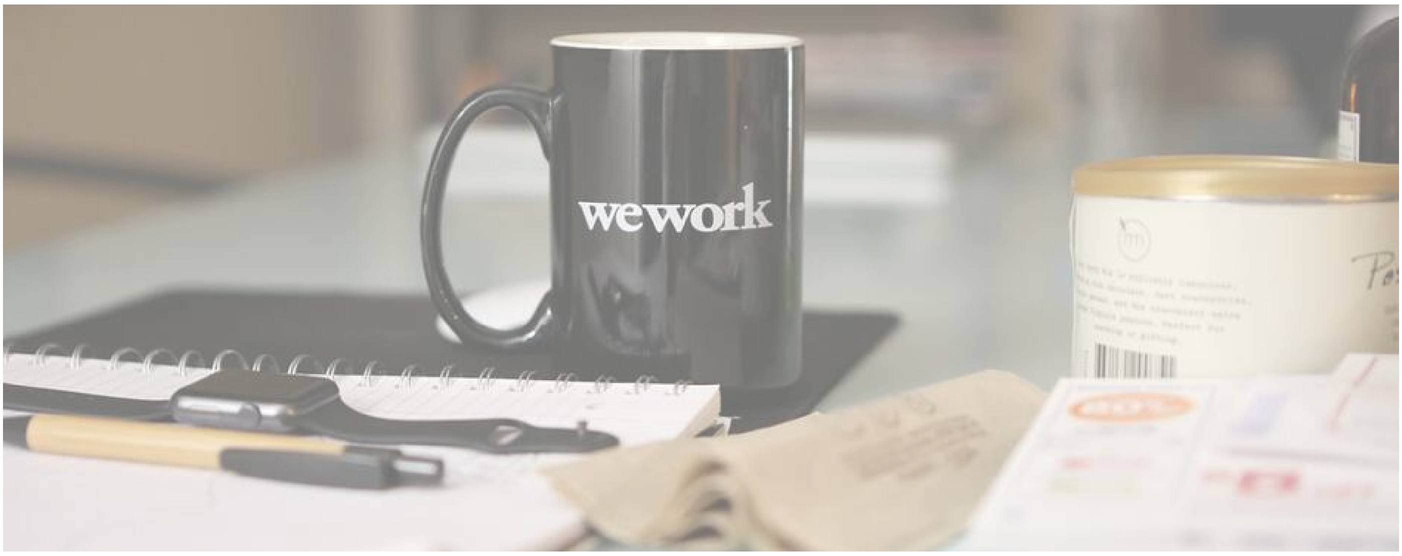
THE DAILY LIFELINE

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]

Honourable Prime Minister seek support for below 7 things from citizens while addressing nation today

First thing

Take special care of the elderly in your homes, especially those who have chronic disease. We have to take extra care of them, and keep them safe from Coronavirus.

Second thing

Completely adhere to the ‘Lakshmana Rekha’ of Lockdown and Social Distancing. Please also use homemade face-covers and masks without fail.

Third thing

Follow the instructions issued by AYUSH ministry to enhance your immunity. Regularly consume warm water, ‘kadha’.

Fourth thing

Download the Arogya Setu Mobile App to help prevent the spread of corona infection. Inspire others to download the app as well.

Fifth thing

Take as much care of poor families as you can. Especially try to fulfil their food requirements.

Sixth thing

Be compassionate towards the people who work with you in your business or industry. Do not deprive them of their livelihood.

Seventh thing

Pay utmost respect to our nation’s Corona Warriors – our doctors and nurses, sanitation workers and police force.

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

  - **CBIC's GST policy wing issued circular No. 137/07/2020-GST dated 13/04/2020 clarifying issues in respect of challenges faced by registered persons in implementation of provisions of GST.**

    Below issues have been examined and clarified by CBIC through this circular-

    - **An advance is received by a supplier for a Service contract which subsequently got cancelled.**

      - ✓ Case-1: **The supplier has issued the invoice** before supply of service and paid the GST thereon. Whether he can claim refund of tax paid or is he required to adjust this tax liability in his returns?

        - Issue a "credit note" in terms of section 34, declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted & no need to file a separate refund claim.
        - If there is no output liability against which a credit note can be adjusted, file a claim under "Excess payment of tax, if any" through FORM GST RFD-01.

      - ✓ Case-2: **no invoice has been issued** in terms of section 31 (2) of the CGST Act, whether he can claim refund of tax paid or is he required to adjust this tax liability in his returns?

        - issue a "refund voucher" in terms of section 31 (3) (e) of the CGST Act read with rule 51 of the CGST Rules, apply for refund of GST paid on such advances by filing FORM GST RFD-01 under the category "Refund of excess payment of tax".

- **Goods supplied by a supplier under cover of a tax invoice are returned by the recipient. Whether he can claim refund of tax paid or is he required to adjust his tax liability in his returns?**

  The supplier is required to issue a "credit note" in terms of section 34 of the CGST Act. He shall declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim in such a case. However, in cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under "Excess payment of tax, if any" through FORM GST RFD-01.

- **LUT furnished for the purposes of zero rated supplies has expired on 31.03.2020. Whether a registered person can still make a zero-rated supply on such LUT and claim refund accordingly or does he have to make such supplies on payment of IGST and claim refund of such IGST?**

  Time limit for filing of LUT for the year 2020-21 shall stand extended to 30.06.2020 and the taxpayer can continue to make the supply without payment of tax under LUT provided that the FORM GST RFD-11 for 2020-21 is furnished on or before 30.06.2020. Taxpayers may quote the reference no of the LUT for the year 2019-20 in the relevant documents.

- **While making the payment to recipient, amount equivalent to 1% was deducted as per section 51 (TDS) Whether the date of deposit of such payment has also been extended vide notification N. 35/2020-Central Tax dated 03.04.2020?**

  As per notification No. 35/2020-Central Tax dated 03.04.2020, due date for furnishing of return in FORM GSTR-7 along with deposit of tax deducted for the said period has also been extended till 30.06.2020 and no interest under section 50 shall be leviable if tax deducted is deposited by 30.06.2020.

- **As per section 54 (1), a person is required to make an application before expiry of two years from the relevant date. If in a particular case, date for making an application for refund expires on 31.03.2020, can such person make an application for refund before 29.07.2020?**

  As per notification No. 35/2020-Central Tax dated 03.04.2020, due date for filing an application for refund falling during the said period has also been extended till 30.06.2020.

  Download circular here

- **CBIC launches e-delivery of pdf Gate pass and Final Bill of Entry to Custom Brokers and Importers. This will further simplify import clearance process by reducing human interface and help tackle the scourge of COVID-19**
  Circular No. 19/2020-Customs dated 13.04.2020

Income Tax

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

  - **Employer is liable to deduct tax as per Sec. 115BAC only after receiving intimation from employee.**
    The CBDT has clarified that eligible employees, who are intending to opt for concessional tax regime under section 115BAC, may intimate his employer about it so that employer will compute total income and TDS thereon in accordance with the provisions. If no such intimation is made, employer shall make TDS without considering provisions of Section 115BAC.
    CBDT Circular C1-2020 dated 13th April, 2020

  - **CBDT issues Circular No.8/2020 dated 13th April,2020 clarifying the issue regarding short deduction of TDS/TCS due to increase in rates of surcharge by Finance(No.2) Act,2019. Deductor/Collector of tax not to be considered assessee in default under certain conditions.**
    CBDT Circular No. 8/2020 dated 13th April 2020

- **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] 116 taxmann.com 154 Jindal ITF Ltd v. Union of India W.P.(C) 2949 OF 2020	Delhi High Court		HC upholds recovery proceedings against 'Jindal Ltd' as genuineness of loan transaction was in serious dispute.

Announcement by ICAI

❖ **ICAI - Request for relaxation in statutory filings/audit and other compliances by 60 days due to Pandemic Coronavirus**

CAI has approached to various Regulators requesting for relaxation in statutory filings Audit and other compliance due to on-going spurt of Covid-19. ICAI states that RBI has informed that SEBI has already provided certain relaxations to the listed entities from compliance with their instructions due to the Covid -19 virus pandemic, DFS, GOI has advised Public Sector Banks (PSBs) to adhere to SEBI regulations regarding statutory audit as they are listed entities. It is further informed that RBI has extended the timeline for submission of LFAR by the statutory auditors to the banks by one month and now, it can be submitted by July 31, 2020. Further, on the issue of statutory audit of annual accounts, it has been advised that all listed banks shall follow the instructions issued by SEBI.

It may further be noted that with respect to LFAR, all Certificates as per the Certification/Validation requirements for SCAs of scheduled commercial banks for FY 2019-20 can be submitted along with the LFAR by July 31, 2020.

Here is announcement copy

❖ **ICAI's announcement for Attention of the Members Use of Electronic Signature for Signing Audit Reports and Certificates.**

Download here

❖ **ICAI e-Journal (April 2020 - PDF Download)**

Visit here to download

Corporate Laws

❖ **MCA issues clarification on filings under section 124 and section 125 of the Companies Act 2013 r/w IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 in view of emerging situation due to outbreak of COVID-19.**

Here is general circular 16/2020

❖ **MCA issues clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19.**

Here is general circular 16/2020

Security and Exchange Board of India (SEBI)

- **SEBI's circular for relaxation in adherence to prescribed timelines due to Covid 19.**
  Download Circular No.: SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59

Reserve Bank of India

- **RBI issued its Monthly Bulletin for April 2020**
  The Reserve Bank of India today released the April 2020 issue of its monthly Bulletin. The Bulletin includes Seventh Bi-monthly Monetary Policy Statement for the Year 2019-20, Monetary Policy Report – April 2020, one Speech, two Articles and Current Statistics.
  The two articles are: I. Climate Change: Macroeconomic Impact and Policy Options for Mitigating Risks; II. Union Budget 2020-21: An Assessment.
  Download here

Knowledge shared= Knowledge^2

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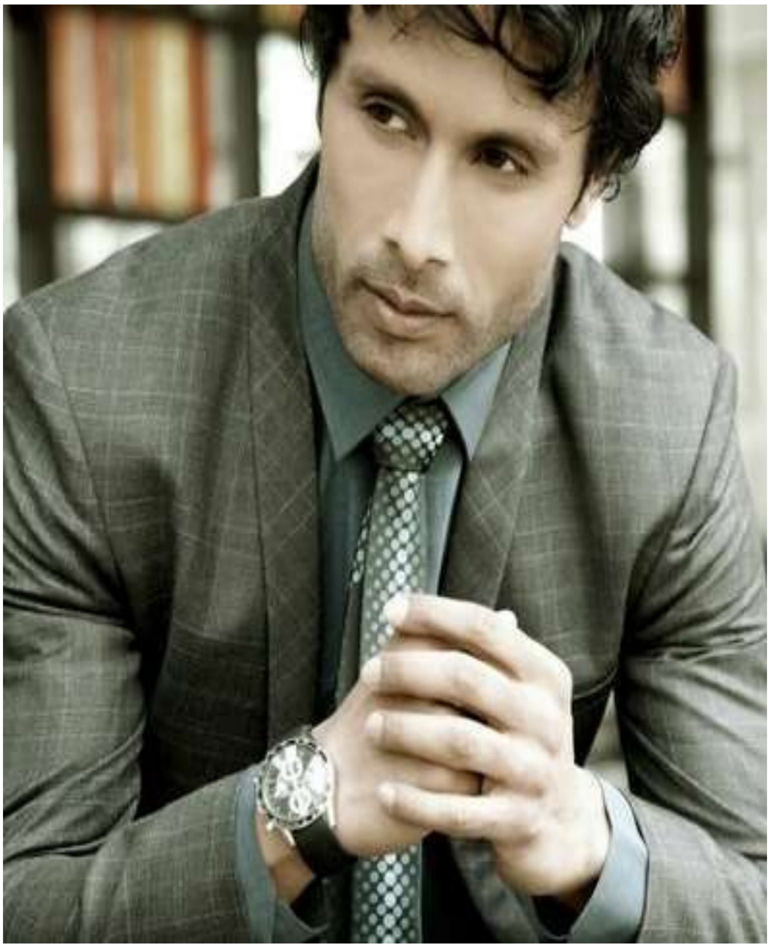
About Scribbler



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Profile *Page*

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