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|  | **Vol. XIV/ Issue No.5/May 2020 Compiled by CMA R.Satyanarayana, M.Com, FCMA****(Commenced in May 2007)** E-mail :yadav,satyanarayana@gmail.comMobile: (91) 949-186-8036 |
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# **QUOTES FOR THE MONTH**

**1. *Most bad behaviour comes from insecurity.***

 **-Anonmyous**

**2. Our great glory is not in never falling but in rising every time we fall**

 **-Confucius**

 ***Disclaimer:*** *The compiler is not in any way responsible for the result of any action taken on the basis of the contents* of *this Finance Bulletin.*

# **EDITORIAL**

**Dear friends,**

**Central Government has announced various relaxations in the compliance side of various laws in view of COVID-19, support to Mutual Funds to the extent of Rs 50,000 crore, merger of PNB, Andhra Bank & Corporation Bank into UBI to revive the Banking industry on par with International Banks, Reduction in the Reverse REPO rate to 3.75% to create more liquidity in the market, relaxing the provisions of in-bonding of imported goods, deferring e-sealing process for exports to 1-7-2020, extension of existing Foreign Trade Policy upto 31st March, 2020 etc., are really encouraging decisions to suit the current situations.**

**Professionals should note the likely revision in the IT Return Forms for AY 2020-21, various relaxations announced by MCA relating to meetings, Rights issue and Public issues of the companies, announcement of tax benefits for donations to PM CARES Fund and covering the same under CSR, deferment of certain clauses in Form 3CD under Tax Audit, provisions of PMT-9 to transfer GST credits, allowing enrolment of Independent Directors upto 31-07-2020 covered in this issue of the Bulletin.**

**With regards**

**CMA Rajapeta Satyanarayana**

**FINANCE BULLTIN**

 Dear friends,

Purchase of foreign exchange through Post offices, opening of official Twitter account by IT Department, email communication with IT Assessees, CBDT fixing time period in passing Rectification orders and allowing NBFCs for undertaking factoring services are some of the welcome features covered in this issue.Professionals to

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**(Professional Version)**

# **GENERAL**

* **EMI payment waiver:**The Reserve Bank of India (RBI) has permitted all lending institutions, which includes banks, NBFC and co-operative banks, to allow a 3-month “moratorium” on payment of installments on term loans.
* **Income deduction-investments**: The date for making various investment/payment for claiming deduction under Chapter-VIA-B of IT Act which includes Section 80C (LIC, PPF, NSC etc.), 80D (Mediclaim), 80G (Donations), etc. has been extended to 30th June, 2020. Hence the investment/payment can be made up to 30.06.2020 for claiming the deduction under these sections for FY 2019-20.
* **Kisan Credit Card**: In Coronavirus Lockdown, the Modi government has taken a big decision to give relief to the farmers. The date of payment of all short-term crop loans taken from banks on KCC- kisan credit card has been extended by two months. Its last date has been extended from 31 March to 31 May. This means that now farmers can repay their crop loans till May 31 at the old rate of only 4 percent per year without any increase in interest.
* **Women Jan Dhan Yojana Account:** A sum of Rs.500 per month will be deposited in the accounts of women Jan Dhan Yojana beneficiaries for three months. The Woman Jan Dhan Yojna beneficiaries will get their first installment of Rs. 500 from 03/04/2020. The amount will be deposited in the beneficiaries’ account, as announced in Pradhan Mantri Garib Kalyan Package to ease the hardship of the poor amid [Coronavirus](https://updatedyou.com/first-patient-recover-coronavirus/) lockdown in India.
* **Tax benefits PM CARES Fund:** In order to encourage contributions for the fight against the coronavirus pandemic, the Centre has decided to make all donations towards the newly established PM-CARES Fund eligible for 100 percent tax deduction.

**Submission of Form 15G & 15H for FY 2020-**21: To mitigate the hardships of small taxpayers, it has been decided that if a person had submitted valid Forms 15G and 15H to the Banks or other institutions for F.Y. 2019-20, then these Forms would be valid up to 30.06.2020. This will safeguard the small tax payers against TDS where there is no tax liability (Order passed on 03.04.2020).

* **NRIs**: The CBDT vide notification 37/2017, has exempted non-residents from quoting Aadhaar in PAN applications and Income Tax Returns. Accordingly, if you’re a non-resident for income tax purposes in India then you shall not be required to quote Aadhaar and resultantly, linking of PAN and Aadhaar shall also not be required to be done.
* **Court Functioning COVID-2019**: The Supreme Court of India and High Courts have adopted measures to reduce the physical presence of lawyers, litigants, court staff, para legal personnel and representatives of the electronic and print media in courts across the country and to ensure the continued dispensation of justice. Supreme Court has issued Guidelines for Court Functioning through Video conferencing during Covid-19 Pandemic and for details refer to [www.sc.gov.in](http://www.sc.gov.in)
* **Salary of Members of Parliament**: Salary payable to Members of Parliament under shall be reduced by thirty per cent for a period of one year commencing from the 1stApril, 2020, to meet the exigencies arising out of Corona Virus (COVID-19) pandemic and for details refer to [www.mlj.gov.in](http://www.mlj.gov.in)
* **CSR activities**: MCA vide circular dated 10th April, 2020 has issued Frequently Asked Questions (FAQs) to clarify and to bring more clarity on eligibility of CSR expenditure related to COVID-19 activities. It has been provided that: Following items shall qualify for as CSR expenditure: Contribution made to ‘PM CARES Fund’ Contribution made to State Disaster Management Authority and for details refer to [www.mca.gov.in](http://www.mca.gov.in)
* **Renewal date of Health & Motor Insurance policies**: Government informed that if your current compulsory third-party insurance policy is expiring between March 25, 2020, and May 3, 2020, and you are not able to renew your policy because of the country-wide lockdown, then you can renew it by May 15, 2020.
* **Rental waiver to It Companies**: Government of India Gives 4 Months’ Rental Waiver to the IT Companies Operating from Software Technology Parks of India (STPI) Centers vide PIB dated 16th April, 2020 issued by GOI Ministry of Electronics & IT.
* **Common application**: According to a circular dated April 15 issued by Postal Department, instead of using separate forms, there will now be one common form that will be used to open post office savings accounts, Public Provident Fund (PPF), Sukanya Samriddhi account, purchase of National Savings Certificate, etc.
* **Revision in IT Return Forms**: The CBDT announced that it will be revising the ITR Forms for the financial year 2019-20. The revision in ITR (Income Tax Return) Forms is to enable taxpayers to avail benefits of the timeline extension due to COVID-19. The FM had announced that the date for various investments eligible for the Income Tax Deduction has been extended till the 30th June 2020. Also, a donation made to PM Cares Fund till the 30th June was eligible for deduction in the Income Tax Return of FY 2019-2020. The revised ITR Forms will be made available by the end of April 2020 claims CBDT.
* **RBI Support to Mutual Funds**: RBI Announced Rs. 50,000 crore Special Liquidity Facility for Mutual Funds vide press release 2019-2020/2276 dated 27th April, 2020. In view of the situation arising due to the COVID-19 pandemic and extended lockdown period and for details refer to [www.rbi.gov.in](http://www.rbi.gov.in)
* **UIDAI updation facility through CSCs:** Ministry of Electronics & IT, vide press release 1618913 dated 28th April, 2020 has Announced major relief to Aadhaar holders, UIDAI allows Aadhaar updation facility through and 20,000 Common Service Centres (CSCs) to offer this service to citizens. CSCs which operate as Banking Correspondents (BCs) are allowed to extend this facility and for details refer to [www.mie.gov.in](http://www.mie.gov.in)
* **Work from home connectivity**: The central government has extended relaxed connectivity norms for ‘work from home’, applicable to the Information technology sector and Business Process Outsourcing (BPO) companies till July 31 in the wake of the coronavirus crisis.
* **Aarogya Setu**: For the safety of all government officials, Union Ministry of Personnel, Public Grievances, and Pensions on Wednesday issued an order for all Central government employees (including outsourced staff) to “immediately” download Aarogya Setu App on their mobile phones.
* **Credit Card payments:** While most credit card issuers have announced programs to aid consumers having trouble paying their bills during the coronavirus pandemic, it’s far from a universal free pass. Customers need to contact their card issuer to make a case for why they’re encountering an economic hardship; then the creditor needs to offer adjustments on a case-by-case basis and for details refer to www.rbi.gov.in

# **ACCOUNTS & AUDIT**

* **Extension of Peer Review Certificate**: ICAI in the wake of COVID -19 spurt and nation-wide lock down, the effective date of validity of Peer Review Certificate has been extended and for details refer to [www.icai.org](http://www.icai.org)
* **Amendments to Form 10B**: The Central Board of Direct Taxes (CBDT), the apex income tax body has proposed an amendment to the Tax Audit Form in 10B and the same can be accessed on [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)
* **Salary provision**: Provision for anticipated pay revision is allowable Business expense vide Housing And Urban Development Corporation ltd Vs Add. CIT (Delhi High Court) in theAppeal Number : ITA No. 541 of 2019
* **Certificate at Nil/Lower rate TDS**: CBDT has issued clarifications on issue of TDS certificates for lower/nil rates vide CBDT clarifications dated 9th April, 2020 and for details refer to [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)
* **PPF alert**: **EPFO Alert:**In a bid to credit money under the Pradhan Mantri Gareeb Kalyan Yojana, the Employees Provident Fund Organization (EPFO) has put in place an electronic mechanism for crediting EPF and EPS accounts of its subscribers as per the package announced by the Union Government on 26th March 2020 for helping the poor to fight Corona pandemic. The Ministry of Labour & Employment informed about the EPFO move in a written press statement today. The move will help poor and needy (whose monthly earning is less than Rs 15,000) to fight Coronavirus lockdown after the credit of money in their EPF, EPS account and for details refer to www.epfo.gov.in
* **FAQ on CSR**: Ministry of Corporate Affairs vide General Circular No. 15 /2020 dated 10th April, 2020 has introduced COVID-19 related Frequently Asked Questions (FAQs) on  Corporate Social Responsibility (CSR)for different stakeholders and for details refer to [www.mca.gov.in](http://www.mca.gov.in)
* **Electronic signature for singing Audit Reports & Certificates:** The ICAI announced that the members of ICAI may use electronic signature for signing audit reports, all reports issued pursuant to any attestation engagement and certificates. However, the members need to ensure compliance with all the requirements relating to signature prescribed in the relevant law or regulation, Standards on Auditing and relevant announcements/ clarifications issued by ICAI on the matter including the requirement to mention UDIN and for details refer to [www.icai.org](http://www.icai.org)
* **New concessional rate of tax for employees:** The Income Tax Department issued a clarification regarding the process of exercising of option by a taxpayer with regard to deduction of TDS at source if he/she opts for concessional rates as per section 115BAC of the Income Tax Act, 1961. Employee to the intimate employer of the intention to opt for new concessional rates. Intimation so given will be applicable for the year & can't be modified. However, the employee will continue to have the right to exercise such an option or continue with the earlier scheme at the time of filing ITR. The TDS will be deducted as per the intimation made by the deducted if no initiation is made the educator will deduct TDS assuming that the taxpayer will continue with old tax regime and for details refer to CBDT Circular No.1 of 2020 dated 13th April, 2020 on www.incometaxindia.gov.in
* **Short deduction of TDS/TCS due to increase in rates of Surcharge:** CBDDT has issued Circular No.8/2020 dated 13th April, 2020 exonerating the impact of short deduction of TDS/TCS due to increase in the rates of Surcharge wef 1st April, 2020 and for details refer to the circular on [www.cbdt.gov.in](http://www.cbdt.gov.in)
* **Branches Statutory Audit:** IBA suggested Bank Branch Statutory Audit be conducted from a remote location and for details refer to No.CE/2020-21 dated 7th April, 2020 of IBA.
* **Share capital audit:** BSE issued communication with regard to Extension of Submission Date of Share Capital Audit Report for the quarter ended March 31, 2020 till 31st May, 2020.
* **Publications by ICAI (Cost):** ICAI(Cost) after introducing two publications i.e  "An Insight to The Direct Tax - Vivad Se Vishwas Scheme 2020" and "Guidance Note on GST Audit and Annual Return"    on 10th April 2020, Tax Research Department has released the 2nd revised edition of “ Guidance note on Anti-profiteering” and the same can be accessed on www.icmai.in
* **Draft valuers Report**: MCA had constituted a Committee of Experts (CoE) under the Chairpersonship of Shri M. S. Sahoo, Chairperson, Insolvency and Bankruptcy Board of India (IBBI) on 30th August 2019 to examine the need for an institutional framework for regulation and development of Valuation Profession. The Committee has submitted its report to the Government of India on 31st March 2020 along with Draft Valuers Bill, 2020, recommending to establish a National Institute of Valuers. Public comments are hereby solicited on the Draft Valuers Bill, 2020. The Report of the Committee as well as the Draft Valuers Bill, 2020 is available in Volume I at the link Report of CoE Vol.I.pdf. The Complete Report (Volume I, II & III) can be accessed on website of MCA [www.mca.gov.in](http://www.mca.gov.in) and Stakeholders are requested to send their comments by EMAIL ONLY at tharvinder-upsc@gov.in by end of business hours of 14th May 2020.
* **Secretarial Standards on Meetings**: The Institute of  Company Secretaries of India (ICSI) clarifies that any relaxation granted by the Ministry of Corporate Affairs (“MCA”) due to Covid-19 outbreak from the compliance of provisions of Board and General Meetings under the Companies Act, 2013 (“Act”) will automatically and consequentially apply to Secretarial Standards as the case may be and the relaxed and for details refer to [www.icsi.org](http://www.icsi.org)
* **CSR funds for COVID-**19: The Finance Minister Nirmala Sitharaman, said on March 23, 2020 that in view of the spread of novel Corona Virus in India, its declaration as pandemic by the WHO, and decision of Government of India, to treat this as notified disaster, it is hereby clarified that spending of CSR funds for Covid – 19 is eligible and for details refer to www.mca.gov.in
* **Publications by ICAI(CMA):** ICAI(CMA) has published 1st revised edition of the publication “International Taxation and Transfer Pricing“ and "Advance Rulings in GST - January 2019 to December 2019" after releasing 3 publications i.e & on  10th April , 2020 "An Insight to the Direct Tax-Vivad se Vishwas Scheme 2020" & "Addendum-Guidance Note on GST Annual Return and Audit" and on 15th April 2020 2nd revised edition of "Guidance Note on Anti Profiteering" and these publications can be downloaded from [www.icmai.org](http://www.icmai.org)
* **TAX AUDIT REPORT 3CD**: Central Board of Direct Taxes (CBDT) has issued [Circular No. 10/2020 dated April 24, 2020](https://taxguru.in/income-tax/cbdt-deffer-gst-gaar-reporting-tax-audit-report-year.html) by which the CBDT has deferred the applicability of certain Clauses of Form 3CD (Tax Audit Report) -Clause 30C & Clause 44  till March 31, 2021.
* **Standard Cost Auditing**: Cost Auditing and Assurance Standards Board (CAASB), the standard-setting body of the Institute, developed the Exposure Draft of Frequently Asked Questions (FAQs) on the Standards on Cost Auditing (SCAs 101 – 104)and uploaded the same on the website for public comments till 30th March 2020 which was extended upto 30th April 2020 and due to the requests received from the members the last date for sending comments / suggestions by the public is being extended upto 31st May 2020 and for details refer to [www.icmai.in](http://www.icmai.in)
* **Downloading of C Forms**: Use of and online facility for downloading C Forms for inter-state purchase of petroleum crude, diesel, petrol, aviation turbine fuel, natural gas and liquor should not be restricted as if sale of the goods was the only criteria of registration under the CST Act, the consequent amendments would not have allowed concessional rate of tax for purchase of those six commodities for user in activities like Mining or Telecommunication Networks, where no such resale or use in manufacturing was involved. Therefore, such a right was equally available to other industries like Cement Industries and the same could not be denied to them vide decision in the case of Commissioner of Commercial Taxes Vs Ramco Cements Ltd. (Madras High Court) in the Appeal Number: W.A. No. 3403 of 2019
* **ICAI (CMA) Advisory on treatment of various items of cost in view of COVID-19**: ICAI (CMA) issued Advisory on the Treatment of Various Items of Cost in light of the COVID-19 Pandemic & Presentation / Disclosures of such items of costs in form CRA 3 of The Companies (Cost Records & Audit) Rules 2014 dt. 13.4.2020 and for details refer to [www.icmai.in](http://www.icmai.in)
* **Advertisement by CAs**: ICAI has issued Advisory for Advertisement in respect of services rendered by CAs and for details refer to [www.icai.org](http://www.icai.org)
* **Appointment of Independent Directors**: MCA vide Notification dated 29th April, 2020 has extended the due date of online applications for Independent Directors upto 31st July, 2020 and for details refer to www.mca.gov.in

# **LABOUR**

* **PF withdrawals eased:** The government has amended the Employees’ Provident Fund (EPF) scheme to allow subscribers to withdraw non-refundable advance from their corpus in view of the deadly coronavirus pandemic. In a statement the labour ministry notified the grant of permission to EPF members to withdraw up to 75 percent of the employee’s contribution to the corpus or the sum of basic wages and dearness allowance for a period of three months to ease the economic fallout from the coronavirus outbreak and for details refer to [www.ml.gov.in](http://www.ml.gov.in)
* **Rectification of birth records:** EPFO has issued revised instructions to its field offices to facilitate PF members to rectify their date of birth in EPFO records, thus ensuring that their UAN is KYC compliant. The date of birth recorded in 'Aadhaar' will now be accepted as valid proof of date of birth for the purpose of rectification, provided that the difference in the two dates is less than 3 years. The PF subscribers can submit the correction requests online. This will enable EPFO to validate the date of birth of members online with UIDAI instantaneously, thus authenticating and reducing the processing time of change requests.
* **ESI one time relaxation:** One time Relaxation opportunity has been given to those Employers who did not file ESI Contribution for the Contribution period April 2019 to September 2019 within 42 days after the end of contribution period. Employers (as mentioned above point 4) are allowed to file the Contribution upto 15.05.2020 and for details refer to [www.esi.gov.in](http://www.esi.gov.in)
* **Advisory on 24% of workers as PF contribution:** The Central Government has announced a package to employers under Pradhan Mantri Garib Kalyan Yojana wherein “Payment of 24% of wages of workers in their EPF Accounts by Government in respect of the establishments which have employed less than 100 employees and 90% of employees working in such establishments are drawing less than Rs. 15000 wages” is also included and for details refer to [www.mle.gov.in](http://www.mle.gov.in) or [www.epfo.gov.in](http://www.epfo.gov.in)
* **Credit EPF & EPS under PM Garib Kalayan Yojana:** Employees Provident Fund Organization (EPFO), a statutory body under Union Ministry of Labour and Employment, has put in place an electronic mechanism for crediting EPF and EPS accounts of its subscribers as per the package announced by the Union Government under PM Gareeb Kakyan Yojna on 26.3.2020 for helping the poor to fight Corona pandemic. The relief announced by the government can be claimed by eligible organisations/establishments by filing Electronic Challan-cum-return (ECR) and for details refer to [www.epfo.gov.in](http://www.epfo.gov.in)
* **ESI contribution for Feb 2020**: The ESI Contribution for the Month of February, 2020, can be filed and paid upto 15th May, 2020 instead of earlier extended period of 15th April, 2020 and for details refer to [www.esi.gov.in](http://www.esi.gov.in)
* **Employer’s contribution to NPS**: CA Sanjay Mody has pointed out that the result of the amendment made by the Finance Act 2020 to section 17(2)(vii) of the Income-tax Act is that the contributions made by the employer in NPS account of the employee, after being included as ‘Salary’ in the hands of the employee, may also be included as ‘Perquisite’ in computing his or her taxable salary income, resulting in double taxation. He has urged the Government to rectify the ambiguity as it will otherwise lead to litigation and also frustrate the social objective of the NPS.
* **EPF contribution of employers:** EPFO has clarified that the Employers contribution for March 2020 can be deposited by 31st May, 2020 and for details refer to www.epfo.gov.in
* **DA Hike put on hold**: The Union Cabinet had last month hiked the DA and DR by 4%, from 17% of basic pay/pension to 21% of basic pay/pension for central government employees and pensioners. The government’s tax revenues have plummeted because of the Covid-19 lockdown while expenses have shot up because of the support provided to the vulnerable groups. The finance ministry on 23-04-2020 announced that it has put on hold a hike in dearness allowance (DA) for central government employees and dearness relief (DR) for central government pensioners. Additional installment of Dearness Allowance (DA) payable to central govt employees & Dearness Relief (DR) to central govt pensioners, due from 1st Jan, 2020 shall not be paid. Additional installments of DA & DR from 1 July 2020 & 1 Jan 2021 shall also not be paid,” the Ministry of Finance said.
* **No deduction in Allowances of Central Govt.**employees: CG clarified that Central Government is not going to deduct allowances of Central Government Employees and for details refer to http://pib.gov.in

# **GST**

* **Clarifications on refund of GST**: CBIC vide Circular No. 135/05/2020 – GST dated 31st March, 2020 issued Clarification on GST refund related issues which includes Bunching of refund claims across Financial Years, Refund of accumulated input tax credit (ITC) on account of reduction in GST Rate, Change in manner of refund of tax paid on supplies other than zero rated supplies, Guidelines for refunds of Input Tax Credit under Section 54(3) and New Requirement to mention HSN/SAC in Annexure ‘B’ and for details refer to [www.cbic.gov.in](http://www.cbic.gov.in)
* **GSTR 3B:** CBIC extends due date for furnishing FORM GSTR-3B for supply made in the month of May, 2020 vide Notification No. 36/2020- Central Tax, dated 03.04.2020. Taxpayers having an aggregate turnover of more than rupees 5 crore rupees in the previous financial year, the return in FORM GSTR-3B of the sad rules for the month of May, 2020 shall be furnished electronically through the common portal, on or before the 27th June, 2020 and those with aggregate turnover less than Rs 5 crore in the previous financial year, the said return shall be submitted on or before on or before the 12th day of July, 2020 and for details refer to [www.cbic.gov.in](http://www.cbic.gov.in)
* **GST Returns:** Notification No. 34/2020- Central Tax, dated 03.04.2020 -Extension of due date of furnishing statement, containing the details of payment of self-assessed tax in FORM GST CMP-08 for the quarter ending 31st March, 2020 till the 7th day of July, 2020 and filing FORM GSTR-4 for the financial year ending 31st March, 2020 till the 15th day of July, 2020.
* **GST on Director’s remuneration**: The consideration paid to the directors by the applicant company will attract GST under reverse charge mechanism**.** Director is the supplier of services and the applicant of the company is the recipients of the services vide Clay Crafts India Pvt. Ltd. (GST AAR Rajasthan) in the Appeal Number: Advance Ruling No. RAJ/AAR/2019-20/33.
* **Credit to input service providers**: Changes are being made in the credit utilization criteria in Form GSTR-6, filed by Input Service Distributors (ISDs). These changes are likely to be implemented on the GST portal with effect from 14.04.2020. During the implementation of this change, any data which is lying in Form GSTR-6 of ISDs, in saved stage, will be lost. Thus, if there is some data, filled up in Form GSTR-6 and is in saved stage (which is not Submitted so far), that data will not be available to ISD, in their Form GSTR 6, for its further use. ISD will be required to fill up this data (which was in Saved stage and now lost due to implementation of change) again in their Form GSTR 6 and ford details refer to [www.cbicgov.in](http://www.cbicgov.in)
* **Clarifications on GST Refund matters**: Central Board of Indirect Taxes and Customs (CBIC), MINISTRY OF CORPORATE FINANCE, vide notification CBEC-20/06/04-2020 -GST, Circular No. 137/07/2020-GST dated 13th April, , 2020 has published Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws-reg. relief measures taken by the Government for facilitating taxpayers in meeting the compliance requirements under various provisions of the CGST Act, 2017 and to prevent the spread of Novel Corona Virus (COVID-19) and for details by [www.cbic.gov.in](http://www.cbic.gov.in)
* **Filing PMT-9 on GST portal:** The CBIC has recently introduced Form PMT-09 for transfer of amount from one head to another head in the electronic cash ledger. This enables a registered taxpayer to transfer any amount of tax, interest, penalty, etc. that is available in the electronic cash ledger, to the appropriate tax or cess head under IGST, CGST and SGST in the electronic cash ledger. Hence, if a taxpayer has wrongly paid CGST instead of SGST, he can now rectify the same using Form PMT-09 by reallocating the amount from the CGST head to the SGST head and for details refer to [www.gst.gov.in](http://www.gst.gov.in)

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| * **File GSTR-3B without DSC:** The option to file GSTR-3B by EVC (Electronic Verification Code) instead of DSC is made available on the GST portal. Taxpayers can submit GSTR-3B without Digital Signature Certificate (DSC) and for details refer to [www.mca.gov.in](http://www.mca.gov.in)
* **Advisory on PMT-**09: CBIC has issued Advisory on filing of PMT-09 in the form of FAQ and the same can be accessed on www.cbic.gov.in
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# **RBI**

* **Convenorship & Lead bank Responsibilities**: The amalgamations of Oriental Bank of Commerce and United Bank of India with Punjab National Bank; Andhra Bank and Corporation Bank with Union Bank of India; Syndicate Bank with Canara Bank and Allahabad Bank with Indian Bank have been notified vide the Gazette of India Notifications G.S.R. 153(E), G.S.R. 154(E), G.S.R. 155(E) and G.S.R. 156(E) dated March 4, 2020, respectively. The abovementioned notifications shall come into force on April 1, 2020. In view of this, RBI has decided to assign the SLBC/ UTLBC Convenorship and for details refer to  RBI/2019-20/197 dated 30th March, 2020
* **Cut in Reverse Repo Rate**: RBI Governor announced that under liquidity adjustment facility (LAF), reverse repo rate (rate at which RBI borrows funds from banks) reduced by 25 basis points (bps) to 3.75%; repo rate — rate at which RBI lends money to banks — unchanged (4.40%) as the decision is taken by the MPC (Monetary Policy Committee) and for details refer to [www.rbi.gov.in](http://www.rbi.gov.in)
* **NPA classification: NPA classification**: RBI governor Shaktikanta Das on Friday said that 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. In a major relief to borrowers amid the ongoing nationwide lockdown, the Reserve Bank of India (RBI) said on Friday that defaults during the lockdown will not be classified under non-performing assets (NPAs).
* **Electronic cards for Overdrafts:** RBI has permitted banks to issue electronic cards to natural persons having Overdraft Accounts that are only in the nature of personal loan without any specific end-use restrictions. The card shall be issued for a period not exceeding the validity of the facility and shall also be subject to the usual rights of the banks as lenders. The electronic card for Overdraft Accounts in the nature of personal loans shall be allowed to be used for domestic transactions only. Further, adequate checks and balances shall be put in place to ensure that the usage of such cards is restricted to facilitate online/ non-cash transactions. The restriction on cash transaction will not apply to overdraft facility provided along with Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts and for details refer to circular of RBI dated 23rd April, 2020 on www.rbi.gov.in
* **Statutory Branch Audit of Banks**: Statutory branch audit of PSBs may be carried out so as to cover 90% of all funded and 90% of all non-funded exposures of the bank. The banks may try to ensure that the selection of branches and centralized hubs for statutory audit include a representative cross section of rural/semi-urban/urban and metropolitan branches, including branches which are not subjected to concurrent audit and for details refer to RBI’s Circular letter dated 27th April, 2020 on www.rbi.gov.in
* **Margin Framework for Cash and Derivative Segment**: RBI has extended the implementation of Margin Framework for Cash and Derivative Segments to 1st June, 2020 vide RBI’s letter dated 2f7th April, 2020 and for details refer to www.rbi.gov.in

# **CUSTOMS**

* **Compliances relaxed**: In view of COVID-2019 the Department of Commerce has therefore decided to provide suitable relaxations on compliances to be met by units / developers / co‐developers of [Special Economic Zones(SEZs)](https://taxguru.in/income-tax/special-economic-zonesnotificationsexemptions-withdrawn.html) and for details refer to [www.mci.gov.in](http://www.mci.gov.in)
* **Export duty**: For the purposes of calculation of export duty, the transaction value, that is to say the price actually paid or payable for the goods for delivery at the time and place of exportation under section 14 of Customs Act 1962, shall be the FOB price of such goods at the time and place of exportation vide Sesa Goa Limited Vs Commissioner of Customs (CESTAT Hyderabad) in theAppeal Number : Customs Appeal No. 236 of 2011.
* **In-bonding of goods**: Relaxed procedures for In-bonding of goods imported under warehouse Bills of Entry has been announced and for details refer to [www.cbic.gov.in](http://www.cbic.gov.in)
* **Electronic sealing**: Government received representations from e-seal Vendors regarding the deposit of goods and removal thereof from Customs Bonded Warehouses to defer the implementation of circular no. 10/2020-Cus dated 07-02-2020. Vide this circular Govt. has defer the implementation of circular no. 10/2020-Cus till 30-06-2020. The new date of implementation of the said Circular shall be 01st July, 2020 and for details refer to www.cbic.gov.in

# **INCOME TAX**

* **Provision of loss allowable**: ITAT held that even though the loss-Mark to Market loss on trading in Derivative Market had not finally crystallized if as per prudent and regular system of accounting, loss had to be accounted for then the same should be allowed under section 37(1) vide decision given in the case of DCIT Vs Edelweiss Commodities Services Ltd. (ITAT Mumbai) in the Appeal Number: ITA No. 5587/MUM/2018.
* **Filing of ITR in paper Form**: ITR can be filed in paper Form if e-filing not allowing set-off of losses vide Samir Narain Bhojwani Vs DCIT (Bombay High Court) in the Appeal Number : WP No. 2825 of 2019.
* **Set-off losses**: Set-off of loss against income from other sources is prohibited wef 1st April, 2017 vide Sri. John Daniel Vs ACIT (ITAT Cochin) in the Appeal Number : ITA No.201/Coch/2019.
* **Capital Gain**: Mere permission to construct on land not results in transfer for capital gain tax vide Seshasayee Steels P. Ltd. Vs ACIT (Supreme Court) in the Appeal Number : Civil Appeal No. 9209 of 2019
* **Certificate for deduction of lower rate of TDS**: The CBDT has issued an Office Order dated 31st March 2020 u/s 119 of the Income-tax Act in which it has issued various directions and clarifications on the issue of certificates for lower rate/ nil deduction/collection of TDS or TCS u/s 195, 197 and 206C (9) considering the constraints of the Field Officers in disposing of the applications for lower or nil rate of TDS/ TCS and to mitigate hardships of payees and buyers /licensees /lessees
* **Penalty leviable**: Sec 271(1)(c) penalty is leviable if revised IT Return is filed only after issuance of Notice under sections 143(2)/142(1) vide Bhavesh Pravinchandra Sheth Vs ACIT (ITAT Mumbai) inAppeal Number: ITA No. 816/MUM/2018.
* **Agricultural land -50C**: If an agriculture land is situated beyond 8 kms. from the local limit of any municipal or cantonment area, whose population is more than Rs.10 lakhs, then that would not fall within the ambit of definition ‘capital assets vide DCIT Vs Shri Ravjibhai Manibhai Patel (ITAT Ahmedabad) in the Appeal Number: IT(SS)A No. 132/Ahd/2018
* **194J**: As per the Finance Act 2020, TDS section 194J, TDS on fees for technical services (other than professional services) is reduced from 10% to 2% with effect from 1st April, 2020. Till 31st March, 2020, the TDS rate applicable to both fees for professional services and technical services is 10% and for details refer to [www.incoemtaxindia.gov.in](http://www.incoemtaxindia.gov.in)
* **Sec 234B & Sec 234C**: Gujarat High Court held that when a company’s book profit was nil on the last date of the financial year then the assessee had no liability to pay advance tax and therefore, interest u/s 234B and section 234C of the Act will not be charged vide decision given in the case of CIT Vs National Dairy Development Board (Gujarat High Court) in the Appeal Number : Tax Appeal No. 361 of 2017
* **Deductions under Sec 10A & 10B**: Deductions either under Section 10A or 10B would be made while computing the gross total income of the eligible undertaking and not at the stage of computation of the total income vide decision in the case of Comstar Automative Technologies Vs DCIT (Madras High Court) in the Appeal Number : Tax Case Appeal No.228 of 2011
* **Capital gain tax**: When partnership firm was transformed into private limited company, there was no distribution of assets and as such, there was no transfer and therefore, assessee was not liable to pay any tax on capital gains vide decision given in the case of CADD Centre Vs ACIT (Madras High Court) in the Appeal Number : Tax Case No. 2619 of 2006 and M.P.No.1 of 2007.
* **DTAA**: Surcharge and Education Cess was not leviable on receipts in the nature of Royalties and reimbursements of other expenses, which was offered to tax by assesse on gross basis under the India –DTAA vide JCDecaux S.A. Vs ACIT (ITAT Delhi) in the Appeal Number: ITA No. 1630/Del./2015.
* **Clarifications on Vivad Se Vishwas Act 2020**: The CBDT has vide Circular No. 9/2020 dated 22nd April 2020 provided important clarification to several queries raised by taxpayers in connection with the Vivad Se Vishwas Act, 2020 and for details refer to www.cbdt.gov.in
* **Principle of Mutuality**: Supreme court explained that the doctrine of mutuality bestows a special status to qualify for exemption from tax liability. It is a settled proposition of law that exemptions are to be put to strict interpretation. If the assessee fails to fulfil the stipulations and to prove the existence of mutuality, the question of extending exemption from tax liability to the assessee, that too at the cost of public exchequer, does not arise. Taking any other view would entail in stretching the limits of construction vide decision given in the case of Restaurants (Marketing) Private Ltd Vs CIT
* **Provision for leave encashment**: Sec 43B of IT Act 1961 does not place any embargo upon the autonomy of the assessee in adopting a particular method of accounting, nor deprives the assessee of any lawful deduction. It merely imposes an additional condition of actual payment for the availment of deduction qua the specified head (entire law on how to determine constitutional validity of statutory provisions explained) vide judgment given by the Supreme Court in the case of UOI Vs Excide Industries Ltd
* **Taxability of Liaison office:** If the stated activity(ies) of the liaison office of the respondent in India is regarded as business activity, as noted earlier, the same being “of preparatory or auxiliary character”; by virtue of Article 5(3)(e) of the DTAA, the fixed place of business (liaison office) of the respondent in India otherwise a PE, is deemed to be expressly excluded from being so. And since by a legal fiction it is deemed not to be a PE of the respondent in India, it is not amenable to tax liability in terms of Article 7 of the DTAA vide decision of the Supreme Court in the case of UOI Vs U.A.E.Exchange Centre.
* **Grant of Refunds**: Grant of refund u/s 143(1) till AY 2016-17, if a scrutiny notice u/s 143(2) is issued, the return is not required to be processed u/s 143(1) for grant of refund to the assessee. From AY 2017-18 & onwards, a different regime is prescribed by Parliament. S. 241-A requires separate recording of satisfaction on part of the AO that having regard to the issue of notice u/s 143(2), the grant of refund is likely to adversely affect the revenue. The withholding of refund requires the previous approval of the PCIT with reasons to be recorded in writing while decision in the case of Vodafone India Ltd Vs CIT given by the Supreme Court

# **DGFT/FEMA**

* **Help Desk by DGFT**: DGFT has established Help Desk for use of importers and exporters and the same be contacted - Contact@DGFT Platform ( http://rla.dgft.gov.in:8100/CRS\_NEW/) Email:dgfted@nic.in
* **Extension of Foreign Trade Policy**: The existing Foreign Trade Policy 2015-2020 which is valid upto 31.3.2020 is extended upto 31.03.2021. Various other changes are also made extending the date of exemptions by one year and extending validity of DFIA and EPCG Authorizations for import purposes vide DGFT Notification No.57/2015-2020-DGFT dated 31st March, 2020.
* **EPCG Scheme**: One-time condonation under the EPCG Scheme given Extension till 31.03.2021 vide Public Notice No.01/2015-20 dated 7th April, 2020 and for details refer to www.dgft.gov.in
* **FEMA (Non**-Debt Instruments) Amendment Rules 2020: Government notified amendments to FEMA)Non-Debt Instruments) Rules 2020 where besides many other changes stated that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with the Government approval and for details refer to notification dated 22nd April, 2020 issued buy Ministry of Economic Affairs GOI on [www.dea.gov.in](http://www.dea.gov.in)
* **Obligation period under Advance Authorization and DFIA extended**: Automatic Extension of Import Validity period and EO period by 6 months for AAs under HBP Para 4.41(e) and Para 4.42(h) where no revalidation/EO period extension has been granted till date for details refer to DGFT’s Policy Circular No.352015-2020 dated 23rd April, 2020 on [www.dgft.gov.in](http://www.dgft.gov.in)
* **FEMA Amendment Rules 2020-** **Acquisition after renunciation of rights:** A person resident outside India who has acquired a right from a person resident in India who has renounced it may acquire equity instruments (other than share warrants) against the said rights as per pricing guidelines specified under rule 21 of these rules and for details refer to Notification dated 27th April, 2020 on [www.dfgt.gov.in](http://www.dfgt.gov.in)
* **Application for Free Sale & Commerce Certificate:** Due to the prevailing [**COVID-19**](https://taxguru.in/income-tax/overview-tax-measures-relaxation-covid-19.html) related lockdown, RAs are working with skeletal staff leading to delays in issuance of Free Sale and Commerce Certificates. SEBI has accordingly Trade and Industry is advised to send their applications for grant of Free Sale and Commerce Certificate at the official email ID of the concerned RA as per the format given in ANF 21-I. The fee payment needs to be done through the e-MPS system and for details refer to Trade Notice No.8/2020-2021 dated 28th April, 2020 on www.dgft.gov.in

# **SEBI**

* **RBI notifies changes in market hours**: RBI notified changes in Market hours in view of COVID-2019 as 10am to 2.00pm and for details refer to [www.rbi.gov.in](http://www.rbi.gov.in)
* **Stamp duty on sale of securities**: The Central Government vide the [Finance (Amendment) Act, 2019](https://taxguru.in/income-tax/president-assents-finance-act2019.html) had amended certain provisions of the Indian Stamp Act, 1899 in February 2019 [ Chapter IV, Part I]. With this amendment, the stamp duty on sale of any securities made through a stock exchange shall be collected on behalf of the State Government by stock exchange itself or a clearing corporation (authorized by the exchange itself) from the buyer on the market value of such securities at the time of settlement of transactions. But the Ministry of Finance vide the [notification No**. S.O. 1226(E)** dated 30th March, 2020](https://taxguru.in/corporate-law/no-extension-of-fy-notification-relates-to-indian-stamp-act-1899.html) has currently postponed the applicability of the said provision to 1st  July 2020.Thus, the process of stamp duty collection for securities over stock exchanges will continue to be done by the respective State Government until 1st July 2020 and for details refer to [www.sebi.gov.in](http://www.sebi.gov.in)
* **Existing grandfathered unlisted NCDs**: SEBI clarified on 28th April, 2020, that the grandfathering of the identified NCDs is applicable across the mutual fund industry. Accordingly, mutual funds can transact in such identified NCDs and the criteria as specified in para B (1) of SEBI Circular dated October 1, 2019 is not applicable. However, investments in such identified NCDs shall continue to be subject to compliance with investment due diligence and all other applicable investment restrictions and for details refer to [www.sebi.gov.in](http://www.sebi.gov.in)
* **Broker Turnover fees and filing fees for investors reduced**: In a view to combat challenges of COVID-19 Pandemic , SEBI on 27th April,2020 Vide [PR No.:24/2020](https://taxguru.in/sebi/sebi-reduces-broker-turnover-fees-filing-fees-issuers.html)  notified to reduce Broker Turnover Fees and filing fees on offer documents for Public issue, Rights issue and Buyback of shares. The broker turnover fee will be *reduced to 50%* of the existing fee structure for the period *June 2020 to March 2021*. The benefit of the above reduction in fees will automatically be passed on to the investors as well and for details refer to [www.sebi.gov.in](http://www.sebi.gov.in)
* **On line KYC:** SEBI has allowed the use of technological innovations which can facilitate online KYC. The use of technology would facilitate the investors to complete the KYC without the requirement of physically visiting the office of the intermediary for details refer to SEBI’s Press Release No.25/2020 dated 29th April, 2020 and for details refer to www.sebi.gov.in

# **INSURANCE**

* **Norms on settlement of Health insurance claims**: In light of prevailing conditions owing to COVID 19 as also taking into consideration the need for alleviating the pressure on the healthcare infrastructure all the insurers shall decide health insurance claims expeditiously. In order to ensure all health insurance claims are responded to quickly, insurers are directed to comply with the following timelines:**a**. Decision on authorization for cashless treatment shall be communicated to the network provider (hospital) within **two hours** from the time of receipt of authorization request and last necessary requirement from the hospital either to the insurer or to the TPA whichever is earlier. **b**. Decision on final discharge shall be communicated to the network provider within **two hours** from the time of receipt of final bill and last necessary requirement from the hospital either to the insurer or to the TPA whichever is earlier and for details refer to [www.irda.gov.in](http://www.irda.gov.in)
* **Dividend from profits of FY 2019-20**: In view of the emerging market conditions, and to conserve capital with the insurance companies in the interests of the policyholders and of the economy at large, insurers are urged to take a conscious call to refrain from dividend pay-outs from profits pertaining to the financial year ending 31st March 2020, till further instructions. This position shall be reassessed by the Authority based on financial results of insurers for the quarter ending 30th September, 2020 and for details refer to IRDA’s circular letter dated 20th April, 2020 on www.irda.gov.in
* **Allotment of Filling Reference Number(FRN) of foreign Re-insurers:** IRDA vide their circular letter dated 22nd April, 2020 has allotted FRN for cross border Re-insurers and also indicated that Reinsurance placements by an insurer to the above stated CBR’s shall not exceed**two percent (2%**) of the total reinsurance premium ceded outside India; Further, the insurer(s) shall comply with clause 6 (VIII) of the IRDAI Guidelines No. IRDAI/NL/GDL/RIN/ 017/01/2016 dated  19-01-2016 and these guidelines will apply for FY 2020-21 and for details refer to www.irda.gov.in

# **INSOLVENCY & BANKRUPTCY BOARD/NCLA**

* **CIRP Activities**: Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2020- IBBI amended the CIRP Regulations to provide that the period of lockdown imposed by the Central Government in the wake of COVID-19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to the lockdown, in relation to a corporate insolvency resolution process. This would, however, be subject to the overall time-limit provided in the Code vide No. IBBI/PR/2020/06 29th March, 2020 of www.ibbi.gov.in
* **IBBI Liquidation process**: The IBBI has notified that the period of lockdown imposed by the Central Government in the wake of Covid-19 outbreak shall not be counted for the purposes of computation of the timeline for any task that could not be completed due to such lockdown, in relation to any liquidation process.

# **COMPANIES ACT**

* **MCA introduces Fresh Start Scheme 2020**: Ministry of Corporate Affairs introduces the Companies Fresh Start Scheme, 2020 and revised the LLP Settlement Scheme 2020 to provide relief to law abiding companies and Limited Liability Partnerships (LLPs) in the wake of COVID-2019 and for details refer to www.mca.gov.in
* **Filing DIR-3 KYC without fees**: in the view of the COVID-19 outbreak, the MCA(Ministry of Corporate Affairs) released a notice stating that DINs marked as inactive can file the DIR-3KYC/DIR-3KYC-Web/ACTIVE as the case may be filed between 1st April, 2020 to 30th September, 2020 without any filing fee of INR 5000/INR 10000 respectively and for details refer to [www.mca.gov.in](http://www.mca.gov.in)
* **EGM**: MCA allows companies to hold Extraordinary General Meetings (EGMs) through VC or OAVM complemented with e-Voting facility/simplified voting through registered emails and MCA has relaxed regarding passing of ordinary and Special Resolution due to COVID-19 and for details refer to for details refer to [www.mca.gov.in](http://www.mca.gov.in)
* **AGM**: Companies whose financial year (other than first financial year) has ended on 31st December, 2019, can hold their AGM for such financial year within a period of nine months from the closure of the financial year (i.e. by 30th September, 2020), the same shall not be viewed as a violation. General Circular No. 18/2020 Dated: 21st April, 2020 and for details refer to www.mca.gov.in
* **Resolutions**: MCA has provided relaxation on account of COVID -19: **1**. No additional late fee for e-filing of returns by Companies & LLPs during the Moratorium period from 1st April, 2020 to 30th Sept, 2020. **2**. Minimum gap between two Board meetings extended to 180 days from 120 days. 3.EGMs can be conducted through video conference and for details refer to www.mca.gov.in
* **Filing of e-Forms IEEF:** Ministry of Corporate Affairs has already allowed filing in MCA-21 registry without additional fees till 30th September, 2020 through [General Circular No. 11/2020, dated 24th March, 2020](https://taxguru.in/company-law/covid-19-special-relief-measures-companies-llp.html) and [General Circular No. 12/ 2020, dated 30th March, 2020](https://taxguru.in/company-law/companies-fresh-start-scheme-2020.html). Therefore, the necessary relaxation, insofar as filing of various other IEFF e-forms (IEPF-1, IEPF-1A, IEPF-2, IEPF-3, IEPF-4, IEPF -7) and e-verification of claims filed in e-form IEPF-5, is concerned, the same has already been provided. Therefore, the stakeholders may plan other concomitant actions accordingly and for details refer to [www.mca.gov.in](http://www.mca.gov.in)
* **Director’s Remuneration**: Director remuneration cannot be disallowed merely for approval post payment vide PCIT Vs MLS CBRE South Asia Private Limited ((Delhi High Court) in the Appeal Number: ITA 96/2020
* **Right & Public issues**: Measures to further facilitate fund raising from capital markets in the backdrop of COVID-19 pandemic. SEBI has decided to grant certain temporary relaxations from the regulatory provisions related to rights/ public issuances by listed entities and for details refer to www.mca.gov.in
* **Period of Reservation of names extended**: MCA has extended the period of Reservation of names whose period is likely to lapse, by another 20 days and for details refer to www.mca.gov.in