

LUNAWAT BULLETIN

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MARKET WATCH

Sensex : 30/06/2020 : **34915.80**
29/05/2020 : **32424.10**

Nifty : 30/06/2020 : **10302.10**
29/05/2020 : **9568.95**

AROUND THE GLOBE

INDIA BANS 59 CHINESE APPS INCLUDING TIKTOK, HELO, WECHAT

The government has banned 59 Chinese applications including top social media platforms such as TikTok, Helo and WeChat in order to counter the privacy security posed by these applications.

The government has banned these invoking its power under section 69A of the Information Technology Act read with the relevant provisions of the Information Technology (Procedure and Safeguards for Blocking of Access of Information by Public) Rules 2009.

The Indian Cyber Crime Coordination Centre, Ministry of Home Affairs has also sent an exhaustive recommendation for blocking these malicious apps.

NITI AAYOG DECIDES TO WORK WITH KEY STAKEHOLDERS ON ONLINE DISPUTE RESOLUTION FRAMEWORK

As India fights Covid crisis, NITI Aayog, in a first, has decided to work with the key stakeholders to develop Online Dispute Resolution as a viable and sustainable form of dispute avoidance and dispute resolution. It has also synergised the legal acumen of Supreme Court Judges and experience of industry experts to reduce burden of courts, by making dispute resolution cheaper, quicker and credible as conventional methods of dispute resolution. In a unique experiment, it has brought together stakeholders in virtual meetings and started to organize webinars.

CENTRE, STATE TAX OFFICERS CAN TAKE INTELLIGENCE BASED ENFORCEMENT ACTIONS FOR ALL PURPOSES: CBIC

The Board's policy wing clarified that cross-empowerment of tax officials is absolute and non-conditional, in an internal note to the Director General of GST Intelligence (DGGI), last week. The communication was issued in response to reference on whether intelligence based enforcement actions initiated by Central Tax officers against tax payers assigned to state tax administration get covered under the provisions of Central GST Act or a specific notification is required for cross-empowerment. Also, whether a notification is needed if conditions are imposed on powers given to the officers.

IRDAI ASKS INSURERS TO OFFER CORONA STANDARD POLICY BY JULY 10

Amid rising number of coronavirus cases in the country, sector regulator Irdai has asked the general and health insurers to offer short-term COVID standard health policy or 'Corona Kavach Policy' for individuals by July 10. Issuing the guidelines, Insurance Regulatory and Development Authority of India (Irdai) said the policy should be offered for three and half months, six and half months, and nine and half months. The sum insurances for COVID Standard Health Policy could range from Rs 50,000 to Rs 5 lakhs (in multiples of Rs 50,000).

The mode of payment would be single premium, the guidelines said, adding "the premium under this product should be pan India basis and no geographic location/zone based pricing is allowed".

COMPLIANCE DUE DATES

Due Date	Related to	Particulars
07.07.2020 (Tuesday)	TDS (Income Tax)	<ul style="list-style-type: none"> Due date for deposit of Tax deducted by an office of the government for the month of June, 2020. Due date for deposit of TDS for the period April 2020 to June 2020 when Assessing Officer has permitted quarterly deposit of TDS under <u>section 192, 194A, 194D or 194H</u>
07.07.2020 (Tuesday)	GST	<ul style="list-style-type: none"> Due date for furnishing details of payment of self-assessed tax in Form GST COMP-08 for the Quarter ending 31st March, 2020.
10.07.2020 (Friday)	GST	<ul style="list-style-type: none"> GSTR-7 & 8 (TDS Deductor / collector)for the month of June 2020
11.07.2020 (Saturday)	GST	<ul style="list-style-type: none"> Last date of filing GSTR-1 for June, 2020 (Person having aggregate turnover Rs 5 crore or more for all states.
12.07.2020 (Sunday) & 14.07.2020 (Tuesday)	GST	<ul style="list-style-type: none"> Last date of filing GSTR-3B for May 2020 (Person having aggregate turnover less than Rs 5 crore for Notified States/UTs)
13.07.2020 (Monday)	GST	<ul style="list-style-type: none"> GSTR-6 for Input Service Distributor of June 2020.
15.07.2020 (Wednesday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB & 194M in the month of , May 2020.* Quarterly statement of TCS deposited for the quarter ending 30 June, 2020 . Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2020 .
15.07.2020 (Wednesday)	GST	<ul style="list-style-type: none"> Due Date of filing of GSTR-4 for the Financial Year ending 31st March 2020.
20.07.2020 (Monday)	GST	<ul style="list-style-type: none"> Due Date of filing of GSTR-5 & 5A for the month of June 2020 (To be filed by the Non-Resident taxable person & OIDAR).
30.07.2020 (Thursday)	Income Tax	<ul style="list-style-type: none"> Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2020 . Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB & 194M in the month of June, 2020. Quarterly statement of TDS deposited for the quarter ending June 30, 2020 . Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2020 .
31.07.2020 (Friday)	Income Tax	<ul style="list-style-type: none"> Due date for filing original as well as revised Income Tax Return for the FY 2018-19. Due date for Filing of TDS/TCS Return for the Quarter-4 for FY 2019-20. Due date for Tax Savings Investment for FY 2019-20.
31.07.2020 (Friday)	GST	<ul style="list-style-type: none"> Last date of filing GSTR-1 for Quarter April to June 2020 (Person having aggregate turnover upto Rs 1.5 crore for all states.)
15.08.2020 (Saturday)	TDS/TCS	<ul style="list-style-type: none"> Quarterly TDS/TCS certificate in respect of tax deducted/collected by any person for the Q-4 for FY 2019-20.

LIST OF HOLIDAYS

DATE	DAY	REGARDING
30.07.2020	Thursday	Eid ul- Zuha(Bakrid)

INCOME TAX

CBDT PRESS RELEASE ON EXTENSION OF CERTAIN DATES FOR COMPLIANCE UNDER INCOME TAX DUE TO COVID-19

In order to provide further relief to the taxpayers for making various compliances, the Government has issued a Notification on 24th June, 2020, the salient features of which are as under:

- Date for payment of self assessment tax in the case of a taxpayer whose self-assessment tax liability is upto Rs. 1 lakh has also been extended to 30th November, 2020. However, it is clarified that there will be no extension of date for the payment of self-assessment tax for the taxpayers having self-assessment tax liability exceeding Rs. 1 lakh.
- The date for making investment/ construction/ purchase for claiming roll over benefit/ deduction in respect of capital gains under sections 54 to 54GB of the IT Act has also been further extended to 30th September, 2020.
- The date for commencement of operation for the SEZ units for claiming deduction under section 10AA of the IT Act has also been further extended to 30th September, 2020 for the units which received necessary approval by 31st March, 2020.
- The reduced rate of interest of 9% for delayed payments of taxes, levies etc. specified in the Ordinance shall not be applicable for the payments made after 30th June, 2020.
- The date for passing of order or issuance of notice by the authorities and various compliances under various Direct Taxes & Benami Law which are required to be passed/ issued/ made by 31st December, 2020 has been extended to 31st March, 2021.
- Date for linking of Aadhaar with PAN would also be extended to 31st March, 2021.
- The Finance Minister has already announced extension of date for making payment without additional amount under the "Vivad Se Vishwas" Scheme to 31st December 2020, necessary legislative amendments for which shall be moved in due course of time. The said Notification has extended the date for the completion or compliance of the actions which are required to be completed under the Scheme by 30th December, 2020 to 31st December, 2020.

EMPLOYEES ALLOWED TO CLAIM I-T EXEMPTION ON CONVEYANCE ALLOWANCE UNDER NEW TAX REGIME: CBDT

The Central Board of Direct Taxes has notified amendments in Income Tax rules, which allow salaried employees to claim a set of exemptions if they apply for the lower personal income tax regime. This includes exemptions that may be claimed on conveyance allowances extended by employers. The new regime, which is optional, will be applicable for income earned from financial year 2020-21.

A new sub-section has been added to the rule 2BB to implement these exemptions. They include any allowance granted to meet the cost of travel on tour or on transfer; any allowance, granted on tour for the period of journey in connection with a transfer, to meet ordinary daily charges incurred by an employee on account of absence from his/her normal place of duty; and any allowance to meet the expenditure on conveyance in performance of duties, provided free conveyance is not provided by the employer.

Persons with disabilities – blind, deaf and dumb or orthopedically handicapped employees – can also claim ad hoc exemption of transport allowance of Rs 3,200 per month while computing salaried income

However, the Board clarified that while determining the value of perquisites, no exemption will be available in the case of free food and non-alcoholic beverages provided by the employer.

CBDT notifies the Cost Inflation Index for FY=2020-21 as "301"

This notification shall come into force with effect from 1st day of April, 2021 and shall accordingly apply to the assessment year 2021-22 and subsequent years.

VIVAD SE VISHWAS SCHEME EXTENDED TO 31ST DECEMBER 2020

The government announced that it has extended the deadline for settling tax disputes under the Vivad se Vishwas scheme without paying any interest and penalty to December 31, 2020. The earlier deadline was June 30, 2020.

The latest extension will come as a relief for those individuals who want to settle their tax disputes without paying additional 10 per cent penalty and interest. The extension will also give a breather to those individuals who were yet to do a cost-benefit analysis of the scheme and decide whether to opt for it or not.

As per the scheme income tax disputes settled under it cannot be reopened in any other proceeding by the income tax department or any other designated authority.

CORPORATE TAX

MCA NOTIFIES SEVEN MONTH RELAXATION FOR FILINGS RELATING TO CREATION OR MODIFICATION OF CHARGES

For regulatory filings of charges on property or assets or any undertakings, created on March 1, 2020, the MCA introduced the 'Scheme' to condone delays in such filings, applicable till September 30.

As per section 77 of the Companies Act, the charge must be registered with the RoC within 30 days from its creation or modification. This period can be extended up to 120 days, which would attract late fees.

Under the new scheme, for charges created or modified between March 1 and September 30 this year, including those done earlier but whose filing deadline fell within this period, these seven months would not be counted towards the time limit for filing them. The scheme is also applicable for the timeline under section 78 which relates to the charge-holder filing the charges with the RoC in case the company fails to do it. In terms of filing fees, the ministry notification said that for filings made within the mentioned period, fees as on February 29, 2020, will be payable per form. And for filings made beyond this period, fees as on October 1 this year will be payable.

The **scheme will not apply** for charges that have already been filed before March 1 and for those charges for which the timeline for filing exceeds the mentioned period despite the exclusion.

EXTENSION OF FACILITY TO CONDUCT EGM THROUGH ELECTRONIC MEANS

The ministry of corporate affairs (MCA) extended till September 30 the period during which companies are allowed to hold extraordinary general meetings (EGMs) through video conference or other audio visual means.

The extension also applied to provisions for passing of resolutions through postal ballots alone without the need for conducting an EGM.

On April 8, the MCA had relaxed the requirement of a physical meeting for EGMs under the Companies Act, in light of restrictions on travel due to Covid-19 and the lockdown, till June 30.

CLARIFICATIONS WITH REGARD TO CREATION OF DEPOSIT REPAYMENT RESERVE OF 20% U/S 73(2)(C)

MCA issues clarification with regard to creation of Deposit Repayment Reserve and to invest deposit amount of debentures. It has been decided to extend the time in respect of said matters from 30th June 2020 to 30th September 2020.

Requirement under section 73(2)(c) of CA-13 to create the deposit repayment 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 September 2020.

Requirement under rule 18 of the Companies (Share Capital & Debentures) Rules, 2014 to invest or deposit at least 15% of amount of debentures maturing in specified methods of investments or deposits before 30th April 2020, may be complied with till 30th September 2020.

MINISTRY OF MSME ISSUES CRITERIA OF INVESTMENT AND TURNOVER CALCULATION FOR CLASSIFICATION UNDER NEW DEFINITION OF MSME

Ministry of Micro, Small and Medium Enterprises vide notification dated 26th June 2020 notifies certain criteria for classifying the enterprises as MSME, manner of calculation of Investment and Turnover has specified the form and procedure for filing the Udyam Registration with effect from the 1st day of July, 2020.

RELAXATION FROM COMPLIANCE WITH CERTAIN PROVISIONS OF THE SEBI DUE TO COVID-19 PANDEMIC

- Submission of Financials to SEBI has been extended from earlier June 30, 2020 to July 31, 2020.
- Maximum time gap between two board/Audit Committee meetings as extended till July 31, 2020. However, the board of directors and audit committees of listed entities shall ensure that they meet at least four times a year, as stipulated under Regulations 17(2) and 18(2)(a) of the LODR Regulations.
- SEBI has decided to extend the timeline for submission of the Annual Secretarial Compliance (ASC) Report by one more month, to July 31, 2020.
- SEBI has decided to extend the relaxation for issuers who intend/propose to list their Non-Convertible Debentures (NCDs) /Non-Convertible Redeemable Preference Share (NCRPS) /Commercial Papers (CPs) for disclosure of financial results for another one month i.e till July 31, 2020.

GOODS & SERVICES TAX

40TH GST COUNCIL MEETING CONCLUDED WITH MAJOR ANNOUNCEMENTS MADE FOR MSMES:

- **GSTR-3B late fee waiver** for prior period July 2017-January 2020 for taxpayers with a Nil liability. A maximum cap in late fee of Rs 500 has been fixed per pending returns for the rest of them, provided it is filed between 1st July 2020 and 30th September 2020.
- **Interest Relief and Late fee waiver** for taxpayers with aggregate turnover of upto Rs 5 crore. Tax payments for Feb, Mar and Apr 2020: Interest will apply at a reduced rate of 9% p.a. instead of 18% p.a. if return is filed after 6th July 2020 but before 30th September 2020. Tax payments for May, June and July 2020: Late fee and interest charge will be waived off if filed by the staggered dates of September 2020.
- Period for seeking revocation of cancelled GST registrations allowed till 30th September 2020 for all those registrations which were cancelled till 12th June 2020.
- The GST Compensation and its funding will be discussed in a special one-agenda council meeting, which is going to be scheduled in July 2020.

CBIC AMENDS GST RATES UNDER GST COMPOSITION SCHEME

CBIC notifies Central Goods and Services Tax (Seventh Amendment) Rules, 2020 and amended Rules 7 of the CGST Rules 2017 with a new entry for Composition tax payers who are providing services (ie Registered persons not eligible under the composition levy under sub-sections (1) and (2), but eligible to opt to pay tax under sub-section (2A), of section 10) will be taxed at rate of **6%** (CGST - 3% & SGST/UTGST - 3%) Dated 24th June, 2020. This shall come into force with effect from the **1st day of April, 2020**.

COMPANIES ALLOWED TO FILE FORM GSTR-3B/GSTR-1 USING EVC

GST Registered person who are also registered under the provisions of the Companies Act, 2013 are allowed to file Form GSTR-3B/GSTR-1 using EVC, vide Notification No. 48/2020 - Central Tax dated 19.06.2020 as follows:-

Form GSTR-3B -during the period from the 21st day of April, 2020 to the 30th day of September, 2020

Form GSTR-1 - during the period from the 27th day of May, 2020 to the 30th day of September, 2020.

GSTR-3B EVC FILING & FILING BY SMS EFFECTIVE FROM 08.06.2020

Effecting the provisions of **Rule 67A** for furnishing a nil return in FORM GSTR-3B by SMS has appointed the 8th day of June, 2020, as the date from which Rule 67A (Manner of furnishing of return by short messaging service facility) shall come into force to allow the registered person to furnish a Nil return in FORM GSTR-3B for a tax period, through a short messaging service (SMS) using the registered mobile number and the said return shall be verified by a registered mobile number based One Time Password facility (OTP). For the purpose of this rule, a Nil return shall mean a return under section 39 for a tax period that has nil or no entry in all the Tables in FORM GSTR-3B.

CBIC EXTENDS VALIDITY OF E-WAY BILLS IN NEW SET OF RELAXATIONS

The Central Board of Indirect Taxes and Customs (CBIC) extended the end-date **till August 31** for several relaxations including issuance of order and appeals by tax authorities, including in case of refunds, and extended the validity of e-way bills issued before lockdown till September 30.

This would be the third extension granted by the Board, which was first given till May-end and then till June-end, and would help in faster transportation of goods within the country.

RELIEF IN OPTING FOR COMPOSITION BY TAXPAYERS

Due to COVID-19 pandemic and challenges faced by taxpayers, Government has extended dates for GST filings. These are notified in Notifications 30, 34 & 35/2020 dated 03.04.2020 & 47/2020 dated 09.06.2020

Normal Taxpayers wanting to opt for Composition should not file GSTR3B and GSTR 1 for any tax period of FY 2020-21 from any of the GSTIN on the associated PAN.

Form	Tax period (FY)	Extended Date
GST CMP-02	2020-21	30.06.2020
GST ITC-03	2019-20 (As on 31-3-2020)	31.07.2020
GST CMP-08	Jan to March 2020	07.07.2020
GSTR-4	FY 2019-20	15.07.2020

LUNAWAT UPDATE

PRESENTATIONS

During June 2020 , CA Pramod Jain gave following presentations:

- "Latest Critical issues in Company Law Including Deposits & MSME" made during Webinar organised by Raipur Branch of CIRC of ICAI.
- "Impact of COVID-19 on Audits" during Webinar conducted by West Delhi Study Circle of NIRC of ICAI and Shalimar Bagh CPE Study Circle of NIRC of ICAI.
- "Financial Literacy for Directors" made during Webcast organised by Institute of Directors.
- "Latest Changes in Income Tax" through Webinar organised by various branches of CIRC and NIRC of ICAI and also by Ludhiana Direct Tax Bar Association.
- "MSME Compliance" during Webinar organised by Kanpur CA Society.
- "PAN Quoting & SFT Reporting" made during Webinar organised by Pusa Road CPE Study Circle

During June 2020 , CA Rajesh Saluja gave following presentations:

- Multiple Webinars on "Financial Management" with Escorts Ltd.
- Webinar on "The MSME Push" at Amity Global Business School, Noida.
- Open Program on "The MSME Push" organised by BizSkill.
- Webinar on "FFNF" for Honda Seil Power Products Ltd.

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