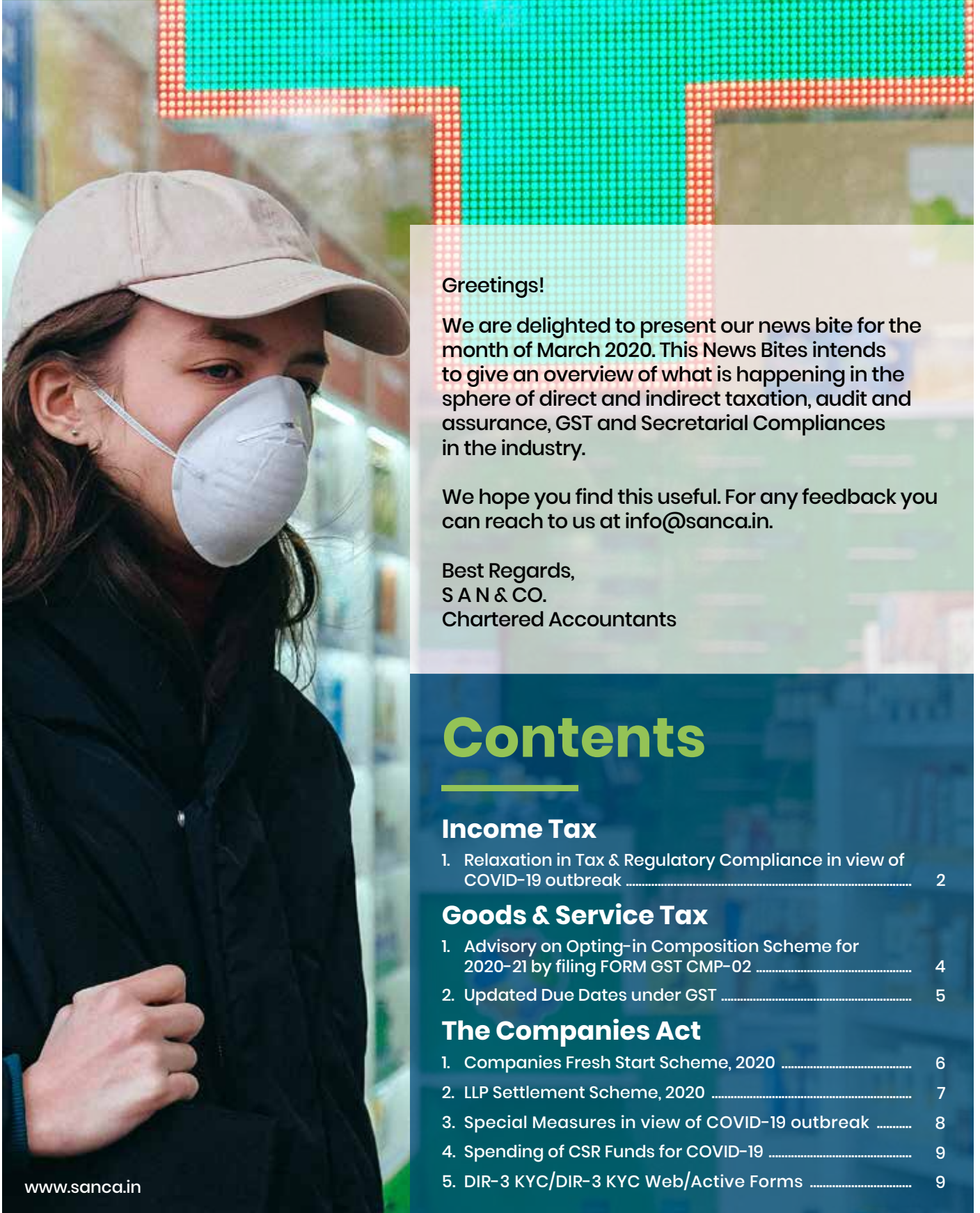


# NewsBites

Twenty-Fourth Edition



Greetings!

We are delighted to present our news bite for the month of March 2020. This News Bites intends to give an overview of what is happening in the sphere of direct and indirect taxation, audit and assurance, GST and Secretarial Compliances in the industry.

We hope you find this useful. For any feedback you can reach to us at [info@sanca.in](mailto:info@sanca.in).

Best Regards,  
S A N & CO.  
Chartered Accountants

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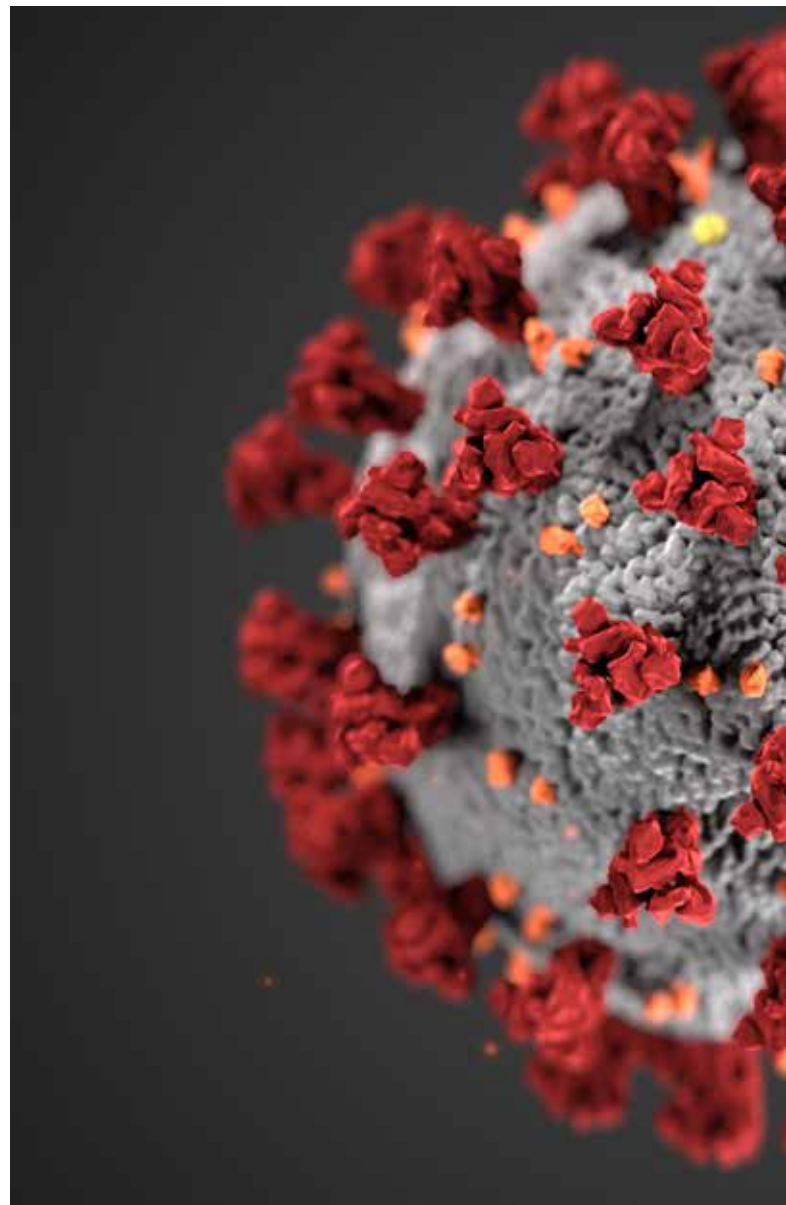
# Income Tax

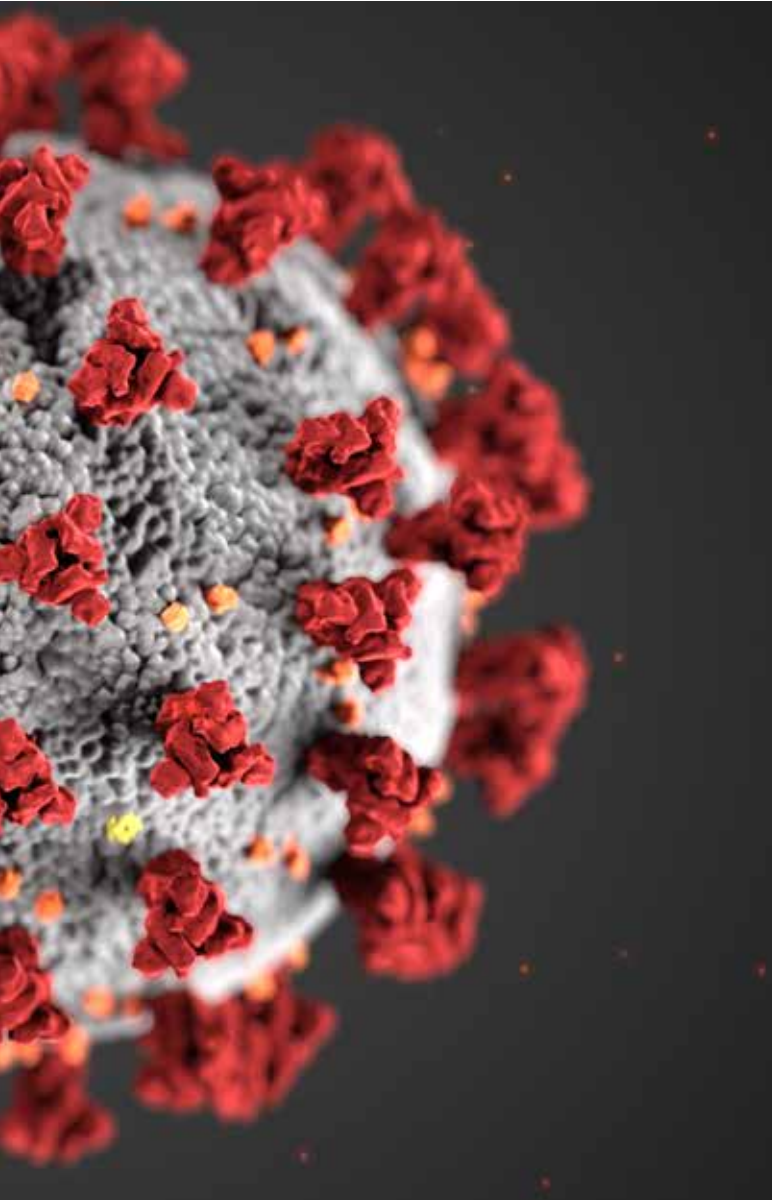
## **FM relaxes Tax & Regulatory Compliance in view of COVID-19 outbreak**

**Following are the decisions with respect to statutory and regulatory compliance matters related to Income Tax taken by Union Finance Minister vide Press Release dated 24.03.2020**

March is an important month. Not only does the financial year end in March, but you will also have to complete your tax-saving exercise and file your belated/revised income tax return (ITR) by March 31.

1. Extension of last date of **filing of original as well as revised income-tax returns** for the FY 2018-19 (AY 2019-20) to **30th June 2020**.
2. Extension of Aadhaar-PAN linking date to **30th June 2020**.
3. 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.
4. 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 extended to 30th June 2020. Therefore, the investment/construction/ purchase made up to 30.06.2020 shall be eligible for claiming deduction from capital gains arising during FY 2019-20.





5. It has provided that **reduced rate of interest of 9% shall be charged for non-payment of Income-tax** (e.g. advance tax, TDS, TCS) Equalization Levy, Securities Transaction Tax (STT), Commodities Transaction Tax (CTT) which are due for payment from 20.03.2020 to 29.06.2020 if they are paid by 30.06.2020. Further, no penalty/prosecution shall be initiated for these non-payments.

Note that there is **no extension in the deadlines.**

- a. Advance Tax
  - b. Tax Deduction at Source (TDS)
  - c. Tax Collection at Source (TCS)
  - d. Self-assessment tax
  - e. Equalisation levy
  - f. Security Transaction Tax (STT)
  - g. Commodity Transaction Tax (CTT)
6. Under **Vivad se Vishwas Scheme**, the date has also been extended up to **30.06.2020**. Hence, declaration and payment under the Scheme can be made up to 30.06.2020 without additional payment.
7. The date for **commencement of operation for the SEZ units** for claiming deduction under deduction 10AA of the IT Act has also extended to 30.06.2020 for the units which received necessary approval by 31.03.2020.
8. The date for **passing of order or issuance of notice by the authorities** under various direct taxes & Benami Law has also been extended to **30.06.2020**.
9. Due dates for statutory compliances have been extended till 30th June 2020 and there is no change / extension in Financial Year 2019-20.



# Goods & Services Tax

## Advisory on Opting-in Composition Scheme for 2020-21 by filing FORM GST CMP-02

### A. How to opt-in Composition Scheme

- i. The application for opting-in composition scheme for the financial year, 2020-21 has been made available on GST Portal.
- ii. The taxpayers who are already in composition scheme in previous financial year are not required to opt in for composition again for FY 2020-2021.
- iii. The eligible registered taxpayers, who want to opt-in for composition scheme for the Financial Year 2020-2021, may file FORM GST CMP-02 application up to 30th June, 2020 on common portal.
- iv. The taxpayers who were a regular taxpayers in previous financial year but are opting-in composition scheme for 2020-21 should file ITC-03 for reversal of ITC credit on stocks of Inputs, semi-finished goods and finished goods available with him within a period as prescribed under Rule, 3(3A) of CGST Rules, 2017.

### B. Return /Payment

All taxpayers opting in for composition shall file FORM GST CMP-08 quarterly and pay GST and shall file GSTR-4 annually.

### C. Who are eligible taxpayers for opting-in for Composition Scheme

Following taxpayers may opt for this scheme:

- The normal taxpayers having aggregate turnover (at PAN level) below Rs. 1.5 Crore in the previous financial year, who doesn't want to avail ITC facility,

- The normal taxpayers having aggregate turnover (at PAN level) below Rs. 75 lakh in the previous financial year who are situated in following states:

- i. Arunachal Pradesh
- ii. Manipur
- iii. Meghalaya
- iv. Mizoram
- v. Nagaland
- vi. Sikkim
- vii. Tripura
- viii. Uttarakhand

- The normal taxpayers supplying services and/or mixed supplies having aggregate turnover of last financial year below Rs. 50 lakhs

### D. Taxpayers, who are not eligible for opting in composition scheme

- i. Suppliers of the goods/services who are not liable to be taxed under GST,
- ii. Inter-State outward suppliers of goods/services
- iii. The taxpayers supplying through e-commerce operators, who are required to collect tax under section 52
- iv. The manufacturers of notified goods like (i) Ice cream and other edible ice, whether or not containing cocoa, (ii) All goods, i.e. Tobacco and manufactured tobacco substitutes and (iii) Pan Masala, (iv) Aerated water
- v. A Casual taxpayer
- vi. A Non-Resident Foreign Taxpayer
- vii. A person registered as Input Service Distributor (ISD)
- viii. A person registered as TDS Deductor / Tax Collector



## Updated Due dates under GST

### GST Due Dates Table upto 30th June 2020

Sr. No.	Return	Turnover	Month(s)/ Period	Regular Due Date	Revised Due Date	Interest	Late Fees & Penalty
1	GSTR - 3B	Less than Rs. 5 Crore	February	20/03/2020	Last week of June 2020	X	X
			March	20/04/2020			
			April	20/05/2020			
			May	20/06/2020			
		More than Rs. 5 Crore	February	20/03/2020	04/04/2020	✓ Reduced Rate @ 9% pa. (No interest for delay of 15 days front due date)	X (If filed on or before last week. of June 2020)
			March	20/04/2020	05/05/2020		
			April	20/05/2020	04/06/2020		
			May	20/06/2020	No change		
2	GSTR - 1 (Monthly)	More than Rs 1.5 Crore	February	11/03/2020	Last week of June 2020	Not applicable	No change
			March	11/04/2020			
			April	11/05/2020			
			May	11/06/2020			
3	GSTR - 1 (Quarterly)	Less than Rs. 1.5 Crore	Jan-Mar 2020	30/04/2020	Last week of June 2020	Not applicable	No change
4	CMP - 08 (Quarterly)	Composition Scheme	Jan-Mar 2020	18/04/2020	Last week of June 2020	X	X
	GSTR - 4 (Annual Return)		2019-20	30/04/2020	Last week of June 2020	X	X
5	GST Audit	More than RS- 5 Crore	2018-19	31/03/2020	30/06/2020	No change	No change
6	CST Annual Return	More than RS- 2 Crore	2018-19	31/03/2020	30/06/2020	No change	No change

Government will issue a notification as to provide actual revised due dates in staggered manner ailing under the lan week of tune, 2020.

Reference: Press Release dated 24n. March 2020, subject to the subsequent notifications to be issued in this regard.

# The Companies Act, 2013

## Companies Fresh Start Scheme, 2020

- In furtherance to the Ministry's Circular No. 11/2020, dated 24th March, 2020 (mentioned above), MCA vide circular no. 12/2020 dated 30th March, 2020, allows defaulting companies to file all their belated documents which were due for filing on any given date and comply with the Act without paying additional fees and penalty.
- Belated documents include all the documents or forms that were supposed to be filled under Companies Act, 2013 except the following:
  - Form SH-7 for increase in authorized share capital of the company
  - Charge related forms i.e. Form CHG-1, CHG-4, CHG-8 & CHG-9
- **Belated Documents** include more than 70 types of forms without paying any additional fees, for example:
  - Form AOC-4 & MGT-7 for annual filing of any year
  - Form MGT-14 for any purpose as required under Companies Act, 2013
  - Form DIR - 12 & DIR - 11 for appointment and resignation of Director or KMP
  - Form DIR-3 KYC for Director annual KYC
  - Form INC-20A for commencement of business
  - All other forms as are notified by MCA in this regard
- **Effective period:** This scheme shall be effective from April 01, 2020 till September 30, 2020.
- **Benefit:** Every defaulting shall pay normal fees as prescribed under Companies Act, 2013 on the date of filing of each belated document including annual filing and no additional fees shall be payable.
- **Immunity:** Immunity is granted from launch of prosecution or proceedings and from imposing penalty if it pertains to any delay associated with the filing of any belated documents.
  - Any other proceeding, involving interest of shareholder or any other person, on company, its directors or key managerial personnel would not be covered.
- **Immunity certificate:** An application shall be made, seeking immunity in respect of belated documents, electronically in the Form CFSS-2020, after the closure of scheme and after approval of the belated document filed, but not later than 6 months from the closure of scheme.
  - There shall be no fees on such form.
  - Based on the declaration made in Form CFSS 2020, an immunity certificate in respect of belated document filed shall be issued by the designated authority.
- **Scheme shall not apply to following**
  - To companies against which action for final notice for striking off the name under this Act has already been initiated by the Authority
  - To companies who have already made an application for striking off with the registrar
  - To companies which have amalgamated under a scheme of amalgamation or compromise under the Act
  - To companies who have already made an application for obtaining Dormant Status under the Act
  - To vanishing companies
  - Where any increase in authorized share capital charge related document is involved.



**LLP settlement scheme, 2020 which was notified on March 04, 2020 has been modified through general circular dated March 30, 2020. Following modification has been done**

- Now the scheme is effective from April 01, 2020 till September 30, 2020.
- Defaulting LLP's are permitted to file belated return which were due for filling till August 31, 2020.
- **Belated document** includes all the documents or forms which are required to be filled with MCA under the provisions of LLP Act, 2008 and the rules made thereunder, for example:
  - Form-3 for intimation regarding LLP Agreement or any changes therein
  - Form-8 annual statement of accounts and solvency
  - Form-11 Annual return of LLP
  - Form-15 notice for change of place of registered office
  - All other forms as are notified by MCA in this regard
- **Immunity from prosecution:** Defaulting LLP which have filed their belated documents till September 30, 2020 and made good the default, shall not be subject to prosecution by the Registrar for such defaults.
- **No additional penalty or fees payable:** Forms will be filled only by paying normal fees that is applicable on respective document or form. No additional penalty or fees will be levied.
- **Scheme shall not apply** to LLP's which have already made an application to the Registrar in Form 24 for striking off the name of the LLP.



# The Companies Act, 2013

## Special Measures in view of COVID-19 outbreak

Ministry of Corporate Affairs vide general circular no. 11/2020 dated March 24, 2020, following measures have been implemented in order to support Companies as well as Limited Liability Partnership (LLP):

- **Board Meeting:** Mandatory requirement of holding board meeting of companies within the interval of 120 days shall be extended by a period of 60 days till next two quarters i.e. till September 30, 2020. Therefore, one-time relaxation has been provided by extending gap between two board meetings to 180 days instead of earlier 120 days.
- **CARO 2020:** The Companies (Auditors Report) Order, 2020 shall be applicable from the financial year 2020-2021 instead of financials year 2019-20.
- **Mandatory one meeting of Independent Directors in a financial year:** If the Independent directors of the company have not been able to hold any such meeting in financial year 2019-20, then the same shall not be treated as violation of Companies Act, 2013.
- **Creation of deposit redemption reserve:** The requirement of creating a mandatory deposit redemption reserve under section 73(2)(c) of Companies Act 2013 before April 30, 2020, shall now be allowed to be complied with till June 30, 2020.
- **Invest or deposit 15% of debentures maturing:** The requirement of investing or depositing at least 15% of amount of debentures maturing in specified methods of investments or deposits before April 30, 2020, shall now be allowed to be complied with till June 30, 2020.

- **Commencement of Business Form:** Newly incorporated companies are required to file Commencement form with 180 days from the date of incorporation under section 10A, additional period of 180 days is allowed for this compliance.
- **Resident Director:** Non compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, shall not be treated as a non-compliance for the financial year 2019-20.





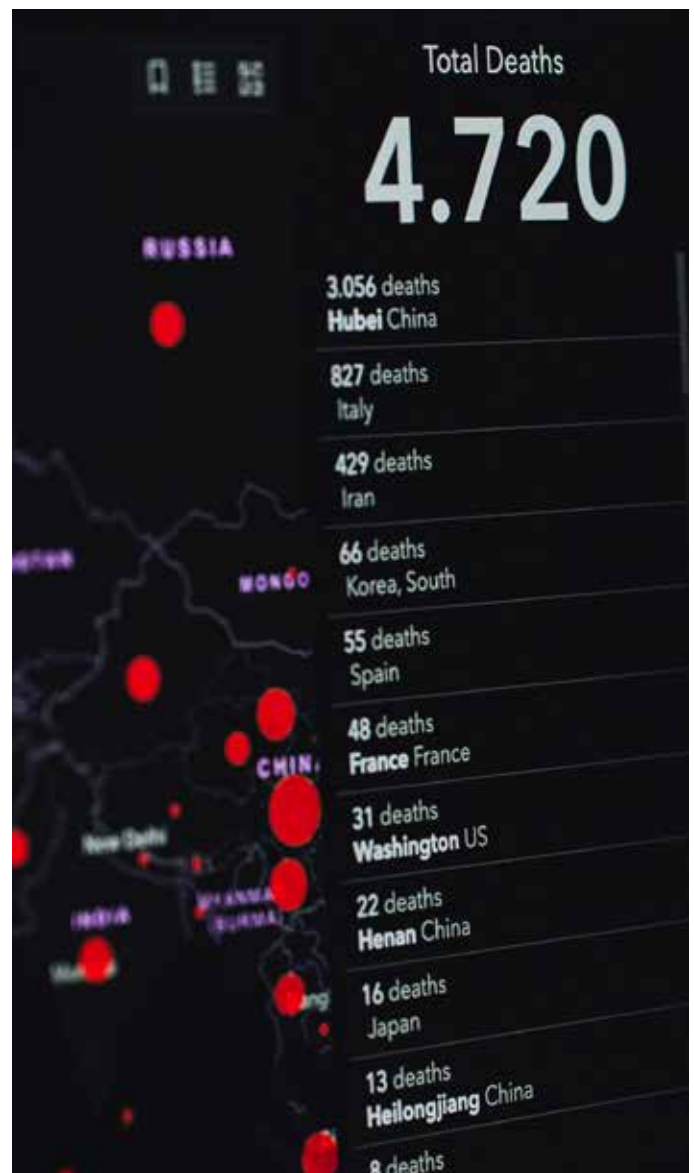


### Spending of CSR funds for COVID-19

- Ministry of Corporate Affairs vide circular no. 10/2020 dated March 24, 2020, has clarified that spending of CSR funds for COVID-19 is eligible CSR activity.
- Funds may be spent for various activities related to COVID-19 mentioned in Schedule VII relating to promotion of health care, including preventative health care and sanitation and disaster management.

### DIR-3 KYC/DIR-3 KYC Web/Active forms

- Non active compliant companies are given an option to file Form Active without any penalty from April 01, 2020 till September 30, 2020.
- Director whose DIN are deactivated for not filling their KYC are also given an option to complete their KYC compliance by filling Form DIR – 3 KYC or DIR – 3 KYC Web as may be applicable with zero penalty.



# NewsBites

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