

# technical update

March 2020 / Volume III / ASA



The key amendments introduced in statutes, policies and procedures in respect of Direct Tax, Indirect Tax, Corporate Laws & Accounting Standards, Foreign Exchange Management Act/ Export-Import Policy & Securities and Exchange Board of India related matters are summarized hereunder.

## DIRECT TAX

### Amendments, Notifications & Court Rulings

- Direct tax Vivad se Vishwas Act : Rules and Forms prescribed.
- Relief measures announced by Finance Minister in view of Covid-19.
- Trusts can make investments in Companies in which NPCI holds 51% shareholding.

## INDIRECT TAX

### Amendments, Notifications, Circulars

- Applicability of E-invoicing & QR code:
- Extension of due date for filing GSTR-9 & GSTR-9C:
- Amendments in CGST Rules:
- Aadhaar Number authentication for GST registration:
- Relaxations relating to COVID-19:

## MCA NOTIFICATIONS

- Extension of date for inclusion of name in the data bank of Independent Directors
- Relief Measures Relating to Statutory Compliances in view of COVID-19 outbreak
- Companies (Meetings of Board and its Powers) Amendment Rules, 2020
- Relaxation of additional fee of AOC-4 and MGT-7

## RBI Notifications

- Foreign Exchange Management (Manner of Receipt and Payment) (Second Amendment) Regulations, 2020

## DIRECT TAX

### Amendments, Notifications & Court Rulings

- **Direct tax Vivad se Vishwas Act : Rules and Forms prescribed**

The President gave his assent to the Direct Tax Vivad Se Vishwas Act, 2020 ('VSV'). The Income-tax authorities notified the Direct Tax Vivad se Vishwas Rules, 2020 on March 18, 2020 laying down the manner of computing the amount payable under different scenarios. Further the forms are also prescribed to implement the provisions of the VSV Act.

*Source: Notification No.18/2020, F. No. IT(A)/1/2020-TPL, DATED March 18,2020*

- **Relief measures announced by Finance Minister in view of Covid-19.**

The Finance Minister, Smt. Nirmala Sitharaman, during press conference on March 24, 2020, has announced several important relief measures on statutory and compliance matters taken by the Government in view of COVID-19 outbreak. An ordinance was brought i.e. 'Taxation and other Laws (Relaxation of Certain Provisions) Ordinance, 2020' on March 31, 2020 which provides for extension of various time limits under the Taxation and Benami Acts. Significant updates relating to direct tax were as under:

- ▶ The extension of the below mentioned compliances to June 30,2020
  - Filing of Income-tax return due date for AY 2019-20
  - Aadhaar-PAN linking,
  - The date for making various investment/payment for claiming deduction under Section 80C, Section 80D, Section 80G etc. of the Income-tax Act 1961 ('Act')
  - 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 Act
  - The date for passing of order or issuance of notice by the Income-tax authorities
  - Declaration and payment of taxes under VSV Act
- ▶ Reduced interest rates for payment of various taxes like advance tax, TDS, TCS etc.

*Source: Press Release, Dated March 24,2020, The taxation and other laws (relaxation of certain provisions) ordinance, 2020*

- **Trusts can make investments in companies in which NPCI holds 51% shareholding**

The CBDT has inserted a new clause (v) to Rule 17C of the Income-tax Rules 1962 which prescribes modes of investment/deposits by a charitable or religious trust or institution. Now, investment in equity share capital or bonds or debentures of a company engaged in RBI approved operations of retail payments system or digital payments settlement or similar activities in India or abroad shall be an eligible investments. However, 51% of equity shares of said company are to be held by National Payments Corporation of India.

*Source: NOTIFICATION G.S.R. 159(E) [No. 15/2020/F.No. 370142/5/2020-TPL], DATED March 5,2020*

## INDIRECT TAX

### Amendments, Notifications, Circulars

- **Applicability of E-invoicing & QR code:**

E-invoicing/QR code requirements shall apply from October 01, 2020. Insurance companies, financial institutions, banking companies including NBFC, GTA, suppliers supplying passenger transportation services or services by way of admission to exhibition of cinematograph films in multiplex screens have been exempted from such requirements.

*Notification No. 13 & 14/2020-Central Tax both dated March 21, 2020*

- **Extension of due date for filing GSTR-9 & GSTR-9C:**

The due date for furnishing annual return in Form GSTR-9 and GSTR-9C for the financial year 2018-2019 has been extended till 30.06.2020

*Notification No. 15/2020-Central Tax Dated March 23, 2020*

- **Amendments in CGST Rules:**

Key amendments made through CGST (Third Amendment) Rules, 2020 are:

- The aggregate turnover threshold for GST Audit and furnishing copy of audited annual accounts and a reconciliation statement, duly certified in GSTR-9C, increased from INR 2 Crores to INR 5 Crores for financial year 2018-19
- Tax wrongly paid or excess paid from Credit Ledger shall be refunded and re-credited to the Electronic Credit Ledger. Earlier refund was allowed for cash payment only.
- In case of claim of refund of ITC in case of export of goods under Bond or LUT, the value of export for the purpose of calculation, can be maximum up to 1.5 time of value of like goods sold in domestic market.
- Refund of ITC or IGST on export of goods shall be deposited back with interest if sale proceeds are not realized within the period allowed under FEMA,1999

*Notification No. 16/2020-Central Tax – Dated 23rd March 2020*

- **Aadhaar Number authentication for GST registration:**

From April 01, 2020, authorized signatories of all types, Managing and Authorized partners of a partnership firm and Karta of HUF shall have to undergo Aadhaar authentication. Authentication process not to apply to a person who is not a citizen of India or to a class of persons other than those requiring such mandatory authentication.

*Notification No. 17, 18 & 19/2020-Central Tax all dated March 23, 2020*

- **Relaxations relating to COVID-19:**
- Due dates to file GSTR-3B for the month of February 2020, March 2020 and April 2020 shall be extended to the last week of June 2020. No interest, late fee or penalty shall be charged in respect of taxpayers having annual turnover of less than INR 5 Crores. Those having turnover of more than INR 5 Crores shall be liable to pay interest at a reduced rate of 9 percent. No late fee or penalty shall be payable.
- Due date of issuance of notice, notification, approval order, sanction order, filing of appeal, return, statement, application or reports etc., where time limit thereof was expiring from March 20, 2020 to June 29, 2020, shall be extended to June 30, 2020.
- Payment date under Sabka Vishwas (Legacy Dispute Resolution) Scheme to be extended till June 30, 2020 without interest.

*Press Release, Ministry of Finance, dated March 24, 2020*

## **MCA NOTIFICATIONS & CIRCULARS:**

- **Extension of date for inclusion of name in the data bank of Independent Directors**

Registration date for inclusion of names of Independent Directors in the data bank of institute is extended till April 30, 2020. Individuals who has served as a Director or KMP for a period of ten years in specified Companies shall be exempted to qualify for the online proficiency self-assessment test.

*Source: [http://www.mca.gov.in/Ministry/pdf/rule\\_28022020.pdf](http://www.mca.gov.in/Ministry/pdf/rule_28022020.pdf) dated February 28, 2020.*

- **Relief Measures Relating to Statutory Compliances in view of COVID-19 outbreak**

- Complete waiver of additional fees for late filings of any document, return, statement etc., from April 1, 2020 to September 30, 2020.
- Board Meetings can be held with a gap of 180 days instead of 120 days, till next two quarters i.e. till September 30, 2020.
- The Companies (Auditor's Report) Order, 2020 shall be made applicable from the Financial Year 2020-2021 instead of Financial Year 2019-20.
- Non-holding of the mandatory annual meeting by the Independent shall not be viewed as a violation.
- Extension to deposit the amount in Deposit Repayment Reserve Account for the deposits maturing in the Financial Year 2020-21 till June 30, 2020 (instead of April 30, 2020)
- Grant of additional 6 months to the newly incorporated companies to file the declaration of Commencement of Business.

- Relaxation in Resident Directorship i.e. non-compliance of minimum residency in India (stay in India of at least 182 days) shall not be treated as a violation of the law.

Source: [http://www.mca.gov.in/Ministry/pdf/Circular\\_25032020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular_25032020.pdf) dated March 24, 2020.

[http://www.mca.gov.in/Ministry/pdf/Rules\\_19032020.pdf](http://www.mca.gov.in/Ministry/pdf/Rules_19032020.pdf) dated March 19, 2020

- **Companies (Meetings of Board and it's Powers) Amendment Rules, 2020**

Considering the coronavirus (Covid-19) outbreak, Ministry has allowed to hold the Board meetings with respect to approval of the annual financial statements, Board's report, etc. through video conferencing or other audio-visual means up till June 30, 2020.

Source: [http://www.mca.gov.in/Ministry/pdf/Rules\\_19032020.pdf](http://www.mca.gov.in/Ministry/pdf/Rules_19032020.pdf) dated March 19, 2020.

- **Relaxation of additional fee of AOC-4 and MGT-7**

Extension in the last date of filing of financial statements and annual return for the Financial Year 2018-19, up to June 30, 2020 for the companies having jurisdiction in UT of J&K and UT of Ladakh.

Source: [http://www.mca.gov.in/Ministry/pdf/Circular\\_12032020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular_12032020.pdf) dated March 12, 2020.

## RBI Notifications:

### Foreign Exchange Management (Manner of Receipt and Payment) (Second Amendment) Regulations, 2020

The Reserve Bank of India notifies the Foreign Exchange Management (Manner of Receipt and Payment) (Second Amendment) Regulations, 2020 amending the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2016. The amendment relates to:

- The manner of receipt of Foreign Exchange (Regulation 3)
- The Manner of payment in Foreign Exchange (Regulation 5)

Source: [https://www.rbi.org.in/scripts/FS\\_Notification.aspx?Id=11826&fn=5&Mode=0](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=11826&fn=5&Mode=0) dated March 04, 2020

## ASA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

[www.asa.in](http://www.asa.in)

### Head Office

Times Square, Fourth Floor, Block B Sushant Lok 1, Gurgaon 122 002 INDIA Tel : +91 124 4333 100  
 Fax: +91 124 4333 101

Offices: Ahmedabad, Bengaluru, Chennai, Gurgaon, Hyderabad, Kochi, Mumbai, New Delhi

This document is meant for circulation to internal staff and clients of ASA & Associates LLP. The technical contents herein are solely meant for information and not as professional advice. We do not take responsibility for accuracy or correctness or business decisions taken without seeking professional guidance