

TAX EDGE

Monthly Tax & Regulatory Updates

Our Bulletin for May 2020 covering Tax, Regulatory Updates and Compliance Calendar for the month. It includes update on measures taken by Government of India to combat coronavirus disease (COVID-19) pandemic.

Audit



Tax



Regulatory



Contents

- 01** | **Measures to combat COVID -19**
- 02** | **Goods & Services Tax ('GST')**
- 03** | **Direct Tax**
- 04** | **International Tax**
- 05** | **Company Law**
- 06** | **Securities Exchange Board of India (SEBI)**
- 07** | **Compliance Calendar**

Measures to combat COVID-19



Measures to combat COVID-19

Unlock 1 – New guidelines issued by Government for phased re-opening of activities outside Containment Zones

Union Ministry of Home Affairs (MHA) has issued new guidelines to fight COVID-19 and for phased re-opening of areas outside the Containment Zones. The guidelines would be effective from 1st June 2020 till 30th June 2020. The current phase of re-opening, Unlock 1, will have an economic focus.

A strict lockdown was imposed throughout the country since 24th March 2020. All activities were prohibited except essential activities. Subsequently, in a graded manner and keeping the overarching objective of containing the spread of COVID-19 in view, the lockdown measures have been relaxed.

Highlights:

Lockdown would continue to be implemented strictly in the Containment Zones. These will be demarcated by the State Governments, after considering the guidelines issued by the Health Ministry. Within the Containment Zones, strict perimeter control shall be maintained and only essential activities allowed.

All activities that were prohibited earlier would be opened up in areas outside Containment Zones in a phased manner, with the stipulation of following Standard Operating Procedures (SOPs), to be prescribed by the Health Ministry:

Phase I (permitted to open from 8th June 2020)

- Religious places and places of worship for public;
- Hotels, restaurants and other hospitality services; and
- Shopping malls.

Health Ministry would issue SOPs for the above activities, in consultation with the Central Ministries/ Departments concerned and other stakeholders, for ensuring social distancing and to contain the spread of COVID-19.

Phase II

Schools, colleges, educational/ training/ coaching institutions etc., will be opened after consultations with States. State Governments are being advised to hold consultations at the institution level with parents and other stakeholders. Based on the feedback, a decision on the re-opening of these institutions will be taken in the month of July, 2020. Ministry will prepare SOP for these institutions.

Limited number of activities to remain prohibited throughout the country

- International air travel of passengers;
- Operation of Metro Rail;
- Cinema halls, gymnasiums, swimming pools, entertainment parks, theatres, bars and auditoriums, assembly halls and similar places; and,
- Social/ political/ sports/ entertainment/ academic/ cultural/ religious functions/ and other large congregations.
- Dates for the opening of above activities would be decided in Phase III, based on assessment of the situation.

Measures to combat COVID-19

Unrestricted Movement of Persons and Goods

- No restriction on inter-State and intra-State movement of persons and goods. No separate permission/ approval/ e-permit would be required for such movements.
- However, if a State/ UT, based on reasons of public health and its assessment of the situation, proposes to regulate movement of persons, it would give wide publicity in advance regarding the restrictions to be placed on such movement, and the related procedures to be followed.

Night curfew would continue to remain in force, on the movement of individuals, for all non-essential activities. However, the revised timings of the curfew will be from 9 pm to 5 am.

National Directives for COVID-19 management would continue to be followed throughout the country, with a view to ensure social distancing.

States to decide on activities outside Containment Zones

States, based on their assessment of the situation, may prohibit certain activities outside the Containment Zones or impose such restrictions, as found necessary.

Protection for vulnerable persons

Vulnerable persons, i.e., persons above 65 years of age, persons with co-morbidities, pregnant women, and children below the age of 10 years, are advised to stay at home, except for meeting essential requirements and for health purposes.

Use of Aarogya Setu

The *Aarogya Setu* mobile application is a powerful tool built by Government of India to facilitate quick identification of persons infected by COVID-19, or at risk of being infected, thus acting as a shield for individuals and the community. With a view to ensure safety, various authorities have been advised to encourage the use of the application.

Please [Click Here](#) to read the Press Release dated 30th May 2020.

Please [Click Here](#) to read the detailed Guidelines issued by MHA.

Fiscal Stimulus Package under Self-Reliant India Program

Prime Minister Shri Narendra Modi's address to the Nation on 12th May 2020

The Indian Prime Minister (PM), Shri Narendra Modi, addressed the nation on 12th May 2020 with the vision of making a 'Self-Reliant India' ('Atma Nirbhar Bharat').

Self-Reliant India

The meaning of self-reliance has undergone a change in the globalized world. When the country talks about self-reliance, it is different from being self-centered. India's culture considers the world as one family and progress in India is part of, and also contributes to, the progress of the whole world. The world believes that India has a lot to contribute towards the development of the entire humanity

Measures to combat COVID-19

5 pillars of a Self-Reliant India

Self-reliant India will stand on 5 pillars

1. **Economy** - an economy that brings Quantum Jump rather than Incremental Change
2. **Infrastructure** - an infrastructure that becomes the identity of modern India
3. **System** - A system that is driven by technology which can fulfill the dreams of the 21st century; a system not based on the policy of the past century
4. **Demography** - Our vibrant demography is our strength in the world's largest democracy, our source of energy for self-reliant India
5. **Demand** - The cycle of demand and supply chain in our economy, is the strength that needs to be harnessed to its full potential. In order to increase demand in the country and to meet this demand, every stake-holder in our supply chain needs to be empowered. We will strengthen our supply chain with the smell of the soil and the sweat of our labour

Self-Reliant India Program - Atmanirbhar Bharat Abhiyaan

- The PM announced a special economic package and gave a clarion call for *Atmanirbhar Bharat*. This package, taken together with earlier announcements by the Government during COVID crisis and decisions taken by the Reserve Bank of India (RBI), is to the tune of Rs. 20 lakh crore, which is equivalent to almost 10% of India's GDP. He said that the package will provide a much needed boost towards achieving a Self-Reliant India.
- The package will also focus on land, labour, liquidity and laws. It will cater to various sections including cottage industry, Micro, Small & Medium Enterprises (MSMEs), labour, middle class, and industries among others.
- Talking about the positive impact of reforms like Jan Dhan-Aadhaar-Mobile (JAM) trinity and others brought about in the last 6 years, the PM said that several bold reforms are needed to make the country self-reliant so that the impact of crisis such as COVID-19 can be negated in future. These reforms include supply chain reforms for agriculture, rational tax system, simple and clear laws, capable human resource and a strong financial system. These reforms will promote business, attract investment, and further strengthen 'Make in India' vision.
- Self-reliance will prepare the country for tough competition in the global supply chain and it is important that the country wins this competition. The same has been kept in mind while preparing the package. It will not only increase efficiency in various sectors but also ensure quality.
- Highlighting their contribution to the country, the PM said that the package will also focus on empowering the poor, labour, migrants, etc., both from organized and unorganized sectors.
- The crisis has taught us the importance of local manufacturing, local market and local supply chains. All our demands during the crisis were met 'locally'. Now, it's time to be vocal about the local products and help these local products become global, he said.

Measures to combat COVID-19

Overview of the Special Economic Package

S no.	Measures	Rs. Crore	Rs. Crore
1.	<i>Stimulus declared between 22nd March – 12th May 2020</i> a. Revenue lost due to tax concessions b. Pradhan Mantri Garib Kalyan Package (PMGKP) c. PM's announcement for Health sector	7,800 170,000 15,000	192,800
2.	<i>1st Tranche – Relief for Micro, Small and Medium Enterprises (MSME)</i> a. Emergency W/C Facility for Businesses, including MSMEs b. Subordinate Debt for Stressed MSMEs c. Fund of Funds for MSME d. EPF Support for Business & Workers e. Reduction in EPF rates f. Special liquidity Scheme for NBFC/HFC/MFIs g. Partial credit guarantee Scheme 2.0 for Liabilities of NBFCs/MFIs h. Liquidity Injection for DISCOMs i. Reduction in TDS/TCS rates	300,000 20,000 50,000 2,800 6,750 30,000 45,000 90,000 50,000	594,550
3.	<i>2nd Tranche - Relief for the Poor, including Migrants and Farmers</i> a. Free Food grain Supply to Migrant Workers for 2 months b. Interest Subvention for MUDRA Shishu Loans c. Special Credit Facility to Street Vendors d. Housing CLSS-MIG e. Additional Emergency Working Capital through NABARD f. Additional credit through KCC	3,500 1,500 5,000 70,000 30,000 200,000	310,000
4.	<i>3rd Tranche - Relief for Agriculture</i> a. Food Micro enterprises b. Pradhan Mantri Matsya Sampada Yojana c. TOP to TOTAL: Operation Greens d. Agri Infrastructure Fund e. Animal Husbandry Infrastructure Development Fund f. Promotion of Herbal Cultivation g. Beekeeping Initiative	10,000 20,000 500 100,000 15,000 4,000 500	150,000
5.	<i>4th & 5th Tranche - New Horizons of Growth, Government Reforms and Enablers</i> a. Viability Gap Funding b. Additional MGNREGS allocation	8,100 40,000	48,100
6.	<i>RBI Measures</i>	801,603	801,603
Total			20,97,053

Measures to combat COVID-19

Living with COVID

The PM noted that several experts and scientists have said that the virus is going to be part of our lives for a long time. But, it is also important to ensure that our life does-not revolve only around it. He urged people to work towards their targets while taking precautions like wearing masks and maintaining six feet distance.

Please [Click Here](#) to read the Press release dated 12th May 2020.

1st Tranche of the Special Economic Package - Relief for Micro, Small and Medium Enterprises (MSME)

Highlights

- Collateral free loans up to Rs.3 lakh crore
 - ✓ No guarantee fees and no collateral required
 - ✓ Borrowers having outstanding loan up to Rs. 25 crore and turnover up to Rs. 100 crore will be eligible
 - ✓ Time period of loan will be 4 years with moratorium period of 12 months on principal repayment
 - ✓ Facility available up to 31st October 2020
- Subordinate Debt of Rs. 20,000 crores for Non-Performing Assets (NPA) and stressed MSMEs in form of equity infused by promoters
- Fund of funds scheme of Rs. 50,000 crore equity support for MSMEs with growth potential and viability will help to expand size and capacity
- New Definition of MSMEs introduced
 - ✓ Same Definition for manufacturing and service industry
 - ✓ Investment limit in plant and machinery or equipment revised and turnover limit criteria also being introduced
- No Global tenders in Government tenders up to Rs. 200 crore
- Other Reliefs for MSMEs
 - ✓ E-marketing introduced for MSME to promote their business
 - ✓ MSME dues from Government and PSUs to be released within 45 days

Employees Provident Fund (EPF) Support For Business & Workers

- EPF Contribution support of Rs. 2500 crore for business and eligible workers for 3 more months (June, July and August) under PM Garib Kalyan Package
- Reduction in statutory rate of EPF contribution from 12% to 10%
 - ✓ In order to increase take home salary of the employee and to grant relief to the employer, the Government has reduced EPF contribution of both employer and employee to 10% (from 12%) for all establishments for the period May to July 2020
 - ✓ However, Government PSUs to continue to contribute 12% as employer contribution
 - ✓ Scheme applicable for workers who are not eligible for 24% EPF support under PM Garib Kalyan Package

Measures to combat COVID-19

[For Non-Banking Financial Company \(NBFCs\) / Housing Finance Company \(HFCs\) / Micro Finance Institutions \(MFIs\)](#)

- Special Liquidity Scheme of Rs. 30,000 crore for NBFCs / HFCs / MFIs for liquidity support which is fully guaranteed by Indian Government
- Partial Credit Guarantee Scheme 2.0 of Rs. 45000 Crore for NBFCs / HFCs / MFIs. 1st 20% of loss will be borne by Government of India

[For Power Discoms](#)

- Rs. 90,000 crore Liquidity Support for Power DISCOMs in form of loan, rebate

[Relief to Contractors](#)

- All Central Agencies (like Railways, Highways, Central Public Dept.) are to be provided an extension of up to 6 months without any cost to contractors. It covers construction / works contracts, completion of work, Public Private Partnership (PPP) contracts etc.
- Government agencies release partial bank guarantee to contractors extent to contract partially completed

[Real Estate Sector](#)

- Extension of Registration and Completion Date of Real Estate Projects under Real Estate Regulatory Authority (RERA) suo-moto by 6 months for all registered projects expiring on or after 25th March 2020 without application. Further extension may also allowed up to 3 months, if needed

[Direct Tax Measures](#)

- Tax deducted at source (TDS) / Tax collected at source (TCS) rate reduction by 25% of existing rates to release liquidity of Rs. 50,000 crore (applicable from 14th May 2020 to 31st March 2021)
- All pending refunds to charitable trust, proprietorship, partnership, limited liability partnership (LLP's) and co-operatives to be issued immediately
- Due date of filing Income-tax return for Financial Year (FY) 2019-20 extended from 31st July 2020 & 31st October 2020 to 30th November 2020
- Due Date of filing Tax Audit Report for FY 2019-20 extended from 30th September 2020 to 31st October 2020
- Due date of Assessments getting time barred on 30th September 2020 extended to 31st December 2020 and those getting time barred on 31st March 2021 extended to 30th September 2021
- Due date for making payment under 'Vivad se Vishwas Scheme' (Dispute to Resolution scheme) without additional amount extended to 31st December 2020

Please [Click Here](#) to read the Presentation on 1st Tranche of the Package for MSMEs, declared on 13th May 2020.

Measures to combat COVID-19

2nd Tranche of the Special Economic Package - Relief for the Poor, including Migrants and Farmers

Free food grain supply to migrant workers for 2 months

- Migrants who are neither National Food Security Act (NFSA) or State Card beneficiaries in the State in which they are stationed will be provided 5 kg of grains per person and 1 kg 'chickpea' per family per month for 2 months
- About 8 crore migrants expected to benefit
- Rs. 3500 crore will be spent on this intervention for 2 months

Interest Subvention for MUDRA Shishu Loans

- Government of India will provide interest subvention of 2% for prompt payees for a period of 12 months
- Relief of approx. Rs 1500 crore to MUDRA-Shishu loanees

Special Credit Facility to Street Vendors

- Government will launch a special scheme within a month to facilitate easy access to credit to street vendors
- Initial working capital up to Rs. 10,000
- Digital payments will be incentivized through monetary rewards and enhanced working capital credit would be made available for good repayment behavior.
- Initiative expected to support about 50 lakh street vendors and provide liquidity of Rs 5000 crore

Housing Credit Linked Subsidy Scheme for Middle Income Group (CLSS-MIG)

- Credit Linked Subsidy Scheme for Middle Income Group (Annual Income: Rs 6–18 lakh) was operationalized from May 2017
- CLSS was extended up to 31st Mar 2020 and has benefitted 3.3 lakh middle class families so far
- Government will extend the CLSS Scheme up to March 2021
- 2.5 lakh middle income families to benefit during 2020-21
- Likely to lead to Investment of over Rs. 70,000 crore in housing and create jobs
- Likely to stimulate demand for steel, cement, transport and other construction materials

Additional Emergency Working Capital for farmers through National Bank for Agriculture & Rural Development (NABARD)

- NABARD will extend additional re-finance support of Rs 30,000 crore over and above the Rs. 90,000 crore already being provided by NABARD for meeting crop loan requirement of Rural Cooperative Banks and RRBs
- Will benefit 3 crore farmers, mostly small and marginal.

Credit boost to farmers under Kisan Credit Card Scheme

- A special drive to provide concessional credit to PM-KISAN beneficiaries through Kisan Credit Cards
- Fisherman and Animal Husbandry Farmers will also be included in this drive
- Injection of additional liquidity of Rs 2 lakh crore to 2.5 crore farmers

Please [Click Here](#) to read the Presentation on 2nd Tranche of the Package for Relief to Poor, declared on 13th May 2020.

Measures to combat COVID-19

3rd Tranche of the Special Economic Package - Relief for Agriculture

Agri Infrastructure Fund for farm-gate infrastructure for farmers

- Financing facility of Rs. 100,000 crore to be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organisations, Agriculture entrepreneurs, Startups, etc.)
- Fund to be created immediately

Fishermen through Pradhan Mantri Matsya Sampada Yojana (PMMSY)

- Government to launch the PMMSY for integrated, sustainable, inclusive development of marine and inland fisheries
- Rs 11,000 crore for activities in Marine, Inland fisheries and Aquaculture
- Rs. 9000 crore for Infrastructure - Fishing Harbours, Cold chain, Markets etc.
- Likely to lead to additional fish production of 70 lakh tonnes over 5 years
- Also, likely to provide employment to over 55 lakh persons and also double exports to Rs 100,000 crore

Animal Husbandry Infrastructure Development Fund

- Many areas in country with high milk production having great potential for private investment in Dairy
- Aim to support private investment in Dairy Processing, value addition and cattle feed infrastructure
- An Animal Husbandry Infrastructure Development Fund of Rs. 15,000 crore to be set up
- Incentives to be given for establishing plants for export of niche products

Scheme for formalization of Micro Food Enterprises (MFE)

- Scheme promotes the vision of PM - 'Vocal for Local with Global outreach'
- Unorganized MFEs units need technical upgradation to attain food standards under Food Safety and Standards Authority of India (FSSAI), build brands and marketing
- A scheme will be launched to help 2 lakh MFEs attain above goals
- Existing micro food enterprises, Farmer Producer Organisations, Self Help Groups and Cooperatives to be supported
- Cluster based approach (e.g. Mango in Uttar Pradesh, Kesar in Jammu & Kashmir, Bamboo shoots in North-East India, Chilli in Andhra Pradesh, Tapioca in Tamil Nadu etc.)
- Expected outcomes: Improved health and safety standards, integration with retail markets, improved incomes

Promotion of Herbal Cultivation

- National Medicinal Plants Board (NMPB) has supported 2.25 lac hectare area under cultivation of medicinal plants
- 1,000,000 hectare will be covered under Herbal cultivation in next two years with outlay of Rs. 4,000 crore

Please [Click Here](#) to read the Presentation on 3rd Tranche of the Package for Agriculture, declared on 15th May 2020.

Measures to combat COVID-19

4th Tranche of the Special Economic Package – New Horizons of Growth

Coal Sector

In order to reduce the import of substitutable coal and to increase self-reliance in coal production of coal, the following measures are announced by the Government:

- Commercial mining of coal will be allowed on revenue sharing basis instead of the regime of fixed rupee/ tonne basis
- The eligibility criteria for bidders is sought to be relaxed to allow any party to bid for a coal block and sell in the open market. Currently, only captive consumers with end use ownership are allowed to bid
- Entry norms are sought to be liberalized and nearly 50 blocks to be offered immediately
- Partially explored coal blocks are now permitted to be auctioned this will allow private sector participation in exploration
- Businesses which are able to meet the production targets earlier than scheduled would be incentivized through a rebate in revenue share
- Similarly, in order to reduce the environmental impact, coal gasification / liquefaction is also sought to be incentivized through a rebate in revenue share

Defence Sector

- Foreign Direct Investment ('FDI') limit in defense manufacturing under the automatic route is sought to be raised from 49% to 74%
- In order to promote 'Make in India' and Self-Reliance manufacturing of defense weapons without compromising on quality standards, a list of weapons and platforms which shall not be allowed to be imported is likely to be notified
- Ordnance Factory Board is sought to be corporatized (not privatized) in order to improve its autonomy, accountability and efficiency. The Government may also consider potential listing of the corporatized Ordnance Factory Board on recognized stock exchanges

Aviation Sector

- 6 more airports are expected to be put out for bidding by the Airports Authority of India for operation and maintenance on Public-Private Partnership (PPP) basis
- Restrictions on utilization of the Indian Air Space will be eased so that civilian flying becomes more efficient.
- Various actions to be taken to make India a global hub for Aircraft Maintenance, Repair and Overhaul ('MRO') are expected to be announced. This is likely to bring about a significant decrease in the maintenance cost and also create synergies upon convergence of defense sector and the civil MROs. The tax regime for MRO ecosystem had also been rationalized earlier this year through reduction in GST rate from 18% to 5%

Measures to combat COVID-19

Power Sector

Power Departments / Utilities in the Union Territories are sought to be privatized in order to increase their operational and financial efficiencies and to provide better service to the consumers.

It is expected that they would also provide a model for emulation for other distribution companies across India. Further, a tariff policy with reforms focused on consumer rights, promotion of industry and sustainability of sector will be introduced.

Space and Atomic Energy Sector

- Private sector will be allowed to use India Space Research Organization (ISRO) facilities and other relevant assets to improve their capacities
- Future projects for planetary exploration, outer space travel, etc. would be open for the private sector
- Liberal geo-spatial data policy for providing remote-sensing data to tech-entrepreneurs
- Establishment of a research reactor in public-private partnership (PPP) mode for production of medical isotopes. This is expected to promote welfare of humanity through affordable treatment for cancer and other diseases.
- Establish facilities in PPP mode to use irradiation technology for food preservation – to compliment agricultural reforms and assist farmers
- Link India's robust start-up ecosystem to nuclear sector – Technology Development cum Incubation Centers will be set up for fostering synergy between research facilities and tech-entrepreneurs

Boosting private sector investment in Social Infrastructure through revamped Viability Gap Funding (VGF) Scheme

- Social Infrastructure Projects suffer from poor viability
- Government will enhance the quantum of VGF upto 30% each of Total Project Cost as VGF by Centre and State/Statutory bodies
- For other sectors, VGF existing support of 20% each from Government of India and States/Statutory Bodies shall continue
- Total outlay is Rs. 8100 crores

Please [Click Here](#) to read the Presentation on 4th Tranche of the Package for New Horizons of Growth , declared on 16th May 2020.

5th Tranche of the Special Economic Package - Government Reforms and Enablers

Increase in allocation for The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGS) to provide employment boost

- Government to allocate an additional Rs 40,000 crore under MGNREGS
- Will help generate nearly 300 crore person days in total
- Address need for more work including returning migrant workers in the monsoon season as well
- Creation of larger number of durable and livelihood assets including water conservation assets
- Will boost the rural economy through higher production

Measures to combat COVID-19

Health Reforms & Initiatives

- Public Expenditure on Health will be increased
- Investments in grass root health institution to ramp up health and wellness centers in rural and urban areas
- Preparing India for any future pandemics by taking following initiative:
 - Infectious diseases hospital blocks will be developed in all districts
 - Strengthening of Lab networks and surveillance in all districts
 - National Institutional Platform for One health by Indian Council of Medical Research (ICMR) will encourage research.
 - Implementation of National Digital Health Blueprint under the National Digital Health Mission

Technology Driven Education with Equity post-COVID

- PM eVIDYA, a programme for multi-mode access to digital/online education to be launched immediately
- Manodarpan, an initiative for psycho-social support for students, teachers and families for mental health and emotional well-being to be launched immediately as well
- New National Curriculum and Pedagogical framework for school, early childhood and teachers will also be launched
- National Foundational Literacy and Numeracy Mission for ensuring that every child attains learning levels and outcomes in grade 5 by 2025 will be launched by December 2020

Corporate Law measures to boost ease of doing business

- Launch of new SPCIE+ and AGILE-PRO forms to reduce procedural time and cost for incorporation of a New Company
- Minimum threshold to initiate insolvency proceedings has been raised to Rs. 1 crore (from Rs. 1 lakh, which largely insulates MSMEs). Special insolvency resolution framework for MSMEs under Section 240A of the Code will be notified soon
- Suspension of fresh initiation of insolvency proceedings up to 1 year, depending upon the pandemic situation. Empowering Central Government to exclude COVID 19 related debt from the definition of 'default' under the Code for the purpose of triggering insolvency proceedings
- Decriminalization of Companies Act violations involving minor technical and procedural defaults such as shortcomings in CSR reporting, inadequacies in board report, filing defaults, delay in holding Annual General Meeting
- Shifting of compoundable offences sections to an internal adjudication mechanism, this will de-clog the criminal courts and National Company Law Tribunal (NCLT)
- Direct listing of securities by Indian Public Companies in permissible foreign jurisdictions
- Private Companies will not be regarded as Listed Companies if they list their Non-Convertible Debentures (NCDs) on stock exchanges
- Small Companies, One-Person Companies, Producer Companies & Startups will be levied with lower penalties for all defaults.

Please [Click Here](#) to read the Presentation on 5th Tranche of the Package on Government Reforms and Enablers, declared on 17th May 2020.

Measures to combat COVID-19

RBI announces additional measures for strengthening the Economy

"It is when the horizon is the darkest and human reason is beaten down to the ground that faith shines brightest and comes to our rescue."

RBI Governor drew hope and inspiration from the 1929 statement of the Father of the Nation, as he announced yet another set of 9 measures to smoothen the flow of finance and preserve financial stability in the turbulent and uncertain times ushered in by the COVID-19 pandemic. This follows the earlier sets of measures announced by RBI on April 17, 2020 and on March 27, 2020.

Making the announcements through an online address, the Governor stated that we must have faith in India's resilience and capacity to overcome all odds. Expressing the confidence that we will together triumph over today's traumatic trials, the Governor spoke with a sense of calling. He noted that the situation warrants that 'central banks have to answer the call to the frontline in defence of the economy.'

Repo rate reduced by 40 basis points

The repo rate has been reduced by 40 basis points from 4.4% to 4.0%. The Marginal Standing Facility rate and the Bank rate have been reduced from 4.65% to 4.25%. The reverse repo rate has been reduced from 3.75% to 3.35%.

Measures to improve functioning of markets

- Refinance Facility to Small Industries Development Bank of India (SIDBI), SIDBI extended for another 90 days - In order to enable increased supply of affordable credit to small industries, the RBI had, on April 17, 2020, announced a special refinance facility of Rs.15,000 crore to SIDBI at RBI's policy repo rate for a period of 90 days. This facility has now been extended by another 90 days.
- Relaxation of Rules for Foreign Portfolio Investment under Voluntary Retention Route (VRR) - The VRR is an investment window provided by RBI to Foreign Portfolio Investors, which provides easier rules in return for a commitment to make higher investments. The rules stipulate that at least 75% of the allotted investment limit be invested within 3 months. Considering the difficulties being faced by investors and their custodians, the time limit has now been revised to 6 months.

Measures to Support Exports and Imports

- Exporters can now Avail Bank Loans for Higher Period - The maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks to exporters has been increased from the existing 1 year to 15 months, for disbursements made up to July 31, 2020.
- Loan facility to EXIM Bank - The Governor has announced a line of credit of Rs.15,000 crore to the EXIM Bank, for financing, facilitating and promoting India's foreign trade. The loan facility has been given for a period of 90 days, with a provision to extend it by 1 year. The loan is being given in order to enable the bank to meet its foreign currency resource requirements, especially in availing a US dollar swap facility.
- More time for Importers to Pay for Imports - The time period for import payments against normal imports (i.e. excluding import of gold/diamonds and precious stones/jewellery) into India has been extended from 6 months to 12 months from the date of shipment. This will be applicable for imports made on or before July 31, 2020.

Measures to combat COVID-19

Measures to ease financial stress

- Extension of Regulatory Measures by another 3 Months - The RBI has extended the applicability of certain regulatory measures announced earlier, by another 3 months from June 1, 2020 till August 31, 2020. These measures will now be applicable for a total period of 6 months (i.e. from March 1, 2020 to August 31, 2020). The aforesaid regulatory measures are:
 - ✓ 3-month moratorium on term loan instalments;
 - ✓ 3-month deferment of interest on working capital facilities;
 - ✓ easing of working capital financing requirements by reducing margins or reassessment of working capital cycle;
 - ✓ exemption from being classified as 'defaulter' in supervisory reporting and reporting to credit information companies;
 - ✓ extension of resolution timelines for stressed assets; and
 - ✓ asset classification standstill by excluding the moratorium period of 3 months, etc. by lending institutions. The lending institutions have been permitted to restore the margins for working capital to their original levels by March 31, 2021. Similarly, the measures pertaining to reassessment of working capital cycle are being extended up to March 31, 2021.
- Provision to convert Interest on Working Capital into Interest Term Loan - Lending institutions have been allowed to convert the accumulated interest on working capital facilities over the total deferment period of 6 months (i.e. March 1, 2020 up to August 31, 2020) into a funded interest term loan, to be fully repaid during the course of the current financial year, ending 31st March, 2021.
- Increase of Group Exposure Limit to Increase Fund Flow to Corporates - The maximum credit which banks can extend to a particular corporate group has been increased from 25% to 30% of the bank's eligible capital base. This has been done in order to enable corporates to meet their funding requirements from banks, in view of the current difficulties being faced by corporates in raising money from the markets. The increased limit will be applicable up to June 30, 2021.

Measures to ease financial constraints faced by State Governments

- States allowed to borrow more from Consolidated Sinking Fund - The Consolidated Sinking Fund is being maintained by state governments as a buffer for repayment of their liabilities. The rules governing withdrawal from this Fund have now been relaxed, in order to enable states to enable them to repay their borrowings from the market, which become due in 2020-21. The change in withdrawal norms will come into force with immediate effect and will remain valid till 31st March, 2021. The Governor added that the relaxation is being done, while ensuring that depletion of the Fund balance is done prudently.

Assessment of Economy

Speaking of the road ahead for the economy, the Governor noted that the combined impact of demand compression and supply disruption will depress economic activity in the 1st half of 2020-21. Assuming that economic activity gets restored in a phased manner, especially in the 2nd half of this year, and taking into consideration favourable base effects, it is expected that the combination of fiscal, monetary and administrative measures being currently undertaken would create conditions for a gradual revival in activity in the 2nd half of 2020-21.

Given all these uncertainties, GDP growth in 2020-21 is estimated to remain in negative territory, with some pick-up in growth impulses from 2nd half of 2020-21 onwards. Much will depend on how quickly the COVID curve flattens and begins to moderate.

Please [Click Here](#) to read the Press Release dated 22nd May 2020.

Measures to combat COVID-19

Relaxation in Provident Fund (PF) regulations

[Employees' Provident Fund Organization \(EPFO\) makes filing of Electronic-Challan cum Return \(ECR\) easier for business](#)

To address issue of liquidity / cash crunch and ease compliance under EPF & Miscellaneous Provisions Act, 1952, the filing of monthly ECR is separated from payment of statutory contributions reported in the ECR. Henceforth, ECR can be filed by an employer without simultaneous payment of contributions. Contribution may be paid later by the employer *after* filing of the ECR. This is likely to entail convenience to employers as well as employees covered under the Act and Schemes.

Please [Click Here](#) to read the Press Release dated 30th April 2020.

[EPFO releases Rs.764 crore to pensioners](#)

EPFO has 65 lakh pensioners under its pension scheme. All 135 field offices of EPFO processed pension payment for April, 2020 in advance to avoid inconvenience to pensioners on account of nationwide Covid-19 lockdown. EPFO officers and staff battled odds to send Rs. 764 crore to all nodal branches of pension disbursing banks throughout India. All bank branches were directed to ensure credit of pension in the accounts of pensioners on schedule.

Please [Click Here](#) to read the Press Release dated 5th May 2020.

[EPFO introduces email mechanism for easing EPF compliance](#)

Considering that many employers are not being able to function normally and are facing problems in using their digital signatures or Aadhaar based e-sign on EPFO portal, EPFO has decided to accept requests through email also. Employers can send scanned copy of signed request letter to the regional office through email.

Please [Click Here](#) to read the Press Release dated 6th May 2020.



Measures to combat COVID-19

Indian Air Force (IAF) salutes COVID Warriors



India has been successfully fighting corona virus with the help of COVID Warriors. IAF has been contributing towards the national effort to contain corona by supporting mobility of men and material both at international and domestic level. More than 600 tons of medical supplies and large number of people have been airlifted including Doctors, Paramedics and equipment for setting up COVID testing labs. As a gratitude to all the corona warriors in India, IAF along with sister services saluted these brave warriors of India in its own unique way.

A number of aircrafts of IAF did a fly past over Delhi and Northern Capital Region (NCR) on 3rd May 2020. This flying activity was combined along with the training activity of IAF and opportunity flight for transport aircraft and helicopters who were involved in moving supplies related to COVID task.

Fighter aircraft formations flying and orbiting over Delhi were visible to the residents of Delhi from their roof tops. The aircraft flew at an approximate height of 500 - 1000 meters keeping aerospace safety in mind especially bird activity. Additionally, helicopters carried out petal drop over Police War Memorial followed by Delhi hospitals.

Please [Click Here](#) to read the Press Release dated 2nd May 2020



Measures to combat COVID-19

Defence Research and Development Organization (DRDO) develops Ultra Violet (UV) Disinfection Tower



DRDO has developed an UV Disinfection Tower for rapid and chemical free disinfection of high infection prone areas. The equipment named UV blaster is a UV based area sanitiser designed and developed by Laser Science & Technology Centre (LASTEC), the Delhi based premier laboratory of DRDO.

The UV Blaster is useful for high tech surfaces like electronic equipment, computers and other gadgets in laboratories and offices that are not suitable for disinfection with chemical methods. The product is also effective for areas with large flow of people such as airports, shopping malls, metros, hotels, factories, offices, etc.

The UV based area sanitizer may be used by remote operation through laptop/mobile phone using Wi-Fi link. The equipment has 6 lamps each with 43 watts of UV-C power at 254 nm wavelength for 360 degree illumination. For a room of about 12 x 12 feet dimension, the disinfection time is about 10 minutes and 30 minutes for 400 square feet area by positioning the equipment at different places within the room.

This sanitiser switches off on accidental opening of room or human intervention. One more salient safety feature of the product is the key to arm operation.

Please [Click Here](#) to read the Press Release dated 4th May 2020.

Measures to combat COVID-19

Prime Minister chairs meeting of Task Force on corona vaccine development, drug discovery, diagnosis and testing



The PM took a detailed review of the current status of India's efforts in vaccine development, drug discovery, diagnosis and testing. Indian vaccine companies are well known for their quality, manufacturing capacity and global presence. Today in addition, they have come across as innovators in early stage vaccine development research. Similarly, Indian academia and start-ups have also pioneered in this area. Over 30 Indian vaccines are in different stages of corona vaccine development, with a few going on to the trial stages.

Similarly, in drug development three approaches are being taken. Firstly, the repurposing of existing drugs. At least 4 drugs are undergoing synthesis and examination in this category. Secondly, the development of new candidate drugs and molecules are being driven by linking high performance computational approached with laboratory verification. Thirdly, plant extracts and products are being examined for general anti-viral properties.

In diagnosis and testing, several academic research institutions and start-ups have developed new tests, both for the RT-PCR approach and for the antibody detection. In addition, by linking laboratories all over the country, capacity for both these kinds of tests have been enormously scaled up. The problem of importing reagents for testing has been addressed by consortia of Indian start-ups and industry, meeting current requirements. The current thrust also holds promise for the development of a robust long-term industry in this area.

The review by the PM took note of the extraordinary coming together of academia, industry and government, combined with speedy but efficient regulatory process. The PM desired that such coordination and speed should be embedded into a standard operating procedure. He emphasized that what is possible in a crisis should be a part of our routine way of scientific functioning.

Appreciating the scientific coming together of computer science, chemistry and biotechnology in drug discovery, the PM suggested that a hackathon be held on this subject, linking computer science to synthesis and testing in the laboratory. The successful candidates from the hackathon could be taken up by the start-ups for further development and scaling up.

The PM added that the innovative and original manner in which Indian scientists, from basic to applied sciences, have come together with industry is heartening. This kind of pride, originality and sense of purpose should dominate our approach going ahead. It is only then that we can be amongst the best in the world and not followers, in science.

Please [Click Here](#) to read the Press Release dated 5th May 2020.

Measures to combat COVID-19

Indian Navy's Personal Protective Equipment (PPE) clears certification by Institute of Nuclear Medicine and Allied Sciences (INMAS)



Shortage of PPE is of serious concern as it imperils the well-being and availability of the healthcare workforce, apart from adversely impacting their security and morale. PPE designed and produced by Indian Navy has been tested by INMAS (Institute of Nuclear Medicine and Allied Sciences) Delhi, a DRDO organization tasked with the testing and certification of PPE and is certified to be mass produced and used in clinical COVID situations.

The PPE is required to meet stringent criteria on testing and the benchmarks of the same are set by the Indian Council of Medical Research (ICMR) and Ministry of Health and Family Welfare (MoHFW).

The Indian Navy has risen to this challenge of making available this critical resource in the fight against COVID. A team formed by the Innovation Cell, Institute of Naval Medicine, Mumbai and the Naval Dockyard Mumbai collaborated to design and produce PPE. The PPE passed with 6/6 Synthetic blood penetration resistance test pressure (Government of India mandates minimum 3/6 and above level as per ISO 16603 standard) and is thus certified to be mass produced and used in clinical COVID situations.

The outstanding features of the PPE are its simple, innovative and cost-effective design; thus it can be made by basic gown manufacturing facilities. The PPE is noteworthy for the innovative choice of fabric used, which gives the PPE its 'breathability' and penetration resistance rendering it both comfortable and safe for the user. Cost for this PPE is significantly lower than those commercially available.

Please [Click Here](#) to read the Press Release dated 7th May 2020.

Measures to combat COVID-19

USD 1 Billion from World Bank to protect India's poorest from COVID-19

Government of India and World Bank on 15 May 2020 signed a \$750 million of \$1 billion proposed for accelerating India's COVID-19 Social Protection Response Programme to support India's efforts at providing social assistance to the poor and vulnerable households, severely impacted by the COVID-19 pandemic. This takes the total commitment from the Bank towards emergency COVID-19 response in India to \$2 billion. A \$1 billion support was announced last month towards immediate support to India's health sector.

This new support will be funded in 2 phases – an immediate allocation of \$750 million for fiscal year 2020 and a \$250 million 2nd tranche that will be made available for fiscal year 2021. The 1st phase of the operation will be implemented countrywide through the Pradhan Mantri Garib Kalyan Yojana (PMGKY). It will help scale-up cash transfers and food benefits, using a core set of pre-existing national platforms and programmes such as the Public Distribution System (PDS) and Direct Benefit Transfers (DBT); provide robust social protection for essential workers involved in COVID-19 relief efforts; and benefit vulnerable groups, particularly migrants and informal workers, who face high risks of exclusion under the PMGKY. In the 2nd phase, the programme will deepen the social protection package, whereby additional cash and in-kind benefits based on local needs will be extended through state governments and portable social protection delivery systems.

The programme will create a system that will strengthen the delivery of India's safety nets program. It will:

- Help India move from 460 plus fragmented social protection schemes to an integrated system that is fast and more flexible, acknowledging the diversity of needs across states;
- Enable geographic portability of social protection benefits that can be accessed from anywhere in the country, ensuring food, social insurance and cash-support for all, including for migrants and the urban poor; and
- Move India's social protection system from a predominantly rural focus to a pan national one that recognizes the needs of the urban poor.

Please [Click Here](#) to read the Press Release dated 15th May 2020

Goods & Services Tax



Goods & Services Tax

Central Board of Indirect Taxes and Customs (CBIC) notifies effective date for Form GST PMT-09 for shifting balance available in electronic cash ledger

Form PMT-09 is a challan for shifting GST deposited in 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.

Last month Form PMT-09 was made live on GST portal. Vide Notification no.37 dated 28th April 2020, CBIC has appointed 21st April 2020 as the effective date from which the underlying provisions shall come into force.

Please [Click Here](#) to read the notification dated 28th April 2020.

Form GSTR-3B (summary return) can now be filed through Electronic Verification Code (EVC) / Short Message Service (SMS)

CBIC has enabled the facility to file Form GSTR-3B through Electronic Verification Code (EVC) and Short Message Service (SMS) to ease compliance procedure under GST.

- A Company registered under Companies Act, 2013, shall have an option to verify their returns through EVC during the period from 21st April 2020 to 30th June 2020.
- A Registered Person will be allowed to file NIL return for a tax period through a SMS using the registered mobile number which shall be verified through OTP.

Please [Click Here](#) to read the notification dated 5th May 2020.

CBIC extends validity of E-Way bill till 31st May 2020 in certain cases

E-Way bill is an electronically generated document on the GST portal evidencing movement of goods by vehicle/conveyance from one place to another place.

Due to current lockdown situation, CBIC has extended validity of all e-way bills to 31st May 2020 which were generated on or before 24th March 2020 and its period of validity expires during the period 20th March, 2020 to 15th April 2020.

Please [Click Here](#) to read the notification dated 5th May 2020.

Goods & Services Tax

CBIC extends GST annual return filing date for FY 2018-19

CBIC has further extended due date for furnishing GST annual return / reconciliation Statement (GSTR-9/GSTR 9C) for Financial Year 2018-2019 from 30th June 2020 to 30th September 2020.

Please [Click Here](#) to read the notification dated 5th May 2020.

CBIC amends notification prescribing GST procedure to be followed by Corporate Debtors under Insolvency and Bankruptcy Code (IBC), 2016

Notification No. 11/2020-Central Tax, dated 21st March 2020 which prescribes special procedures under GST to be followed by Corporate Debtors covered under the IBC, undergoing corporate insolvency resolution process has been amended vide Notification No. 39/2020-Central Tax, dated 5th May 2020 as below:

Particulars	Amendment
Applicability of Notification No. 11/2020	The special procedures prescribed in Notification 11/2020 shall not apply to those corporate debtors who have furnished Forms GSTR-3B and GSTR-1 for all tax periods prior to the appointment of Interim Resolution Professional (IRP) or Resolution Professional (RP).
Extension of Registration date	By virtue of special procedures prescribed in Notification 11/2020, corporate debtors undergoing corporate insolvency resolution process are required to obtain new registration in each of States or Union Territories where corporate debtor was registered earlier. The registration is required to be made within 30 days from the date of appointment of IRP/RP. However, amid current lockdown situation, the period for obtaining such registration has been extended to 30 th June 2020.

Please [Click Here](#) to read the notification dated 5th May 2020.

Goods & Services Tax

CBIC issues clarification in respect of registration of Interim Resolution Professional (IRP) under IBC and certain other matters

In furtherance to circular no.136/06/2020-GST dated 3rd April 2020 and circular no.137/07/2020-GST dated 13th April 2020, CBIC has issued following clarifications to address challenges faced by taxpayers in implementation of GST compliances.

S. no.	Issue	Clarification
Issues Related to Insolvency and Bankruptcy Code (IBC),2016		
1.	<p>Notification No. 11/2020 – Central Tax dated 21st March 2020, provided that an IRP / CIRP is required to take a separate registration <u>within 30 days</u> of the issuance of the notification.</p> <p>It has been represented that the IRP/RP are facing difficulty in obtaining registrations during the period of the lockdown and have requested to increase the time for obtaining registration from the present 30 days limit.</p>	<p>Vide Notification No. 39/2020 – Central Tax, dated 5th May 2020, now IRP/RP can obtain registration <u>within 30 days of their appointment as IRP/RP or by 30th June 2020 whichever is later</u></p>
2.	<p>The Notification No. 11/2020– Central Tax dated 21st March.2020 specifies that the IRP/RP, in respect of a corporate debtor, has to take a new registration with effect from the date of appointment.</p> <p>Clarification has been sought whether IRP would be required to take a fresh registration even when they are complying with all the provisions of the GST Law under the registration of Corporate Debtor i.e. all the GSTR-3Bs have been filed by the Corporate debtor prior to the period of appointment of IRPs and they have not been defaulted in return filing.</p>	<p>Vide notification No. 39/2020 - Central Tax, dated 5th May 2020, special procedures have been amended and accordingly, IRP/RP would not be required to take a new registration where GSTR-1 and GSTR-3B have been filed by corporate debtor for all tax periods before the appointment of IRP/RP.</p>
3.	<p>Another doubt has been raised that the present notification has used the terms 'IRP' and 'RP' interchangeably,</p> <p>In cases where an appointed IRP is not ratified and a separate RP is appointed, whether the same GSTIN shall be transferred from the IRP to RP, or both will need to take fresh registration</p>	<ul style="list-style-type: none"> The new registration by IRP/RP shall be required only once, and in case of any change in IRP/RP after initial appointment under IBC, it would be deemed to be change of authorized signatory. Changing the authorized signatory is a non- core amendment and does not require approval of tax officer In cases the RP is not the same as IRP. Then the change in the GST system may be carried out by an amendment in the registration form.

Goods & Services Tax

S. no.	Issue	Clarification
Other COVID-19 related representations		
4.	<p>As per notification no. 40/2017-Central Tax (Rate) dated 23rd October 2017.</p> <p>A registered supplier is allowed to supply the goods to a registered recipient (merchant exporter) at 0.1%</p> <p>Provided that the merchant exporter exports the goods within a period of 90 days from the date of issue of a tax invoice by the registered supplier.</p> <p>Request has been made to clarify the provision vis-à-vis the exemption provided vide notification no. 35/2020-Central Tax dated 3rd April 2020.</p>	<ul style="list-style-type: none">• Time limit for all compliance which falls during the period from 20th March 2020 to 29th June 2020 has been extended up to 30th June 2020.• Accordingly, the requirement of exporting of the goods by the merchant exporter within 90 days from the date of issue of tax invoice by the registered supplier gets extended to 30th June 2020, provided the completion of such 90 days period falls within 20th March 2020 to 29th June 2020.
5.	<p>Rule 45 of CGST Rules requires furnishing of Form GST ITC-04 in respect of goods dispatched to a job worker or received from a job worker during a quarter ending March on or before the 25th April 2020.</p> <p>Clarification has been sought as to whether the extension of time limit as provided in terms of notification No. 35/2020-Central Tax dated 3rd April 2020 also covers furnishing of Form GST ITC-04 for quarter ending March, 2020</p>	<ul style="list-style-type: none">• Time limit for all compliance which falls during the period from 20th March 2020 to 29th June 2020 has been extended up to 30th June 2020.• Accordingly, it is clarified that the due date of furnishing of Form GST ITC-04 for the quarter ending March, 2020 stands extended up to 30th June 2020.

Please [Click Here](#) to read the circular dated 6th May 2020.

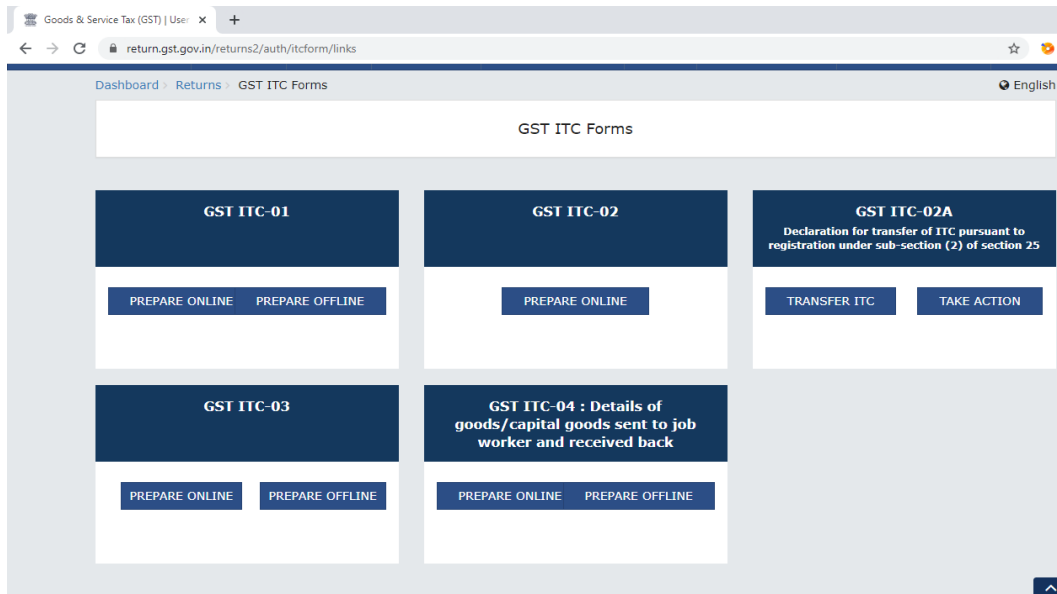
Facility for registration of IRPs made available on GST Portal

IRPs / RPs appointed to undertake corporate insolvency resolution proceedings for corporate debtors, in terms of Notification. No 11/2020-CT, dated 21st March, 2020 can apply for new registration on GST Portal, on behalf of the corporate debtors, in each of the States or Union Territories, on the PAN and CIN of the Corporate Debtor, where the corporate debtor was registered earlier, within 30 days of their appointment as IRP/RP.

Form GST ITC-02A live on GST Portal for transfer of Input Tax Credit (ITC)

Government has enabled Form GST ITC-02A on the GST portal wherein a registered person gives a declaration of unutilized ITC transferred for obtaining a separate registration within the same state or union territory. Rule 41A of the CGST Rules, 2017 deals with transfer of credit on obtaining separate registration for multiple places of business within a state or union territory.

Goods & Services Tax



The screenshot shows the 'Declaration of transfer of ITC in case of obtaining separate registration within a State or Union territory' form. The form includes the following fields and sections:

- Indicates Mandatory Fields**: A red dot icon indicating mandatory fields.
- Fields**:
 - GSTIN of Transferee ***: A text input field.
 - Transferee Legal Name**: A text input field.
 - Transferee Trade Name**: A text input field.
- Transferee Action -**: A section header.
- Details of ITC to be transferred**: A table with the following data:

Tax	Amount of matched ITC available (₹)	Amount of matched ITC to be transferred (₹)
Central tax	₹5,65,180.00	₹0.00
State/UT tax	₹6,10,745.00	₹0.00
Integrated tax	₹1,37,765.00	₹0.00
Cess	₹0.00	₹0.00

At the bottom of the form, there are four buttons: 'BACK', 'SAVE', 'FILE ITC WITH DSC', and 'FILE ITC WITH EVC'.

Procedure to furnish Form GST ITC-02A is as below:

- Go to www.gst.gov.in: Login with your credentials.
- Go to Dashboard, click on Returns, click on ITC Forms, click on Form GST ITC 02A to file the same
- Provide GSTIN of Transferee to whom you want to transfer ITC. This will auto-populate Transferee's legal name and trade name.
- Amount of matched ITC available is auto-populated and the amount to be transferred needs to be mentioned according to head of tax Central tax, State/UT Tax, Integrated Tax and Cess
- Save the above details and submit with DSC/ EVC.

Once the above is done, transferee needs to login to common portal and click on take action to accept credits transferred.

Direct Tax



Direct Tax

Reduction in rates of Tax Deduction at Source (TDS) & Tax Collection at Source (TCS) for the period 14th May 2020 to 31st March 2021

To improve cash flow issues within the country and leave more funds at disposal of taxpayers, the rates of TDS for the following non-salaried specified payments made to residents has been reduced by 25% for the amounts paid or credited during the period 14th May 2020 to 31st March, 2021 as below:

S. no.	Section	Nature of Payment	Existing rates of TDS	Reduced rate of TDS
1.	193	Interest on securities	10%	7.5%
2.	194	Dividend		
3.	194A	Interest other than interest on securities		
4.	194C	Payment of contractors and sub-contractors	1% (Individuals/HUF)) 2% (Others)	0.75% (Individuals/HUF) 1.5% (Others)
5.	194D	Insurance Commission	5%	3.75%
6.	194DA	Payment in respect of life insurance policy		
7.	194EE	Payments in respect of deposits under National Savings Scheme	10%	7.5%
8.	194F	Payments on account of re-purchase of Units by Mutual Funds or UTI	20%	15%
9.	194G	Commission, prize etc., on sale of lottery tickets	5%	3.75%
10.	194H	Commission or brokerage		
11.	194-I(a)	Rent for plant and machinery	2%	1.5%
12.	194-I(b)	Rent for immovable property	10%	7.5%
13.	194-IA	Payment for acquisition of immovable property	1%	0.75%

Direct Tax

S. no.	Section	Nature of Payment	Existing rates of TDS	Reduced rate of TDS
14.	194-IB	Payment of rent by individual or HUF	5%	3.75%
15.	194-IC	Payment for Joint Development Agreements	10%	7.5%
16.	194J	Fee for professional or technical Services (FTS), Royalty, etc.	2% (FTS, certain royalties, call centre) 10% (others)	1.5% (FTS, certain royalties, call centre) 7.5% (others)
17.	194K	Payment of dividend by Mutual Funds	10%	7.5%
18.	194LA	Payment of compensation on acquisition of immovable property		
19.	194LBA(1)	Payment of income by Business trust		
20.	194LBB(i)	Payment of income by Investment Fund		
21.	194LBC(1)	Income by securitisation Trust	25% (Individual/HUF) 30% (Others)	18.75% (Individual/HUF) 22.5% (Others)
22.	194M	Payment to commission, brokerage etc. by Individual and HUF	5%	3.75%
23.	194-O	TDS on e-commerce participants	1% (with effect from 1 st October 2020)	0.75%

Similarly, rate of TCS for the following specified receipts or debits during the period from 14th May 2020 to 31st March, 2021 has also been reduced by 25%.

Direct Tax

S. no.	Section	Nature of Payment	Existing rates of TCS	Reduced rate of TCS
1.	206C(1)	Sale of		
		(a) Tendu Leaves	5%	3.75%
		(b) Timber obtained under a forest lease	2.5%	1.875%
		(c) Timber obtained by any other mode		
		(d) Any other forest produce not being timber/tendu leaves		
		(e) scrap	1%	0.75%
		(f) Minerals, being coal or lignate or iron ore		
2.	206C(2)	Grant of licence, lease, etc. of		
		(a) Parking lot	2%	1.5%
		(b) Toll Plaza		
		(c) Mining and quarrying		
3.	206C(1F)	Sale of motor vehicle above Rs.10 lakh	1%	0.75%
4.	206C(1H)	Sale of any other goods	0.1% (with effect from 1 st October 2020)	0.075%

There is no relaxation in rates of TDS or TCS where tax is required to be deducted or collected at higher rate due to non-furnishing of PAN / Aadhaar u/s 206AA of the Act.

Please [Click Here](#) to read the press release dated 13th May 2020.

Clarification issued by CBDT – Prescribed electronic modes of payments not mandatory to be offered by B2B businesses

Background

In furtherance to objective of the Government to encourage digital transactions and move towards a less-cash economy, a new provision namely section 269SU was inserted in the Income-tax Act last year. This section requires every person carrying on business and having sales/turnover/gross receipts from business > Rs 50 crore in the immediately preceding year to mandatorily provide facilities for accepting payments through following electronic modes

- Debit Card powered by RuPay;
- Unified Payments Interface (UPI) (BHIM-UPI); and
- Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code)

Direct Tax

Issue / Concern

Industry has raised a concern that the above requirement of mandatory facility for payments through the prescribed electronic modes is generally applicable in B2C (Business to Consumer) businesses which directly deal with retail customers.

Moreover, since the prescribed electronic modes have a maximum payment limit per transaction / per day, they are not so relevant to B2B (Business to Business) businesses, which generally receive large payments through other electronic modes of payment such as NEFT or RTGS. Mandating such businesses to provide the facility for accepting payments through prescribed electronic modes would cause inconvenience and impose additional costs.

Relief given by CBDT

Government has clarified that the provisions of section 269SU shall not be applicable to a person having only B2B transactions (i.e. no transaction with retail customer/consumer) *provided* at least 95% of all amounts received during the previous year (including sales, turnover or gross receipts) are not in cash.

Please [Click Here](#) to read the circular dated 20th May 2020.

Finance Minister launches facility of instant Permanent Account No. (PAN) on real time basis through Aadhaar based e-KYC

As another step by the Income-tax department towards Digital India creating further ease of compliance for taxpayers, the Finance Minister has launched the facility for instant allotment of PAN (on near to real time basis). The facility is now available for PAN applicants who possess a valid Aadhaar number and have a mobile number registered with Aadhaar. The allotment process is paperless and an electronic PAN (e-PAN) is issued to the applicants free of cost.

Procedure for allotment of instant PAN

- The applicant is required to access the e-filing website of the Income-tax Department and provide valid Aadhaar number
- One-time-password (OTP) received on the applicant's Aadhaar registered mobile number is required to be submitted
- On successful completion of the process, a 15-digit acknowledgment number is generated.
- If required, the applicant can check the status of the request anytime by providing valid Aadhaar number and on successful allotment, can download the e-PAN.
- The e-PAN is also sent to the applicant on registered email id.

Please [Click Here](#) to read the press release dated 28th May 2020.

Direct Tax

New procedure for registration, approval, etc. under Income-tax Act of not-for-profit entities deferred to 1st October, 2020

The Finance Act, 2020 rationalized the procedure relating to approval/ registration/ notification of certain entities referred to in sections 10(23C), 12AA, 35 and 80G of the Act, with effect from 1st June, 2020. As per the new procedure, the entities already approved/ registered/ notified under these sections would be required to file intimation within 3 months, i.e., by 31st August 2020. Further, the procedure for approval/ registration/ notification of new entities has also been rationalized with effect from 1st June, 2020.

CBDT has deferred the implementation of new procedure to 1st October, 2020. Accordingly, the entities approved/ registered/ notified u/s 10(23C), 12AA, 35 and 80G of the Income-tax Act, 1961 would be required to file intimation within 3 months from 1st October, 2020, i.e. by 31st December, 2020. Further, the amended procedure for approval/ registration/ notification of new entities shall also apply from 1st October, 2020.

Please [Click Here](#) to read the Press Release dated 9th May 2020.

Trust founded in February 2020 to construct Ram temple in Ayodhya (Uttar Pradesh) included in list of eligible donees for purpose of tax deduction u/s 80G

As per section 80G(2)(b) of the Income-tax Act, 1961, a taxpayer is entitled to deduction from his taxable income on account of donations paid for renovation or repair of any such temple, mosque, gurdwara, church notified by the Central Government to be of historic, archaeological or artistic importance or to be a renowned place of public worship.

Vide Notification no.24 dated 8th May 2020, CBDT has notified 'Shri Ram Janambhoomi Teerth Kshetra' (PAN: AAZTS6197B) as an eligible organisation for the above purpose. Accordingly, donation made by a taxpayer to said body is entitled to tax deduction.

Shri Ram Janmabhoomi Teerth Kshetra is a trust set up to construct Ram temple in Ayodhya, Uttar Pradesh by the Government of India. The trust has 15 trustees. It was created on 5th February 2020 as per the verdict of the Supreme Court of India.

Please [Click Here](#) to read the notification dated 8th May 2020.

International Tax



International Tax

Relaxation by CBDT- Lockdown period to be excluded for determination of tax residential status in India for Financial Year 2019-20 for individuals

Background:

Section 6 of the Income-tax Act contains provisions relating to determination of residency of a person. The status of an individual, as to whether he is resident in India or not, or if he is resident and ordinarily resident or not, is dependent on the period of his stay in India during the relevant financial year.

Issue / Concern:

There were many individuals who had come on a visit to India during the FY 2019-20 for a particular duration and intended to leave India before the end of the FY 2019-20 to maintain their status as non-resident (NRI) or not ordinarily resident in India. However, due to lockdown, suspension of international flights due to COVID-19, they are required to prolong their stay in India which could result in them qualifying as tax residents in India.

Relaxation issued by CBDT

CBDT has clarified that lockdown period will be excluded while determining tax residential status of individuals in India for FY 2019-20 as below:

Criteria - Individual has come to India on a visit before 22nd March 2020 and:	Period to be excluded while determining residential status in India
has been unable to leave India by 31 st March, 2020	Stay in India during 22 nd March – 31 st March 2020
has been quarantined in India since 1 st March, 2020 and has departed on an evacuation flight on or before 31 st March, 2020 or has been unable to leave India on or before 31 st March, 2020	Stay from beginning of quarantine to date of departure or 31 st March, 2020, as the case may be
has departed on an evacuation flight on or before 31 st March, 2020	Stay in India from 22 nd March, 2020 to date of departure

Please [Click Here](#) to read circular no. 11 of 2020.

As of now the above clarification has been issued in respect of FY 2019-20. One may expect similar clarification in respect of FY 2020-21 as well.

International Tax

Amendment of Mutual Agreement Procedure (MAP) rules under Income-tax Rules

What is MAP?

An option available to taxpayers to resolve disputes arising due to double taxation. Double Taxation Avoidance Agreements (DTAAs) between different countries empower 'Competent Authorities' (CA) in the respective jurisdiction to entertain application under MAP from taxpayers aggrieved by double taxation in different countries. MAP is a dispute resolution mechanism in addition to other alternatives such as Settlement Commission, Authority for Advance Rulings, Dispute Resolution Panel, Advance Pricing Agreement, etc.

Rule 44G of the Income-tax Rules, 1962

Rule 44G provides that where a resident taxpayer is aggrieved by an action of tax authority of a foreign jurisdiction, for the reason that according to him such action is not in accordance with DTAA, he may apply to the CA in India in Form 34F seeking to invoke MAP.

Notification dated 6th May 2020 issued by CBDT

On 6th May 2020, CBDT has issued a notification amending the MAP Rules under domestic tax laws of India as a result of recommendations of the Organisation for Economic Co-operation and Development (OECD)'s 6th batch of peer review report in India with respect to Action 14 - Making dispute resolution mechanisms more effective. The amended rules indicate India's effort to resolve MAP cases within 24 months and provide additional guidance to taxpayers using MAP in India.

Procedure to invoke MAP

The procedure to invoke MAP is summarized as follows:

- Where the taxpayer, being resident of India, is aggrieved by any action of foreign tax authorities for the reason that according to him, such action is not in consonance with the relevant DTAA, he may make an application to the CA in India seeking to invoke MAP, if provided in such agreement, in Form No. 34F.
- The CA in India shall convey his acceptance or otherwise for taking up the reference under MAP to the CA of the foreign jurisdiction. The CA in India shall call for the relevant records from the income-tax authorities or the taxpayer or have a discussion with such authorities or taxpayer, to understand the actions taken by the income-tax authorities in India or outside that are not in accordance with the DTAA.
- The CA in India shall endeavor to arrive at a mutually agreeable resolution of the tax disputes within an average time period of 24 months.

International Tax

- In case the MAP is invoked on account of action taken by any income-tax authority in India, the resolution arrived above in a given year shall not result in decreasing the returned income or increasing the returned loss, as the case may be, of the taxpayer in India.
- If a resolution is arrived, the same shall be communicated to the taxpayer, who shall communicate his acceptance or non-acceptance within 30 days. The taxpayer's acceptance of the resolution shall be accompanied by proof of withdrawal of appeal, if any, pending on the disputed issues.
- On receipt of acceptance, the CA in India shall communicate the resolution arrived at and the acceptance by the taxpayer along with the proof of withdrawal of appeal, submitted by the taxpayer to the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or Director General, as the case may be, who in turn shall forward it to the AO.
- On receipt of communication, the AO shall give effect to the resolution by an order in writing, within 1 month from the end of the month in which the communication was received by him and intimate the taxpayer about the tax payable determined by him.
- The taxpayer shall be required to pay the tax determined within the time allowed by the AO and submit the proof of payment of taxes to the AO. AO shall proceed to withdraw the pending appeal, if any, relating to the subject matter of the resolution. Copy of the order shall be sent to the CA in India and to the taxpayer.
- The amount of tax, interest or penalty already determined shall be adjusted in accordance with the resolution and in the manner provided under the Act or the rules made thereunder to the extent that such manner is not contrary to the resolution arrived at.

Please [Click Here](#) to read notification dated 6th May 2020.

CBDT issues Safe Harbour Rates for FY 2019-20 to determine arm's length price in case of specified transactions

[What is 'Safe Harbour Rules' \(SHR\)?](#)

SHR provide arm's length price issued by CBDT for specified international transactions. As the name suggests, where a taxpayer undertakes those transactions at the specified rates, it will be acceptable by the tax authorities from a transfer pricing perspective. The aim, again, is to reduce litigation in the field of international taxation. SHR were introduced in 2013 providing safe harbours for transactions which have been matter of perennial tax litigation.

International Tax

CBDT's notification dated 20th May 2020

CBDT has issued notification to specify safe harbour rates applicable for FY 2019-20. It states that the same rates as were applicable during last 3 FYs 2016-17 to 2018-19 would be applicable for FY 2019-20 as well. The rules were much awaited by taxpayers who wanted to opt for safe harbour rates for FY 2019-20 but had no clue about the same till date. Unlike safe harbour notifications of 2013 and 2017 which mentioned rates for 5 and 3 years respectively, the current notification provides safe harbour rates only for 1 year, i.e., FY 2019-20. Taxpayers opting for SHR for FY 2019-20 will need to file Form 3 CEFA with the tax office on or before 30 November 2020.

Safe Harbour Rates for FY 2019-20

Eligible International Transaction	Safe Harbour Rates for threshold value of international transactions
Provision of Software development services and Information Technology Enabled services (ITes)	Operating profit margin to operating expense: a) Upto Rs.100 crore – not less than 17%; or b) Rs. 100 crore to Rs.200 crore – not less than 18%
Provision of Knowledge Process Outsourcing (KPO) services	Upto Rs. 200 crore and employee cost to total cost is a) Upto 40% - Operating profit margin to operating expense not less than 18%; b) 40% to 60% - Operating profit margin to operating expense not less than 21%; c) More than 60% - Operating profit margin to operating expense not less than 24%.
Provision of contract research and development services, wholly or partly relating to: a) software development; or b) generic pharmaceutical drug	Upto Rs. 200 crore - operating profit margin to operating expense not less than 24%,

International Tax

Eligible International Transaction	Safe Harbour Rates for threshold value of international transactions										
Provision of Intra-group loan to Associated Enterprise ('AE') denominated in Rs.	<p>If the interest rate is not less than the 1-year marginal cost of funds lending rate of State Bank of India as on 1st April of the relevant fiscal year plus</p> <p>a) Where CRISIL credit rating of the AE is available</p> <table border="1" data-bbox="458 388 1268 716"> <thead> <tr> <th>Basis Points</th> <th>CRISIL Credit Rating</th> </tr> </thead> <tbody> <tr> <td>175 basis points</td> <td>AAA to A or its equivalent</td> </tr> <tr> <td>325 basis points</td> <td>BBB-, BBB or BBB+ or equivalent</td> </tr> <tr> <td>475 basis points</td> <td>BB to B or its equivalent</td> </tr> <tr> <td>625 basis points</td> <td>C to D or its equivalent</td> </tr> </tbody> </table> <p>b) Where credit rating of the AE is not available and the amount of loan advanced to the AE including loans to all AE in Rs. does not exceed Rs.100 crore in aggregate as on 31st March of the relevant fiscal year – 425 Basis points</p>	Basis Points	CRISIL Credit Rating	175 basis points	AAA to A or its equivalent	325 basis points	BBB-, BBB or BBB+ or equivalent	475 basis points	BB to B or its equivalent	625 basis points	C to D or its equivalent
Basis Points	CRISIL Credit Rating										
175 basis points	AAA to A or its equivalent										
325 basis points	BBB-, BBB or BBB+ or equivalent										
475 basis points	BB to B or its equivalent										
625 basis points	C to D or its equivalent										
Provision of Intra-group loan to AE denominated in foreign currency	<p>Interest rate is not less than 6-month LIBOR of the relevant foreign currency as on 30th September of the relevant fiscal year plus:</p> <p>a) Where CRISIL credit rating of the AE is available</p> <table border="1" data-bbox="458 1016 1293 1306"> <thead> <tr> <th>Basis Points</th> <th>CRISIL Credit Rating</th> </tr> </thead> <tbody> <tr> <td>150 basis points</td> <td>AAA to A or its equivalent</td> </tr> <tr> <td>300 basis points</td> <td>BBB-, BBB or BBB+ or its equivalent</td> </tr> <tr> <td>450 basis points</td> <td>BB to B or its equivalent</td> </tr> <tr> <td>600 basis points</td> <td>C to D or its equivalent</td> </tr> </tbody> </table> <p>b) Where credit rating of the AE is not available and the amount of loan advanced to the AE including loans to all AE in Rs. does not exceed Rs.100 crore in aggregate as on 31st March of the relevant fiscal year – 400 Basis points</p>	Basis Points	CRISIL Credit Rating	150 basis points	AAA to A or its equivalent	300 basis points	BBB-, BBB or BBB+ or its equivalent	450 basis points	BB to B or its equivalent	600 basis points	C to D or its equivalent
Basis Points	CRISIL Credit Rating										
150 basis points	AAA to A or its equivalent										
300 basis points	BBB-, BBB or BBB+ or its equivalent										
450 basis points	BB to B or its equivalent										
600 basis points	C to D or its equivalent										
Provision of Corporate guarantee	The commission / fee is not less than 1% per annum on the amount guaranteed										
Manufacture and export of: a) core auto components b) non-core auto components	Operating profit margin to operating expense: a) not less than 12% for core auto components b) not less than 8.5% non-core auto components										
Receipt of low value-adding intra-group services	<p>a) Entire value of such transactions, including a mark-up not exceeding 5%, does not exceed Rs.100 crore.</p> <p>b) Method of cost pooling, exclusion of shareholder costs and duplicate costs from cost pool and the reasonableness of the allocation keys used for allocation of costs to be certified by an Chartered Accountant</p>										

Company Law

Clarification on dispatch of notice by listed companies for right issue opening up to 31st July 2020

Section 62(1)(a)(i) of the [Companies Act, 2013](#) mandates a company proposing to increase its subscribed capital to offer such shares to existing shareholders by sending a letter of offer through a notice. Such notice is required to be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery.

In view of COVID, companies are facing difficulty in dispatch of notice through postal or courier services. Considering the situation, Ministry of Corporate Affairs (MCA) has clarified that for rights issues opening upto 31st July 2020 in case of listed companies, inability to dispatch the notice to shareholders through registered post or speed post or courier would not be viewed as violation of the Act.

Please [Click Here](#) to read Circular dated 11th May 2020.

Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)

Background:

Last month, MCA had allowed following relaxations due to challenges faced by companies due to COVID.

- Companies whose financial year ended on 31st December, 2019, were allowed to hold their AGM by 30th September 2020.
- Conduct of Extraordinary General Meeting (EGM) through video conferencing (VC) or other audio visual means (OAVM) was allowed
- Issue of notices to members for such meetings by using only electronic means was also allowed

Circular no.20 dated 5th May 2020:

By issue of said circular, MCA has allowed companies to hold their Annual General Meeting (AGM) by VC / OAVM during the calendar year 2020 subject to certain conditions including that the framework specified for EGMs last month for this purpose shall apply to AGMs as well. The requirements have been stipulated based on the classification of companies which are required to: (a) provide facility of e-voting or have opted for the same, and (b) those companies which are not required to provide the said facility.

Owing to challenge in sending physical copies, the circular allows companies to send documents through email. Companies are also required to provide a window to shareholders for registering their mandate for transferring dividends electronically through Electronic Clearing Service (ECS) or any other means.

Please [Click Here](#) to read the Circular dated 5th May 2020

Extension of last date for filing Form NFRA-2 with National Financial Reporting Authority (NFRA)

Form NFRA-2 is an annual return required to be filed by an auditor providing detailed information on the assurance services performed by him during a given period. As per circular dated 27th November 2019, the said form was required to be filed within 90 days from date of deployment on Government's website. MCA had extended the above time limit to 150 days for the reporting period FY 2018-19.

Vide circular dated 30th April 2020, MCA has again extended the due date to 210 days from date of deployment on Government's website.

Please [Click Here](#) to read the Circular dated 30th April 2020.

Securities Exchange Board of India (SEBI)



Relaxation under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 due to COVID-19

In view of COVID, SEBI has been providing relaxations over the last couple of months from compliances under SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations 2015. Following additional relaxations have been provided in this month.

1. Relaxations necessitating out of MCA circulars

- Requirement of sending physical copies of annual report to shareholders
 - ✓ A listed entity is required to send hard copy of the statement containing salient features of all the documents prescribed u/s 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively.
 - ✓ The above requirements have been dispensed with for listed entities who conduct their AGMs during the calendar year 2020 (i.e. till 31st December 2020)
- Requirement of proxy for general meetings
 - ✓ Regulation 44 (4) of the LODR specifies that listed entity shall send proxy forms to holders of securities in all cases mentioning that a holder may vote either for or against a resolution.
 - ✓ The above requirement has been dispensed with temporarily in case of meetings held through electronic mode only. This relaxation is available for listed entities who conduct their AGMs through electronic mode during the calendar year 2020 (i.e. till 31st December 2020)
- Requirement of dividend warrants/cheques
 - ✓ Regulation 12 of the LODR prescribes issuance of 'payable at par' warrants or cheques in case it is not possible to use electronic modes of payment. Further, in case the amount payable as dividend exceeds Rs.1500, the 'payable at par' warrants or cheques shall be sent by speed post. The requirements of this regulation will apply upon normalization of postal services. However, in cases where email addresses of shareholders are available, listed entities shall endeavour to obtain their bank account details and use the electronic modes of payment.

2. Relaxations from publication of advertisements in the newspapers

- SEBI had exempted publication of advertisements in newspapers for all events scheduled till 15th May 2020, since some newspapers had stopped their print versions due to COVID. In view of continuing lockdown, the exemption has been extended for all events till 30th June 2020.

3. Relaxation from publishing quarterly consolidated financial results under regulation 33(3)(b):

- As per regulation 33(3)(b) of the LODR, in case a listed entity has subsidiaries, the listed entity shall submit quarterly/year to date consolidated financial results. Considering the challenges involved in preparing consolidated financial results in view of different accounting standards being followed by companies belonging to same group and the difficulties in restating those financials as per IND-AS due to COVID, SEBI has decided that listed entities which are banking and / or insurance companies (or having subsidiaries which are banking and / or insurance companies) may submit consolidated financial results for quarter ending 30th June 2020 on a voluntary basis. However, they shall continue to submit the standalone financial results required under LODR. If such entities choose to publish only standalone financial results and not consolidated financial results, they shall give reasons for the same.

Please [Click Here](#) to read the circular dated 12th May 2020.

Disclosure of material impact of COVID-19 on listed entities

Realising the importance for a listed entity to disclose impact of COVID-19 on its operations, SEBI has encouraged entities to evaluate the impact of COVID-19 on their business, performance and financials, both qualitatively and quantitatively, to the extent possible and disseminate the same.

An illustrative list of information that listed entities should consider disclosing subject to materiality, has been given by SEBI as below:

- Impact of COVID-19 on the business;
- Ability to maintain operations including the factories/units /office spaces functioning and closed down
- Schedule, if any, for restarting the operations
- Steps taken to ensure smooth functioning of operations
- Estimation of future impact of COVID-19 on its operations;
- Details of impact of COVID-19 on listed entity's
 - ✓ Capital and financial resources
 - ✓ Profitability;
 - ✓ Liquidity position;
 - ✓ Ability to service debt and other financing arrangements;
 - ✓ Assets
 - ✓ Internal financial reporting and control
 - ✓ Supply chain
 - ✓ Demand for its products / services
- Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business

When listed entities disclose material information related to COVID-19, they should not resort to selective disclosures, keeping in mind the principles governing disclosures and obligations of a listed entity as prescribed in LODR regulations.

Please [Click Here](#) to read the circular dated 20th May 2020.

Compliance Calendar

Compliance calendar for the month of June 2020

Compliance Due Date:	Concerned (Reporting) Period:	Compliance Detail:	Applicable To:
7 th June	May 2020	TDC/TCS deposit	Non-government Deductors
		Equalization Levy deposit	All Deductors
11 th June		GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 1.5 crore
15 th June	May 2020	Deposit of PF & ESI contribution	All Deductors
	FY 2020-21	1st Installment of advance tax for the assessment year 2021-22	Taxpayers liable to pay advance tax
27 th June	May 2020	GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2019-20
30 th June	February to May 2020	a) GSTR-5 (Return by Non-resident)	a) Non-resident taxable person
		b) GSTR-5A (OIDAR services return)	b) OIDAR services provider
	March to May 2020	a) GSTR-6 (Return by input service distributor)	a) Person registered as ISD
		b) GSTR-7 (TDS return under GST) c) GSTR-8 (TCS return under GST)	b) Person required to deduct TDS under GST c) Person required to deduct TCS under GST
FY 2020-21	Filing of Letter of Undertaking (LUT)	All taxpayers making supply of goods & services without payment of tax	
FY 2019-20	Form DPT-3 (Return of Deposit)	Specified Companies	

Compliance Calendar

Overriding timeline extensions due to COVID-19

- CBIC has relaxed due dates of filing Forms GSTR-3B & GSTR-1 as below:

Concerned (Reporting) Period	Compliance Due Date	Compliance Detail	Applicable To	Due Date of Payment of GST
February 2020	24 th June 2020	GSTR-3B	Taxpayer having aggregate turnover > Rs. 5 crore in the FY 2018-19	4 th April 2020
March 2020			Taxpayer having aggregate turnover > Rs. 5 crore in the FY 2019-20	5 th May 2020
April 2020			Taxpayer having aggregate turnover > Rs. 5 crore in the FY 2018-19	4 th June 2020
February to March 2020	29 th June 2020	GSTR-3B	Taxpayer having aggregate turnover > Rs 1.5 crore and < Rs 5 crore in the FY 2018-19	29 th June 2020
February 2020	30 th June 2020		Taxpayer having aggregate turnover < Rs 1.5 crore in the FY 2018-19	30 th June 2020
April 2020			Taxpayer having aggregate turnover > Rs 1.5 crore and < Rs 5 crore in the FY 2019-20	
May 2020		GSTR-1	Taxpayer having annual turnover > Rs. 1.5 crore in the FY 2019-20 (monthly return)	-

- CBDT vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 dated 31st March 2020 has extended all respective due dates

Compliance Calendar

Concerned (Reporting) Period	Extended Due Date for Compliance	Compliance Detail	Applicable To	Original Due Date of Compliance
January to March 2020	30 th June 2020	Quarterly Statement of TCS Deposit	All Collectors	15 th May 2020
		Quarterly Statement of TDS Deposit	All Deductors	31 st May 2020
FY 2019-20		Statement of Financial Transaction (Form 61A)	Specified reporting persons u/s 285BA of Income Tax Act, 1961	
Calendar Year 2019		Statement of annual statement of reportable accounts (Form 61B)	Financial Institutions	
January to March 2020	15 th July 2020	Quarterly TDS certificates in Form 16A Annual TDS certificates to employees for FY 2019-20 in Form-16	All Deductors	15 th June 2020

Particulars	Relief announced		Remarks
	Current due date	Extended due date	
All issuance of notices, intimation, notification, approval order, sanction order, filing of appeal, furnishing of returns, reports	Falling between 20 th March 2020 to 29 th June 2020	30 th June 2020	-
Payment of advance tax, self-assessment tax, TDS, TCS, STT, CTT, Equalisation levy for the month of March, April, May 2020	Payment to be made up to 30 th June 2020 subject to interest @ 9% per annum instead of 12%/18%		No late fee/penalty will be charged, if paid up to 30 th June 2020.

Editorial Team



Editor



Direct Tax



Indirect Tax



Regulatory



Communications

About KrayMan

KrayMan is an Accounting and Advisory Firm specializing in Assurance, Tax, Regulatory, Compliance & Outsourcing, Corporate Secretarial, Transaction Advisory and HR Advisory services. We cater to International & Domestic Clients.

We are a team of professionals comprising of Chartered Accountants, Company Secretaries, Cost and Management Accountants, Advocates and MBAs who are truly committed in providing timely, professional and quality services to our Clients thereby building a long term relationship with them.

We are members of following associations:

- **Japan Chamber of Commerce and Industry in India (JCCII)** – an organization of more than 400 Japanese companies working towards the welfare of Japanese companies in India
- **Prime Advisory Network (PAN), United Kingdom** - a network of Accountants and Lawyers with presence in more than 60 countries
- **Cross Border Associates (CBA), Germany** - specializing in mergers & acquisitions activities having presence in more than 95 countries
- **TiE Delhi** - world's largest entrepreneurial organization with 62 chapters in 18 countries

Contact Us

India Head Office

1170 A&C, 11th Floor, Tower B1
Spaze i-Tech Park
Sector 49, Sohna Road
Gurugram – 122018 (India)
T +91 (124) 4309418; 4003418

Japan Office

2-11-2 O-toekkusukudou
Bld. 4F/5F Nihombashi
Kakigaracho, Chuo-ku, Tokyo,
103-0014, Japan

Italy Office

Corso Palestro,
50-25122 Brescia,
Italy

Mumbai • Pune • Chennai • Bengaluru • Hyderabad • Kolkata



For any assistance, please write to us at:
communications@krayman.com

This publication contains information of general nature . The information is only for general guidance and is not meant to be a substitute for professional advice in any manner. In case the reader requires any specific inputs / suggestions / advice from our end, please contact us separately.