



The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

Ahmedabad Branch of WIRC of ICAI

E-NEWSLETTER

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Chairman's Message



Dear Professional Colleagues,

War Greetings from CA. Fenil Shah!

"Be strong now because things will get better. It might be stormy now, but it cant rain forever"

Friends someone very rightly quoted the above lines and in that reference, I can say that there is a Physical Lockdown due to COVID 19 but don't let it be a Mental & Professional Lockdown. This is the best time where we can identify our weaknesses and can work on them along

with sharpening our Strengths to become the one who is competent to face the challenging future to come post lockdown.

Stay Home. Stay with Ahmedabad Branch: Happy to bring to your notice various initiatives which Branch has taken:

WEBINARS: In my vision to serve the Members and Students, I am arranging various Webinars and we are getting the overwhelming response to it. We completed the Webinar Series on FEMA & Direct Tax. The Webinar Series on Bank Branch Audit and GST is going on. We are to launch various programs soon for your benefit. We also had other webinars on topics like Unlocking the Lockdown, Work From Home Simplified, UDIN & Code of Ethics.

SUMMARY OF WEBINARS: I can understand that few members may not be able to take benefit of Webinars and also for the reference of members attending webinars, Branch will come up the Summary of Discussions and will be mailed to you discussing on important topics, case studies & queries deliberated by faculties in the Webinar.

Knowledge FLASH: During Lockdown too the changes are coming and it's equally pertinent for all of us to remain updates and to aid you almost daily you are receiving the updates in an Analytical and Lucid manner by email.

Seeking Your Views:

Friends we Stay at home and we all do WORK FROM HOME. Now from today, I want one more help from you to SUGGEST your views from HOME and be a Partner in Nation Building. I request you to ponder upon that what steps shall be taken by Government in order to REVIVE the Economy during the pandemic situation arisen due to COVID 19. You can suggest your views on actions to be taken DURING the Lockdown Phase and AFTER Lockdown Phase. The last date to submit your views is 14th April 2020. Form to give views is mailed to you. If you face any difficulty in submitting views in Form you can alternatively mail to us on ahmedabad@icai.org

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Inside???



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Branch stands Strongly to Support Government to fight COVID 19:

THANK YOU FOR YOUR SUPPORT by contributing to ICAI COVID 19 Relief Fund & or PM CARES COVID 19 Relief Fund. And I am happy to share that collectively the Members & Students of Ahmedabad Branch has donated a sum of near to **32,00,000 Rs** till 10th April 2020. I request to all the Donors who have donated either to ICAI COVID 19 Relief Fund or PM COVID 19 Relief Fund to provide us with the details of your donations by filling the FORM mailed to you.

Still, if you have not donated I request you to donate. In this time, everyone is contributing in his way to save the nation as well as to save humanity. It is needless to mention that solidarity of the CA Fraternity has always been strong and committed particularly to those where the needs were the greatest.

ICAI Cares for us: Friends would like to bring to your notice various initiatives from ICAI for Members:

1] SPECIAL OFFER VALIDITY EXTENDED up to 30th April 2020 - Arrangement Special Price Tally.ERP9 Gold software (Multi-user) for all the CA Firms of ICAI (with FRN)/ Practicing Members of ICAI (without FRN)/ Branches of CA Firms & others.

2] Extension of validity of Peer Review Certificate

3] Opportunity for ICAI members/leading professionals and academicians to be an Examiner in ICAI for evaluation of Answer Books digitally; after qualifying computer-based test.

4] ICAI has issued Advisory on Accounting and Assurance related issues for F.Y - 2019-20

5] Digital Learning Hub: ICAI has made efforts in providing valuable resources to help protect your health and guide you through the professional challenges and also meet your CPE requirements and advance your knowledge. Get state-of-the-art online training created by experts and delivered the way you want it.

6] Facility to pay Advance Membership Fees up to 10 years.

During this times Ahmedabad Branch is also to come up with more Webinars & other Initiatives to ensure that Members remain in-tune with the updates and can make the best of this time to sharpen their knowledge and skills base. Till then I request all members & students to remain at home.

Stay Home. Stay Safe. Stay Updated. Stay Happy.

Thanks & Regards,

CA. Fenil Shah

Chairman.



EDITORIAL



March brings the closure of Financial Year with many checkpoints to be executed. March'20 has formed a part in our dark side of memories. This month we witnessed downfall and revival of a giant financial institution,

turnaround in a state's political stability, downfall of economy and stock markets. However the major havoc has been created due to COVID-19 which has hampered industries viz. tourism, transportation, entertainment, major productions and even religious gatherings.

21 days lockdown has been imposed by our government with intermediate efforts to boost positivity on 22nd March and 05th April vides sound vibrations and light waves. On the other hand to stabilize the most impacted population of the country

economic relieves and incentives have been announced including direct financial help and supply of essential goods. Moratorium period and extension of due dates for statutory payments have been presented as relief to the business houses.

The whole country stands united (with social distancing) against this dark time. Even our branch activities have been digitalized to much of the extent including seminars and knowledge sharing. We have planned the FEMA , GST , Income Tax series on web platform with the best National Wide faculties. It is time for us to take proper care of our families, spend quality time at home and persist to stay fit with online learning as COVID-19 has even hit many high profile persons throughout the world.

Stay home, Stay safe
Happy Learning !!

CA Rahul Maliwal
Chairman , Newsletter Committee

2019 – nCoV WUHAN CORONAVIRUS

SYMPTOMS



HIGH FEVER



COUGH



SORE TROATH



HEADACHE



Accounting & Company Law Updates

Compiled by: CA. Chintan Patel

1. Companies Fresh Start Scheme, 2020 and LLP Settlement Scheme 2020

The Fresh Start scheme and modified LLP Settlement Scheme incentivize compliance and reduce compliance burden during the unprecedented public health situation caused by COVID-19. The USP of both the schemes is a one-time waiver of additional filing fees for delayed filings by the companies or LLPs with the Registrar of Companies during the currency of the Schemes

http://www.mca.gov.in/Ministry/pdf/Press_30032020.pdf

Key Features of the Scheme:

- Valid from 1st April 2020 to 30th September 2020.

- It gives longer timelines for corporates to comply with various filing requirements under the Companies Act 2013 and LLP Act, 2008 and also significantly reduce the related financial burden on them, especially for those with long standing defaults, thereby giving them an opportunity to make a “fresh start”.

- It gives an opportunity to inactive companies to get their companies declared as 'dormant company' under section 455 of the Act by filing a simple application at a normal fee. The said provision enables inactive companies to remain on the register of the companies with minimal compliance requirements.

- The immunity is only against delayed filings in MCA 21 and not against any substantive violation of law.

NON APPLICABILITY OF COMPANIES FRESH START SCHEME, 2020 (CFSS-2020):

Not apply in the following cases:-

- Final notice for striking off the name of the company under section 248 of the companies act, 2013

already issued by the ROCs;

- The company made an application for striking off the name of the company from ROCs;

- Companies amalgamated under the scheme of compromise & arrangement;

- The company applied for dormant status under section 455 of the companies act, 2013 before the scheme introduction

- Vanishing Companies;

- Documents related to Increase in authorised share capital (Form SH-7);

- Charge related documents (CHG-1, CHG-4, CHG-8 & CHG-9);

Link to Schemes:

(a) Companies Fresh Start Scheme, 2020

http://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf

(b) LLP Settlement Scheme, 2020

http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf

FAQs issued by ICAI:

(a) FAQs on the Companies Fresh Start Scheme:

<https://resource.cdn.icai.org/58908clcg48020.pdf>

(b) FAQs on the LLP Settlement Scheme, 2020 (Original and Modified):

<https://resource.cdn.icai.org/58902clcg48009llpfaq.pdf>

2. Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak

Ministry of Corporate Affairs has announced series of measures for Companies and LLPs to support in Covid-19 outbreak. The measures are summarised below:



Sr. No.	Point	Relief Measure
1	Relaxation in filing of any document, return, statement etc., required to be filed in the MCA-21, Registry	The MCA has decided to provide relief to all the Companies/ LLPs from additional fees for late filing during the period starting from 01st April 2020 to 30th September 2020, in respect of any document, return, statement etc. irrespective of the due date.
2	Relaxation in mandatory requirement of holding meetings of the Board of the companies	One time relaxation: For the next two quarters i.e. April- June and July- September the condition of maximum 120 days gap between two board meetings shall be 180 days.
3	Deferment of The Companies (Auditor's Report) Order, 2020	The CARO, 2020 will now be applicable wef the next financial year i.e. 2020-2021 instead of 2019-2020. This will provide a great relief to the Companies and Auditors.
4	Relaxation in requirement to hold atleast one meeting Independent Directors (IDs).	For the financial year 2019-20, if the independent Directors of a company have not been able to hold atleast one meeting without the attendance of Non-independent directors and members of management, the same shall not be viewed as a violation.
5	Relaxation in requirement of creating the deposit repayment reserve (DRR) of 20% of deposits maturing during the financial year 2020-21	The deadline of creating a DRR of 20% of deposits maturing during the financial year 2020-21 has been extended from 30 th April, 2020 to 30th June 2020.
6	Relaxation in requirement to invest or deposit at least 15% of amount of debentures maturing	The deadline of investing or depositing at least 15% of amount of debentures maturing has been extended from 30 th April, 2020 to 30th June 2020.
7	Extension of filing of Commencement of Business Certificate for newly incorporate companies	An additional period of 180 is granted to the newly incorporated Companies to file a declaration for Commencement of Business i.e. now the period allowed is 180+180 days= 360 days.
8	Resident director condition relaxation	The condition of residency of minimum one director has been taken down for the financial year 2019-2020 and the same shall not be considered as violation of law.

CONTAGION



AIR BY COUGH
OR SNEEZE



PERSONAL
CONTACT



CONTAMINATED
OBJECTS



3. Clarification on contribution to PM CARES Fund as eligible CSR activity

The Ministry of Corporate Affairs (MCA) vide its Office Memorandum dated March 28, 2020 has clarified that any contribution made by a company, to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund) constituted to deal with the emergency or distress situations such as created by COVID 19 pandemic, would deemed to be an eligible CSR activity under Item No. (viii) of Schedule VII of the Act.

http://www.mca.gov.in/Ministry/pdf/Circular_29032020.pdf

4. Clarification on passing of resolutions by Companies

MCA has issued a Circular giving clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19. The companies can take urgent decisions without convening a general meeting and ratify them through the e-voting process. This relaxation is not applicable for decisions of ordinary course or business where any person has right to be heard.

'Unavoidable' extraordinary general meetings (EGMs) need to be held through video-conferencing (VCs) and a transcript of the proceedings would need to be maintained by the company.

http://www.mca.gov.in/Ministry/pdf/Circular14_08042020.pdf

5. Opportunity to regularise status of DIN and Companies

DIN holders of DINs marked as 'Deactivated' due to non-filing of DIR-3KYC/DIR-3 KYC-Web and those Companies whose compliance status has been marked as "ACTIVE non-compliant" due to non-filing of Active Company Tagging Identities and Verification (ACTIVE) eform are encouraged to become compliant once again in pursuance of the General Circular No. 11 dated 24th March, 2020 & General Circular No.12 dated 30th March 2020 and file DIR-3KYC/DIR-3KYC-Web/ACTIVE as the

case may be between 1st April, 2020 to 30th September, 2020 without any filing fee of INR 5,000/INR 10,000 respectively

6. Holding board meeting through video conferencing:

The Government has in-principle decided to relax the requirement of holding Board meetings with physical presence of directors under section 173 (2) r/w rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 for approval of the annual financial statements, Board's report, etc. Such meetings may till 30th June, 2020 be held through video conferencing or other audio visual means by duly ensuring compliance of rule 3 of the said rules.

http://www.mca.gov.in/Ministry/pdf/Circular_25032020.pdf

7. Company Affirmation of Readiness towards COVID-19

The web form named CAR (Company Affirmation of Readiness towards COVID-19) should be filed by an authorised signatory of Companies and LLPs.

- Simple web form with minimum fields and which can be filed from anywhere.
- Not mandatory.
- No requirement of DSC and does not involve payment of any fee.

http://www.mca.gov.in/Ministry/pdf/Car_22032020.pdf

8. Covid-19 Disruptions - Advisory on Accounting and Assurance related issues for F.Y - 2019-20

ICAI issued an accounting and auditing advisory, with guidance on incorporating the impact of disruptions caused by COVID-19 on financial reporting and auditing.

The note provides guidance to companies and auditors on measuring impairment of assets, evaluating contingent liabilities and the ability of business to remain operational. The guidance note has also called on companies to evaluate whether they will be able to continue as a going concern.

<https://resource.cdn.icai.org/58829icai47941.pdf>



GST Updates

Compiled by: CA. Monish Shah

Relief in respect of due date on account of COVID-19.
Revision of dates for FEB MARCH & APRIL GSTR 1 & 3B

S. No.	Return	Turnover	Period	Regular due date	Relief provided till	Interest	Late fee and penalty
1	GSTR 3B	Less Than 1.5 Crore	February	22nd or 24th of next month	30th June, 2020	No Interest provided returns have been furnished on or before the dates till which relief is provided	(If return filed before the date till which relief is provided. However, in case the same is filed after said dates, late fees and penalty shall be levied on the same)
			March		3rd July, 2020		
			April		6th July, 2020		
		More than 1.5 but up to 5 Crore	February	22nd or 24th of next month	29th June, 2020		
			March				
			April		30th June, 2020		
3		More than 5 Crore	February	20th March, 2020	4th April 2020	No interest till 15 days from regular due date and @ 9% thereafter provided returns have been furnished till 24th June 2020	It is pertinent to note that the Government have not extended the due dates of filing of return but have only provided relief by waiving off penalty and late fees and reducing the interest rate
			March	20th April, 2020	5th May 2020		
			April	20th May, 2020	4th June 2020		
4	GSTR - 1 (Monthly)	More than 5 Crore	March	11th April, 2020	30th June, 2020	Not applicable	(If return filed before the date till Which is Provided)
			April	11th May, 2020			
			May	11th June, 2020			
5	GSTR - 1 (Quarterly)	Less than 5 Crore	Jan-Mar	30th April, 2020			



Notification No 36/2020 – CT – Revised due date of GSTR 3B for May

Due Dates	Turnover
27.06.2020	Registered person with aggregate turnover > Rs. 5 crores
12.07.2020	Aggregate turnover < Rs. 5 crores States Covered – Chhattisgarh, MP, Gujarat, Maharashtra, Karnataka, Goa, Kerala, TN, Telangana, Andhra Pradesh, Daman & Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Island and Lakshadweep
14.07.2020	Aggregate Turnover < Rs. 5 Crores States Covered – HP, Punjab, Uttarakhand, Haryana, Rajasthan, UP, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, WB, Jharkhand, Odisha, J&K, Ladakh, Chandigarh and Delhi

v Amendment in Rule 36(4)

Position before amendment:

- The registered person shall be required to claim ITC to the extent of 110% of eligible ITC getting reflected in GSTR 2A of the tax period.
- Taxpayer was required to calculate the amount as per the above provision for every tax period before filing of GSTR 3B.

Position after amendment:

- Cumulative calculation of ITC allowed for period of February, March, April, May, July and August 2020. Therefore, for the returns furnished in said tax period, condition of Rule 36(4) not applicable.
- GSTR 3B for September 2020 to be furnished after adjustment of cumulative ITC calculated for the said months

v Notification No 35/2020 – Central Tax

Validity of E-way Bill:

- Where e-way bill expires between 20.03.2020 and 15.04.2020, validity deemed to have been extended till 30.04.2020

Extension of time limit till 30th June:

- For completion or compliance of any action due date of which falls between 20th March, 2020 to 29th June, 2020

Activities of Authority/Commission/Tribunal to which extension applies:

- Completion of proceedings, Passing of any order, Issuance of Notice, Intimation, Notification, Sanction or approvals.

Activities of taxable person to which extension applies:

- Filing of appeal, reply, application, furnishing of any report, document return, statement, records.

Non applicability of extension unless specified elsewhere:

- E-Way bill
- Time and Value of Supply
- GSTR 3B except Return of TDS deductor, input service distributor, Non-resident taxable person. These people can furnish return for March 2020, April 2020 and May 2020 on or before 30.06.2020. Thus, returns for TDS ISD and NRI also stand to be extended
- Registration requirement
- Lapse of composition scheme on exceeding the turnover limit
- Provisions of casual taxable person and non-resident taxable person in relation to registration
- Tax invoice issuance timeline
- GSTR 1
- Levy of late fees
- Interest on delayed payment of tax
- Power to arrest
- Liability of partners of firm to pay tax
- Penalty
- Detention, seizure and release of goods and conveyance in transit

v Notification 30/2020 – Central Tax

- Intimation in respect of opting to pay tax under composition scheme for the FY 2020-21 can be filed till 30.06.2020 in Form GST CMP-02.

- Statement in Form GST ITC-03 in relation to above intimation to be filed up to 31.07.2020

v Notification 34/2020 – Central Tax

- Registered person availing the benefit provided under Notification 2/2019 – Central Tax (Rate) shall be required to furnish details of self-assessed tax in Form GST CMP-08 for quarter ending March 2020 by 07.07.2020

The yearly return for 19-20 shall be required to be filed in Form GSTR 4 by the above persons till 15.07.2020



Quick Connect on GST

GST Provisions clarified for Insolvent Companies

Introduction:

Both The acts namely Goods and Services Tax Act, 2017 (GST) and The Insolvency and Bankruptcy Code, 2016 (IBC) laws are considered as biggest reforms of Century. In this article, we shall cover the relevant provisions of GST as applicable on Company who underwent corporate insolvency resolution process (CIRP) together with relevant provisions of IBC.

In order to understand the GST provisions applicable on Company who undergoing corporate insolvency resolution process (CIRP), we first need to understand, how this CIRP is initiated. The CIRP may be initiated if, any company/LLP fails to discharge debt of more than Rs 1 lakh, the financial/operating creditors or the company itself may initiate the Corporate Insolvency Resolution Process ([CIRP](#) [subject to adjudication by Hon'ble National Company Law Tribunal \("NCLT"\)](#) . [The limit of default in payment has been recently raised from 1 lac to Rs 1 crore to protect the SME from pressure of COVID-19 pandemic.](#)

Once CIRP gets triggered then the management of such entity i.e. Corporate Debtor (The Company or LLP against which the CIRP has initiated) and its assets vest with an interim resolution professional (hereafter referred to as "IRP") and thereafter Resolution Professional (hereafter referred to as "RP"). All the powers of board of directors or the partners of Corporate Debtor shall stand suspended in terms of Section 17 of IBC. IRP/RP is responsible to comply with all applicable laws and regulations.

The RP/IRP continues to run the business and operations of the said entity and take all necessary steps to keep the corporate debtors as a going concern in terms of Section 20(2)(e) of IBC, till the insolvency process is over and an order for liquidation or resolution plan, as the case may be, is passed by the NCLT.

Compliances under GST:

As per provisions of section 17 read with Section 18 of IBC once the CIRP process is initiated then the RP/IRP need to do all the applicable compliances including the compliance under GST law.

However, during the process of CIRP there were many unresolved issues and ambiguity which was faced by RP/IRP with respect to GST, the Department has issued Notification no.11/2020-Central Tax dated

Compiled by: CA. Abhishek Chopra

21.03.2020 and also issued circular no. 134/04/2020-GST dated 23.03.2020 to address few such issues, which are discussed below:

a. Registration:

From the date of appointment of IRP/RP, such entities (Corporate Debtor) shall be treated as distinct persons. They are liable to obtain new registration under each State/Union Territory where it was earlier registered, within thirty days from date of appointment of RP/IRP. It is clarified that, an entity undergoing CIRP is required to obtain a new [registration. However, it is not required to cancel the previous registration. If required, the proper officer may suspend the registration.](#)

Provided that in cases where the IRP/RP has been appointed prior to the date of this notification, he shall take registration within thirty days from the commencement of this notification, with effect from date of his appointment as IRP/RP.

b. Return:

The said class of persons shall, after obtaining registration file the first return under section 40 of the said Act, from the date on which he becomes liable to registration till the date on which registration has been granted.

An IRP/RP is liable to comply with legal requirements for the period after the commencement of CIRP. Thus, view can be that they may not be required to file returns for the period prior to the commencement of the insolvency process, in case of non-availability of information. Previously in the matter of Deepak Thukralvs CGST & Ors. (NCLT Chandigarh) mand in the matter of Ramela Rangasamy Vs CGST & Ors. (NCLT Chennai) had directed GST department to accept manual returns as the system was not allowing to file current returns in case of previous returns were not filed. This comes as respite.

c. Input tax Credit:

Such persons who obtained new registration can avail [Input Tax Credit \(ITC\) on all invoices bearing earlier GSTIN for goods and services both. ITC can be availed as per the conditions specified under Chapter V of the CGST Act, 2017 except Section 16\(4\) and Rule 36\(4\) of Central Goods and Service Tax Rules, 2017.](#)

Further a registered person receiving supplies from such Corporate debtor can claim ITC on invoices bearing the earlier GSTIN in compliance with the conditions specified under Chapter V of the CGST

Act, 2017.

d. Refund:

Any amount deposited in the cash ledger of the earlier GSTIN by the IRP/RP is available for a refund from the date of appointment of IRP till the date of notification specifying a special procedure for corporate debtors undergoing insolvency. Such refund is available even if GSTR-3B/GSTR-1 returns are not filed for the said period.

Concluding remark:

It is important to note here that the dues for the period prior to the commencement of CIRP will be treated as 'operational debt' and claims may be filed by the proper officer before the NCLT in accordance with the provisions of the IBC. The tax officers shall seek the details of supplies made / received and total tax

dues pending from the corporate debtor to file the claim before the NCLT.

The Notification and circular clears the compliance issues faced by RP/IRP and all registered persons who are receiving the supplies from the corporate debtor (Such class-New registration). Further, for the dues prior to the date of commencement of CIRP process the proper officer has to file claim before the IRP/RP within 90 days of commencement of CIRP and for filing the claim the proper officer may seek such details related to supplies, ITC etc to arrive at the total pending tax dues from such corporate debtor. It is also important to note that if proper officer doesn't file the claim for operational debt within prescribed time limit then such pending claim may lapse or forgone.



PREVENTION



WASH YOUR
HANDS OFTEN



WEAR A
FACE MASK



AVOID CONTACT
WITH SICK PEOPLE



ALWAYS COVER YOUR
COUGH OR SNEEZE



Direct Tax Updates

Compiled by: CA. Mohit Tibrewal

IT Department to release all pending income tax refunds up to Rs 5 lakhs immediately ; All GST & CUSTOM refunds also to be released **Press Release dated 08-04-2020**

In the context of the COVID-19 situation and with a view to provide immediate relief to the business entities and individuals, it has been decided to issue all the pending income-tax refunds up to Rs. 5 lakh, immediately. This would benefit around 14 lakh taxpayers.

It has also been decided to issue all pending GST and Custom refunds which would provide benefit to around 1 lakh business entities, including MSME. Thus, the total refund granted will be approximately Rs. 18,000 crore.

Link:
<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1609424>

Finance Ministry issues Taxation and other Laws (Relaxation of Certain Provisions) Ordinance, 2020

Press Release dated 31-03-2020

In order to give effect to the announcements made by the Union Finance Minister VIDE Press Release dated 24.03.2020, regarding several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak, the govt has brought in an Ordinance on 31.03.2020 which provides for extension of various time limits under the Taxation and Benami Acts. It also provides for extension of time limits contained in the Rules or Notification which are prescribed/ issued under these Acts.

A special fund "Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND)" has been set up for providing relief to the persons affected from the outbreak of Corona virus. The Ordinance also amended the provisions of the Income-tax Act to provide the same tax treatment

to PM CARES Fund as available to Prime Minister National Relief Fund. Therefore, the donation made to the PM CARES Fund shall be eligible for 100% deduction under section 80G of the IT Act. Further, the limit on deduction of 10% of gross income shall also not be applicable for donation made to PM CARES Fund. As the date for claiming deduction u/s 80G under IT Act has been extended up to 30.06.2020, the donation made up to 30.06.2020 shall also be eligible for deduction from income of FY 2019-20.

Link:
<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1609424>

No Extension of the Financial Year **Press Release dated 30-03-2020**

There is a fake news circulating in some section of media that the Financial Year has been extended. A notification issued by the Government of India on 30th March 2020 with respect to some other amendments done in the Indian Stamp Act is being misquoted. There is no extension of the Financial Year.

Link:
<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1609424>

CLARIFICATIONS ON PROVISIONS OF DIRECT TAX VIVAD SE VISHWAS BILL, 2020

CIRCULAR NO. 7/2020 [F.NO. IT(A)/1/2020-TPL], DATED 4-3-2020

After introduction of *Vivad se Vishwas* in Lok Sabha, several queries have been received from the stakeholders seeking clarifications in respect of various provisions contained therein. Government has considered these queries and decided to clarify the same in form of answers to 55 frequently asked questions (FAQs).

Link:
https://www.incometaxindia.gov.in/communications/circular/circular_no_7_2020.pdf

Direct Tax Quick Connect

Section 194O: Levy of TDS @1% on e-commerce Transactions

In order to widen and deepen the tax net by bringing participants of e-commerce within tax net, the Finance Act 2020 has inserted a new section 194-O in the Act so as to provide for a new levy of TDS at the rate of one per cent, with the following key points:

- The TDS is to be paid by e-commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform;

- E-commerce operator is required to deduct tax at the time of credit of amount of sale or service or both to the account of e-commerce participant or at the time of payment thereof to such participant by any mode, whichever is earlier.

- The tax at one per cent is required to be deducted on the gross amount of such sales or service or both.

- Any payment made by a purchaser of goods or recipient of services directly to an e-commerce participant shall be deemed to be amount credited or paid by the e-commerce operator to the e-commerce participant and shall be included in the gross amount of such sales or services for the purpose of deduction of income-tax.

Compiled by: CA. Kushal Reshamwala

- The sum credited or paid to an e-commerce participant (being an individual or HUF) by the e-commerce operator shall not be subjected to provision of this section, if the gross amount of sales or services or both of such individual or HUF, through e-commerce operator, during the previous year does not exceed five lakh rupees and such e-commerce participant has furnished his Permanent Account Number (PAN) or Aadhaar number to the e-commerce operator. If such e-commerce participant has not furnished his Permanent Account Number (PAN) or Aadhaar number to the e-commerce operator than TDS rate will be 5%.

- “e-commerce operator” is defined to mean any person who owns, operates or manages digital or electronic facility or platform for electronic commerce. Such e-commerce operator would be liable for TDS even if it is not responsible for paying to an e-commerce participant.

- “e-commerce participant” is defined to mean a person resident in India selling goods or providing services or both, including digital products, through digital or electronic facility or platform for electronic commerce.

“electronic commerce” is defined to mean the supply of goods or services or both, including digital products, over digital or electronic network.





International Taxation

Compiled by: CA. Twinkle Shah

1. Key amendments to the Finance Bill, 2020

- The Finance Bill, 2020 was passed by the Lok Sabha with various amendments on 23rd March. One such amendment was enlargement of the scope of Equalisation Levy (EL). Scope of EL expanded to cover "e-commerce supply or services" w.e.f. 1st April 2020. The applicable tax rate is 2% on amount of consideration received/receivable by a Non-Resident (NR) e-commerce operator from "e-commerce supply or services" made, provided or facilitated by such NR beyond threshold of INR 2 crore during a year to:

- o A person resident in India; or
- o NR (which entails) sale of advertisement targeted at a customer resident in India or accessing such advertisement through an Indian IP address; or
- o NR (which entails) sale of data collected from a person who uses Indian IP address; or
- o A person who buys goods or services using Indian IP address.

- Finance Bill 2020 proposed to impose TCS obligation at 5% on Authorised Dealer (AD) who receives an amount of more than INR 7 lakhs during the year for remittances outside India under Liberalised Remittance Scheme and seller of overseas tour program package. LRS remittance limit includes overseas tour related expenses also. Thus, there was an ambiguity whether AD and seller of overseas tour program package both are liable for TCS on expenses incurred for purchase of overseas tour package. At the enactment stage of the bill it is clarified

that if TCS collected by seller of overseas tour package, no TCS shall be collected by the AD banker.

2. Judicial Precedents - Decision of Income tax Appellate Tribunal (Ahmedabad Bench) in case of Virmati Software & Telecommunication Limited [TS-164-ITAT-2020(Ahd)]

o The Hon'ble Tribunal has held that foreign tax rate for determining relief under section 91 of the Income tax Act (Act) should be ascertained considering the 'profit', not the 'gross receipts'. The Indian Company had provided software services to foreign parties based in Afghanistan. Considering the foreign parties deducted TDS @ 7% of the gross receipts, assessee had claimed FTC relief under section 91 of the Act for the entire amount of TDS deducted, being lower than the rate of income tax in India [i.e. 30.90%]. However, the Assessing Officer held that the whole of the gross receipt of the assessee are not made subject to tax in India and it is only profit of the company which is relevant, hence he worked out doubly taxed income accordingly and computed proportionate FTC relief.

o Referring to explanation (iii) to Sec.91 of the Act, the Hon'ble Tribunal had taken a view that, "The word used whole amount of income denotes the income which signifies after the expenses. The word gross receipts have not been used therein. Hence accepted the contention of the Assessing Officer. The Tribunal accepts the assessee's alternate plea that the amount of tax paid in a foreign country which is not eligible for benefit under section 91 of the Act, shall be eligible for deduction under section 37(1) of the Act.



RERA Updates

Compiled by: CA. Mahadev Birla

Real Estate (Regulation and Development) Act, 2016 (RERA, 2016)

Offences, Penalties and Adjudication

Real Estate Regulation and Development Act, 2016 (RERA, 2016) has come into force from 1st May, 2017. This law is customer-based law; however, it's required the promoter, agent and allottee to comply certain provisions, rules and regulation. Non-compliance of RERA, 2016 provision will lead to some penal consequences. In this article we will understand the offences and penalty for non-compliances of provisions of RERA, 2016.

For better understanding, the offence and penalties are divided into three part i.e. for promoter, real estate agent and allottee.

Offence and penalty applicable to promoter

SN	Offence	Penalty	Applicable Section of RERA, 2016
1	Non registration of Real Estate Project as per provision of Section-3	Up to 10% of the Estimated cost of the project	59 (1)
2	Non-Compliance of order issued as above (Section 59(1)) means even after the penalty order issued under section - 59(1), registration of project is not done	Imprisonment up to 3 Years or Additional penalty of 10% of the estimated cost of the project Or Both, Penalty and Imprisonment	59 (2)
3	If any false information is provided at the time of application for registration or contravenes the provision of section 4 of RERA, 2016	Up to 5% of the Estimated cost of the project	60
4	If any provision, other than provision of section 3 and 4, is contravened	Up to 5% of the Estimated cost of the project	61
5	Non compliance of Order of RERA Authority	Per day penalty subject to maximum of 5% of the Estimated cost of the project	63
6	Non-compliance of Order of RERA Appellate Tribunal	Imprisonment up to 3 Years or per day penalty subject to maximum 10% of the estimated cost of the project Or Both, Penalty and Imprisonment	64

Offence and penalty applicable to Real Estate Agent

SN	Offence	Penalty	Applicable Section of RERA, 2016
1	Contravention of provision of Section 9 and 10 i.e. Non-Registration as a real estate agent and non-performance of function as per section-10	Rs. 10,000/- per day subject to maximum 5% of cost of flat/office for which sale is facilitated.	62
2	Non-compliance of Order of RERA Authority	Per day penalty subject to maximum of 5% of the Estimated cost of the flat/office	65
3	Non-compliance of Order of RERA Appellate Tribunal	Imprisonment up to 1 Year or per day penalty subject to maximum 10% of the Estimated cost of the flat/office Or Both, Penalty and Imprisonment	66

Offence and penalty applicable to Allottee

SN	Offence	Penalty	Applicable Section of RERA, 2016
1	Non-compliance of Order of RERA Authority	Per day penalty subject to maximum of 5% of the Estimated cost of the flat/office	67
2	Non-compliance of Order of RERA Appellate Tribunal	Imprisonment up to 1 Year or per day penalty subject to maximum 10% of the Estimated cost of the flat/office Or Both, Penalty and Imprisonment	68

Compounding of Offence:- As per provision of section 70 of RERA, 2016, if any person is punished with imprisonment under the RERA, 2016, the punishment may be compounded by the court, however, sum prescribed shall not be exceed the maximum amount of fine which may be imposed for the offence compounded.

As per Rule-19 of the Gujarat Real Estate (Regulation and Development) (General) rule, 2017, following sum is specified for the compounding of offence: -

- a. Imprisonment under section 59(2) and 64 :5% of Estimated cost of project
Imprisonment under section 66 and 68 :5% of the Estimated cost of the flat/office

Coronavirus Prevention

Take steps to protect yourself



Avoid close contact



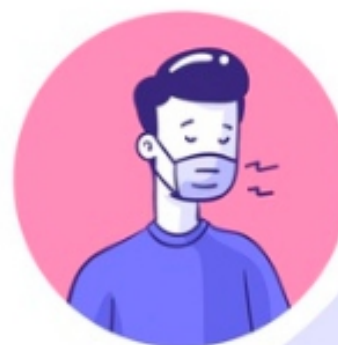
Clean your hands often



Stay at home



Cover coughs and sneezes



Wear a facemask if you are sick



Clean and disinfect



FEMA Updates

'Fully Accessible Route' for Investment by Non-residents in Government Securities

In the midst of a possible economic crisis foreseen due to the outbreak of pandemic COVID-19, the Reserve Bank of India ('RBI') has decided to open up key Government securities to full foreign investment in an attempt to find a place in global bond indices.

The RBI's announcement follows an intent articulated in the Union Budget 2020-21 by the Finance Minister Nirmala Sitharaman who said that certain specified securities would be opened up fully to foreign investors without any restrictions. In this regard, the RBI in consultation of the Government of India ('GoI') has notified a separate route viz. Fully Accessible Route ('FAR') for investments by non-residents in certain series of Government securities ('G-Secs') vide A.P. (DIR Series) Circular No. 25, dated 30 March 2020 ('the Circular').

These special securities will attract no Foreign Portfolio Investor (FPI) limits until maturity and seems to be the first step towards Indian G-Secs being listed on global bond indices. Based on a desktop research, some of the global bond indices that could embrace Indian G-secs, if all the conditions are met, include the Bloomberg Barclays Global Aggregate Index, FTSE Russel Asia Pacific Government Bond Index, and JPMorgan Government Bond Index-Emerging Markets. Further, the Government officials believe that being a part of the global bond indices would help Indian G-Secs attract large funds from major global investors, including pension funds.

The salient features of the Scheme are as under:

1. Eligible Investors shall mean 'any person resident outside India' as defined in section 2(w) of the Foreign Exchange Management Act, 1999 ('FEMA') which means a person who is not resident in India and therefore, includes Foreign Portfolio Investors ('FPIs'), Non-resident Indians ('NRIs') and Overseas Citizen of India ('OCIs').

2. Specified Securities shall mean Government Securities ('G-Secs') as periodically notified by the RBI under the FAR route. The Specified Securities, once so designated, shall remain eligible for investment under the FAR until maturity. Further, these securities will continue to be eligible for investment by residents. Currently, certain notified G-Secs and all new issuances of 5-years, 10-years and

Compiled by: CA. Gautam Pai

30-years tenors will be eligible for investment as 'specified securities' under the FAR. Such existing G-Secs put under this window includes:

- a. 6.18 percent government security 2024 (5-years)
- b. 7.32 percent government security 2024 (5-years)
- c. 6.45 percent government security 2029 (10-years)
- d. 7.26 percent government security 2029 (10-years)
- e. 7.72 percent government security 2049 (30-years)

RBI may in consultation with the GoI add tenors or change tenors of new securities to be designated as Specified Securities from time to time.

3. Investment Limits does not find a place in this Scheme and accordingly, there shall be no quantitative limit on investment by eligible investors in Specified Securities. Further, investments made under FAR shall also not be subject to limits specified for FPI investment in debt.

4. Existing investments by eligible investors in specified securities shall be reckoned under FAR.

5. FPIs, NRIs, OCIs and other entities permitted to invest in G-Secs under the Debt Regulations can invest under this route as hitherto under existing arrangement.

6. Eligible investors other than FPIs, NRIs and OCIs as mentioned above, may invest through International Central Securities Depositories. The process for such investments shall be notified separately in due course.

7. FPIs who currently hold investments in Specified Securities shall within one year from the date on which the FAR comes into effect i.e. 1 April 2020, readjust their investments under the Medium Term Framework (MTF) to comply with the requirements specified for FPI investment in Debt.

The above move by the RBI and the GoI is aimed to deepen the bond market by boosting the flow of foreign funds into the financial system. Since **the breadth of investors has widened, number of foreign investors who had so far not invested in India because it wasn't part of their mandate will now**



look to invest. For the time-being, the sell off from global investors may continue, but this announcement may attract good flows in the months to come.

Increased Limit for Corporate Bonds

The RBI also increased the FPI investment limit in corporate bonds to 15 percent, from the existing 9 percent, of the outstanding amount for FY 2020-21. This was also announced in the Union Budget 2020 and has now been operationalized by the RBI vide A.P. (DIR Series) Circular No. 24, dated 30 March 2020. However, the overall FPI investment limit in G-Secs and State Development Loans has not been changed from 6 percent and is expected to be revised and notified separately.

Export of Goods and Services - Relaxation in Realization and Repatriation of Export Proceeds

In the wake of outbreak of pandemic COVID-19, various representations have been made by the Exporters Trade Bodies before the GoI and the RBI to extend the period of realization of export proceeds. In this connection, RBI in consultation with the GoI has decided to increase the period of realization and repatriation of export proceeds to India from nine months currently to fifteen months from the date of export vide A.P.(DIR Series) Circular No. 27 dated 01 April 2020. This relief is only applicable for exports made on or before 31 July 2020.

However, it shall be pertinent to note that the period of realization and repatriation to India of the export value of the goods exported to the warehouses shall remain unchanged i.e. fifteen months from the date of shipment of goods.

Excel in Excel

Compiled by: CA. CS. Hemlata Dewnani

Apply Conditional Formatting on a Single Row In Pivot Table

Suppose we want to apply conditional formatting on Pivot table. Like we want to know and highlight the Highest Quantity sale product wise in which week

	A	B	C	D	E	F	G	H	I	J	K
2	Products	Week-1	Week-2	Week-3	Week-4	Week-5	Week-6	Week-7	Week-8	Week-9	Week-10
3	Product - A	7	28	34	32	51	39	42	41	29	35
4	Product - B	112	200	167	171	163	152	136	128	137	139
5	Product - C	290	501	585	631	728	621	731	719	728	704
6	Product - D	3	10	8	7	9	7	7	6	5	6

To apply conditional formatting to a pivot table, create a new conditional formatting rule and pay particular attention to the "apply rule to" settings as described below. In the example shown, there are two rules applied. The green shows the top 1 values using a rule like this:

Home > Conditional Formatting > Top/Bottom rules > New rule

Lets try to understand three options:

Selected Cells: This is the default option where conditional formatting is applied only on the selected cells.

All cells showing "Sum of Quantity" Values: In this option, it considers all the cells that show the Sum of Quantity values (or whatever data you have in the values section of the pivot table). The issue with this option is that it will also cover the Grand Total values and apply conditional formatting to it.

All cells showing "Sum of Quantity" values for Product Name and week: This is the best option in this case. It applies the conditional formatting to all the values (excluding Grand Totals) for the combination of Date and Store. Even if you add more data in the back end, this option will take care of it.

We had applied the rule to All cells showing Sum of Quantity values for Product Name and week and then we have to select format only Top and bottom values from range and Top 1 from each column group as shown in above figure

Note:

The Formatting Options icon is visible right after you apply conditional formatting on the data set. If goes away if you do something else (edit a cell or change font/alignment, etc.).

We can also edit the same after selecting the Pivot table and Go to Home > Conditional Formatting > Manage Rules

By Applying these formatting, it can be used for Data Analysis, Various MIS and reporting etc.



Important Due Dates

Compiled by: CA. Mahavir Shah

FOR COMPLIANCE FOR APRIL-2020

Sr. No.	Act	Compliance	Due Date
1	GST	Extended due date for Payment of GST & Filling of GSTR-3B for the month of Feb-2020 for taxpayers having turnover of more than Rs.5 Crore	4th April, 2020
2	Income Tax	Tax Collected (TCS) during the month of Mar-2020 to be deposited	7th April, 2020
3	PF / ESIC	Payment of ESIC for the month of Feb-2020	15th April, 2020
4	GujVAT	Payment of 2nd Installment of Vera Samadhan Yojana of Guj. VAT	30th April, 2020
5	Income Tax	Tax Deducted (TDS) during the month of Mar-2020 to be deposited	30th April, 2020
6	Income Tax	Furnishing of Challan-cum-Return for Tax Deducted (TDS) u/s 194IA, 194IB and 194M during the month of March-2020	30th April, 2020

Motivational Story

Compiled by: CA. CS. Hemlata Dewnani



One man decided to reach for his dream. But he didn't have enough strength to do it. So he turned to his mother:

– Mother, help me!

– Darling, I would be glad to help you, but I don't have it. And everything I have, I already gave to you... He asked a wise man:

– Master, tell me, where can I get strength?

– It is said that, it is on the Everest. But I couldn't find anything there, except the snowy winds. And when I came back, the time was irretrievably lost...

He asked the hermit:

– Holy Father, where to find the strength for realization

of my dream?

– In your prayers, my son. And if your dream is false, you will understand it and find peace in your prayers... The person asked everyone, but the only result of his searches was confusion.

– Why are you so confused? – asked an old man passing by.

– I have a dream, good man. But I don't know where to find strength for its realization. I asked everyone, but there was no one who could help me.

– No one? – a light flashed in the old man's eyes,

– And did you ask yourself?