

Dear Friends

We are happy to announce our initiative to publish a periodic newsletter. This is in line with our mission to pursue service excellence by being continuously alert and updating our clients and well wishers with the latest statutory changes. We hope this new approach is beneficial to you.

The severity of the COVID-19 pandemic has posed a global challenge. Many nations are being tested to their limits, even with the best of medical facilities and financial abilities at their disposal.

Our government has been proactive in taking precautionary measures to slow the pace of the virus. This includes financial packages aimed at reducing the burden of businesses impacted by the lockdown. All statutory dates have been deferred by 3 months, and settlement schemes launched by the Ministry of Corporate Affairs have been modified. This newsletter covers these changes. Please reach out to us for any clarifications.

We continue to hope and wish for the best for all of us during these testing times.

Yours Sincerely
Anil Kumar

MCA Notifications

COMPANY FRESH START SCHEME-2020

The Central Government in **order to facilitate the companies registered in India to start on a clean slate** has launched a new scheme-COMPANY FRESH START SCHEME-2020 (CFSS-2020) condoning the delay in the filing of the documents with the Registry. Only normal fees will be payable for filing of documents in the MCA-21 registry during the currency of CFSS-2020

Salient Features of the scheme

- ✓ The scheme shall be in operation from 01.04.2020 to 30.09.2020.
- ✓ Any defaulting company is permitted to file belated documents which were due for filing on any given date in accordance with the provisions of this Scheme. Every defaulting company shall pay normal fees on the date of filing of each belated document and no additional fee shall be payable.
- ✓ Application for grant from immunity in respect of belated documents shall be filed electronically after the expiry of the scheme but not after six months from the date of closure of the scheme. No fees shall be payable for this form.
- ✓ Immunity from prosecution or proceedings for imposing penalty shall be provided .
- ✓ If the defaulting company has filed any appeal against any notice issued, complaint filed, or an order passed by a court or by an adjudicating authority under the Companies Act, 1956 or Companies Act, 2013 , in respect of which an application for issue of immunity certificate , withdraw the appeal and furnish proof of withdrawal along with the application.
- ✓ In case penalty has been imposed for the delay in the filing of any document and no appeal was preferred as on the date of the commencement of the scheme and the last date for filing the appeal falls between 01.03.2020 and 31.05.2020 an additional 120 days shall be allowed with effect from such last date for the filing of the appeal .

Scheme is not applicable to

- Companies against which action for final notice for striking off the name u/s 248 of the Act has already been issued.
- Where application has already been made for striking off the name of the company from the register of companies.
- Companies which have been amalgamated under a scheme of arrangement or compromise.
- Where application has been filed for obtaining Dormant Status u/s 455
- To Vanishing companies.
- Where any increase in capital is involved and to charge related documents.
- Defaulting inactive companies while filing documents under CFSS-2020 can simultaneously
 - Apply to be declared as Dormant Company u/s 455.
 - Apply for striking off the name of the Company.

LLP SETTLEMENT SCHEME - 2020

The Ministry of Corporate Affairs of the Government of India had vide General Circular No6/2020 dated 04.03.2020 launched the LLP Settlement Scheme-2020. The scheme gave defaulting LLP's opportunity to file LLP Agreements and Changes in Form 3, Statement of Accounts and Solvency in Form 8, Annual Return in Form 11. by paying an additional fees of Rs.10 per day for delay in addition to normal fees subject to a maximum of Rs.5000 per document. However with a view to enable LLP's to focus on taking necessary steps to face the threat of COVID-19 and reduce their compliance burden brought modifications to the scheme vide General Circular No.13/2020 dated 30.03.2020.

Defaulting LLP's who have filed belated documents till 30.09.2020 and made good the default will not be subject to prosecutions for such defaults.

The scheme shall not be applicable to LLP's which have made an application for striking off their name

The salient features of the scheme are

- ✓ The scheme shall come into force on 01.04.2020 and shall remain in force till 30.09.2020.
- ✓ The scheme is applicable to any LLP which has made a default in the filing of documents under the LLP Act,2008.
- ✓ All documents or forms which are required to be filed under the provisions of the LLP Act,2008 and were due for filing till 31.08.2020 can be filed.
- ✓ The fees which is payable for the filing of the said documents need to be paid. No additional fees shall be payable for the filing of the belated documents under the scheme.

MISCELLANEOUS RELIEFS

- ✓ Companies (Auditor's Report) Order 2020 is to be applicable from 2020-21.
- ✓ Newly incorporated companies are required to file their commencement of business within 180 days of their incorporation under section 10a of the Companies Act. An additional period of 180 days is allowed for its compliance.
- ✓ No mandatory requirements of holding one Board Meeting within a gap of 120 days till Sept.30.
- ✓ Threshold for default under IBC raised to Rs.1 crores from Rs.1 Lakhs.

Reliefs in Income Tax

- ✓ Last Date for filing of Income Tax Returns for the Financial Year 2018-19 extended to 30.06.2019
- ✓ Last Date for the Linking of Aadhar with PAN Card extended to 30.06.2020
- ✓ Delayed payment of Advance Tax, Self Assessment Tax, TDS, TCS, Equalisation Levy, STT, CTT between 20.03.2020 and 30.06.2020 interest rate is reduced to 9% from 12%pa/18% pa.
- ✓ Extension of the due dates in cases where the time limit is expiring between 20th March 2020 to 29th June 2020, to 30th June 2020 - due dates for issue of notice, intimation, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents and time limit for completion of proceedings by the authority and any compliance by the taxpayer including investment in saving instruments or investments for roll over benefit of Capital Gains under Income Tax Act, Wealth Tax Act, Prohibition of Benami Property Transaction Act, Black Money Act, STT Law, CTT Law, Equalization Levy Law, Vivad se Vishwas Law where the time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.

Relief Under Goods Service Tax Act & Service Tax

- ✓ The time limit for furnishing the details of outward supplies in Form GSTR-1 of the Central Goods and Services Tax Rules, 2017 by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from April, 2020 to September, 2020 till the eleventh day of the month succeeding such month.
- ✓ The return in Form GSTR 3B of the said rules for each of the months from April 2020 to September 2020 shall be furnished electronically through the common portal, on or before the Twentieth day of the month succeeding such month.

However for taxpayers having an aggregate turnover of up to rupees five crore rupees in the previous financial year, whose principal place of business is in the states of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar islands or Lakshadweep, the return in Form GSTR-3B for the months of April, 2020 to September, 2020 shall be furnished on or before the twenty-second day of the month succeeding such month.

In the case of taxpayers whose principal place of business is in the states of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union Territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi, and having an aggregate turnover of rs. 5crores In the previous financial year the return in Form GSTR-3B for the months of April 2020 to September 2020 shall be furnished on or before the twenty-fourth day of the month succeeding such month.

- ✓ The time limit for furnishing of the Annual Return specified under section 44 of the said Act read with Rule 80 of the said rules, electronically through the common portal, for the financial year 2018-2019 till 30.06.2020.
- ✓ Time limit for payment under Sabka Vishwas scheme without Interest extended to 30.06.2020 instead of 31.03.2020

Relief in Banking Services

- ✓ No fee on withdrawal by debit card from any bank for 3 months.
- ✓ No need to maintain minimum balance
- ✓ Lower Bank Charges for digital trade transactions for all trade finance consumers.

Recommendations of 39th GST Council Meeting

The GST Council in its 39th meeting held on 14.03.2020 has made the following recommendations.

- ✓ GST rate on Mobile Phones and specified parts raised to 18% from 12%.
- ✓ GST rate on all type of matches been rationalised to 12%.
- ✓ GST rate on Maintenance ,Repair and Overhaul (MRO) services in respect of aircraft from 18% to 5% with full ITC and to change the place of supply for B2B MRO services to the location of the recipient.
- ✓ Interest for delay in payment of GST to be charged on the net cash tax liability w.e.f. 01.07.2017
- ✓ Where registrations have been cancelled till 14.03.2020, application for revocation of cancellation of registration can be filled up to 30.06.2020
- ✓ MSMEs having aggregate turnover below Rs.5 crores are exempted from furnishing Reconciliation Statement in Form 9C for the financial year 2018-19.
- ✓ Due date for filing the Annual return and the Reconciliation Statement for financial year 2018-19 to be extended to 30.06.2020
- ✓ Late fees not to be levied for delayed filing of the Annual return and the Reconciliation Statement for financial year 2017-18 and 2018-19 for taxpayers with aggregate turnover less than Rs. 2 crores
- ✓ A new facility called 'Know Your Supplier' to be introduced so as to enable every registered person to have some basic information about the suppliers with whom they conduct or propose to conduct business.

- ✓ Requirement of furnishing FORM GSTR-1 for 2019-20 to be waived for taxpayers who could not opt for availing the option of special composition scheme under notification No. 2/2019-Central Tax (Rate) dated 07.03.2019 by filing FORM CMP-02.
- ✓ Special procedure is being prescribed for registered persons who are corporate debtors under the provisions of the Insolvency and Bankruptcy Code, 2016 and are undergoing the corporate insolvency resolution process, so as to enable them to comply with the provisions of GST Laws during the CIRP period.
- ✓ Special procedure for registered persons in Dadra and Nagar Haveli & Daman and Diu during transition period, consequent to merger of the UTs w.e.f. 26.01.2020; transition to be completed by 31.05.2020.
- ✓ Extension of due dates for FORM GSTR-3B for the month of July 2019 to January 2020 till 24th March 2020 for registered persons having principal place of business in the Union territory of Ladakh. Similar extension is also recommended for FORM GSTR-1 & FORM GSTR-7.
- ✓ Bunching of refund claims allowed across financial years to facilitate exporters
- ✓ Dates for implementation of e-invoicing and QR Code to be extended to 01.10.2020
- ✓ Extension of the time to finalize e-Wallet scheme up to 31.03.2021
- ✓ Extension of the present exemptions from IGST and Cess on the imports made under the AA/EPCG/EOU schemes up to 31.03.2021
- ✓ Continuation of existing system of furnishing FORM GSTR-1 & FORM GSTR-3B till September 2020;