

## Daily News Monitor: 1 April 2020

### **1. Merger of 10 public sector banks to come into effect from today: 10 points**

**Source: Livemint ([Link](#))**

Ten Public Sector Undertaking (PSU) banks will be amalgamated into four banks from 1 April. In the biggest consolidation exercise in the banking space, the government in August 2019 had announced the merger of 10 public sector lenders into four bigger and stronger banks. With this, the number of public sector banks in India will come down to 12 from 27 in 2017. It was widely speculated that the government may defer the consolidation exercise for some time due to the novel coronavirus pandemic that has impacted our economy. Here is all you need to know about the mega merger of PSU banks that will come into force from 1 April

### **2. Govt extends foreign trade policy, other export benefits for one year**

**Source: Financial Express ([Link](#))**

The government on 31 March extended the existing Foreign Trade Policy 2015-20, including fiscal incentives for goods' exports for one year till March 2021, amid the coronavirus outbreak and the lockdown to contain the virus spread. The commerce ministry said that in view of the "unprecedented current situation" arising out of the COVID-19 pandemic, it has decided to continue relief under various export promotion schemes by granting extension of the existing policy by another one year. "The existing Foreign Trade Policy 2015-20, which is valid up to March 31 this year, is extended up to March 31, 2021. Various other changes are also made extending the date of exemptions by one year and extending validity of DFIA and EPCG authorisations for import purposes," the Directorate General of Foreign Trade said in a notification. Currently, tax benefits are provided under the Merchandise Export from India Scheme (MEIS) for goods and the Services Export from India Scheme (SEIS).

### **3. Covid-19: G20 trade ministers agree to ensure uninterrupted flow of vital medical supplies**

**Source: Financial Express ([Link](#))**

Trade and investment ministers of the G-20 group have agreed to ensure fair trade and continued flow of vital medicines as well as other essential goods to tackle Covid-19 pandemic. According to a joint statement issued after a video conference, the ministers agreed to support the availability and accessibility of essential medical supplies at affordable prices, on an equitable basis, where they are most needed and will guard against profiteering and unjustified price increases. The ministers also called for working together for a free and fair international trade.

#### **4. New income tax rules from April 1: Find out what changes from today**

**Source: Money Control ([Link](#))**

April 1 marks the beginning of the new fiscal year, 2020-21. Many new I-T rules are also coming into effect with the start of the new fiscal year. Due to the 21-day lockdown across the nation to prevent the spread of coronavirus, the government has extended the deadline of some rules or procedures so that it will remain intact even after the commencement of new fiscal year. Income tax returns filing for the year 2018-19 has been extended, similarly, linking of pan card with Aadhaar card has also been extended to June 30. From April 1, the new tax slab will be effective, however the old tax slab will also remain in existence, Finance Minister Nirmala Sitharaman announced on February 1. This will allow people to select any one out of the two slabs, new or old.

#### **5. Covid-19: Centre allows 100% tax rebate for contributions to PM CARES**

**Source: Business Standard ([Link](#))**

The central government allowed 100 per cent tax deduction for donations made to newly instituted Covid-19 relief fund, PM CARES Fund, through an ordinance issued on 31 March. Earlier, the government had announced 50 per cent deduction. This brings its tax treatment on a par with the Prime Minister National Relief Fund. The ordinance, called Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020, also gave effect to a slew of tax compliance related relief measures announced by FM Nirmala Sitharaman on March 24 in response to the pandemic. The relief includes extension of GST returns filing, direct tax dispute resolution scheme Vivad se Vishwas and Aadhar-PAN linkage till June 30.

#### **6. Coronavirus pandemic | Top-10 places most responsible for spreading COVID-19 in India**

**Source: Money Control ([Link](#))**

Amid the rising number of confirmed coronavirus cases, the central government has identified 10 'hotspots' that have triggered a higher tide of viral infection, news agency IANS has reported. According to the report, these hotspots are Dilshad Garden and Nizamuddin in Delhi, Noida and Meerut in Uttar Pradesh, Bhilwara in Rajasthan, Ahmedabad in Gujarat, Kasargod and Pathanamthitta in Kerala, as well as Mumbai and Pune in Maharashtra. Identification of these hotspots will help the government ramp up the testing process for the novel coronavirus.

## **7. Coronavirus Outbreak: Tech giants such as Google, Facebook seek to defer Indian digital tax, says report**

**Source: First Post ([Link](#))**

Big US tech firms such as Google and Facebook plan to seek deferment of a new Indian digital tax, which has caught them off-guard as businesses battle the fallout from the coronavirus pandemic, three industry sources told *Reuters*. India announced last week that, from 1 April all foreign billings for digital services provided in the country would attract a 2 percent tax. Foreign billings are where companies take payment abroad for a service provided to customers in India. The tax would also apply to e-commerce transactions on websites such as Amazon.com, as well as advertising revenue earned from companies overseas if it eventually “targets a customer” in India, the government said.

## **8. Coronavirus Outbreak: Govt appeals to top companies for contributions to PM-CARES fund**

**Source: Firstpost ([Link](#))**

Seeking more funds for the fight against coronavirus pandemic, the government has appealed to top corporates to make contributions to the PM-CARES Fund. Donations made to the fund will also be exempt from tax. Corporate Affairs Secretary Injeti Srinivas has made an appeal for contributions to chiefs of the top 1,000 companies in terms of market capitalisation. The corporate affairs ministry, which is implementing the Companies Act, has already clarified that contributions to the fund will qualify as CSR expenditure. "Your contribution to the fund would complement and supplement government efforts towards upscaling the public healthcare infrastructure in the country to meet this unprecedented challenge," Srinivas said in a letter.

## **9. Efforts on to line up e-commerce & data laws**

**Source: The Economic Times ([Link](#))**

The commerce ministry, which is giving final shape to the much-awaited e-commerce policy, is soon expected to provide recommendations related to governance of data to the Ministry of Electronics and IT (MeitY), which is looking to regulate personal as well as non-personal data. Officials from MeitY as well as Department for Promotion of Industry and Internal Trade (DPIIT) – which comes under the commerce ministry - have been in talks to make sure there are minimum overlaps between the e-commerce policy and the data laws. Last month, members of a committee on non-personal data, headed by Infosys co-founder S (Kris) Gopalakrishnan, met officials from the DPIIT to discuss these issues, an official aware of the development told ET.

## **10. FSSAI declares import clearance of food items, testing at notified labs as essential services**

**Source: The Economic Times ([Link](#))**

Food regulator FSSAI on 31 March declared import clearance of food items and testing at notified labs as essential services during the lockdown period. "The Food Safety & Standards Authority (FSSAI) has classified the import clearance of food items and functioning of notified food testing laboratories (including National Food Labs) under Essential Services during the COVID-19," it said in a statement. All personnel who are assigned the charge of these essential services are required to be available in office on all working days from Monday to Friday between 9:30 AM to 6:00 PM in order to facilitate the trade as well as ensure smoother operation of related services across the country.