

## COVID-19

### RELIEF MEASURES TAKEN BY GOVERNMENT WITH RESPECT TO STATUTORY AND REGULATORY COMPLIANCE MATTERS

The Union Finance & Corporate Affairs Minister announced on 24<sup>th</sup> March, 2020 several important relief measures taken by the Government of India in view of COVID-19 outbreak. Following are the major decisions with respect to statutory and regulatory compliance matters related to

#### Income Tax:

1. Income tax returns for FY 18-19: Last date for filing of return extended from 31<sup>st</sup> March, 2020 to 30<sup>th</sup> June, 2020.
2. Aadhaar-PAN linking: Deadline extended from 31<sup>st</sup> March, 2020 to 30<sup>th</sup> June, 2020.
3. Vivad se Vishwas scheme: No additional 10% amount, if payment made by June 30, 2020.
4. For delayed payments of advanced tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, STT, CTT made between 20<sup>th</sup> March, 2020 and 30<sup>th</sup> June 2020, reduced interest rate at 9% will be levied instead of 12%/18 % per annum. No late fee/penalty shall be charged for delay relating to this period.
5. 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 20<sup>th</sup> March 2020 to 29<sup>th</sup> June 2020 shall be extended to 30<sup>th</sup> June 2020.

#### GST/Indirect Tax:

1. Taxpayers having aggregate annual turnover less than Rs. 5 Crore: Last date to file GSTR-3B due in March, April and May 2020 by extended to last week of June, 2020. No interest, late fee, and penalty to be charged.
2. Taxpayers having aggregate annual turnover more than Rs. 5 Crore: Can file returns due in March, April and May 2020 by last week of June 2020 with rate of interest @9 % per annum from 15 days after due date (current interest rate is 18 % per annum). No late fee and penalty to be charged, if complied before till 30<sup>th</sup> June 2020.

3. Composition Scheme: Last date for opting is extended till last week of June, 2020.

Further, the last date for making payments for the quarter ending 31<sup>st</sup> March, 2020 and filing of return for 2019-20 by the composition dealers also extended till the last week of June, 2020.

4. Annual returns of FY 18-19: Last date of filing return extended to last week of June 2020 from 31<sup>st</sup> March, 2020.
5. Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws where the time limit is expiring between 20<sup>th</sup> March 2020 to 29<sup>th</sup> June 2020 shall be extended to 30<sup>th</sup> June 2020.
6. Payment date under Sabka Vishwas Scheme shall be extended to 30<sup>th</sup> June, 2020. No interest for this period shall be charged if paid by 30<sup>th</sup> June, 2020.
7. Customs 24X7 Custom clearance till end of 30<sup>th</sup> June, 2020
8. Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing applications, reports, any other documents etc., time limit for any compliance under the Customs Act and other allied Laws where the time limit is expiring between 20<sup>th</sup> March 2020 to 29<sup>th</sup> June 2020 shall be extended to 30<sup>th</sup> June 2020.

### Corporate Affairs:

1. No additional fees shall be charged for late filing during a moratorium period from 01<sup>st</sup> April to 30<sup>th</sup> September 2020, in respect of any document, return, statement etc., required to be filed in the MCA-21.
2. Applicability of Companies (Auditor's Report) Order, 2020 shall be made applicable from the financial year 2020-2021 instead of from 2019-2020 notified earlier. This will significantly ease the burden on companies & their auditors for the year 2019-20.
3. The mandatory requirement of holding meetings of the Board of the companies within prescribed interval provided in the Companies Act (120 days), 2013, shall be extended by a period of 60 days till next two quarters i.e., till 30<sup>th</sup> September;
4. As per Schedule 4 to the Companies Act, 2013, Independent Directors are required to hold at least one meeting without the attendance of Non-independent directors and members of management. For the year 2019-20, if the IDs of a company have not been able to hold even one meeting, the same shall not be viewed as a violation.

5. Newly incorporated companies are required to file a declaration for Commencement of Business within 6 months of incorporation. An additional time of 6 more months shall be allowed.
6. Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, under Section 149 of the Companies Act, shall not be treated as a violation.
7. Requirement to create a Deposit reserve of 20% of deposits maturing during the financial year 2020-21 before 30<sup>th</sup> April 2020 shall be allowed to be complied with till 30<sup>th</sup> June 2020.
8. Requirement to invest 15% of debentures maturing during a particular year in specified instruments before 30<sup>th</sup> April 2020, may be done so before 30<sup>th</sup> June 2020.
9. Due to the emerging financial distress faced by most companies on account of the large-scale economic distress caused by COVID 19, it has been decided to raise the threshold of default under section 4 of the IBC 2016 to Rs 1 crore (from the existing threshold of Rs 1 lakh). This will by and large prevent triggering of insolvency proceedings against MSMEs. If the current situation continues beyond 30<sup>th</sup> of April 2020, we may consider suspending section 7, 9 and 10 of the IBC 2016 for a period of 6 months so as to stop companies at large from being forced into insolvency proceedings in such force majeure causes of default.

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