

**SEVERAL RELIEF MEASURES ANNOUNCED BY THE INDIAN GOVERNMENT
RELATING TO STATUTORY AND REGULATORY COMPLIANCES IN VIEW OF
COVID-19 OUTBREAK**

The Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman on 24.03.2020 announced several important relief measures in the areas of Income Tax, Goods and Service Tax [“**GST**”], Customs & Central Excise, Corporate Affairs, Insolvency & Bankruptcy Code [“**IBC**”], Fisheries, Banking Sector and Commerce etc., taken by the Government of India in view of COVID-19 outbreak, especially on statutory and regulatory compliance matters related to several sectors.

We, Lexport (Advocates and Legal Consultants), have summarised these key announcements made by the Smt. Nirmala Sitharaman here below:

DIRECT TAXES

- Last date for income tax returns for the Financial Year 18-19 has been extended from 31.03.2020 to 30.06.2020.
- The timeline for linking Aadhaar with PAN has been extended from 31.03.2020 to 30.06.2020.
- Interest at the reduced rate of 9% (i.e. 0.75% per month instead of 1/1.5 per cent per month) will be charged on delayed payments between 20.03.2020 to 30.06.2020 w.r.t. Advanced tax, Self-assessment tax, Regular tax, TDS, TCS, Equalization levy, Securities Transaction Tax and Commodities Transaction Tax. Further, no penalty and late fees shall be charged for delays relating to this period.
- 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, Securities Transaction Tax Law, Commodities Transaction Tax Law, Equalization Levy law, Vivad Se Vishwas where the time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.
- Vivaad se Vishwas scheme extended from 31.03.2020 to 30.06.2020. Further, no additional interest @ 10% will be levied till 30.06.2020.

GST / INDIRECT TAX

- Due dates for filing of GST returns extended:
 - ⇒ Last date for filing Form GSTR-3B for the months of March, April and May 2020 will be extended till 30th June, 2020. No interest, late fee, and penalty to be charged if aggregate annual turnover is upto 5 Crores. Further, for those having an aggregate annual turnover of more than 5 Crores no late fee and penalty is chargeable, however, interest at the reduced rate of 9% is chargeable.
 - ⇒ Date for filing GST annual returns for the Financial Year 2018-19, which is due on 31.03.2020 has been extended till the last week of June 2020.
 - ⇒ The due date for making payments for the quarter ending 31.03.2020 and filing of return for 2019-20 by the composition dealers will be extended till the last week of June, 2020.
- The date for opting for composition scheme is extended till the last week of June, 2020.
- The 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 20.03.2020 to 29.06.2020 shall be extended upto 30.06.2020.

CENTRAL EXCISE / SERVICE TAX

- The due date for making payment under Sabka Vishwas (Legacy Dispute Resolution) Scheme shall be extended to 30.06.2020 with no payment of interest.

CUSTOMS

- 24X7 Custom clearance till 30th June, 2020.
- 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 20.03.2020 to 29.06.2020 shall be extended upto 30.06.2020.

CORPORATE AFFAIRS

- No additional fees shall be charged for late filing during a moratorium period from 01.04.2020 to 30.09.2020, in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date, which will not only reduce the compliance burden, including financial burden of companies/ LLPs at large, but also enable long-standing non-compliant companies/ LLPs to make a 'fresh start'.
- The mandatory requirement of holding board meetings within an interval of 120 days as per the Companies Act, 2013, shall be extended by a period of 60 days till next two quarters i.e., till 30.09.2020.
- Applicability of Companies (Auditor's Report) Order, 2020 will be made applicable from the financial year 2020-2021 instead of from 2019-2020.
- 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 Independent Directors of a company have not been able to hold even one meeting, the same shall not be treated as non-compliance.
- Newly incorporated companies are required to file a declaration for Commencement of Business in Form INC 20A within 6 months of incorporation. Now it is decided to give new companies an additional time of 6 more months for filing the said declaration.
- Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company in terms of the requirement under Section 149 of the Companies Act, shall not be treated as a violation.
- Time line to create a Deposit Reserve of 20% of deposits maturing during the financial year 2020-21 has been extended to 30.06.2020 which was earlier 30.04.2020.
- Time line to invest 15% of debentures maturing in a particular year has been extended from 30.04.2020 to 30.06.2020.

INSOLVENCY AND BANKRUPTCY CODE

- *Vide* Notification No.: S.O. 1205(E) dated 24.03.2020, the threshold limit of default under Section 4 of the IBC 2016 has been increased to Rs 1 Crore (from the existing threshold of Rs 1 lakh). This will by and large prevent triggering of insolvency proceedings against MSMEs.
- It is also proposed that if the current situation continues beyond 30.04.2020, the Government 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.

FINANCIAL SERVICES

- Relaxation for 3 months -
 - ⇒ Debit cardholders can withdraw cash for free from any other banks' ATM for 3 months.
 - ⇒ Waiver of minimum balance fee for bank accounts.
 - ⇒ Reduced bank charges for digital trade transactions for all trade finance consumers.

DEPARTMENT OF FISHERIES - RELAXATIONS

- All Sanitary Permits (SIPs) for import of SPF Shrimp Brood stock and other Agriculture inputs expiring between 01.03.2020 to 15.04.2020 extended by 3 months.
- Delay upto 1 month in arrival of consignments to be condoned.
- Rebooking of quarantine cubicles enabled for cancelled consignments in Aquatic Quarantine Facility (AQF) Chennai without additional booking charges.
- The verification of documents and grant of NOC for Quarantine would be relaxed from 7 days to 3 days.

Note that the necessary legal circulars / notifications will be issued by the concerned Authority to give effect to these relief measures.
