

**RELIEF MEASURES UNDER
INCOME TAX ACT, CORPORATE
LAWS, GST AND OTHER LAWS
DURING
COVID-19 PANDEMIC**

INCOME TAX

Last Date for Return Filing

- Last date for ITR for AY 2019-20 extended from 31st March, 2020 to 30th June, 2020.

Aadhaar-PAN linking date

- Aadhaar-PAN linking date to be extended from 31st March, 2020 to 30th June, 2020.

V2V (Vivad se Vishwas) Scheme

- Time limit for availing early bird discount (lower rate of tax) under the scheme extended till June 30th, 2020.(No additional 10% charges)

Reduction in Rate of Interest

- For delayed payments of advanced tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, STT, CTT made between 20th March 2020 and 30th June 2020, reduced interest rate at 9%(0.75% per month) instead of 12 %/18 %(1/1.5% per month) pa will be charged for this period and no late fee/penalty shall be charged.However, due date of TDS return filing has not been extended but no late fee shall be charged.

Extension of due date of tax saving investment

- Investment in tax saving instruments for F.Y. 2019-20 due by 31st March 2020 or investments for roll over benefit of capital gains under IT Act shall be extended to 30th June 2020.

Extension of Due Dates/Limitation 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 under IT Act, WT Act, PBPT Act, Black Money Act, STT law, CTT Law, Equalization Levy law, V2V law where the time limit is expiring between 20th March to 29th June shall be extended to 30th June 2020.

CORPORATE AFFAIRS

Moratorium on MCA 21

- No additional fees shall be charged for late filing during a moratorium period from 01st April to 30th September 2020, in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date

Relaxation on board Meetings

- 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 30th September;

Independent Director

- 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

Applicability of CARO-20

- 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.

Commencement of business

- Newly incorporated companies are required to file a declaration for Commencement of Business within 6 months of incorporation and additional time of 6 months shall be allowed.

Relaxation for residency requirement for Indian Directors

- 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.

Relaxation on Deposits Reserve

- Requirement to create a Deposit reserve of 20% of deposits maturing during the F.Y. 2020-21 before 30th April 2020 shall be allowed to be complied with till 30th June 2020.

Relaxation to invest debentures

- Requirement to invest 15% of debentures maturing during a particular year in specified instruments before 30th April 2020, may be done so before 30th June 2020.

Increase in Threshold for default –IBC 2016

- It has been decided to raise the threshold of default under sec 4 of the IBC 2016 to Rs 1 crore (from the existing threshold of Rs 1 lakh). If the current situation continues beyond 30th of April 2020, section 7, 9 and 10 of the IBC 2016 may be considered for suspension for a period of 6 months.

GST /INDIRECT TAX

Extension of due date of GSTR-3B

- Those having aggregate annual turnover less than Rs. 5 Crore Last date can file GSTR-3B due in March, April and May 2020 by the last week of June, 2020. No interest, late fee, and penalty to be charged.
- Others can file returns due in March, April and May 2020 by last week of June 2020 but the same would attract reduced 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 June 2020.

Relaxation for Composition Scheme

- Date for opting for composition scheme is extended till the last week of June, 2020. Further, the last date for making payments for the quarter ending 31 March, 2020 and filing of return for 2019-20 by the composition dealers will be extended till the last week of June, 2020.

Extension of due date of Annual Returns

- Date for filing GST annual returns of FY 18-19, which is due on 31 March, 2020 is extended till the last week of June 2020.

Payment date under Sabka Vishwas Scheme

- Payment date under Sabka Vishwas Scheme shall be extended to 30 June, 2020. No interest for this period shall be charged if paid by 30 June, 2020.

OTHER /MISC. CHANGES

Extension of due dates for issue of notices etc.

- 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 March 2020 to 29th June 2020 shall be extended to 30th June 2020

Availability of Customs clearance

- 24X7 Custom clearance till end of 30 June, 2020

Relaxations relating to Financial/Banking Services

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

EPF Contribution by Govt.

- Employers and employee Provident fund contributions (12%+12%) of the establishments having less than 100 employees and 90% of them earn less than Rs.15,000/- shall be made by Govt. of India for the next three months.

Withdrawal of balance in EPF account

- EPFO regulation will be amended so that workers can draw upto 75% for their contingency expenditure non refundable advance or 3 months of wages in advance whichever is less.

Disclaimer:

The above information is based on the speech of the Hon'ble Finance Minister, However as assured in the speech notifications shall be issued shortly.

This publication contains information for general guidance only. It is not intended to address the circumstances of any particular individual or entity. Although best of the endeavour has been made to provide the provisions in a simpler and accurate form, there is no substitute to detailed research with regard to the specific situation of a particular individual or entity. Mahendra K. Satya & Co. or any of its officials do not accept any responsibility for loss incurred by any person for acting or refraining to act as a result of any matter in this publication.

THANK YOU

- Mahendra K. Satya & Co.