



**COVID 19 OUTBREAK: RELIEF
MEASURES RELATING TO STATUTORY &
REGULATORY COMPLIANCES**



AAUM & CO.

CHARTERED ACCOUNTANTS

ABOUT COVID-19 : INDIA UPDATES

- India has been affected by Corona Virus and there have been several measures taken by Indian Government to control this Corona virus.
- Hon'ble Prime Minister has announced complete lockdown for 21 days of the Country starting from midnight of March 24, 2020
- Hon'ble Finance Minister had also announced several important relief measures taken by the Government of India in view of COVID-19 outbreak, especially on statutory and regulatory compliance matters related to several sectors which has been dealt in this Presentation.
- Hon'ble Finance Minister has stated that necessary legal circulars and legislative amendments for giving effect to the said relief measures shall be issued in due course.

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Rather become a man of value." – Albert Einstein

INCOME TAX UPDATES

- The due date for I.T. return for FY 2018-19 shall be **extended from March 31, 2020 to June 30, 2020.**
- The due date for linking AADHAR to PAN shall be **extended from March 31, 2020 to June 30, 2020.**
- The Direct Tax Vivad Se Vishwas Scheme (Dispute Resolution Scheme) shall be **extended from March 31, 2020 to June 30, 2020 without additional payment of 10%, provided payment is made by June 30, 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, where the time limit for completion of proceedings by the authority is expiring from 20 March to 29 June, shall be **extended to June 30, 2020.**

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INCOME TAX UPDATES – CONTD..

- Any compliance by the taxpayer including investment in saving instruments / 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 (Dispute Resolution Scheme for Indirect Taxes), where the time limit is expiring from March 20 to June 29, shall be **extended to June 30, 2020**.
- For delayed payments of advanced tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, STT, CTT made between March 20 and June 29, **reduced interest rate at 9 % instead of 12 % / 18 % per annum (i.e. 0.75 % per month)** will be charged for this period. **No late fee / penalty shall be charged for delay relating to this period.**

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GST / INDIRECT TAX UPDATES

- Monthly compliance for person having turnover < Rs. 5 crore:
The **GSTR-3B returns due in March, April and May 2020 can be filed by the last week of June, 2020. No interest, late fee, and penalty to be charged.**
- Monthly compliance for others i.e. with turnover > Rs. 5 crore
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 June 30, 2020.**
- Due date for issue of notice, sanction order, filing of appeal, etc. time limit for any compliance under GST law or Customs Act and allied laws where the time limit is expiring from March 20 to June 29 shall be **extended to June 30, 2020.**

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GST / INDIRECT TAX UPDATES – CONTD..

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

Note-1: The concerned Notification to be issued shall provide more clarity on this aspect.

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CORPORATE AFFAIRS UPDATES

- **No additional fees shall be charged for late filing during a moratorium period from April 1 to September 30, 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 noncompliant companies / LLPs to make a 'fresh start'.**
- **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 September 30.**

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CORPORATE AFFAIRS UPDATES – CONTD..

- **Companies (Auditor's Report) Order, 2020 shall be made applicable from the FY 2020-21 instead of from FY 2019-20 notified earlier.**
- **As per Schedule 4 to the Companies Act, 2013, Independent Directors (ID) 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.**
- **Requirement to invest 15% of debentures maturing during a particular year in specified instruments before April 30, 2020, may be done so before June 30, 2020.**

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CORPORATE AFFAIRS UPDATES – CONTD..

- 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.**
- **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.**

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CORPORATE AFFAIRS UPDATES – CONTD..

- 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 SMEs.
- If the current situation continues beyond April 30, 2020, the government may consider suspending Sections 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.
- Detailed notifications / circulars in this regard are issued by the Ministry of Corporate Affairs separately.

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Thank You



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This updatedesk is general in nature. In this publication, we have endeavoured to we have summarized relief measures provided by the Government pertaining to various regulatory compliances in the wake of COVID-19 outbreak. The analysis in this publication are subject to detailed revalidation. No opinion should be formed or any decision made based on the content of this publication. It may be noted that nothing contained in this publication should be regarded as our opinion and facts of each case will need to be analysed to ascertain applicability or otherwise of the topics covered in this publication. Appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this publication.

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