

KEY RELIEF MEASURES ANNOUNCED BY GOVERNMENT OF INDIA ON STATUTORY AND REGULATORY COMPLIANCES DUE TO COVID-19.

The Prime Minister of India on 24 March 2020 announced total lockdown in the country in a bid to contain the spread of coronavirus (COVID 19) for three weeks. The Finance Minister, on the same day, announced several relief measures on statutory and regulatory compliance matters to mitigate large-scale economic distress caused by COVID 19 across the globe and in India. In the majority of the cases, the due dates falling in March 2020 have been extended till 30th June 2020.

I. INDIRECT TAX

A. Goods and Service Tax

- **Taxpayers having annual turnover of less than INR 50 million (EUR 625.000)**

Month	Due date of GSTR 3B	Interest	Late fee	Penalty
February 2020	Existing due date falling on 20 th / 22 nd / 24 th of next month has been extended till 30th June 2020	Waived	Waived	Waived
March 2020				
April 2020				

- **Taxpayers having annual turnover equal to or more than INR 50 million (EUR 625.000)**

The GSTR-3B for the period February 2020, March 2020 and April 2020 can be filed by last week of June 2020 subject to payment of interest beyond 15 days from current due dates @reduced rate of 18% p.a.

particular	February 2020	March 2020	April 2020
Existing due date GSTR-3B	20 th March 2020	20 th April 2020	20 th May 2020
Revised due date GSTR-3B without Interest	4 th April 2020	5 th May 2020	4 th June 2020
Revised due date GSTR-3B with Interest @9% p.a	30 th June 2020	30 th June 2020	30 th June 2020
Late fee	No late fee if GSTR-3B filed till 30th June 2020		
Penalty	No late fee if GSTR-3B filed till 30th June 2020		

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- Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, the time limit for any compliance under the GST laws where the **time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.**
- Relief for composition taxpayers:

Particular	Existing	Revised
Date for opting for composition scheme for F.Y. 2020-21	31 st March 2020	30 th June 2020
Due date for making GST payment for the quarter ending March 2020 in Form CMP-08	18 th April 2020	30 th June 2020
Filing of Annual Return GSTR-4 for F.Y. 2019-20	30 th April 2020	30 th June 2020

B. Other Key Changes

- The time limit for making payment under **Sabka Vishwas Scheme** has been extended to **30th June 2020**. Further, no interest will be levied, if payment is made by 30th June 2020.

C. Customs

- **24 X 7** Custom Clearance till the end of **30th June 2020**.
- Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, the time limit for any compliance under the Custom laws where the **time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.**

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II. Ministry of Corporate Affairs

Particular	Existing	Revised
Filing of any document, return, statement etc., required to be filed in the MCA-21 Registry by Companies/LLPs, irrespective of its due date during 01st April to 30th September 2020	Late/additional fee charged	Waiver of Late/additional fee
Applicability of Companies (Auditor's Report) Order, 2020	Applicable from FY 2019-20	Now applicable from FY 2020-21
Holding quarterly board meetings	In every 120 days i.e. a quarter	Shall be extended by a further period of 60 days till next two quarters i.e. till 30 th September 20
Declaration for Commencement of Business	Within 6 months of date of incorporation	An additional time of 6 more months shall be allowed

- 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 viewed as a violation.
- Requirement to create a **Deposit reserve of 20%** of deposits maturing during the financial year 2020-21 before 30th April 2020 shall be allowed to be complied with till 30th June 2020.
- Requirement to **invest 15% of debentures** maturing during a particular year in specified instruments before 30th April 2020, maybe done so before 30th June 2020.
- **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.
- 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 30th 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

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companies at large from being forced into insolvency proceedings in such force majeure causes of default.

- **Form CAR (Company Affirmation of Readiness towards COVID – 19)** has been deployed on the web portal of www.mca.gov.in. All the companies/LLP are required to file the same by 31st March, 2020.

For any doubts, please feel free to contact the following:

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