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24 March 2020	The Finance Minister eased statutory and regulatory compliance norms
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## 1) *The Finance Minister eased statutory and regulatory compliance norms on 24 March 2020*

The Finance Minister, Ms. Nirmala Sitharaman, announced a comprehensive plan to ease statutory and regulatory compliances for businesses to deal with extraordinary times. Details of the announcement below:

### Income Tax related matters:

- For FY 18-19 income tax return filing will now be extended to 30 June 2020 from 31 March 2020
- For delayed payments made till 30 June, interest rate reduced to 9% from 12% (for FY 18-19)
- No extension but on delayed deposit of TDS, only reduced interest of 9% will be charged till 30-June-20. Reduced from 18%.
- Aadhar- Pan linking date extended to 30-Jun-2020
- Vivaad se Vishwas Scheme has been extended to 30-Jun-20; Additional charge of 10% that would have been levied, is being removed till 30-June-20
- Due Dates for Issue of Notice, Approval order, Filing of appeal, Furnishing of Returns, Return Statement, Applications, Reports, any other document or compliance, including investment in Savings instruments or investment for Roll Over benefit of Capital Gains, Wealth Tax, Benami Property, Black Money, STT Law, CTT Law, Equalisation Levy Law, Vivaad se Vishwas law, where the time limit was expiring on 20-Mar-20 shall all be extended

### GST related compliance

- Last date for March April and May returns and Composition Returns extended to 30-June 2020. (staggered as in the note)
- For companies <INR 5cr turnover: no interest or late fee will be charged
- Last date for opting composition scheme has been extended to June 30, 2020. Different staggering dates will be applicable, but all will end by June 30, 2020
- Date for opting for composition scheme extended to 30-June-2020

### Customs and Central excise

- Sabka Vishwas scheme extended to 30 June 2020: to settle disputes on indirect tax regime ; no interest will be levied in case of delayed payments/settlements till 30 June
- Customs will be operational 24\*7 till 30 June 2020 as essential services

### Compliance and regulations under Corporate Affairs

- MCA registry – moratorium issued from 1 April onwards to 30 September 2020.
- No additional fee for late payments
- Board meetings: relaxing by a period of 60 days, for next two quarters
- Applicability of the Companies Auditor's Report Order 2020 will be made applicable from FY 2020-2021 instead of 2019-2020
- For FY 19-20, if the independent directors of company have not attended any meeting, this will not be categorised as a violation
- Company director who does not comply with minimum residency requirement of 182 days u/s 149, would not be treated as a violation
- Requirement to create a deposit reserve of 20% of deposits maturing in the year; this can be complied with by 30-June-2020

## **IBC - India Bankruptcy Code**

- Threshold for Bankruptcy amount moved from INR 1 lakh to INR 1 crore
- If situation continues, department may consider suspending 7, 9 and 10 of the Insolvency Act to prevent companies from entering bankruptcy (decision around 30 April 2020)

## **Fisheries compliances**

- All sanitary import permits (SIP) for shrimp brewed stock and other aqua culture inputs which were to be expired by 1 April 2020 to 15 April 2020 extended by next 3 months.
- The delay of 1 month in arrival of consignments will be condoned off.
- Rebooking of quarantine cubicles for cancelled consignments in aquatic quarantine facility would be allowed
- Verification of documents and Grant of NOC would be done in 3 days instead of 7 days

## **Bank related compliances**

- Debit card holders can withdraw cash from any ATM branch free of charge for next 3 months
- No minimum balance needed
- Reduce bank charges for digital trade transactions for all trade finance consumers

## **Commerce related**

- For all practical purposes, principle adopted by any activity undertaken in commerce, for procedural and eligibility related issues, timelines will be extended, however there will be no extension or modification of the schemes.

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## **2) *Economic relief package announcement by the Finance Minister on 26 March 2020***

The Finance Minister held a press briefing on 26 March to announce a welfare package 'PM Garib Kalyan' worth INR 1.70 lac crore (£18 billion) to aid migrant workers, rural and urban poor and ensure food security in the country within 36 hours of the lockdown announcement. The FM has also hinted about a possible second wave of relief measures.

**Medical insurance cover of INR 50 lacs (£55K) per person** for doctors, technicians, paramedics, nurses, Asha workers, policemen, sanitation workers and others involved in combating the virus. Around 20,00,000 people expected to benefit.

### **Food security and relief measures**

PM Garib Kalyan Ann Yojana which caters to 80 crore citizens (2/3 of Indian population) will get 5kg wheat and rice in addition to the current entitlement under the scheme for free for next three months.

Also, 1kg pulses/dal on regional preferences for each of these household will be distributed to each household

### **Cash transfers for below categories through Direct Benefit Transfer**

**Farmers:** First instalment of INR 2000 will be distributed to 8.70 crore farmers (from an earlier scheme which provides INR 6000 annually to farmers)

**MNREGA:** A wage increase from INR 182 to INR 202 (additional INR 2000/ per person) under this scheme to benefit 5 crore families

**Poor Handicapped/ Poor Widows/Poor Pensioners:** Ex-gratia INR 1000 benefit in two instalments in next three months will be transferred to 3 crore citizens under this category

**Jan Dhan Yojana Women account holders:** Ex-gratia amount of INR 500/month for next three months to 20 crore women account holders under the Jan Dhan Yojana

**Women under Ujwala scheme:** Free LPG cylinders for 8.3 crore women under Ujwala scheme to aid in cooking

**Women SHGs dealing with livelihood mission:** 20 lakh collateral-free loan doubled from the earlier 10 lakh under National Rural Livelihood Mission. Impact on 7 Cr. households through 63 lakh SHGS.

**Organized sector workers:**

Government of India will pay the EPF contribution both employer and employee (12%+12%=24%) for the next three months for all those establishments which have up to 100 employees and 90% of the employees are those earning less than INR 15,000 per month.

The provident fund scheme (EPFO) regulations will be amended to allow the non-refundable advance of up to 75% of the amount or 3 month wages, whichever is lower.

**Construction workers:** Utilize the INR 31,000 crore welfare fund for building and construction under central government scheme to provide support to 3.5 crore registered building and construction workers as an aid from any economic disruption.

**Utilizing the District Mineral Fund:** Urged the state governments to use the fund for testing activities, screening activities and other necessary activities for the fight against corona.