

RELIEF MEASURES RELATING TO STATUTORY AND REGULATORY COMPLIANCE MATTERS

Key demands/suggestions across the sectors and industry at this current standstill or rather worsening economic conditions obviously include: improving liquidity; cutting duties and taxes; expediting tax refunds; halt on tax scrutinies; pausing of tax litigations; and extension of tax returns filing timelines.

Finance Minister Nirmala Sitaram announced several relief measures relating to Statutory and Regulatory compliance matters in view of COVID-19 pandemic. In order to give effect to these announcements, the government has brought in an [Ordinance](#) on 31.03.2020 which provides for extension of various time limits under Income Tax, GST, Customs & Central Excise. **Important features and time limits which get extended by this Ordinance are as under:-**

Direct Taxes	Indirect Taxes
Last date of filing income-tax returns for the FY 2018-19; making various investment/payment for claiming deduction under Chapter-VIA-B and investment/ construction/ purchase made for claiming deduction from capital gains arising during FY 2019-20 under Income Tax Act, 1961 extended up to 30 June 2020.	Last date of furnishing of the Central Excise returns (with aggregate annual turnover less than Rs. 5 Crore) due in March, April and May 2020 extended to 30 June 2020. Others can file returns by 30 June 2020 with reduced rate of interest @ 9 % per annum.
The date for commencement of operation for the SEZ units for claiming deduction under deduction 10AA of the Income Tax Act, 1961 extended up to 30 June 2020 for the units which received necessary approval by 31 March 2020.	Wherever the last date for filing of appeal, refund applications etc., under the Central Excise Act, 1944, Customs Act, 1962 and relating to Service Tax is from 20 March 2020 to 29 June 2020, the same has been extended to 30 June 2020.
The date for passing of order or issuance of notice by the authorities under various direct taxes & Benami Law extended up to 30 June 2020.	The date for making payment to avail the benefit under Sabka Vishwas Legal Dispute Resolution Scheme 2019 is extended to 30 June 2020.
Reduced rate of interest of 9% shall be charged for non-payment of Income-tax (e.g. advance tax, TDS, TCS, Equalization	Date for filing GST annual returns of FY 2018-19 is extended till 30 June 2020.

Levy, STT, CTT) which are due for payment from 20.03.2020 to 29.06.2020 if they are paid by 30 June 2020.	
Declaration and payment under Vivad se Vishwas Scheme can be made up to 30 June 2020 without additional payment.	Date for opting for composition scheme and for making payments for the quarter ending 31 March 2020 and filing of return for 2019-20 by the composition dealers is extended till 30 June 2020.
Donations made to the PM CARES Fund up to 30 June 2020 are eligible for 100% deduction from income of FY 2019-20 under section 80G of the Income Tax Act, 1961. Limit on deduction of 10% of gross income not applicable for donation made to PM CARES Fund.	24X7 Custom clearance till end of 30th June 2020

Relief measures relating to Statutory and Regulatory compliance matters announced (detailed notifications are yet to be issued by the Ministry of Corporate Affairs) by Finance Minister Nirmala Sitharaman include:

No additional fees for late filing during a moratorium period from 1 April to 30 September 2020, in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry.
The mandatory requirement of holding meetings of the Board of the companies within prescribed interval (120 days), extended by a period of 60 days till next two quarters i.e., till 30 September 2020.
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.
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.
An additional time of 6 months is allowed to newly incorporated companies to file a declaration for Commencement of Business.
Non-compliance of minimum residency in India for a period of at least 182 days by at least one director shall not be treated as a violation.

[For any further clarifications or assistance, get in touch with us.](#)

Disclaimer: The information contained in this update is of a general nature. Users of this information are expected to refer to the relevant existing provisions of applicable Laws.

- **BUSINESS SUPPORT SERVICES TEAM**

