



COVID- 19

Relief measures announced by the
Government of India

Across the globe, the impact of COVID-19 pandemic has been unprecedented, and companies, especially SMEs, are struggling to maintain their business. A survey by the Federation of Indian Chambers of Commerce & Industry (FICCI), reveals that besides the direct impact on demand and supply of goods and services, businesses are also facing reduced cash flows due to slowdown in economic activity.

While many countries have announced stimulus packages for businesses, the Government of India is yet to do so. However, the government has rolled out several measures to ease the affected businesses and taxpayers. These measures include but are not limited to an extension of the filing dates of Income Tax, GST, linking of PAN and Aadhar, and relaxations in labor laws. The government has also urged employers not to terminate their employees or reduce salaries. Additionally, the finance ministry is already working on an economic package to mitigate the impact of coronavirus on the Indian economy.

With an intent to address some of the most pressing concerns, we have categorically curated lists of relaxations and measures undertaken by the government.

Banking Services

Sub Category	Eligible Persons	Nature	Reliefs	Cash Flow Benefit	Duration of Benefit
Banking Operations	All Persons	Operations	<ul style="list-style-type: none"> No Charges on ATM cash withdrawal from any other bank No Minimum Balance fees to be charged by banks Click here to know more	Yes	1 April 2020 - 30 June 2020
Banking Operations	All Persons	Operations	Reduced bank charges on digital trade transactions for all Trade Finance Consumers Click here to know more	Yes	1 April 2020 - 30 June 2020



Direct Tax

Sub Category	Eligible Persons	Nature	Reliefs	Cash Flow Benefit	Duration of Benefit
TDS (Withholding Tax)	All Entities	Statutory Payout TDS	<ul style="list-style-type: none"> Reduced interest rate - 9% instead of 12/18% on late deposits of TDS No additional penalty/fee for late payment Click here to know more	Yes	March till May 2020
TDS (Withholding Tax)	All Entities	Compliance Returns	<ul style="list-style-type: none"> Due date extended till 30 June 2020 from 31 May 2020 No late payment charges or penalty Click here to know more	No	For January-March 2020 Return Only
Aadhar-PAN Linkage	All Entities	Compliance General	<p>Due date extended till 30 June 2020 from 31 March 2020.</p> Click here to know more	No	NA
Income tax return and tax audit report	All Entities	Compliance General	Due date extended till 30 Nov 2020 from 31 Oct 2020	No	For FY 19-20
TDS (withholding tax rates) returns	All Entities	Compliance General	Due date extended till 30 June 2020 from 31 May 2020	No	Quarter 4 FY 19-20
TDS (withholding tax rates)	All Entities	Statutory Payout TDS	25% reduction in withholding tax (WHT) rates for non-salaried resident taxpayers, effective from 14 May 2020 to 31 March 2021.	Yes	14 May 2020 - 31 Mar 2021
PM Cares Fund Donation	All Entities	Optional Payout	100% tax exemption of donations to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) u/s 80G of Income Tax Act, 1961 Click here to know more	Yes	FY 2020-21

Indirect Tax

Sub Category	Eligible Persons	Nature	Reliefs	Cash Flow Benefit	Duration of Benefit
GSTR-3B Return	Person having aggregate turnover less than INR 5 Crore	Compliance Returns	<ul style="list-style-type: none"> Due date extended till 30 June 2020 from 20th of subsequent month No penalty/late fee on delayed filing of return Click here to know more	No	March - May 2020
GSTR-3B Return	Person having turnover of INR 5 Crore and above	Compliance Returns	<ul style="list-style-type: none"> Reduced interest rate - 9% instead of 18% on GST payments done after 15 days from the usual due date of 20th of subsequent month. (For eg, return for April 2020 due for filing on 20 May can be filed till 5 June with no interest, beyond that interest @ 9% shall be levied) No penalty/late fee of delayed filing of return if done by 30 June 2020 Click here to know more	No	March - May 2020
GSTR-9 Return for FY 2018-19	All Persons	Compliance Returns	<p>Annual Return due date extended till 30 September 2020 from 31 March 2020</p> Click here to know more	No	FY 2018-19
Composition Scheme under GST	All Persons	Compliance Reg., Dues & Returns	<ul style="list-style-type: none"> Registration can be obtained till 30 June 2020 Due date of quarterly payment for January-March 2020 and return filing of FY 2019-20 extended till 30 June 2020 Click here to know more	No	FY 2019-20
Customs	All Persons	Compliances	<ul style="list-style-type: none"> Customs Office being operational 24*7 Preference given to clearance of goods under 'Essential' category Click here to know more	No	30 June 2020
GST refund	All Persons	Compliance Returns	Government has allocated funds for expeditious clearance of refund claims	Yes	Until pending applications

Company Law

Sub Category	Eligible Persons	Nature	Reliefs	Cash Flow Benefit	Duration of Benefit
Board Meetings	Company including BOs and LOs	Compliance	As a one-time relaxation the gap between two consecutive meetings of the Board may extend to 180 days till the next two quarters, instead of 120 days Click here to know more	No	1 April 2020 - 30 September 2020
Directors	Company including BOs and LOs	Compliance	Non-compliance of Minimum residency in India for a period of at least 182 days by at least one director of every company, shall not be treated as a violation for the FY 2019-20 Click here to know more	Yes	1 April 2020 - 30 September 2020
Statutory Audit	Companies where CARO reporting is applicable	Compliance	The Companies (Auditor's Report) Order, 2020 shall be made applicable from FY 2020-21 instead of FY 2019-20 notified earlier Click here to know more	No	FY 2019-20
MCA Compliances	Newly incorporated companies	Compliance	Additional 180 days will be allowed over the normal requirement of declaration of Commencement of Business within 180 days of incorporation Click here to know more	No	1 April 2020 - 30 September 2020
MCA Compliances	Company and LLP	Compliance	<ul style="list-style-type: none"> No late filing fees for any document, return, statement, etc. required to be filed in the MCA-21 Registry, irrespective of its due date Under fresh start scheme, no additional fees for any pending filings due on or before 31 March 2020, if filed during April to September 2020 Click here to know more	Yes	1 April 2020 - 30 September 2020

Employee Welfare

Sub Category	Eligible Persons	Reliefs	Cash Flow Benefit	Duration of Benefit
Payroll matters	All establishments	<ul style="list-style-type: none"> Relief package of INR 1.7 Lakh Crore under the PM Gareeb Kalyan Scheme (PMGKP) with limited incentives and largely benefits workers in unorganized sectors or small business in organized sectors. The Ministry of Labour and Employment and the government has advised private and public employers to extend their co-ordination and not terminate or reduce the wages of its employees. It also states that if employees are on leave, they should be deemed to be on duty without consequential deduction of wages for this period. Further, it also states that if the place of employment is non-operational due to COVID-19, the employees will be deemed to be on duty. Government advises not to terminate or reduce the pay, the establishments to seek legal opinion if the company intends to reduce the pay in the event of covid 19 outbreak, forced leaves, reduce work day/hours Employment law in India does not recognize the concept of 'furloughing' and therefore no employer can force an employee to go on mandatory unpaid leave. The employer may request its employees to take annual leaves, however, this it must be agreed to by the employees. If there is no mutual agreement, they will be deemed to be on duty and their salaries must be paid. <p>Click here to know more</p>	No	
PF/Social Security Contribution	Establishments with up to 100 employees, of which 90% earn below Rs. 15, 000 per month	<ul style="list-style-type: none"> Government to contribute employer and employee PF (24%) for the next 3 months Employees have been given the right to take a non-refundable advance from their PF accounts, up to 75% of their PF balance or the sum of their basic wages and dearness allowance for the last 3 months, whichever is less. <p>Click here to know more</p>	Yes	1 March 2020 - 1 August 2020
PF/Social Security Contribution	All establishments	Reduction in PF contribution of both employer and employee share from 12% to 10% for employees other than covered under PMGKP	Yes	1 April 2020 - 1 August 2020

MSME

Expansion of the scope of the definition of MSMEs under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED, 2006), thereby enabling more enterprises (be it company, LLP, partnership/proprietorship firm, etc.) to be eligible for such benefits. A brief comparison of the maximum threshold limits under the existing and proposed definition is given hereunder:

Amounts in INR

Criteria	Micro		Small		Medium	
	Existing	Proposed Revision*	Existing	Proposed Revision*	Existing	Proposed Revision*
Investment	Manufacturing - 2.5 million; Service - 1 million	10 Million	Manufacturing - 50 million Service - 20 million	100 Million	Manufacturing - 100 million Service - 50 million	200 Million
Turnover	N.A.	50 Million	N.A.	500 Million	N.A.	1 Billion

* Applicable to both manufacturing and service enterprises, thereby removing differentiation in criteria

Now, both investment and turnover criteria would need to be fulfilled in order to claim benefits available to MSMEs.

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