



**FISCAL MEASURES TAKEN IN ON
ACCOUNT OF COVID19**

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What is Atmanirbhar Bharat Abhyan?

Atmanirbhar Bharat Abhyan Stands for Self-Reliant India Movement. It is a bold reform that will drive the country towards self-reliance. It is time to become vocal for our local products and make them global. It has got Five pillars of support namely, Economy, Infrastructure System, Vibrant Demography and Demand. This is a comprehensive package budgeting Rs. 20 lakh crores. This is equivalent to 10% of India's GDP. This scheme aims to cater various sections including cottage industry, MSMEs, laborers, middle class, industries, among others. Various schemes have been introduced under this Atmanirbhar Bharat Abhyan. Let us see the schemes in detail.

➤ Pradhan Mantri Garib Kalyan Package - 1

This package helps the poor to fight the battle against Corona Virus. This package is budgeted at Rs. 1.70 lakh crores. It aims to provides following benefits to the poor household for the next 3 months,

- 1. It gives insurance cover of Rs. 50 lakhs per Health Worker.*
- 2. About 80 crores poor people will be provided 5kg of Rice or Wheat for the next 3 months*
- 3. 1 Kg of pulses will be given free for next 3 months to each households.*
- 4. 20 crores women who have Jan Dhan account will be provided Rs 500 per month for next 3 months*
- 5. About 8 crores poor families will be provided Gas Cylinders at free of cost for next 3 months*
- 6. MNREGA wage has been increased to Rs. 202 from Rs.182 per day for 13.62 crore families*
- 7. Ex-gratia of Rs 1,000 will be provided to 3 crore Poor Senior Citizens, Poor Widows and Poor Divyang.*

➤ Pradhan Mantri Garib Kalyan Package – 2

- 1. About 8.7 crores farmers under existing PM-KISAN scheme to be provided Rs. 2,000*
- 2. Building and Construction Workers Welfare Fund will be utilized to provide relief to workers.*
- 3. Wage earners below Rs. 15,000 per month in the business having less than 100 workers will now get 24% of their monthly wages credited to their PF accounts*
- 4. About 5 crores workers who have registered under Employee Provident Fund Scheme to get the benefit of non-refundable advance of 75% of the amount or 3 months wage, whichever is lower.*
- 5. Women Self Help Group to increase the limit of collateral free lending from Rs.10 to Rs. 20 lakhs to support 6.85 crore households.*
- 6. District Mineral Fund will now be utilized for supplementing and augmenting facilities of medical testing, screening, etc.*

FISCAL MEASURES ON ACCOUNT OF COVID 19

In addition to the above schemes Government has also taken the following Statutory Relaxations to reduce the sufferings of the people during COVID-19

In order to provide relief for the disruption caused by COVID-19, Our Finance Minister Nirmala Sitharaman on 24th March, 2020 has announced major changes amounting to extension of deadlines and relaxation on compliance related to GST, Income Tax, Insolvency and Bankruptcy Code (IBC)-related matters, bank-related compliances. Let us look into each area in brief.

➤ Income Tax

- *Income Tax Department has been instructed to issue all the pending income tax refunds up to Rs. 5 lakhs immediately. This will benefit around 14 lakh taxpayers. Special Refund and Drawback Disposal Drive has been implemented in this regard for all the pending and drawback claims . This scheme aims at providing Rs. 18,000 crores has refund to the taxpayers.*
- *The last date for filing Income Tax Returns for the financial year 2018-19 has been extended to June 30, 2020. For the delayed payments, the interest rate has been reduced from 12 percent to 9 percent.*
- *All other dates for income tax notices and filing have been extended till 30th June, 2020.*
- *Aadhaar-PAN linking date has been extended to June 30, 2020, from March 31, 2020.*
- *Vivaad Se Vishwas scheme extended to June 30, 2020. No 10 percent additional charge will not be imposed on Vivaad Se Vishwas Scheme till June 30, 2020.*

➤ GST

- *The due date for filing the return of GSTR -3B for the month of March, April and May has been extended to 30th June, 2020 for the companies having turnover less than Rs. 5 Core.*
- *Bigger companies (i.e Company having turnover more than Rs. 5 Crore), have to pay only interest but no late fee and no penalty will be imposed on them.*
- *However belated returns can be filed after June 30th till 15th July (for 15 days) with the reduced interest at 9%. p. a (Current rate of interest 18%. p. a).*
- *The government also extended the date till the last week of June, for opting for composition scheme.*
- *The due date for filing GST annual returns of FY2018-19, which was due on March 31, has been extended till 30th September 2020.*
- *Further the due dates for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, 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.*

FISCAL MEASURES ON ACCOUNT OF COVID 19

- *Any payments to be made under the 'Sabka Vishwas' scheme, which was for settling disputes in the indirect tax regime, has also been extended till June 30, 2020.*
- **TDS**
- *The due date for filing the TDS returns of 4th quarter (. i. e January to March) has been extended to 30th June, 2020*
- *The due date for filing the TCS returns of 4th quarter (. i. e January to March) has been extended to 30th June, 2020*
- *The due date for quarterly furnishing of 15G/15H declaration received by the payer has been extended to 30th June, 2020.*
- *For delayed payments of advance tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, STT, CTT made between 20th March 2020 and 30th June 2020, the reduced interest rate at 9% instead of 12 %/18 % per annum (i.e. 0.75% per month instead of 1/1.5 percent per month) will be charged for this period. No late fee/penalty shall be charged for delay relating to this period.*
- *However, none or short payments of TDS/TCS made after 30th June will attract following interest liability: -*
 - a. *When a part or whole amount of tax is Non-deducted at source then 1% per month interest is subject to TDS/TCS amount when the Interest period starts from the date on which the tax was deductible and lasts till the actual date of deduction.*
 - b. *When a part or whole amount of TDS is not paid then 1.5% per month interest is subject to TDS/TCS amount when the Interest period starts from the deduction date and lasts till the actual date of payment.*
 - c. *Interest at the rate of 1.5% per month (from the date when it was deducted to the actual date of deposit) has to pay for late payment of TDS after deduction.*
- **Company Affairs**
- *Our Finance Minister has relaxed the holding of board meetings for a period of 60 days till the next two quarter for all the companies.*
- *Applicability of The Companies Auditors' Report Order (CARO) 2020, has been shifted to 2020-21, which was supposed to have come into force in 2019-20.*
- *New companies will get an additional 6 months to file the declaration with respect to business commencement.*

FISCAL MEASURES ON ACCOUNT OF COVID 19

➤ Other areas

- *The threshold limit for default under IBC has been raised to Rs 1 crore from Rs 1 lakh earlier to prevent triggering of IBC for MSMEs.*
- *There will be no charge if one withdraws money from the ATM of other banks till June 30, 2020.*
- *There is no need to maintain the minimum balance in one's bank account, be it a public or private bank.*

➤ **Fiscal Measure taken by Reserve Bank of India**

In additions to the steps taken by the Indian Government, RBI has

- a. RBI has raised the ways and means advance limits of the states by 60% and enhanced the Overdraft duration limits on account of the request made by the Indian Government.
- b. Sanctioned Rs. 15,000 crores for Emergency Health Response Package.

FISCAL MEASURES ON ACCOUNT OF COVID 19

1. To provide stressed MSMEs with equity support, Government will also facilitate provision of **Rs. 20,000 crore as subordinate debt**.
 - **What is this?**
 - Subordinated debt facility will aid 2 lakhs stressed MSMEs.
 - **Who is eligible for this scheme?**
 - Promoters of MSMEs will be given by banks, which will then be infused by promoter as equity in the unit.
 - **What are the key features?**
 - Government will provide a support of Rs.4000 crores to CGTMSE (Credit Guarantee Funds Trust for Micro and Small Enterprises). This CGTMSE will provide partial credit guarantee support to banks.
2. There is also **Rs. 50,000 crores equity infusion** for MSMEs through Fund of Funds
 - **What is this?**
 - Scheme to be operated through a Mother Fund and few daughter funds; this will help to expand MSME in size as well as capacity.
 - **Who is eligible for this scheme?**
 - We need to await for announcement regarding detailed eligibility.
 - **What are the key features?**
 - Fund of Funds with Corpus of Rs. 10,000 crores will be set up and will provide equity funding for MSMEs with growth potential and viability.
 - Fund structure will help leverage Rs 50,000 crores of funds at daughter funds level.
3. To help MSMEs further and as a first step to create self-dependent India, **global tenders** will be **banned** for government procurement up to Rs 200 crore.
4. Other interventions for MSMEs:
 - **E-market linkage** for MSMEs to be promoted to act as a replacement for trade fairs and exhibitions.
 - **MSME receivables** from Government and CPSEs to be released in 45 days.