



सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
Ministry of Micro, Small and Medium Enterprises

**COMPENDIUM OF STEPS TAKEN BY GOVERNMENT
OF INDIA TO SUPPORT MSME SECTOR IN FIGHT
AGAINST COVID-19 PANDEMIC**

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1. Portals created by various Ministries and Departments for dissemination of COVID-19 related information for the MSME sector

- i. A dedicated page for COVID-19 related information has been created on DCMSME website: http://dcmsme.gov.in/Awareness_corona.htm
- ii. A special webpage by Press Information Bureau on COVID-19 is created on: <https://pib.gov.in/newsite/chronavirus.aspx?docid=667>
- iii. The Invest India Business Immunity Platform (BIP) for business issues redressal by Ministry of Commerce and Industry is created on: https://www.investindia.gov.in/bip?utm_source=popup

2. Notification by Ministry of Finance on Taxation and other Laws

2.1 Finance Ministry issues Taxation and other Laws (Relaxation of Certain Provisions) Ordinance, 2020 today

In order to give effect to the announcements made by the Union Finance Minister *vide* Press Release dated 24.03.2020, regarding several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak, the govt has brought in an Ordinance on 31.03.2020 which provides for extension of various time limits under the Taxation and Benami Acts. It also provides for extension of time limits contained in the Rules or Notification which are prescribed/ issued under these Acts.

It may be noted that the outbreak of Novel Corona Virus (COVID-19) across many countries of the world has caused immense loss to the lives of people, and accordingly, it has been termed as pandemic by the World Health Organisation and various Governments including Government of India. Social distancing has been unequivocally accepted to be the best way to contain its spread, leading to announcement of complete lockdown in the country. Keeping in view the challenges faced by taxpayers in meeting the compliance requirements under such conditions, the Union Finance Minister had announced several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak on 24.03.2020 vide a press release.

Some of the important features and time limits which get extended by this Ordinance are as under:-

2.2 Direct Taxes & Benami

- i. Extension of last date of filing of original as well as revised income-tax returns for the FY 2018-19 (AY 2019-20) to 30th June, 2020.
- ii. Extension of Aadhaar-PAN linking date to 30th June, 2020.
- iii. The date for making various investment/payment for claiming deduction under Chapter-VIA-B of IT Act which includes Section 80C (LIC, PPF, NSC etc.), 80D (Mediclinaim), 80G (Donations), etc. has been extended to 30th June, 2020. Hence the investment/payment can be made up to 30.06.2020 for claiming the deduction under these sections for FY 2019-20.
- iv. The date for making investment/construction/purchase for claiming roll over benefit/deduction in respect of capital gains under sections 54 to 54GB of the IT Act has also been extended to 30th June 2020. Therefore, the investment/ construction/ purchase made up to 30.06.2020 shall be eligible for claiming deduction from capital gains arising during FY 2019-20.
- v. The date for commencement of operation for the SEZ units for claiming deduction under deduction 10AA of the IT Act has also extended to 30.06.2020 for the units which received necessary approval by 31.03.2020.
- vi. The date for passing of order or issuance of notice by the authorities under various direct taxes& Benami Law has also been extended to 30.06.2020.
- vii. It has provided that reduced rate of interest of 9% shall be charged for non-payment of Income-tax (e.g. advance tax, TDS, TCS) Equalization Levy, Securities Transaction Tax (STT), Commodities Transaction Tax (CTT) which are due for payment from 20.03.2020 to 29.06.2020 if they are paid by 30.06.2020. Further, no penalty/ prosecution shall be initiated for these non-payments.

- viii. Under Vivad se Vishwas Scheme, the date has also been extended up to 30.06.2020. Hence, declaration and payment under the Scheme can be made up to 30.06.2020 without additional payment.

2.3 Indirect Taxes

- i. Last date of furnishing of the Central Excise returns due in March, April and May 2020 has been extended to 30th June, 2020.
- ii. Wherever the last date for filing of appeal, refund applications etc., under the Central Excise Act, 1944 and rules made thereunder is from 20th March 2020 to 29th June 2020, the same has been extended to 30th June 2020.
- iii. Wherever the last date for filing of appeal, refund applications etc., under the Customs Act, 1962 and rules made thereunder is from 20th March 2020 to 29th June 2020, the same has been extended to 30th June 2020.
- iv. Wherever the last date for filing of appeal etc., relating to Service Tax is from 20th March 2020 to 29th June 2020, the same has been extended to 30th June 2020.
- v. The date for making payment to avail of the benefit under Sabka Vishwas Legal Dispute Resolution Scheme 2019 has been extended to 30th June 2020 thus giving more time to taxpayers to get their disputes resolved.

In addition to the extension of time limits under the Taxation and Benami Acts as above, an enabling section has got inserted in the CGST Act, 2017 empowering the Government to extend due dates for various compliances inter-alia including statement of outward supplies, filing refund claims, filing appeals, etc. specified, prescribed or notified under the Act, on recommendations of the GST Council.

2.4 PM CARES FUND

A special fund “Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND)” has been set up for providing relief to the persons affected from the outbreak of Corona virus. The Ordinance also amended the provisions of the Income-tax Act to provide the same tax treatment to PM CARES Fund as available to Prime Minister National Relief Fund. Therefore, the donation made to the PM CARES Fund shall be eligible for 100% deduction under section 80G of the IT Act. Further, the limit on deduction of 10% of gross income shall also not be applicable for donation made to PM CARES Fund.

As the date for claiming deduction u/s 80G under IT Act has been extended up to 30.06.2020, the donation made up to 30.06.2020 shall also be eligible for deduction from income of FY 2019-20. Hence, any person including corporate paying concessional tax on income of FY 2020-21 under new regime can make donation to PM CARES Fund up to 30.06.2020 and can claim deduction u/s 80G against income of FY 2019-20 and shall also not lose his eligibility to pay tax in concessional taxation regime for income of FY 2020-21.

3. Notification by Ministry of Corporate Affairs on “Companies Fresh Start Scheme, 2020”

3.1 Ministry of Corporate Affairs introduces the “Companies Fresh Start Scheme, 2020” and revised the “LLP Settlement Scheme, 2020” to provide relief to law abiding companies and Limited Liability Partnerships (LLPs) in the wake of COVID 19

In pursuance of the Government of India’s efforts to provide relief to law abiding companies and Limited Liability Partnerships (LLPs) in the wake of COVID 19, the Ministry of Corporate Affairs (MCA), has introduced the “Companies Fresh Start Scheme, 2020” and revised the “LLP Settlement Scheme, 2020” which is already in vogue to provide a first of its kind opportunity to both companies and LLPs to make good any filing related defaults, irrespective of duration of default, and make a fresh start as a fully compliant entity.

The Fresh Start scheme and modified LLP Settlement Scheme incentivise compliance and reduce compliance burden during the unprecedented public health situation caused by COVID-19. The USP of both the schemes is a one-time waiver of additional filing fees for delayed filings by the companies or LLPs with the Registrar of Companies during the currency of the Schemes, i.e. during the period starting from 1st April, 2020 and ending on 30th September, 2020.

The Schemes, apart from giving longer timelines for corporates to comply with various filing requirements under the Companies Act 2013 and LLP Act, 2008, significantly reduce the related financial burden on them, especially for those with long standing defaults, thereby giving them an opportunity to make a “fresh start”. Both the Schemes also contain provision for giving immunity from penal proceedings, including against imposition of penalties for late submissions and also provide additional time for filing appeals before the concerned Regional Directors against imposition of penalties, if already imposed.

However, the immunity is only against delayed filings in MCA21 and not against any substantive violation of law.

Details of the both the Schemes may be perused from the Circulars dated 30.03.2020, issued by the Ministry of Corporate Affairs.

4. Notification by Ministry of Food Processing Industries on Task Force

4.1 Food Processing ministry forms Task Force in the wake of Covid-19 to resolve problems of industry: Harsimrat Kaur Badal

Union Food Processing Industries Minister Smt. Harsimrat Kaur Badal assured industry representatives that a dedicated Task Force had been established to resolve all problems being faced by the food processing and ancillary industries during the current Covid-19 lockdown.

In a video conference with major industry associations such as CII, FICCI, ASSOCHAM, PHDCCI, AIFPA, ICC, FINER and DICCI today, the Union minister said the Task Force included all senior officials of the food processing ministry and members of Invest India. She said the team had already received 222 issues out of which 98 had been resolved and the rest were under process of resolution.

During the video conference, industry representatives told Smt. Harsimrat Badal that though directions had been sent to all State governments about the need for allowing the manufacturing and movement of essential items, they were being interpreted in different ways by the State governments. They stressed the need for uniform format for all States regarding manufacture and movement of food products. The representatives shared the problems related to factory shutdown, permission to operate warehouses, personnel movement and logistic disruption. The industry representatives said that required labour was not available for smooth manufacturing and that there was a shortage of transport also. They further urged that 'kirana stores' be allowed to open across the country to ensure the forward linkage was established.

FPI Minister said talks would be initiated with the transport unions to ensure smooth supply of food material and access to raw materials by the food processing industry.

She assured industry representatives that she would review all suggestions and grievances submitted by them to the task force.

5. Notification by Ministry of Corporate Affairs on CIRP Regulations

5.1 IBBI amends CIRP Regulations to provide relief in corporate insolvency resolution process due to COVID-19 outbreak

To address this difficulty faced by the lockdown due to COVID-19, the Insolvency and Bankruptcy Board of India (IBBI) amended the CIRP Regulations to provide that the period of lockdown imposed by the Central Government in the wake of COVID-19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to the lockdown, in relation to a corporate insolvency resolution process. This would, however, be subject to the overall time-limit provided in the Code.

The IBBI amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) on 29th March 2020.

The Government of India has declared a lockdown of twenty-one days with effect from 25th March, 2020 as a measure to combat and contain the spread of COVID-19. It is difficult for the insolvency professionals to continue to conduct the process, for members of committee of creditors to attend the meetings, and for prospective resolution applicants to prepare and submit resolution plans, during the period of lockdown. Therefore, it may be difficult to complete various activities during a corporate insolvency resolution process within the timelines specified in the CIRP Regulations.

The amended regulations are effective from 29th March 2020. These are available at www.mca.gov.in and www.ibbi.gov.in.

6. Notification by Ministry of Home Affairs on Movement of Essential Goods & Services

6.1 MHA to States: Unhindered Movement of Essential Goods & Services to be ensured during Nationwide Lockdown to fight COVID—19

Union Ministry of Home Affairs has written to the States/UTs to ensure unhindered movement of essential goods & services during the nationwide lockdown to fight COVID—19.

All States/UTs have been advised to set up 24*7 control rooms/helplines to protect essential service providers from any unwarranted stigmatization.

Official communication to States provided on:

<http://164.100.117.97/WriteReadData/userfiles/Covid-19%20Advisory%20for%20setting%20Helplines.pdf>

7. Notification by Ministry of Labour and Employment on Amendment in EPF Scheme

7.1 Union Labour Ministry notifies amendment in EPF Scheme to allow withdrawal of non-refundable advance by EPF members in the event of outbreak of pandemic

EPFO directs its field offices to process claims promptly

Union Ministry of Labour and Employment has issued notification GSR 225(E) amending EPF Scheme 1952 to allow withdrawal of non-refundable advance by EPF members/subscribers in the wake of COVID -19 pandemic in the country. The notification permits withdrawal of upto the amount of basic wages and dearness allowance for three months or upto 75% of the amount standing to member's credit in the EPF account, whichever is less, in the event of outbreak of epidemic or pandemic.

COVID-19 has been declared pandemic by appropriate authorities for the entire country and therefore employees working in establishments and factories across entire India, who are members of the EPF Scheme, 1952 are eligible for the benefits of non-refundable advance. A sub-para(3) under para 68L has been inserted in the EPF scheme,1952.The amended scheme Employees Provident Fund (Amendment) scheme,2020 has come into force from 28 March,2020.

Following the notification, EPFO has issued directions to its field offices for promptly processing any applications received from EPF members to help them fight the situation. In its communication EPFO has stated that officers and staff must process claims of EPF subscribers promptly so that relief reaches the worker and his family to help them fight with COVID-19.

8. Notification by Ministry of Commerce & Industry on Business Immunity Platform

8.1 Platform is helping businesses get real-time updates on India's response to COVID-19

The Invest India Business Immunity Platform (https://www.investindia.gov.in/bip?utm_source=popup), hosted on the website of Invest India, India's National Investment Promotion & Facilitation Agency, under the Ministry of Commerce and Industry is working 24X7 as a comprehensive resource to help businesses and investors get real-time updates on India's active response to COVID-19 (Coronavirus). The platform launched on 21st March, 2020 has received over 1.75 lakh visitors from 50+ countries by 10 A.M. today. There are 423 Government advisories and notification on the website, along with 205 Blogs, infographics, videos and resources. Most searched term on the website was "donations for COVID".

The Business Immunity Platform (BIP) is the active platform for business issue redressal, with a team of dedicated sector experts who respond to queries at the earliest. Invest India has also announced a partnership with SIDBI (Small Industries Development Bank of India) for responding and resolving queries for MSMEs.

This dynamic and constantly updating platform keeps a regular track on developments with respect to the virus, provides latest information on various central and state government initiatives, gives access to special provisions, and answers and resolves queries through emails and on WhatsApp. So far, it has received 845 business support queries, out of which 614 have already been resolved. The queries were mostly on Logistics, notifications, Customs issues, plant shutdowns and clarifications.

BIP has launched 'Joining the Dots' campaign to procure essential healthcare supplies. It is also facilitating matchmaking to fill the demand-supply shortages of essential equipment to combat COVID-19. In its Stakeholder outreach activities, about 2000 Global and domestic corporates and stakeholders have been contacted. On the website, 120+ applications have been received from 17 states on 'Startup challenge: Solutions to combat COVID-19'. It organized special conference call with US Financial Services Companies, with focus on identification and resolution of business continuity issues due to lockdowns in the country. Webinar has been organized on 'Business Continuity for Startups amidst COVID19' with a panel of industry stalwarts and other stakeholders. Discussion was held on prospective funding and support: opportunities for startups during COVID19, and shift to Work from home model. A special conference call was held with the American Life Sciences Companies to discuss issues faced by them during the lockdowns, and how to resolve them.

9. Notification by Ministry of Power on Major Relief Measures for Power Sector

9.1 Union Power Ministry committed to ensure 24x7 electricity supply during lockdown
Payment security to be reduced by 50 percent Directions issued to CERC to provide three
months' moratorium on Discoms to make payment to Gencos and transmission and no
penalty on late payment; States requested to issue similar directions to SERCs

Despite the lockdown imposed to contain the spread of the COVID 19 pandemic, the whole workforce of the power sector – generation, transmission, distribution and system operations - is working round the clock to keep all homes and establishments lighted. Shri R.K.Singh, the Union Minister of Power, has said that in this time of crisis, the Ministry of Power is committed to provide 24x7 supply of electricity to all consumers.

Around 70% of power generation is from coal-based power plants. In order to maintain the continuity of supply of coal by domestic coal companies and transportation by railways, the ministry is in touch with the Ministries of Railways and Coal.

Due to the lockdown, consumers are unable to pay their dues to the Distribution Companies (Discoms). This has affected the liquidity position of the Discoms thereby impairing their ability to pay to the generating and transmission companies. In this context, Shri Singh has approved significant relief measures for power sector. The following decisions have been taken to ease the liquidity problems of the Discoms –

- i. CPSU Generation / Transmission Companies will continue supply/ transmission of electricity even to Discoms which have large outstanding dues to the Generation / Transmission companies. During the present emergency there will be no curtailment of supply to any DISCOM.
- ii. Till 31stMay 2020 the payment security mechanism to be maintained by the Distribution Companies with the Generating Companies for dispatch of power shall be reduced by fifty percent.
- iii. Directions have been issued to the Central Electricity Regulatory Commission to provide a moratorium of three months to Discoms to make payments to generating companies and transmission licensees and not to levy penal rates of late payment surcharge. State Governments are being requested to issue similar directions to State Electricity Regulatory Commissions.

10. Notification by Ministry of Commerce & Industry on Control Room to Monitor Status of Transportation and Delivery of Goods, Manufacturing and Delivery of Essential Commodities

10.1 DPIIT sets up a Control Room to monitor the status of transportation and delivery of goods, manufacturing, and delivery of essential commodities

Department for Promotion of Industry and Internal Trade (DPIIT), under the Ministry of Commerce and Industry, has set up a control room to monitor in real time the status of transportation and delivery of goods, manufacturing, delivery of essential commodities to common man and the difficulties being faced by various stakeholders during the lockdown period from 25.3.2020 to 14.4.2020. In the event of any manufacturing, transporter, distributor, wholesaler or e-commerce companies facing ground level difficulties in transportation and distribution of goods or mobilization of resources, the same may be informed to the Department at the following telephone number/email:

Telephone: + 91 11 23062487

Email : controlroom-dpiit@gov.in

The telephone number will be functional from 8 AM to 6 PM. The issues reported by various stakeholders will be taken up by the Department with the concerned state government, district and police authorities, and other concerned agencies.
