

Key Highlights of Package announced by Finance Minister for MSME and other Sectors

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MSME Sector

MSME Sector

Brief

Definition of MSME will be revised and criteria of turnover will be added with increased limit of investment in plant and machinery

Criteria for both Manufacturing and Service sector	Micro	Small	Medium
Investment in Plant & Machinery	Less Than 1 Crore	Less Than 10 Crore	Less than 20 crore
Turnover	Less Than 5 Crore	Less Than 50 Crore	Less than 100 Crore

Rs 3 lakh crores collateral-free automatic loans for businesses, including MSMEs will be given to borrowers with up to Rs 25 crore outstanding and Rs 100 crore turnover. The loans will have 4-year tenor with a moratorium of 12 months on principal repayment with interest capping. No guarantee fee, no fresh collateral will be required for the facility. Scheme can be availed till 31st October 2020

Rs 20,000 crores subordinate debt for Functioning MSMEs which are NPA or are stressed will be given. Promoters of MSMEs will be given debt by banks, which will then be infused by promoter as equity in the unit.

MSME Sector

Brief

50,000 cr equity infusion for MSMEs through fund of funds will be made. Fund of funds (FoF) with corpus of Rs 10,000 crores will be set up which will provide equity funding for MSMEs with growth potential and viability. FoF will be operated through a Mother Fund and few daughter funds which will help to expand MSME size and as well as capacity and will encourage MSMEs to get listed on main board of Stock Exchanges

Indian MSMEs and other companies have often faced unfair competition from foreign companies. Therefore, global tenders will be disallowed in government procurement tenders upto Rs 200 crores.

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Income Tax

Income Tax

Brief

Rate of TDS on Payment for contract, professional fees, interest, rent, dividend, commission, brokerage, etc shall be reduced by 25% from existing rate for the period till March 2021

All pending refunds to charitable trusts and noncorporate businesses & professions including proprietorship, partnership, LLP and Co-operatives shall be issued immediately.

Due date of all income-tax return for FY 2019-20 will be extended from 31st July, 2020 & 31st October, 2020 to 30th November, 2020

Due date of Tax audit will be extended from 30th September, 2020 to 31st October, 2020.

Date of assessments getting barred on 30th September, 2020 extended to 31st December, 2020 and those getting barred on 31st March, 2021 will be extended to 30th September, 2021.

Period of Vivad se Vishwas Scheme for making payment without additional amount will be extended from 30 June, 2020 to 31st December, 2020



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Infrastructure and Construction Sector

Infrastructure / Construction Sector

Brief

Extension of up to 6 months (without costs to contractor) to be provided by all central agencies (like Railways, Ministry of Road transport and Highways, Central Public Works dept etc)

Above shall cover construction contract, works Contract, goods and services contracts and covers obligation of completion of work, intermediate milestones etc and extension of concession period in PPP contracts

Government agencies to partially release bank guarantees to the extent contracts are partially completed to ease cash flows

Ministry of Housing and Urban Affairs will advise States/UTs and their regulatory authorities to treat COVID-19 as an event of 'Force Majeure' under RERA

Registration and completion date will be extended suo-moto by six months for all registered projects expiring on or after March 25, 2020 without individual applications. Also, regulatory authorities may extend this for another period of upto 3 months, if needed. Also, fresh 'Project Registration Certificates' automatically with revised timelines will be issued.

Timelines for various statutory compliances under RERA will be extended concurrently

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Others

Others

Brief

The government will launch a Rs 30,000 crore special liquidity scheme wherein investment will be made in both primary and secondary market transactions in investment grade debt paper of NBFCs/HFCs/MFIs. To provide liquidity support for NBFCs/ HCI/MFIs and mutual funds

Rs 90000 crore liquidity infusion for DISCOMs will be made. PFC/REC to infuse liquidity of Rs 90,000 cr to DISCOMs against receivables. Loans to be given against state guarantee for exclusive purpose of discharging liabilities of Discoms to Gencos

Under Pradhan Mantri Garib Kalyan Package Government will pay the employee and employer contribution both (24%) for those establishments having up to one hundred employees, with 90% or more employees earning monthly wages less than ₹15,000 for another three months of June, July and August 2020.

Those who are not covered under Pradhan Mantri Garib Kalyan Package scheme above, employee provident fund contribution will be 10% each for employees and employers as compared to the statutory obligation of 12% For next three months.



Thank You !



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