

**Extraordinary Circumstances Demand Extraordinary Measures:
Madras Chamber of Commerce and Industry Recommendations to the
Government of India**

The spread of coronavirus is leading to shrinkage of exports, cessation of production, inaccessibility of person-power, non-availability of particular imports, slowdown in consumption, among others. Extraordinary circumstances demand extraordinary measures. The Madras Chamber of Commerce and Industry (MCCI) recommends that the government look at the following remedial measures that could provide timely relief to businesses and proactively ensure business continuity. Given that the government has taken bold transformational reforms and has with unfailing periodicity sought solutions from the industry and chambers, MCCI is confident that these recommendations will be embraced to ease the additional burden unleashed by this pandemic.

Income Tax

1. The due date for advance tax to be deferred or alternatively defer the interest under Sections 234B and 234C of the Income Tax Act.
2. Since Courts and Tribunals are likely to function only partially, the tax department not enforce demands arising out of orders where appeals are being filed along with stay petitions since the non-posting or hearing of the stay petitions is beyond the control of the applicant.

GST

1. The due date for payment of GST for the month of March 2020 be deferred.
2. Government refrain from recovery proceedings in the form of attaching bank accounts or garnishee proceedings for recovery of interest under Section 50 of the CGST Act, 2017, given the fact that these would further choke business and industry. Remedial measures in the form of court proceedings could also be affected since courts are likely to function only partially.

Customs

1. Given that all cargo is subject to significant examination and there are delays in clearance, there should not be any levy of demurrage or interest or port charges during this period.
2. Suitable instructions maybe given to the Board to ensure that unless specifically required, the scope of automatic clearance should be widened to avoid physical interaction between government officials and the public.

Banks and IBC

1. Defaults during these trying months of dealing and combatting with a virus and the paranoia should not result in an IBC trigger. There should be a moratorium for next few months in the context of Section 7 and 9 of the IBC Act.
2. Classification of NPAs as per current RBI guidelines should be deferred for few months.

General

1. Government to issue necessary directions as may be required to facilitate Work from Home and relax labour law provisions considering the emergency.
2. Necessary relaxations of timeframe should be provided under the Companies Act since there are timelines in the context of holding General Meetings and Board Meetings apart from filing requirements under Company Laws and SEBI Regulations.

Chennai
15th March 2020

Ramkumar Ramamoorthy
President