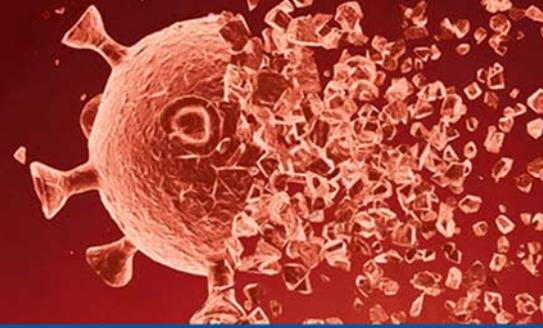


COVID-19 COMMUNIQUE

ASA & ASSOCIATES_{LLP}



April 21, 2020

GLOBAL OUTLOOK

WHO issues guidelines on lifting lockdown restrictions

The novel coronavirus continues to claim lives and livelihood worldwide with more than 2.3 million declared cases and a state of continued lockdown across nations. The WHO has issued new guidance on lifting COVID-19 lockdown which includes considering the following criteria:

- Disease transmission is under control
- Health system capacities are in place to detect, test, isolate and treat every case and trace every contact
- Outbreak risks are minimized in special settings like health facilities and nursing homes
- Preventive measures are in place in workplaces, schools and other places where it is essential for people to go
- Risk of importing new cases can be managed
- Communities are fully educated, engaged and empowered to adjust to the “**new normal**”

Source: Business Standard, WHO

Global economy to contract by 3% in 2020: IMF

The International Monetary Fund (IMF) recently announced the "Great Lockdown" recession will drag global GDP lower by 3% in 2020. Further, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. However, the IMF believes that its forecast for the COVID-19 recession may be too optimistic given the uncertainty around the virus.

Source: IMF

G20 nations freeze debt repayments of world's poorest nations

G20 economies agreed to suspend both principal and interest payments for the world's poorest countries through the end of the year. This is expected to free up more than USD 20 billion for such countries to spend on improving their health systems and fighting the pandemic. Further, there was no consensus on idea of USD 500 billion Special Drawing Rights (SDR) issuance proposed by the IMF.

Source: Business Standard, Reuters

GSK and Sanofi join forces for COVID-19 vaccine development

Two of the world's largest vaccine manufacturers announced a joint venture to develop an *adjuvanted vaccine* for COVID-19, using innovative technology from both companies, to help address the ongoing pandemic. The trial is expected to start in second half of 2020 with a likely public launch in 2021 if drug regulators approve it.

Source: *Economic Times*

CFO WATCH

Select permitted activities allowed by the Government of India from April 20, 2020

Ministry of Home Affairs (MHA) has ordered that select additional activities will be allowed from April 20, 2020 subject to strict compliance of social distancing in offices, workplaces, factories and establishments. Select industries to include Cargo Services, Health Services, Services related to Public Utilities, Agricultural & related activities, Financial & Social Services, Construction Activities subject to specified conditions.

Source : [MHA](#)

Use of Electronic Signature for signing Audit Reports & Certificate

Institute of Chartered Accountants of India (ICAI) has announced use of Electronic Signature for the purpose of signing Audit Reports as per SA 700 (Revised) – “Forming an Opinion and Reporting on Financial Statements” and Certificates.

Source : [ICAI](#)

FICCI has introduced Standard Operating Procedures (SOP) for Industry Post Lockdown

With an aim to mitigate the economic fallout of the COVID-19 pandemic while allowing for the continuation of economic activities, FICCI has introduced SOPs for industry. These procedures will help in defining the actions required to be taken by the organizations based on their risk profile across the country post lockdown.

Source : [FICCI](#)

Need for creativity to survive COVID-19 economic impact

Many experts believe that it is time for the CFOs to be creative and find ways to generate revenue. They have a difficult role to play in balancing the role where cash is to be saved and at the same time, employees are not getting demotivated.

Source : [ET CFO](#)

REGULATORY RELIEFS

- **Direct Tax**

- Indirect Tax
- Corporate and Allied Laws

DIRECT TAX

Refund worth INR 5,204 crores released

Tax department has issued refunds to nearly 8.2 lakh small tax-payers worth INR 5,204 crore in line with Press Note dated 8 April 2020, wherein tax refunds up to Rs 5 lakh were to be released. Further refund of INR 7,760 Crore is in pipeline and would be issued at the earliest possible.

Source: [PIB](#)

INDIRECT TAX

Letter of Undertaking (LuT) for 2020-21 may be filed by June 30, 2020

Clarification has been issued that taxpayer may continue making supply without payment of tax quoting the LuT reference number for 2019-20 provided the application for 2020-21 is made on or before June 30, 2020.

Source : [Circular No. 137/07/2020-GST](#) dated April 13, 2020

GST refund permissible in specific cases of cancellation of contract or return of goods

To ease the liquidity of the taxpayers, it has been clarified that refund shall be permissible where contracts are cancelled, or goods are returned by the customer:

- If invoice had been issued and tax paid then credit note is to be issued and tax paid will be adjusted with outward tax liability. In case there is no tax liability, refund for excess payment of tax, may be applied
- If advance has been received and tax paid then refund voucher to be issued by taxpayer and refund of excess payment of tax may be applied.

Source : [Circular No. 137/07/2020-GST](#) dated April 13, 2020

CORPORATE AND ALLIED LAWS

Extension in due date for deposit of Provident Fund

Employers who have disbursed the wages for March 2020 shall be given additional time of 30 days up to May 15, 2020 to deposit the provident fund contribution and administrative charges.

Source: [EPF India](#)

Foreign Direct Investment (FDI) policy amended to prevent opportunistic takeovers

To curb takeovers/acquisitions of distressed companies due to COVID-19, any FDI from an entity/beneficial owner of a country which shares land borders with India shall require prior approval of Government of India. FDI, directly or indirectly, through Bhutan, China, Myanmar and other countries sharing land borders will get affected through such policy revision.

Source: [FDI Press Note](#)

Additional measures announced by Reserve Bank of India (RBI):

RBI has announced additional measures on April 17, 2020 to ease liquidity pressures:

- Liquidity Coverage Ratio (LCR) requirement of scheduled commercial banks brought down from 100 to 80 per cent with immediate effect. The same shall be restored to 90 per cent by October 2020 and 100 per cent by April 2021
- Reverse repo rate is reduced by 25 basis points from 4 to 3.75 per cent under Liquidity Adjustment Facility (LAF).
- Special finance facility of INR 50,000 crores to be extended to financial institutions like NABARD, SIDBI.

Source: [RBI announcements](#)