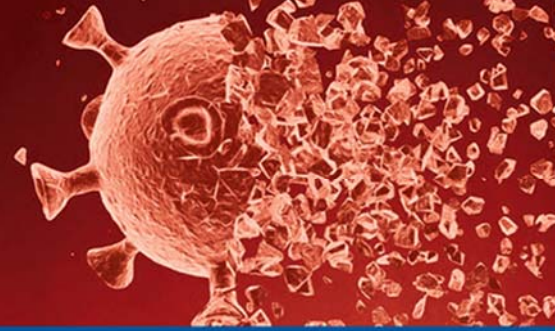


COVID-19 COMMUNIQUE

ASA & ASSOCIATES_{LLP}



May 05, 2020

GLOBAL OUTLOOK

FDA grants authorization for use of experimental drug “Remdesivir” in emergency

With over 3.3 million confirmed cases across the globe, USA alone has 1.1 million cases of infection. The US Food and Drug Administration (FDA) has authorized emergency use of “Remdesivir”, an antiviral drug initially developed to treat Ebola and found to boost recovery in COVID-19 patients.

Source: Economic Times

Japan government extends state of emergency until May 31

Japan Prime Minister Shinzo Abe extended the nationwide state of emergency until May 31 to reduce coronavirus infections. While the state of emergency remains in force nationwide, some of the current constraints on social and economic activities will be eased in prefectures where the infection situation is not designated as requiring "special caution".

Source: Kyodo News Plus

Global energy demand will fall 6% in 2020: International Energy Agency

The global energy demand will fall 6% in 2020 according to International Energy Agency (IEA). The decline is equivalent to losing the entire energy demand of India. IEA estimates the fall of demand in India will be far higher than other countries that have imposed a lockdown.

Source: World Economic Forum

European leaders pledge £6 Bn for vaccine funds

European leaders aim to raise more than £6bn to help find a vaccine and treatments for COVID-19 as part of an international alliance combating the disease.

Source: The Guardian

CFO WATCH

Kickstarting the Indian economy with restrictions

The Centre has extended the nationwide lockdown by two weeks till May 17. New guidelines have been issued by MHA and will be applicable based on risk profiling of districts into red, green and

orange zones. Relaxations have been given for industries and business operation to resume based on zone-wise classification, with more relaxations under green and orange zones.

Source : [MHA](#)

Planning for the second wave

A survey has revealed that nearly 42% of CFOs are not yet prepared for the second wave of COVID-19. The biggest contributing factor for this is the uncertainty of reopening the establishments and the duration of the pandemic.

Source : [Economic Times](#)

Lockdown impact on CFOs

Amidst the scenario of COVID-19 and the uncertainty of resumption of operations, CFOs have three most important challenges to deal with - cash flow management, uncertainty about the lockdown being lifted, raising funds and its repayment. To maintain the cash flow, most of the CFOs are currently focusing on protecting their cash and cutting down on the non-essential expenses.

Source : [Economic Times](#)

ICAI releases Exposure Draft on COVID-19 related rent concessions

Institute of Chartered Accountants of India (ICAI) has released exposure draft seeking comments on proposed amendment to “IFRS 16 – Leases”. Due to the crisis, rent concessions are expected to be provided to the lessees as a relief providing liquidity. The exposure draft aims to address the reporting issues arising out of such concessions.

Source : [ICAI](#)

REGULATORY RELIEFS

- **Direct Tax**
- **Indirect Tax**
- **Corporate and Allied Laws**

DIRECT TAX

Deferment of GAAR & GST reporting in Tax Audit Form

Central Board of Direct Taxes (CBDT) further defers reporting the details in relation to General Anti-Avoidance Rules (GAAR) and Goods and Services Tax in the amended Tax Audit Form by another year till March 31, 2021 due to the pandemic.

Source: [CBDT](#)

INDIRECT TAX

Balance in GST Electronic Cash Ledger may be transferred to a different head

Considering the hardships of the taxpayers on the liquidity front, facility has now been provided to transfer the balance in Electronic Cash Ledger from one head to another. Now a taxpayer may transfer the surplus cash balance of say CGST to SGST or IGST and set-off the related liability against the cash balance so transferred. Earlier, the taxpayer was required to deposit the liability in cash and no inter-transfers were permitted.

Source : [Notification No. 37/2020-Central Tax dated April 28, 2020](#)

CORPORATE AND ALLIED LAWS

Timelines extended for inclusion of names in Independent Directors Databank

The timeline has been extended till June 30, 2020 for any person desirous of being included in the databank of Independent Directors.

Source: [MCA](#)

Announcements by Reserve Bank of India (RBI)

- RBI has announced a Rs 500 billion special liquidity facility for mutual funds

Source: [RBI](#)

- Considering the extended lockdown in major cities like Mumbai, the trading hours for various RBI regulated markets shall continue to be between 10.00 am to 2.00 pm till further notification by authorities.

Source: [RBI](#)