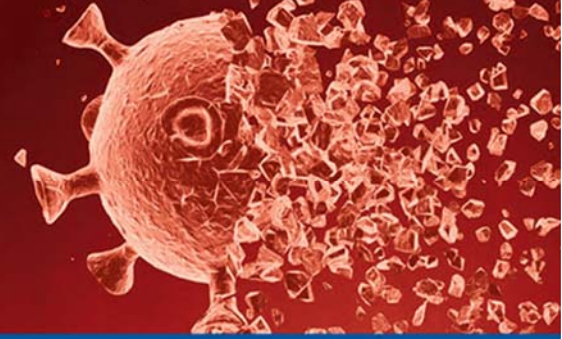


COVID-19 COMMUNIQUE

ASA & ASSOCIATES LLP



May 12, 2020

GLOBAL OUTLOOK

New virus outbreaks hamper efforts to reopen global economy

The global tally of confirmed coronavirus cases has now crossed the four million mark. India, UK, Russia, Canada, Peru, and Brazil are still witnessing an upward trajectory of confirmed infections. In comparison, Italy, Spain, France and Belgium are some of the countries where the curve has begun to plateau. However, a rebound in infections reported by South Korea and Germany just as the authorities were starting to ease restrictions have raised concerns for nations across the world.

Source: Economic Times, Business Standard

UK extends lockdown till June 1

Britain's Prime Minister Boris Johnson announced that the coronavirus lockdown will stay in place until at least June 1. Britain has seen the second-worst cumulative death toll due to the COVID-19 outbreak behind the United States, and the worst in Europe.

Source: NDTV

Japan issues revised FDI rules citing national security

Japan's Ministry of Finance has issued a notification to restrict foreign investments. As per the revised norms, foreign investors will have to take approval of Japan's finance ministry before acquiring 1 per cent stake in more than half of all Tokyo-listed companies, including Sony and Toyota. Similar approval will also be required to nominate a director.

Source: Reuters, Business Today

ICMR teams up with Bharat Biotech International Limited to develop coronavirus vaccine

Indian Council of Medical Research (ICMR) has partnered with Bharat Biotech International Limited (BBIL) to develop a fully indigenous vaccine for COVID-19. The vaccine will be developed using the virus strain isolated at the ICMR's National Institute of Virology (NIV), Pune.

Source: Business Standard

CFO WATCH

Going Concern Assessment – A difficult task in times of COVID-19

Considering the severe impact of COVID-19 and lockdown on liquidity, turnover and profitability, the industry is expressing difficulty in assessing the going concern risks and assumptions. It seems extremely difficult to estimate and assess the cash flows with some sense of reasonableness over the next 12 months. Such unprecedented times will add to the challenges of the auditors in obtaining sufficient audit evidence to assess management's judgement on inherently uncertain future outcomes of events.

Source : [ET CFO](#)

Government likely to come up with a package of Structural Reforms across sunrise sectors

As mentioned by Amitabh Kant, CEO - Niti Ayog, the government is working on a package of structural reforms across sunrise sectors to convert India into a global manufacturing and exporting hub. Sectors listed for now include healthcare, education, mobility, genomics, AI, 5G network, fintech and manufacturing.

Source : [Financial Express](#)

Demand, Privacy & Labour — upcoming challenges for India Inc.

India Inc. is waiting for another stimulus and business continuity packages from the government, while business activities have commenced with fewer restrictions. Salary-cuts and job losses made consumer's spending power quite uncertain for the next two-three months. Also, there are fears of labour costs rising as workforce shortage intensifies and wages are increased to keep migrants from leaving for villages.

Source : [ET CFO](#)

REGULATORY RELIEFS

- Direct Tax
- Indirect Tax
- Corporate and Allied Laws

DIRECT TAX

Residency rules relaxed owing to COVID-19 related travel restrictions

Central Board of Direct Taxes (CBDT) relaxes residency rules for individuals stranded in India owing to lockdown / quarantine / suspension of international flights. The specified period of stay in India due to such reasons, shall be excluded while determining the residency status under the Income Tax Act, 1961.

Source : [CBDT](#)

Breather for Charitable Institutions

CBDT defers implementation of new procedure for approval/registration of entities approved/registered/ notified under section 10(23C), 12AA, 35 and 80G. The entities would now be required to file intimation within three months from October 1, 2020. Further, the amended procedure for approval/ registration/ notification of new entities shall also apply from October 1, 2020.

Source : [PIB](#)

CBDT emphasizes on "no adverse" communication during COVID-19 times

CBDT has released interim action plan for first quarter of financial year 2020-21. The highlight of the plan is that no communication should be done during this period which has any adverse effect on the assessee, till fresh guidelines are issued.

Source: [CBDT](#)

INDIRECT TAX

Extension of various due dates under GST

In view of the lockdown situation and the difficulties being faced by taxpayers in terms of timely compliances, the government has extended various due dates:

- The GST annual return GSTR-9 may now be filed upto September 30, 2020
Source : [Notification No. 41/2020-Central Tax dated May 5, 2020](#)
- E-way bills expiring between the period March 20 to April 15, 2020 shall now be valid till May 31, 2020
Source : [Notification No. 40/2020-Central Tax dated May 5, 2020](#)
- Separate registration as may be required for taxpayers under insolvency proceedings may be taken upto June 30, 2020 or within 30 days of appointment of Resolution Professional (RP), whichever is later. Further, if all returns have been filed prior to appointment of RP, then separate registration shall not be required.
Source : [Notification No. 39/2020-Central Tax dated May 5, 2020](#)

Ease of filing GST returns

Relaxations have been provided to corporate taxpayers to provide for filing of monthly return GSTR-3B through Electronic Verification (EVC) mode during the period from April 21, 2020 to June 30, 2020. Further, NIL returns may be filed through SMS using the registered mobile number.

Source : [Notification No. 38/2020-Central Tax dated May 5, 2020](#)

Relaxation given to Merchant Exporters for further export

Considering the COVID-19 situation impacting the obligations of exporters, Merchant Exporters, who buy in the domestic market and then have to export within 90 days, may now do so till June 30, 2020, provided the said 90 days are expiring between March 20, 2020 and June 29, 2020.

Source : [Circular No. 138/08/2020-GST dated May 6, 2020](#)

CORPORATE AND ALLIED LAWS

Annual General Meeting (AGM) permitted through video conference

AGM to be held in the calendar year 2020 is now permitted to be conducted through video conferencing (VC) or other audio-visual means (OAVM) subject to specified conditions.

Source: [MCA](#)