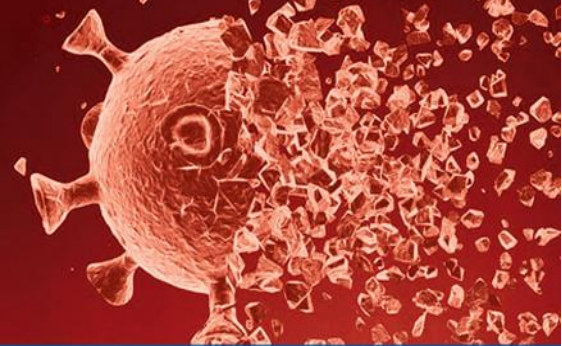


COVID-19 COMMUNIQUE

ASA & ASSOCIATES_{LLP}



May 19, 2020

GLOBAL OUTLOOK

Japan slips into recession while world leaders contemplate reopening economy

Japan's economy plunged into recession in the first quarter as the coronavirus pandemic hampered business activity, while leaders in the U.S. and Europe are weighing the risks and rewards of lifting restrictions knowing that a vaccine could take years to develop. Japan reported a drop of 3.4 per cent in adjusted GDP amidst fears for worse times ahead.

Source: Economic Times, The Hindu

China announces COVID-19 vaccine by March 2021

A total of eight vaccine candidates for COVID-19 are in the clinical trial while another 110 are in various stages of development across the globe, according to World Health Organisation (WHO) data. As things stand, Chinese health official, Zhang Wenhong announced that a successful vaccine against the coronavirus can be administered to humans as early as March 2021.

Source: Business Standard

Italy to allow international travel from June 3

Italian government approved a decree which will allow global travel from June 3, 2020 as it moves to unwind one of the world's most rigid coronavirus lockdown after the pandemic claimed many lives. The government will also allow free travel across the country from that same day.

Source: Business Standard

CFO WATCH

Indian Government announces INR 20 trillion Stimulus Package

A whopping INR 20 trillion Stimulus Package has been announced by the Indian government to reboot the economy with the core theme of making a "Self Reliant India". The details of the package were announced by Finance Minister in 5 tranches, with focus on liquidity and other support measures for various sectors including agriculture, micro, small and medium enterprises, migrant labourers and

domestic manufacturing, amongst others. The combined package works out to nearly 10 per cent of India's GDP.

Source : [Financial Express](#)

Government's new borrowing plan may increase finance cost

With Finance Ministry announcing an increase in its borrowing by INR 4.2 lakh crore to INR 12 lakh crore in 2020-21, bonds yields will rise, increasing the borrowing costs for corporations in the short-term.

Source : [ET CFO](#)

Guidance for Auditors on Going Concern Assumption and Physical Inventory Verification

Accounting and Assurance Standards Board (AASB) has issued guidelines for Auditors to highlight key focus areas in current environment pertaining to going concern and physical inventory verification. The guidance focuses on auditor's work related to going concern and obtaining sufficient evidence to draw conclusions in accordance with standards of auditing.

Source : [ICAI - Going Concern](#); [ICAI - Physical Inventory Verification](#)

Thin time ahead for Auto Supply Chain

Amidst tight finances, scant workforce and low capacity utilization after lockdown, auto supply chain will have a challenging time as getting back on track may not be easy for vendors after lockdown. The slowdown due to COVID-19 has brought its supply ecosystem to a breaking point with various short, medium and long-term factors disrupting the industry.

Source : [Economic Times](#)

REGULATORY RELIEFS

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

DIRECT TAX

CBDT lowers TDS and TCS rate by 25 percent

To increase liquidity in the hands of the taxpayers, Central Board of Direct Taxes (CBDT) reduced the rates of Tax Deducted at Source (TDS) and Tax Collected at Source (TCS) by 25 per cent from the existing rates for the period effective from May 14, 2020 to March 31, 2020.

Source : [CBDT](#)

Extension of due date for filing income-tax return

The due date for filing of all income-tax returns for financial year 2019-20 has been extended to November 30, 2020. The date for furnishing tax audit report has also been extended from September 30 to October 31, 2020.

Source : [PIB](#)

Extension of time limit for completing assessments

Time limit of assessments getting time barred by September 30, 2020 has been extended to December 31, 2020. Further, those getting time barred by March 31, 2021, the date is extended till September 30, 2021.

Source: [PIB](#)

INDIRECT TAX

Extension for Legacy Dispute Resolution scheme

Recognizing the need for more time in view of COVID-19 situation, the time limit for issue of statement indicating the final amount payable under the *Sabka Vishwas (Legacy Dispute Resolution) Scheme*, has been extended upto May 31, 2020. The taxpayer is now permitted to make the final payment by June 30, 2020.

Source : [Notification No. 01/2020-Central Excise \(N.T.\) dated May 14, 2020](#)

CORPORATE AND ALLIED LAWS

Failure to dispatch notices under rights issue not to be treated as violation

Failure to dispatch notices through speed/registered post by listed companies to its shareholders notifying on rights issue openings shall not be treated as violation upto July 31, 2020.

Source: [MCA](#)

Relaxations by Securities and Exchange Board of India (SEBI)

- One-time relaxations on certain regulations under SEBI takeover and buy back regulations.

Source: [SEBI](#)

- Further extensions in timelines for compliance with regulatory requirements by the trading, members/clearing members and depository participants as per detailed circular.

Source: [SEBI](#)

Proposed changes under stimulus package announced by Finance Minister

- No new insolvency cases to be initiated up to one year and debt arising due to COVID-19 situation to be excluded from "default" and under Insolvency and Bankruptcy Code, 2016
- Various violations in the nature of minor technical and procedural defaults shall be excluded from criminal proceedings under Companies Act, 2013
- Reduction in penalties for small companies, one person companies, producer companies and start-ups

Source : [PIB](#)