

SUGGESTIONS FOR ECONOMIC REVIVAL

Key demands/suggestions across the sectors and industry at this current standstill or rather worsening economic conditions obviously include: improving liquidity; cutting duties and taxes; expediting tax refunds; halt on tax scrutinies; pausing of tax litigations; and extension of tax returns filing timelines.

Sector-wise expectations: Following are the expectations (based on our interactions) of few diverse sectorial clientele i.e. Telecom consulting; B2B Trading Agency; and Automobile Distributor.

1. All government agencies and PSUs shall expedite the payments that are pending. [IMPROVING LIQUIDITY](#)
2. The liability to pay CGST / SGST on the services to Government Agencies shall be on receipt basis instead of accrual basis at the time of supply. [IMPROVING LIQUIDITY](#)
3. Exemption from TDS both on payments and receipts on business with lesser annual turnovers say Rs.100.00 lakhs. [IMPROVING LIQUIDITY; EASE IN COMPLIANCE](#)
4. Suspending/Relaxing deemed dividend provisions (Both in Companies Act & Income Tax Act) of related party transactions enabling easy funds mobilization. [IMPROVING LIQUIDITY.](#)
5. Waiver of interest on Term & Working Capital Loans for lockdown period. [IMPROVING LIQUIDITY.](#)
6. Easing vehicle (NBFC) loan sanctions, terms, reduction of interest and increased tenure of EMIs. [DEMAND CREATION FOR AUTOMOBILES](#)
7. Capital rebate for commercial vehicles under Government Schemes. [DEMAND CREATION FOR AUTOMOBILES](#)

Some other suggestions for the sustaining/revival/continuity of businesses in the context of imminent economic recession:

1. Extending the closing of Financial Year 2019-20 by 6 months i.e. until 30 September 2020. [Losses during lockdown and post lockdown period could be adjusted against the profits up to February 2020]
2. Rebate on Covid-19 related expenses such as masks, sanitizers etc. incurred to prevent transmission of COVID-19 amongst the employees while ensuring continuity of businesses in terms of SOPs issued by Ministry of MSMEs.
3. Rebates in mandatory contributions such as EPF and ESI.
4. Payroll support for SMEs.

[Covid tax on India's super-rich](#): Some reports suggests, a tax rate of 4% on the nation's 1000 richest families would give the government the equivalent of 1% of India's GDP to spend!

[For any further clarifications or assistance, get in touch with us.](#)

Disclaimer: The information contained in this update is of a general nature. Users of this information are expected to refer to the relevant existing provisions of applicable Laws.

- **BUSINESS SUPPORT SERVICES TEAM**