

COVID-19 priorities: Grant Thornton Entrepreneurial & Mid-market survey for Business Leaders

The COVID-19 pandemic has turned into a much larger socio-economic crisis in a short span of time. Economists suggest India's economy might have its first contraction in 40 years in the current fiscal.

Meanwhile, the Indian government has been taking multiple steps to limit the spread of the crisis. In a bid to get the industry voices heard by the government and ensure efficient and timely action, Grant Thornton in India conducted a survey eliciting feedback from companies on key priorities that they feel should be looked at by the government, at present, to support the industries and ensure business momentum.

Key priorities from the survey



Liquidity infusion

- A large percentage of business owners we surveyed agree that liquidity infusion is necessary by providing short-term cash flow support to their businesses.
- This can be done with business interruption loans up to 15% of facility without additional collateral.



Avoid actions on pending litigations

- There should not be any coercive action by any government department on any pending litigation demand, action or recovery on account of unavoidable delay in filing of appeals, applications, letters, and undertakings.



Timely processing of refunds

- The government should try to settle all pending refund applications and incentives within 30 days.



Declaration of 'force majeure'

- The government should declare global pandemic a 'force majeure' for all commercial contracts, whether included or not.



Extending financial reporting period

- The government should extend the FY20 financial reporting period to 15 months, ending 30 June 2020.



In addition to the above, the following may also be considered by the government



Reducing utility tariffs for business particularly electricity, water and fuel.



Allow the extraordinary loss clearly attributable to COVID-19 to not reflect in the income statement, but amortised over a period of 5 years.

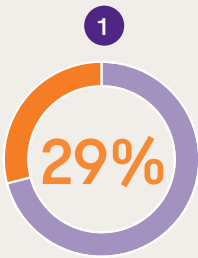


Reducing FY20 to 9 months ending 31 December 2019 and aligning to calendar year as is generally the case globally.

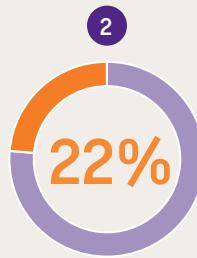


Freeze 'repayment on demand' clauses in loan agreements for 12 months from 1 March 2020.

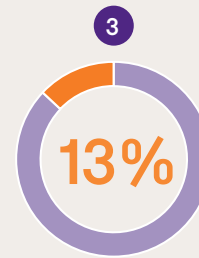
Findings from the survey – incentives ranked as no. 1 priority by businesses



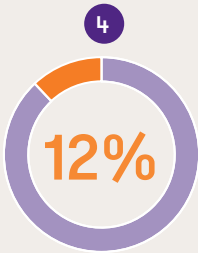
Short-term cash flow support through business interruption loans



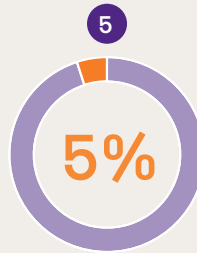
No coercive action by any government department on any pending litigation, demand, action etc.



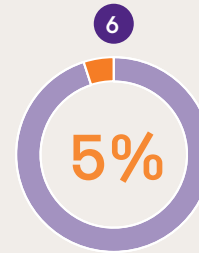
Government to pay all pending refund applications and incentives within 30 days



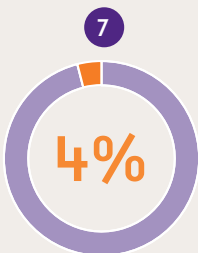
Declare COVID-19 a 'force majeure' for all commercial contract



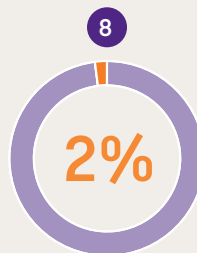
Consider extending financial reporting period for 2019-20 to 15 months ending 30 June 2020



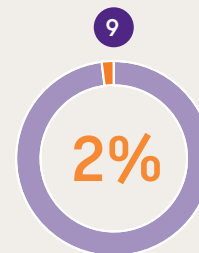
Reduction in utility tariffs- electricity, water and fuel for businesses



Any trigger of "repayment on demand" clauses in loan agreements to be frozen for 12 months from 1 March 2020



Extraordinary loss due to COVID-19 to be amortised over a period of 5 years



Reduce FY20 to 9 months ending 31 December 2020

* Remaining 6% respondents cited other priorities

Basis the priorities highlighted by the industry, the government will need to continue working with the state governments, private and public sector organisations and related industry bodies, so that the entire economy comes out stronger from this crisis.

For further queries, please contact:

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[Click here to download the recently released Grant Thornton Halt-Plan-Refresh Guide on revisiting business priorities and plans](#)



For more insights on the COVID-19 crisis, scan this barcode to see continuous updates on our website

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