

SITUATION UPDATE OF COVID-19 & ADVISORY FOR ITALIAN COMPANIES

I. CURRENT SITUATION

As on 24 March 2020 0830 hrs IST/ 0400 hrs CET, a total of 499 COVID-19 confirmed cases have been reported from 27 States/Union Territories across India with 10 deaths. Kerala state tops the list with 95 cases followed by Maharashtra State (87 cases). New Delhi has reported 31 cases and Mumbai has confirmed 24 cases.

According to the Indian Council of Medical Research (ICMR), the country is in the second stage of transmissions, i.e. local transmission. It also said that there is no sign of community transmission, which is the third stage.

On social media, reports are piling up of unsanitary state-run quarantine facilities in India with multiple people forced to share rooms and dormitories. It has sparked concerns that the conditions could actually speed up the spread of the virus. The shabby conditions are also making people want to avoid quarantine. There are concerns this will endanger more lives and lead to panic. For example, there were reports that over 10 travelers returning from Dubai, who displayed symptoms of COVID-19, fled from a hospital in Mumbai while they were waiting for their test results.

In a high-profile case, a Bollywood singer, who has tested positive for COVID-19, reportedly ignored advice by authorities to self-quarantine and went to public events and parties attended by politicians. There have also been reports of patients breaking out of quarantine facilities, prompting frantic manhunts by health and law enforcement officials and efforts to trace the people they may have come into contact with.

II. GOVERNMENT RESPONSE

| ITALY

Via Giovanni Falcone, 3
41012 Carpi (MO) - Italy
PHONE: +39 059 9770184
FAX: +39 059 9770186

| INDIA

411, DLF Tower B, Jasola District
New Delhi 110076 - India
PHONE: +91 11 41525055
FAX: +91 11 46536399
CIN: U744140DL2007PTC172026

| VIETNAM

26-28 Ham Nghi Street
Ben Nghe Ward, District 1
Ho Chi Minh City - Viet Nam
PHONE: +84 8 38248440
FAX: +84 8 38248441

| BRAZIL

Alameda do Inga, 840
34000 000 Nova Lima
Belo Horizonte - Brazil
PHONE: +55 31 32344008

30 States and Union Territories including New Delhi are under complete lockdown until 31 March 2020.

The focus is on closure of all activities except essential services such as hospitals, telecom, pharmacy, provision stores.

PM Modi called for '*Janata curfew*' (People's voluntary self quarantine) on 22nd March from 0700 till 2100 hrs, urging people to stay home except those in essential services, enforcing public led social distancing interventions.

All schools, universities, public places like clubs, malls, cineplexes, restaurants, gyms, spas have been closed. Banks and delivery services companies are operational but for very reduced timings and with very limited staff.

In consultation with medical professionals, detailed advisory has been issued for all health establishments to avoid non-urgent hospitalization & minimize elective surgeries.

Complete shutdown on international commercial passenger flights shall take off from any airport in India, since 22 March 2020 until further notice.

From 25th March, all domestic flights have also been suspended till 31st March 2020.

All train services have been suspended till 31st March 2020 including sub urban rail services, metro rail services and interstate passenger transport. Good trains may continue to operate for facilitating availability of essential commodities.

These restrictions are temporary but considered critical to break the chain of transmission. States have been requested to ensure that while such measures are being taken, necessary steps must be ensured to minimize discomfort to the poor and vulnerable sections of the society.

Additionally, the Government both at Federal and State Level, have urged private companies and establishments not to deduct salaries or terminate employment at any level (white collar, blue collar, temporary or contractual) due to the downturn that would be caused in business by the spreading of Covid-19.

Some points have been announced a short while back by the Indian Finance Minister. As you can see, none of them is a direct support to companies from an employee payout perspective.

IT Returns:

Extended the deadline to file IT returns to 30 June 2020

No extension, but on delayed deposit of TDS, only reduced interest of 9% will be charged till 30th June. current rate is 18%

GST Returns:

The last date for filing March-April-May GST return and Composition returns extended till June 30

Companies with less than INR 50 million (UR 625.000) turnover, will not have to pay interest, late fee, or penalty, however, for bigger companies, no late fee and penalty will be charged but the interest will be levied at a reduced rate of 9%

Other Announcements:

The deadline for many Acts and schemes, including Vivad Se Vishwas, Sabka Vishwas Scheme, has also been pushed to 30 June 2020

Customs will be doing duty 24/7 till June 30 2020

Companies' auditor report order being shifted to FY 2020-21

IBC Section 7,9,10 relaxed, threshold for default raised to 1crore

Bank charges to be reduced for digital trade transactions for all trade finance consumers

III. OCTAGONA INDIA'S OPERATIVE RESPONSE

Octagona India, as OCTAGONA subsidiary, Knowledge Partner for the Indian Embassy in Italy with its offices in New Delhi, Pune, Bangalore and additionally staff in Mumbai and Chennai as well, decided to implement the work from home policy with effect from Friday, 20th March 2020 until further notice.

Health and safety of Octagona India's employees as well as our clients is of paramount concern to us and we would like to take no chances in ensuring the safety of everyone involved.

Even before Octagona India started work from remote, we had decided to ensure social distancing within the office premises; avoiding any meetings with external guests and ban all travel of our employees.

In order to ensure business continuity, Octagona India has ensured that each employee has the necessary tools to be able to carry on with work from the safety of his/her home, such as, laptop, internet and mobile connectivity.

Using a secure cloud technology, we have all our official documents stored in a way that it is accessible to all employees for sharing, editing and storing. Even in smart working condition, we are observing with discipline our standard working hours to ensure presence for our clients in case of necessity.

IV. WHAT WE SUGGEST

Here below is a list of key points that we ask all our clients and Italian enterprises working in India to implement **with immediate effect**:

- For those companies, who haven't yet **declared** work from home, **please implement immediately**.
- Ensure that all employees are equipped with all necessary tools for performing their day to day business from their homes, using mobile, Skype or cloud based solutions.
- Inform all customers, suppliers and other stakeholders about smart working policy and the impact of the same on day to day business activities.
- **Ensure delegation of authority for business continuity for key matters** (such as banking, interfacing with statutory authorities and in communicating with key clients/suppliers).
- Create a task force team that speaks once every day on all important matters external and internal key matters going on within the situation and delegate to take decisions on them.
- **Build an operational crisis management plan**, evaluating any support measures that, in the coming days, could be presented by the Indian Government or, alternatively, envisage a practical approach to reducing local operations.

- As a preventive measure, for companies that have existing contracts, the "**force majeure clause**" should now be invoked according to the methods agreed in each contract for extending the deadlines and to guarantee protection against sanctions in the event of default.

The Octagona Task Force is available to support for free all Italian companies wishing to receive suggestions and information to manage this complex phase on the Indian territory. In this regard, the references are:

- Alessandro Fichera | a.fichera@octagona.com | +39.328.2123458
- Monica Sessi | m.sessi@octagona.com | +39.340.3422473
- Brando Bruschi | b.bruschi@octagona.com | +39.348.9653664