IMC

Chamber of Commerce and Industry

IMC JOURNAL

VOLUME 112 | ISSUE 5 | MARCH-APRIL 2020

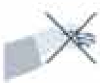
INNOVATE • MOTIVATE • CONSOLIDATE

IMC

Chamber of Commerce and Industry

It's time to keep our workplace safe!

Practice good hygiene



Stop hand shakes and use **non-contact greeting methods**

Clean hands at the door and schedule **regular hand washing** reminders

Disinfect surfaces like doorknobs, tables, and desks regularly

Avoid touching your face and cover your coughs and sneezes

Increase ventilation by opening windows or adjusting air conditioning

Limit meetings and non-essential travels

Use **video conferencing** instead of face-to-face meetings

Suspend all non-essential travels and trips

Stay home if...

- You are **feeling sick**
- You have a **sick family member** at home

Take care of your emotional and mental well-being

www.imcnet.org

From the President's Desk

Mr. Ashish Vaid

On 12th March, IMC was to host its flagship event 'India Calling" event at Taj Lands End. Everything was in place with months of painstaking efforts being put in by one and all. On 11th March late evening we got to learn that Maharashtra Government was restricting all gathering in view of corona virus pandemic dangers. On the 12th March morning we had to take the harsh decision to call off the event and in hindsight, I can only say it was the right call.

On 25th March our Hon'ble Prime Minister announced the lockdown till 14th April and then extended it from 15th April to 3rd May. 'Jaan hai to jahaan hai'. That is so true. What is the use of having anything if we lose lives of our own countrymen in terms of thousands.

Your Secretariat and committee at IMC have been 'WFH' (Working From Home) daily and I believe it's been good work, although of a different nature all throughout, we have been making continuous representations to the Central Government and to the State Government. Also, we have been in video conferences with the Ministries continuously giving our Chambers' view point and suggestions.

The Hon'ble Finance Minister Smt. Nirmala Sitharamanji first announced a package on 25th March to provide food and cash to the poorest of the poor including farmers, unorganized labour, worker self help group under the 'Pradhan Mantri Gareeb Kalyan Yojna'. The size of the package was 1.7 Lakhs crores .

The RBI Governor, Mr. Shaktikanta Dasji came forward with two packages on 25th March and on 17th April. On 25th March the highlights were:-

1. 75 bps cut in repo rate to 4.4%

2. 90 bps cut in reverse repo rate to 4.0%. This is to prevent Banks from pricing close to 3.0 Lakhs crores on a daily average basis with the RBI while Banks credit is steadily going down.

3. TLRO: auction of long term repos of 1,00,000 crores.

4. Reduction of CRR by 100 bps to 3% of net demand and time liabilities releasing 1,37,000 crores of liquidity.

5. Marginal Standing facility (MSF) of banks increased from 2% to 3% increasing liquidity by 137000 crores.

These 3 measures increased liquidity by 3.74 lakhs crores in the system.

6. Moratorium of term loans on installments payable from 1st March for 3 months (till 30th June).

7. Deferment of interest payment from 1st March for 3 months

   The moratorium will not result in asset downgrade.

This was followed by the RBI Governor with another policy announcement on 17th April for boosting liquidity:-

1. LTRO 2.0 = Second round of LTRO operations of 50000 crores

2. Refinancing of All India Financial institutions at the repo rate to the extent of 50,000 crores:- 25,000 crores to NABARD, 15,000 crores to SIDBI and 10,000 crores to NHB.

3. Liquidity Adjustment Facility:- Fixed Rate reverse Repo Rate. On 15th April amount absorbed under reverse repo operations was 6.9 lakhs crores. In order to discourage banks from parking funds with RBI and to encourage onward lending to business and industry reduced the reverse repo rate by 25bps to 3.75% and left the repo rate unchanged at 4.4%, thus, making the gap wider.

4. Ways & means for the States:- Increase the limit by 30%. Increased the WMA limit of states by 60% over the 31 March levels.

5. No asset classification as NPA due to 3 months moratorium.

From the President's Desk

6. Loans to Real Estate can be extended for a further period of 1 year over and above the 1 year extension in normal course without treating the same as restructuring.

Now what is eagerly awaited is the big bang economic stimulus package: since the beginning of the lockdown on 25th March till 18th May it will be 55 days of lockdown. As I write to you on 7th May 2020 there is no economic package in sight. Countries like US have provided $3 Trillion and UK and Germany $500 Billion each.

India so far provided $22 Billion in the first round for the poor.

Some of the economic factors worth looking at:

1. Interest rates all over the world are at 0-1% while in India we are at 4.4% repo rate, while the minimum lending rates should be around 7%.

2. Oil prices are at an all time low of $25. Last year we imported $150 Billion of oil at $78 per barrel. Thus we aim to save $ 100 Billion on our oil bill.

3. The debt to GDP ratio of USA is 129% and UK is 89%. In India it is at 45%. Hence, we can print more currency. There is a risk of downgrade by rating agencies due to this, which may be temporary.

4. The negativity against China may be a positive for India and we should aim at framing conducive policies & incentive for setting up manufacturing facilities in India.

This Pandemic is all about Health & Economics while our Government has done well on the former we need to act speedily on the Economic front to rejuvenate India in businesses and also attract foreign manufacturers & investments.

"As it is the season of webinars, I was fortunate to be on one with sister BK Shivani.For these tough times she had very positive words. "We must all remember we are positive and powerful Souls and can overcome any situation."

'Sankalp se Siddhi' = Our thought become manifestations, and 'Sankalp se Shrishti' = Our thought become the universe.

Therefore we must have positive thought for the universe and erase all negative feelings, so that there are only good vibrations pervading the atmosphere always, and then always good events will happen.

Pray all of you, your family and your work team keep safe, and sail through this crisis to emerge stronger and more powerful! God Bless.

Contents

March-April 2020

President
Mr. Ashish Vaid

Vice-President
Mr. Rajiv Poddar

Editor & Publisher
Mr. Ajit Mangrulkar
Director-General

Executive Editor
Mr. Sanjay Mehta
Dy. Director-General

Copy Editing & Concept
Ms. Chitra Kamath
Jt. Director-Membership
Ms. Jayshree Poojary
Asst.Director-PR

Views expressed in the IMC Journal are not necessarily those of the Committees of the Chamber. Non-receipt claims will not be entertained after four months of the publication of the journal; six months in the case of overseas subscribers.

Please send correspondence concerning this journal to:
Editor, IMC Journal
IMC Chamber of Commerce and Industry
IMC Marg, Churchgate,
Mumbai- 400 020
Tel: +91-022-71226633
Fax: 2204 8508
E-mail: ajit.mangrulkar@imcnet.org
Website: www.imcnet.org

Single Copy Price
₹ 50/-
Annual Subscription
(For 6 Issues)
₹ 200/- (India) | $ 30 (Abroad)

Design & Printing
Finesse Graphics & Prints Pvt. Ltd.
Tel: +91-022-4036 4600
E-mail : info@finesse.co.in

Scan this QR Code to download the journal in your smartphone. If you do not have the reader kindly download the one compatible with your device.

Knowledge

Advocacy

Networking

Knowledge Series

Networking Series

Ladies' Wing

Covid-19 and Global Economic Cataclysm

Mr. G. Chandrashekhar
Economist, Senior Journalist and Policy Commentator is Economic Advisor, IMC Chamber of Commerce and Industry

What started as a provincial epidemic in China's Wuhan province in December 2019 rapidly spread to become a pandemic as declared by World Health Organization. Novel coronavirus (Covid-19) has inflicted a heavy toll on humankind with massive loss of lives and healthcare costs in a short span of a few months.

Worse, it has wrought unprecedented global economic disruption. Lockdown of cities, severe travel restrictions (both internal and international), slowing or stalled industrial activities, contraction in international trade and disruption of global value chains are some of the key consequences. If anything, business organizations and productive labour are now in a state of 'forced inactivity'.

The economic and social impact of this 'forced inactivity' is mindboggling. What we witness around the world is a serious erosion of capital, demand destruction, lack of investment, loss of jobs, loss of productive man-days, accumulating inventory, debt servicing challenges and so on. The economic devastation Covid-19 has caused till now is there for all to see.

Equity and commodity markets around the world have tanked. Energy products, industrial metals and agriculture prices are under downward pressure – for instance crude oil, copper and cotton.

Specifically, crude oil – the universal intermediate – has collapsed. Brent is currently trading at less than $ 20 a barrel, having lost a whopping two-third of value in two months, something no one imagined at the beginning of 2020. Industrial and base metals markets too have taken a big hit with falling prices and lack of demand.

Globally, along with tourism and hospitality industry, transport in general and aviation in particular have been worst hit.

Nationwide lockdown since March 25 in our country has forced all activities to standstill. Construction activity has halted so is industrial activity. Micro, Small and Medium Enterprises (estimated at 6.4 crore units) are badly hit. Migrant workers or daily wage earners estimated at about 12 crores are left in a state of near penury.

In the farm sector, growers are facing hardship with falling demand, lax procurement and accumulating stocks exacerbated by unseasonal rains / hailstorm in parts of the country. Farm gate prices are well below the specified Minimum Support Price in most cases.

At this point in time it is unclear when and how the pandemic will come under control. But the trail of devastation it has already left is really scary. Global economic growth in 2020 is downgraded and reset for a substantially lower print.

For policymakers there is a daunting challenge. They have to judiciously balance the interests of the economy on the one hand and threat to human life on the other. In any case, the near-term economic consequences will be dire.

Countries have been quick to provide fiscal stimulus packages and liquidity injections including through lowering of capital / reserve requirement for banks. Central bankers are seen taking coordinated monetary policy action.

In an emergency measure, the US Federal Reserve dropped interest rates twice in quick succession aggregating 150 basis points to near-zero. The Fed has also decided to purchase securities valued at about $ 2.3 Trillion (with option to go up to $ 4 Trillion).

ECB has negative deposit interest rate and sizeable liquidity injection (via asset purchase programs). Bank of Japan has recently approved an unlimited bond purchase program. In addition, there are planned fiscal measures by several national governments.

Despite these support measures, markets have tanked because of the 'fear of the unknown'. At least for the time being, cash appears to be the king. Yet, as and when the pandemic comes under reasonable control, economic activities will have to quickly revive and normalize. Business entities and individuals will surely need several support measures – fiscal, monetary and administrative - to find their feet again.

Extra-ordinary situations demand extra-ordinary responses. So, there is tremendous responsibility on the governments to help support revival of economic activities even while doing 'all that it takes' to contain the spread of the virus.

In simple terms, two scenarios are possible. In scenario One, the pandemic comes under reasonable control say by June; and in the Second, the pandemic continues its devastation well beyond June.

In scenario One, if the pandemic comes under reasonable control by June, the wheels of economic activity will slowly start moving post-June and it may well take at least three months (third quarter of 2020 that is July to September) for business establishments to revive, review and restart. This is an ambitious scenario. Many units, especially MSMEs and SMEs, run the risk of downing their shutters if they find that their business have turned financially unviable.

In Scenario One, most likely, the last quarter of this year (October-December) will witness increased activities and some semblance of normalizing. Equity and commodity markets may then start to rise from the lows. The ultra-loose monetary policy and liquidity injection will boost prices. Of course, some sectors such as aviation, hospitality and tourism will take longer to revive.

Scenario Two is scary. If the pandemic stays uncontrolled beyond June, the world surely risks moving towards recession whose economic consequences will be disastrous. Despite fiscal and monetary policy support, markets will tank further. How long it will take and what kind of emergency support will be required to get out of recession is anybody's guess.

There will be short-term and long-term consequences. Businesses have to be ready to face disruption; and the disruption will affect different sectors in different degrees and in different timelines or timeframes.

The government of India has taken several proactive measures. The RBI has announced reduction in interest rates and enhancement of liquidity. It is now the responsibility, nay duty, of bankers to ensure that businesses are offered a helping hand, and that the objectives of lower interest rates and expanded liquidity are fulfilled.

The loss of GDP in India is estimated at not less than $ 5 Billion a day. 40 days of lockdown means we are already down by $ 200 Billion.

One thing is clear. The post-crisis challenges are going to be even more daunting. The aftermath is sure to result in a much larger pile of public debt. There will be pressure to keep interest rates lower for longer. But if that helps revival of economic activities – jobs, incomes and investment - so be it.

Further Tempering India's Growth Outlook

Fitch Solutions Macro Research

FitchSolutions

THIS COMMENTARY IS PUBLISHED BY FITCH SOLUTIONS COUNTRY RISK & INDUSTRY RESEARCH and is NOT a comment on Fitch Ratings' Credit Ratings. Any comments or data are solely derived from Fitch Solutions Country Risk & Industry Research and independent sources. Fitch Ratings analysts do not share data or information with Fitch Solutions Country Risk & Industry Research.

Key View

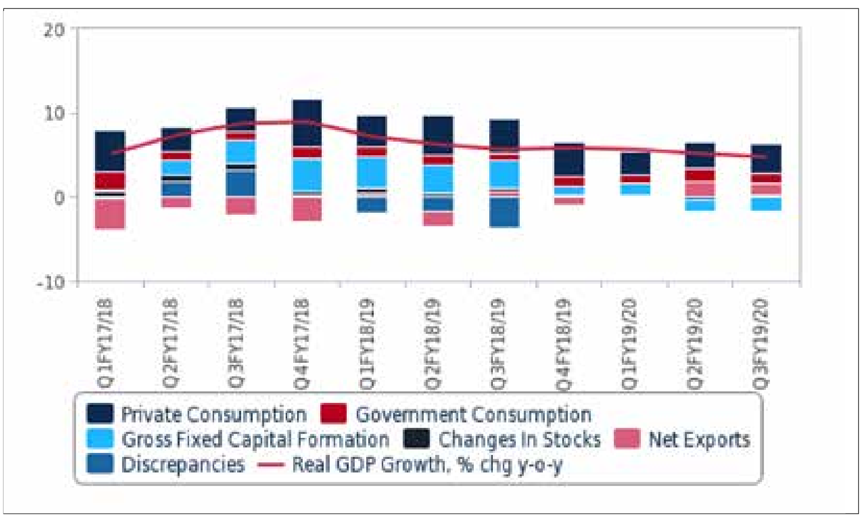
- We at Fitch Solutions are revising down our forecast for India's real GDP growth to 4.9% in FY2019/20 (April – March), from 5.1% previously, and 5.4% in FY2020/21, from 5.9% previously.
- India's real GDP growth decelerated to 4.7% y-o-y in the third quarter of FY2019/20 (April – March), from an upwardly revised 5.1% y-o-y in the second quarter owing to slower government consumption, a steeper contraction in gross fixed capital formation and a smaller net exports contribution.
- Our revision is due to our view for disruption in the automotive and electronics supply chain from the ongoing Covid-19 (coronavirus) outbreak in China to weigh on India's export manufacturing sector, and for this to have negative knock-on effects on the broad services sector.
- We expect a mild pick-up in growth in FY2020/21, assuming an easing of the virus spread from June, which should see a broad-based improvement in economic activity.

India's real GDP growth decelerated to 4.7% y-o-y in the third quarter of FY2019/20 (April – March), from an upwardly revised 5.1% y-o-y in the second quarter (from 4.5% y-o-y), due to slower government consumption, a steeper contraction in gross fixed capital formation and a smaller net exports contribution. Accounting for the sharp upward growth revisions over H1FY2019/20 (from 4.75% to 5.35%), real GDP growth over the first three quarters now stands at 5.1% y-o-y. **At Fitch Solutions, we are revising down India's real GDP growth to 4.9% for FY2019/20, from 5.1% previously, and 5.4% in FY2020/21, from 5.9% previously.** We expect manufacturing activity to come under further pressure from weak domestic demand and also supply chain disruptions due to the coronavirus outbreak, which started in China. Weak manufacturing activity would also have a knock-on impact on slowing services growth.

Our current assumption is for the impact of the outbreak to subside by H1FY2020/21 although we highlight strong downside risks to this view. Under our assumption, we expect manufacturing and services to pick-up in FY2020/21. We also expect economic activity to be supported by an improvement in the agriculture sector through better harvest prospects and fiscal support announced in the FY2020/21 Union Budget.

More Weakness Over The Near Term Before A Recovery

India – Real GDP By Expenditure, pp contribution to growth



Source: MOSPI, Fitch Solutions

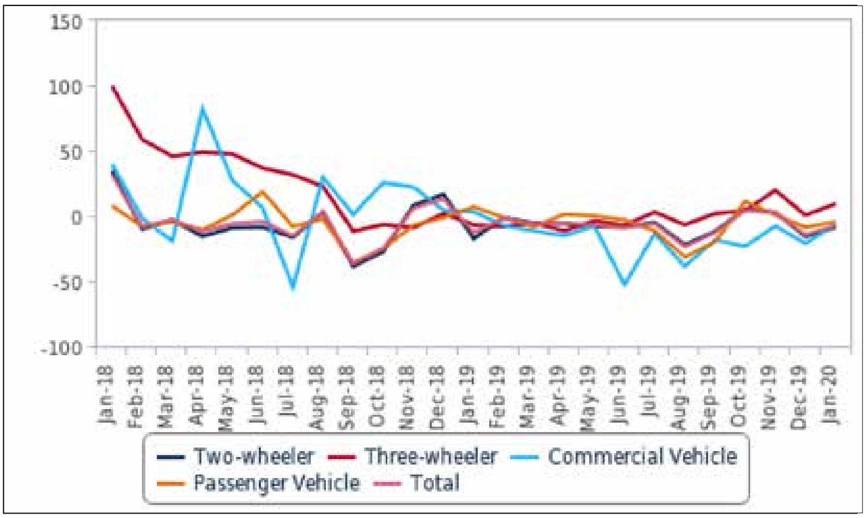
From an expenditure perspective, the growth deceleration in the third quarter was mainly due to a collapse in gross fixed capital growth, which contracted by -4.5% y-o-y, versus -3.3% y-o-y in Q2FY2019/20, and posed a 1.6pp drag versus a 1.1pp drag on headline growth over the same period. Government consumption growth also slowed to 11.8% y-o-y, from 13.2% y-o-y in the second quarter, thereby contributing

COVER STORY

a lower 1.2pp to headline growth versus 1.6pp previously. The net exports contribution also came in at a lower 1.5pp in Q3 versus 1.9pp in Q2. That said, an uptick in private consumption growth to 5.9% y-o-y, from 5.6% y-o-y in Q2, supported a higher contribution of 3.4pp to headline growth, versus 3.1pp previously.

Slumping On Net, But Three-Wheelers Racing Ahead

India – Automotive Registration Data, % chg y-o-y

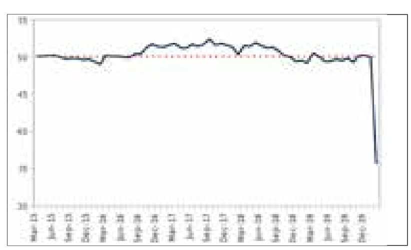


Source: FADA, Fitch Solutions

We expect manufacturing (14% of GDP) growth to remain weak over the near term. The contraction in manufacturing eased slightly to 0.2% y-o-y in Q3, from 0.4% y-o-y in Q2. On the domestic front, a continued contraction in total vehicle sales (see chart above), according to data from the Federation of Auto Dealer Associations (FADA), suggests that the outlook for the automotive industry remains weak. Our Autos team expects India's total vehicle demand to remain weak over the coming months, which should see production remain in contraction over the coming months. A failure of the FY2020/21 Union Budget to provide support to the industry will also bring little reprieve for sluggish industry already coming under heavy pressure from a credit squeeze following the collapse of several key Non-Bank Financial Companies (NBFCs). NBFCs are a key channel in which consumers obtain loans for vehicle and housing purchases. The Indian autos industry contributes 7.5% of India's GDP and accounts for half of manufacturing GDP.

Covid-19 Outbreak Bringing Chinese Manufacturing To A Standstill

China - Manufacturing PMI



Source: Bloomberg, Fitch Solutions. A value above 50 indicates expansion, and below 50 indicates contraction.

On the external front, supply chain disruptions due to the Covid-19 outbreak, which began in China, will also severely curtail manufacturing activity across automotive and electronics due to a shortage of parts. The coronavirus outbreak in China has prompted the Chinese authorities to implement varying degrees of lockdowns to many cities nationwide.

Extended factory work stoppages after the Lunar New Year holiday in January, domestic restrictions travel, and labour shortages even as the Chinese government attempts to get factories to resume operations have severely disrupted supply lines across the world. To be sure, China's manufacturing Purchasing Managers' Index (PMI) came in at an all-time low of 35.7 in February, implying a severe contraction, versus 50.0 in January 2019. China supplies between 10%-30% of automotive components used in India's automotive manufacturing, with the proportion supplied being two to three times higher for India's electric vehicle segment. For the Indian electronics manufacturing sector, China accounts for 75% of the total value of components used in televisions and 85% in smartphones, supplying parts from mobile displays, printed circuit boards, memory and LED chips to air conditioner compressors and washing machine motors.

Services (52% of GDP) growth will also come under intense headwinds over the near term. Services growth remained steady at 7.4% y-o-y in Q3, from 7.3% y-o-y in Q2. Likely work stoppages in manufacturing due to a lack of inputs will weigh on wages, and thereby consumer purchasing power, impacting the retail and hospitality services.

Supply chain disruptions will also imply a weakening of trade and trade-related transport services. Slower economic activity, which would likely also raise incidences of loan delinquencies would weaken risk appetite among lenders, and we expect this to slow the expansion of financial services.

Rebounding Tractor Sales Suggests Positive Agriculture Outlook

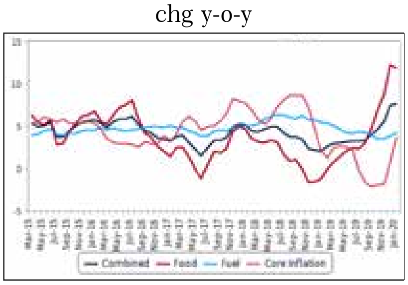
India - Tractor Sales, % chg y-o-y

Source: CMIE, Tractor Manufacturers Association, Fitch Solutions

That said, we see a positive outlook for agriculture over the near term which should cushion the growth deceleration. Tractor sales growth extended its rebound (see chart above), growing by 4.8% y-o-y in January, which in our view, indicates farmer expectations of a good winter harvest in March. Indeed, the government has announced on February 26 that it will lift the ban on onion exports in view of bumper crops which India's food and consumer affairs ministry projects to be 40% above 2019's winter harvest of 4mn tonnes to help farmers get better prices.

Spike In Food Prices Due To A Poor Summer Harvest In 2019

India – Consumer Price Inflation, % chg y-o-y

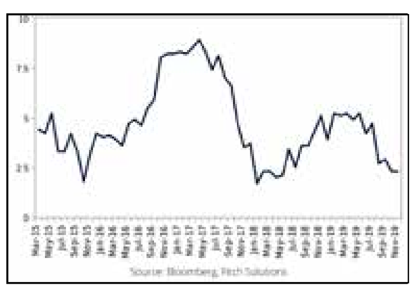


Source: Bloomberg, Fitch Solutions

A ban on onion exports was imposed in September 2019, due to a poor summer harvest which resulted in a shortage of onions in India causing food prices to skyrocket (see inflation chart above) previously. An improving outlook for the agriculture sector, which employs 50% of the Indian workforce, would provide a boost to private consumption and thereby GDP through a rebound in rural agriculture wage growth.

Farm Wages To Rebound

India - Rural Agriculture Wages, % chg y-o-y



Source: Bloomberg, Fitch Solutions

We forecast real GDP growth to recover slightly to 5.4% in FY2020/21, with the pick-up to be broad based. Our forecast assumes that the Covid-19 outbreak will be contained by H1FY2020/21, although we stress that there remains significant downside risks to this forecast as there is still limited visibility on the virus spread in developing markets. We expect agriculture to benefit from strong fiscal support announced during the FY2020/21 Union Budget. A normal monsoon, as forecasted by Skymet in January should also see a significant improvement in the 2020 summer harvest versus 2019. A likely ramping up of manufacturing activity to clear backlogged export orders would also support stronger growth in the sector.

A gradual normalising of economic activity should feed into stronger services growth. In particular, we see the potential for strong growth in transport and retail services, given a recent trend of strong three-wheeler sales (see chart above).

Three-wheeled vehicles in India are typically the auto-rickshaw and Piaggio Ape (a pseudo pick-up truck/van-like modified scooter), adept at last-mile passenger and goods connectivity in narrow lanes or in cramped, crowded city streets. In our view, this trend points towards a rise in the 'gig' economy or rural transport services possibly not covered under official statistics considering India's high unemployment rate of 7.2% in January, according to data from the Centre for Monitoring Indian Economy (CMIE). The situation could be similar to that in China between June 2016 and June 2017, when ride-hailing firm Didi Chuxing absorbed 3.93mn workers who had been laid off from industries due to capacity reductions. Even should such activities fall under the radar, we believe that the income earned would nonetheless feed into stronger retail growth. Finally, construction will benefit from the ongoing public infrastructure drive.

This report from Fitch Solutions Country Risk & Industry Research is a product of Fitch Solutions Group Ltd, UK Company registration number 08789939 ('FSG'). FSG is an affiliate of Fitch Ratings Inc. ('Fitch Ratings'). FSG is solely responsible for the content of this report, without any input from Fitch Ratings.

How social distancing disrupts supply-chains

Mr. Akhilesh Tilotia
Head of Strategy & New Initiatives, Axis Bank

What has surprised the world about the new coronavirus, SARS CoV-2, is how quickly it engulfed the globe, and how the unlikeliest of places emerged as hotspots for the epidemic. Starting in a deep interior region of China, it quickly spread across the world and became an epidemic in places that one would not have imagined having a link with the original location. A globalised world, with air travel and deep, cross-linked supply chains, meant that the virus was able to spread out quickly. It took root in a few places (even as it was quickly contained in Singapore), finding fertile ground in Iran and Italy. The jury is out on whether this can be safely contained in other places, like the US, Europe, the UK, and India, where outbreaks are just starting.

What the virus spread has revealed is that it is difficult to predict where it might emerge next, and with what ferocity. Containment strategies—from community immunity to social distancing—are being drawn and debated across the world. As the containment strategies start to coalesce largely around social distancing, it is beginning to have an unanticipated impact on many supply chains. Many corporate houses have banned travel and events, and work-from-home is the new reality. Even housing societies, and individuals are beginning to keep away from unnecessary contact.

We look at a few types of supply chains to assess the impact of social-distancing. It is difficult to predict how the shock flows through the system—the location and impact of the disruption will only be known over a period of time, via the many linkages that exist. We present a framework to think about the effects on various types of supply chains.

Time perishables: Supply chains that involve perishables face the highest risk immediately. In the time-related supply chains, the world is witnessing a significant drop in bookings—indeed, even large-scale cancellations—at airlines, hotels, restaurants, movie-halls, etc. Airports and retail outlets are facing a significant fall in footfall, leading to some airports demanding a higher fee from passengers. Time-related perishability is very difficult to do away with, especially if the asset is owned and cannot be closed down—fully or partially. In the case of leases, the pain from lack of revenues gets pushed up a level, to the landlord or the lessor. Consumer prices may come down in such sectors, but the lack of demand is not due to an inability to spend, but the unwillingness to do so—lower prices will not overcome the need for social-distancing.

The flip-side of time-related perishability is the time available at hand for doctors, paramedics, etc. Their time and availability being finite, there will be a massive surge in its value. Similarly, teachers, etc, who are suddenly free, with schools and tuition classes shut, will find their time being valued less, and this could lead to loss of salaries and business incomes. This equation will play across organisations and supply chains where some skills will be highly-valued, and some will simply not be required.

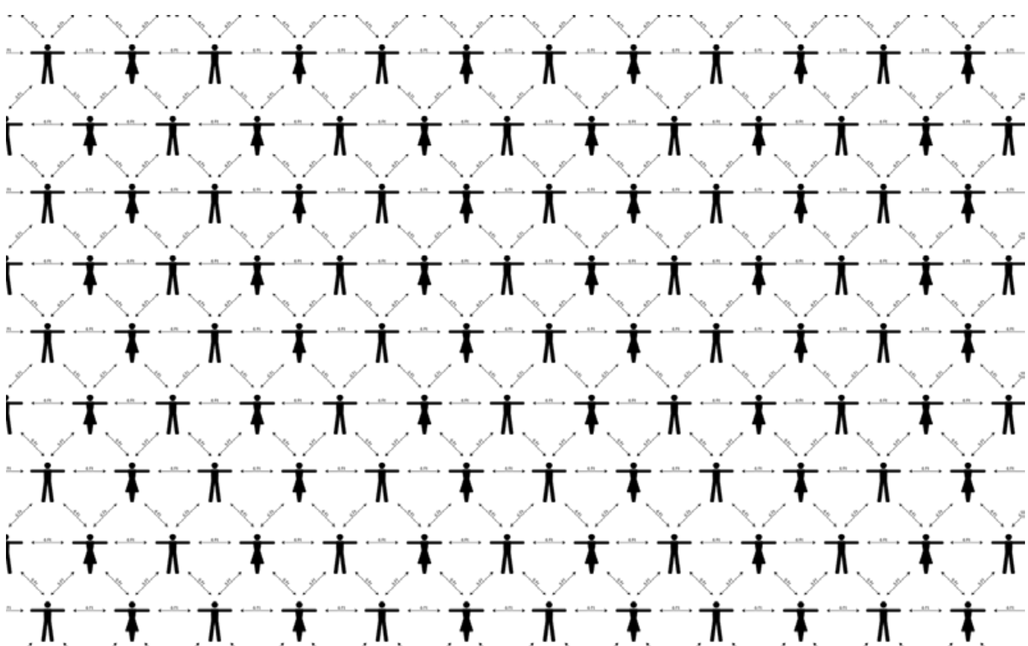
Freshness-perishables: Freshness-related perishable products are typically food products, dairy, flowers, etc. Here, the markets are generally well-balanced in terms of supply and demand. As India knows very well, even small changes in the demand-supply equation send prices scurrying in either direction (refer onion, pulses, and sugar prices over the last few years). Hence, every year, the government gets active, trying

COVER STORY

to balance the demand-supply by either opening or closing the export (or import) market. As footfall at restaurants reduces, and the marginal consumer demand drops, India is already witnessing a cascading effect on agricultural commodity prices.

As the rabi harvest comes to the market over the next few weeks, the softness in prices may continue. The most dramatic fall has already been witnessed in the case of crude—as production continued unabated, even while demand from airlines for the final refined product eased, the most immediate impact was felt in the price of crude. As offices, malls, and schools across the country start to encourage people to work from home or stay there, the demand-supply equations of power production could get challenged. This will either make the marginal producers unviable or require the shuttering of the base-load producing plants. Any commodity in which marginal pricing applies, and which typically remains tightly balanced, could see a sudden price movement.

Inventoriable: For some items, an inventory can be created for a short period, to smoothen out consumption. This includes non-perishable groceries—the fight for food, toilet paper, and sanitisers across the world shows a panic reaction in inventorying consumables. This could lead to sudden stock-outs, and surges in prices of goods that are seen to be in demand. This blip is going to be a short-one—eventually, only so much consumption of a product is possible. As the crisis abates, or countries go into lockdown, there will be a round of demand shocks—the same prices which shot up would find no support.



Deferred or denied consumption: Items that are not of immediate use, or simply inaccessible because of lockdowns, will see deferred, or denied consumption. Over the last year, India witnessed how disruptive deferred consumption can be. The entire auto industry went through a massive slowdown in volumes as customers deferred purchases for a wide variety of reasons, including the upcoming BS-VI regulations. Such deferment led to sharp bull-whip effects across the value chain, disrupting various ancillary production units, and impacting the non-tenured (or contract) workers the most.

Changed consumption: As travel is replaced by telecommunication, eating or shopping out is substituted by e-commerce, and entertainment with movies online, there will be a dramatic rise in the requirement of broadband capacity. In most countries, data is priced on an all-you-can-eat model. Hence, the marginal cost to consumers may not be as high (if the pricing model continues to remain the same). However, the infrastructure of delivery will require significant upkeep and investments—as the large work-from-home options clogging the internet are indicating.

What will surprise us are not the issues that we have already discussed, but something that, suddenly, will be found to be the lynchpin holding the entire edifice together. At my government accommodation in Lutyens' Delhi (in a previous avatar), what caused the biggest stress was when the fellow did not report at 6 AM to turn on the motor to get the water up to the tanks. Such critical levers holding the local and global economy together will be exposed.

With luck and perseverance, we will have the ability to solve these issues in the long-term, and improvise effectively in the short-term while the virus roams.

This is the first of a two-part series

Coronavirus: Flattening the Curve

The first part of this article discussed the possible impacts of social distancing. As supply chains get disrupted, the effect will be as much social as economic. Public health systems across the world are gearing up to cope with this challenge.

The fundamental premise of social distancing is that individuals keep a distance from one another. This premise is based on division of labour, which intricately links up the economy to social interactions. Any lack of social interaction can create significant break-ups in the economic links, which flow through supply of goods and services and credit and trust. Distrust can disrupt the system: this is not dissimilar to how the markets 'gummed up' post the great financial crisis (GFC). Hence, the policy response must focus on keeping the system working until it stabilises.

Unlike earlier episodes (demonetisation, GFC, Spanish flu), there is no time dimension attached to Covid-19. Each of the above issues lasted either a few weeks or a year and beyond, but we don't know how long the current predicament can last.

Liquidity

Businesses will feel the impact across the board: (1) Revenues could stall or fall, led by pricing declines and volume compressions; (2) Costs could remain elevated as gaps are filled with last-minute arrangements; (3) Working capital cycle could come undone; (4) Liquidity and credit may be challenging to find as the ratios that comfort a banker (growth, margins, working capital days) could be trending poorly. Coupled with lesser productive employees who try out the new office-at-home, this could lead to material challenges across P&L, balance sheet and cash flow. Small changes in the external environment can rapidly convert a healthy company into a sick one. It might be impossible to predict in which sectors such challenges may emerge next and with what ferocity. A constant vigil and rapidly periodic assessment is needed.

Different business ecosystems will have vastly different inherent abilities to withstand revenue shock. Businesses with high-capex and low-margins, which rely on significant asset-sweating (say, airlines), may not be able to hold on for an extended period of low or no revenues before deferring payments. Businesses with low asset-turnovers, but high margins (say, service industries), may be able to sustain for longer. Since this type of spread and lock-down is unprecedented, it is not analytically clear which supply chains are most at risk. Comparisons with the 1-3 month disruption at the time of demonetisation or a 3-6 months disruption during the GFC could offer some leads.

Liquidity infrastructure: Creating liquidity lines is essential—such credit lines will be useful as the supply chain convulses, creating sudden, unanticipated requirements for funds. But the need for liquidity will face the concern of financiers on the ability to repay. A societal solution (fiscal or regulatory) for liquidity needs to be found. It could take various forms like deferring or partially condoning taxes, a line of credit from the government (a Kisan Credit Card equivalent for all citizens linked via UPI), increased drawdown limits or term extensions for loans,

etc. Liquidity challenges could lead to solvency issues across businesses and industries—avoiding such precipitation will require building the liquidity infrastructure.

Liquidity solutions: Reducing interest rates will help, but cannot bring cash where it is required. As doubts on the viability of companies take hold, what will be more critical for them is access to cash than the price. While monetary and fiscal policy authorities can help bring down systemic costs of funds, building the pipeline of liquidity will require the banking and financing system to step up. They, too, will be as concerned about the quality of credit and its sustainability: offering liquidity to troubled sectors will require specific forbearance dispensations from the authorities. Every sector may require its unique solutions ranging from offering holding capacity (agriculture), creating liquidity within the supply chain (auto), to financing end-buys (real estate).

Incomes

If the social distancing were to last longer than a few weeks, the biggest challenge would be faced by the informal and unorganised workforce. Those with a variable economic activity could find themselves redundant. This will happen both at sectoral level where consumption is either denied or deferred and at individual level where small enterprises face the brunt. Income support will be crucial, especially in sectors that are front and centre (aviation, hospitality, retail). As people stay indoors, the informal segment dependent on serving others (taxi-drivers, small shops with perishables) will find that customers are nowhere to be found.

It is easier to give income support to formal sectors—via a tax cut or other forms (deferring taxes, relaxing timelines for payment). Companies could be incentivised, too, to advance salaries to employees or borrow against retirement benefits.

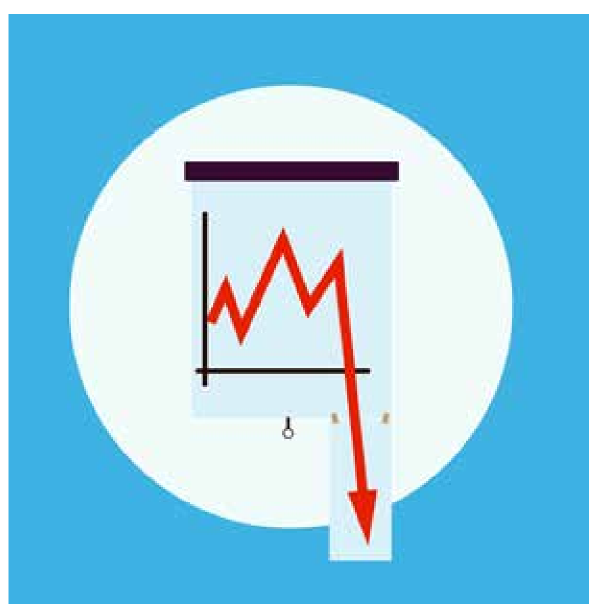
Reaching the informal segment, however, will be difficult. India will have to reimagine the DBT pipeline. It will be important to put in place a system where the Centre or states can reach out quickly for income support.

Asset and commodity prices have fallen. Central bankers in all large economies have reduced the price of money significantly by driving out-of-policy rate cuts or promised to do so. This puts savers and pensioners on a sticky wicket—at a time when asset prices are falling, they also see their regular incomes fall. India, which has seen monetary transmission being impacted by high rates of returns the government offers on its small savings schemes, will need to find a way to protect savers' incomes. Again, targeted support may be required, especially for the elderly.

Rebuilding confidence

Once the social distancing phase is over, rebuilding confidence and restoring trust will be the key. Most of this will naturally start to happen. Still, some of it can be triggered by greasing the economic activity via large capital spends or social works programmes. In these times of tackling the challenge head-on, this may seem a distant requirement. But with luck and perseverance, we will have 'flattened the curve' in a few weeks. It is critical to survive this phase. (Concluded.)

(Views expressed are personal)



COVER STORY

Quo Vadis? There is a Covid-19 storm out there

Mr. Raj Nair

Past President, IMC Chamber of Commerce and Industry and Chairman, Avalon Consulting

The Author has based this article on a model developed by a team at Avalon Consulting comprised of Sridhar Venkiteswaran, Subhabrata Sengupta, Ramakrishnan Krishnaswami and Ramesh Babu. Financial data on companies was sourced from CMIE's Prowess Database

Covid-19 struck like a bolt of lightning, catching everyone unprepared to defend. If one were to examine a human being to assess his ability to withstand Covid-19, one would logically check the immune system to see whether the body can withstand the onslaught of the invading virus. One will also check the general health of the person because a healthy person has a better chance of coming out alive than someone who has underlying diseases like diabetes, cardiac or pulmonary diseases, etc. Finally, the person's chances also depend upon whether s/he is located in an infected area or a safe area.

We have used the same three criteria for assessing the ability of 1563 companies which account for most of India's corporate sector. This framework will help any business, big or small, whether included in the 1563 or not, to make a self-assessment of their ability to weather the current storm. Early action taken based on this diagnosis could make a big difference to outcomes.

Table 1- Measurement metrics to assess the impact of Covid-19

The three dimensions of Avalon PandemicTest to assess the impact of Covid-19 on business

The Avalon PandemicTest

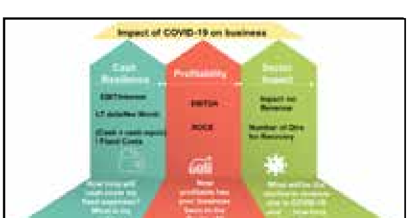


Table 1 shows that:

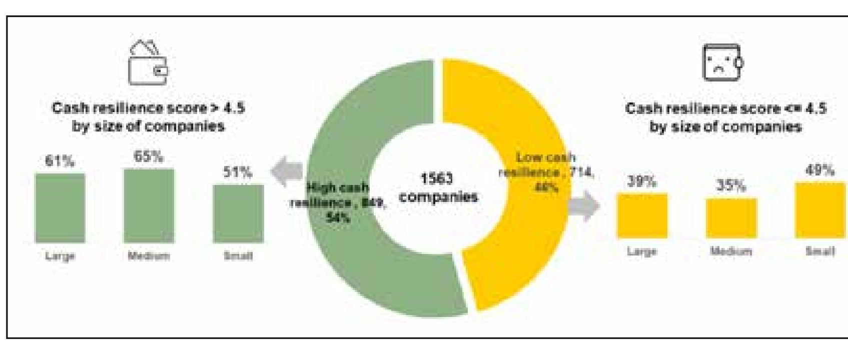
- Immunity of a business can be explained by three metrics:
  - o Cash and Cash equivalent which it has to tide over this crisis.
  - o Debt: Equity ratio: The less leveraged a business is the more stable it will be during bad times and a low ratio also gives the ability to borrow if required.
  - o Interest Cover: If the earnings are much higher than the interest due, the business can even in difficult times avoid a capital sin of defaulting on interest payment.
- Underlying health of a business can be assessed by looking at
  - o Cash profit before tax or EBITDA and
  - o Return on Capital Employed (ROCE)
- The susceptibility to infection which depends on which sector the company is in and can be assessed by
  - o Impact on revenue and
  - o Number of Quarters required for recovery

Our analysis of 1563 companies shows that, nearly 55% of the companies have cash resilience (See Table 2).

Table 2- Cash Resilience of India Inc

Overall, on Cash Resilience, -55% of companies are in a good position with smaller companies facing more stress.

Cash Resilience Score

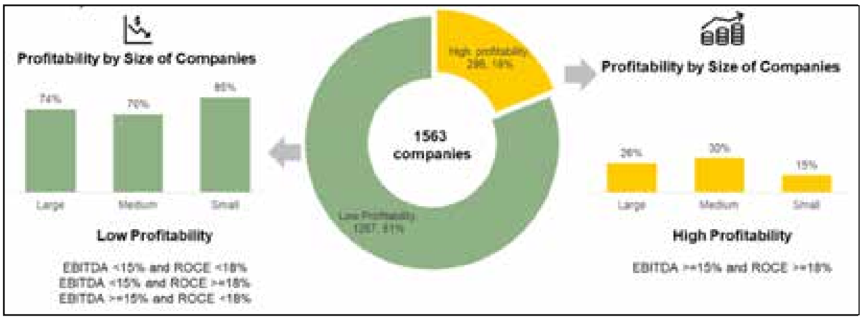


Half the small companies are OK and more than 60% of the Medium and Large ones are fine on cash resilience but the trouble is that only one fifth of the entire corporate sector is profitable enough to deal with this shock. Here again, smaller companies seem rather vulnerable (see Table 3). 85% of them are low in profitability, hence vulnerable.

Table 3- Profitability of India Inc.

However, the Corp sector is not profitable enough to withstand extended lockdown-only-20% of the companiesare profitable enough, with small companies being worse off.

Profitability



Note:

EBITDA and EBIT based on TTM Q4FY19-Q3FY20*

ROCE = EBIT / (Fixed assets + Current Assets - Cash and cash equivalent - Current Liabilities)

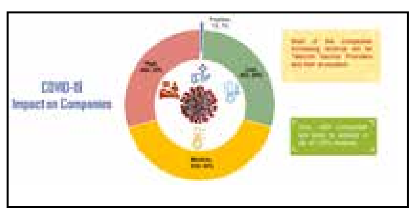
Fixed assets as on Q2FY20, Q3FY20 Net Worknig capital based on Q2FY20 Inventory turnover, receivables turnover and liabilities (excl. short term debt tumover)

About 70% of the companies will suffer medium to high level of revenue impact which means more than 25% of their revenue will be impacted (Table 4). The revenue dip could even be as high as 70% in some sectors. In addition, these companies will take at least two Quarters to recover. It could even take 8 Quarters in some cases. Only 1% of the companies are likely to see an increase in revenue in these bad times. They are largely telecom and ecosystem around they- broad band, home entertainment like Netflix, Alt-Balaji and other OTT businesses.

Table 4 – Impact of revenue

The revenue impact of Covid-19 on India Inc. is expected to be severe - about 70% of the companies are likely to witness revenue dips > 25% and will take > 2 quarters to recover

Sectoral Impact of Covid-19 on India Inc.

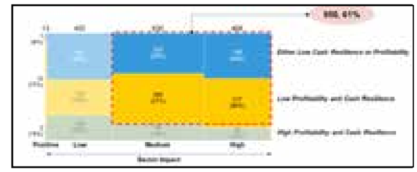


If one combines the effect of all the three parameters (cash resilience, profitability and sector impact), the picture looks worrisome. Nearly 61% of India Inc which accounts for the bulk of the movers and shakers of the Indian economy, are being impacted by the Covid-19-driven lockdown in terms of significant drop in revenue in FY 21 and are also vulnerable due to either low cash resilience or low profitability.

Table 5 – Combined effect of Cash Resilience, Profitabilty and Revenue Impact

Most of the companies (950 companies, 61% of the sample) in High and Medium Revenue impacted sectors are also stressed in either / both Cash Resilience and Profitability

Impact of Sector and Financial Performance



This means that, like patients who are located in Covid-19 impacted sectors, they have low immunity and many of them also have underlying diseases. Only 7% of 1563 companies are really safe at present. Table 6 shows an illustrative list of sectors that will be affected by Covid-19. It excludes Telecom and its associated ecosystem which will actually do well because people as locked down in their homes. The main report prepared by Avalon Consulting which is available at www.consultavalon.com also lists companies by name, which fall into each of the nine cells shown in Table 6. It is not intended as a recommendation for share investments.

Table 6 – Revenue Impact of Covid-19 on different sectors

Admittedly there is a shortage of data and that the Government, smartly and quickly, adopted the 80:20 rule to determine red areas which will be severely locked-down. But 6 weeks into the crisis, there is more data though still limited. With whatever data is available, we at Avalon Consulting, have built an easy to use model with a complex analytical model at the backend (not covered in this article). The model correctly identifies the hot spots and removes some serious errors in designating some areas as hot spots. It is also able to predict which districts are going to turn red from orange or green and also which red areas will become orange or green in the next

7 days and next 14 days based on many factors, including the time taken for doubling of positive cases. Separately, based on our domain knowledge and the use of geospatial location data, we have identified the large and small manufacturers of essential and many nonessential products, besides Agri-commodities, and mapped the companies which form each of their supply chains across the length and breadth of India. For instance, bread requires flour, yeast and other ingredients besides packaging materials. Unless, this full supply chain operates, bread cannot be baked and delivered to stores. We have superimposed this supply-chain data base and the Covid-19 forecasting database, to clearly show which parts of India can be opened up to get manufacturing supply chains humming again and when to do that safely. The good news is that a significant part of India's manufacturing can start operating without risk, by opening up no risk and low risk zones. There is no point, any more, in opening or closing down districts and sub-areas for long periods based on the earlier broad assumptions which served a useful purpose earlier.

If Government implements our model, misclassifications of districts can be corrected without impacting the fight against Covid-19. For instance, Ludhiana and Ernakulam, which have significant economic activity and are low risk districts, have been classified as red districts, where manufacturing can be allowed to function.

Given the extreme stress that Covid-19 has created on the economy, it is imperative that the Government must focus on rescue through a combination of bold relief packages and smart unlocking of locked down districts. While the Government will do what it will, there are a few general guidelines for all companies during this crisis (Table 7) and some specific guidelines (Table 8).

Table 7- Generic Responses Required from India Inc.

Across the board, India Inc. needs to take urgent steps to deal with Covid-19 impact on the business

Generic Actions Across the Board

All companies should focus on cashflow management and control, rather than chase profitability. That said it is imperative to cut fixed costs to the bone so that it can emerge stronger quickly when the tide turns. In anticipation of lifting of the lockdown, work should begin on reviving broken supply chains. Some vendors may close down for good, whereas many others may need financial and managerial support. Finally, all companies need a health and safety protocol to start operations when permitted just as they may already have a technical protocol to start their plant. The former is something new as it has not been done before.

Table 8- Required Responses specific to some sectors

In addition, depending on the financial wherewithal of the company and the Covid-19 impact on the sector, specific actions need to be considered

Specific Actions to be Considered

While market share is important for companies with high cash resilience and/or profitability, those with only one of them should aim to defend their market share, and thosenwithout either of them should seek suitable partnerships to weather the storm. Those with both, cash resilience and profitability, can actually aggressively seek to increase market share even through acquisition at the current low valuations. Those with low cash resilience could try to raise capital now if they can, whether their profitability is high or low, in order to be able to do things to retain their key customers and market share. All companies will need to have a new approach to build flexible Annual Operating Plans. Avalon Consulting has been doing that for their clients using their proprietary Tildar Methodology.

Finally, one big change that is palpable is that many companies will start adopting 'working from home' (WFH) as the new normal. WFH which belonged to the realms of debate for the past few decades, has morphed into reality due to the forced lockdown. Companies have learnt that it is possible to do so rather efficiently if they used relevant technology, which are inexpensive and plentiful. WFH is beneficial for the environment, for the Government (less to spend on public facilities and hard urban infrastructure, cheaper to build broadband infra), better for employees (less commute , less cost, more family time, etc.) and employers (lower cost with little or no loss in security). One little bird quipped from its perch that it as not seen nature so pristine in decades and another added that mankind has forgotten that their ancestors largely worked out of home even during the four centuries till nineteenth century when rich Florentine and Venetian merchants started offices followed by the Admiralty and the East India Company. Just a hundred years ago, Frederik Taylor followed by Frank Gilbreth (with their theories on productivity gains in performing repeated tasks and time &motion studies) reinforced the distinction that work was to be done at the office and that home is for leisure and the family. That distinction is about to melt in the heat generated by Covid-19. So, Quo Vadis?

Resilience amidst the Pandemic – India's logistics network

nexdigm SKP

Ravi Menon (RM)
Senior Business Advisor

Satish Sawant (SS)
Director – Supply Chain

Karthi Baskar (KB)
Deputy Managing Director, KWE India

The global supply chain today is an extensive network of relays, reliant on the continuity and connectivity of its many nodes. Leading minds across industries have painstakingly improved, optimized, and digitized this complex network, which forms the very pulse of life as we know it.

Naturally, amidst extensive restrictions today, one of the biggest questions around maintaining operational continuity is– amidst tight government restrictions, how will products reach consumers? Expert opinion suggests that the situation is encouraging – the government is enabling supply in successive steps.

Nexdigm's Supply Chain specialists are in regular conversation with our partners and clients to stay in touch with the recent developments and to help them tackle the impact of this global pandemic.

Ravi Menon – Senior Business Advisor and Satish Sawant, Director – Supply Chain at Nexdigm, explore these big questions with Mr. Karthi Baskar, Deputy Managing Director at KWE, one of India's leading, end-to-end, comprehensive and outsourced Logistics Solutions Provider.

RM: Karthi, could you provide us an overview of the status of air cargo shipments?

KB: Yes, Ravi. This can be understood in three parts:

a) International shipments: As of now, the airports at all metro cities are operational for Airfreight for essential commodities, but Mumbai and Bangalore airports are very active. Customs and airport custodians are operational, but with limited resources.

b) Domestic shipments: As of now, domestic shipments are hit badly due to the stoppage of all passenger aircraft. Services are available by one airline, limited to only airport to airport services.

c) Essential goods: Domestic shipping, as well as import and export of commodities, including essential goods, are allowed, particularly on pharmaceuticals and food products.

It is essential to understand that when the lockdown was announced, airlines had to stop operations immediately, and there were shortages in staff and customs personnel due to government restrictions and fear. Hence, initial challenges and bottlenecks were being faced at airports.

However, we have seen rapid development in the last one week, as all essential goods have started moving, and the supply chain is getting restored, subject, of course, to proper planning, regulatory approval, and the availability of resources.

SS: That sounds encouraging! Can you also give us a similar overview of Ocean cargo?

KB: Ocean cargo is facing more significant challenges than air freight. Most trailer operations in and around ports have come to a halt due to a lack of labor, as several freelance transporters have moved to their hometowns. With the large-size operation, congestion is hitting the throughput of ports, which will affect the flow of import and export of commodities creating supply vs. demand imbalance. Further, there are regulations about the quarantine of vessels that come from affected

COVER STORY

countries. Revival to normalcy will take more time here.

RM: You mentioned that the metros seem relatively well serviced, but how is the interstate surface transportation faring beyond the major metros, to Tier 2 and Tier 3 cities?

KB: Cargo movement to Tier 2 and Tier 3 cities is almost nil, with no flight service and complete blockage of road services due to state border closure, loads down, and e-commerce slowing down. Overall, the network is badly hit; inter-state borders are sealed, and the movement of cargo is slow. With the lockdown and exodus of migrant drivers, most surface transportation companies are not working. Only essential commodities with proper statutory approval and advance planning are able to move and at higher costs. After transport is restored to the metros, we expect the conditions to improve in these areas.

RM: Moving over to the next big question - how are warehousing operations being impacted, and what mitigation plans are underway?

KB: Warehouse operations are predominantly closed, and need-based actions are being taken to open warehouses for essential commodities (at fixed times and specific operations, with prior approval from local authorities). To normalize business flow and support labor continuity, some state governments have relaxed norms to open warehouses for essential and non-essential goods.

SS: Are there any challenges faced in terms of paperwork and regulations in this scenario?

KB: With critical procedures already online, including e-way bills and regulatory functions like customs, we are not seeing major challenges. If we face any hurdles, statutory authorities are supporting the resolution.

The challenge is connecting the first mile from the manufacturer to the first exit point. Since this is predominantly manual, the situation could trigger companies to find technology-based tools and processes to enhance efficiency.

RM: Is Covid-19 making companies reconsider their logistics and supply chain strategies? What major long-term changes do you foresee coming into play?

KB: Yes, in fact, I think that the supply chain strategies of all companies will change post-Covid-19. Every organization will have to redesign sourcing strategies, like the decision to source from China. I recently came across a news article stating that the Japanese government has announced a stimulus to major companies to shift their production base from China back to Japan. Other countries might see similar regulations, and companies will need to re-design by sourcing from multiple countries.

In particular, I think the pharma, technology (tools like AI), FMCG, logistics, and supply chain industries will see significant changes in the way they operate.

Additionally, remote working and running organizational supply chains with technology-based tools would be a major change that would come in. This will also allow companies to revisit employment decisions and employ the 'work from home' model to reduce fixed and rental costs.

In short, significant changes are expected, and those who adapt to them quickly will survive and thrive

SS: How has this lockdown impacted service providers like KWE India?

KB: KWE India has not seen a major impact till now. The industry is driven by a strong commitment from employees who are braving the pandemic, and staying resilient due to the confidence shown by customers. Custom solutions are being delivered to customers despite limited on-ground staff, with proper approvals. While the restrictions and remote working situation are challenging, I firmly believe that the industry will be back on track soon. after May, we will be back on track.

Novel Coronavirus 2019 from Hit & Fall, now from Survival to Revival

Mr. Kamlesh Barot

The world over, particularly our tourism industry has fallen very badly to ground zero, after being hit by Covid-19. Though the true test of time would be, after the first 3 months of opening how do we survive from this to the next 50% business level. Thereafter we shall rediscover the new normal of our revival, from the 50% to 100% level, till the vaccine is flowing in each one of our bloodstreams, God-willing sooner than later. After the vaccine, will we still be social distancing? Wouldn't we all rebound to the pre-Covid-19 practice of antisocial closing and show unprecedented buoyancy, to refute every forecast made today!

Historically, our hotel industry turned into IT hubs in the Tech bubble era, 26/11 made our hotels more secure than airports, the eco-wave made hotels 3R (reduce, reuse and recycle) efficient, should we forget about reuse & recycle now, and only concentrate on reduce? Same happened when we redesigned for the differently abled, and now with Corona our hotels will be more sterile than hospitals – I am wondering where's hospitality gone?

We might at our outlets, put up a new welcome smile on our masks to instill the assurance of guest's security and safety, giving privileges beyond our loyalties and circles. To gain the confidence of our patrons, many hotels will show their 'Back-of-the-House' CCTV feeds on their websites. Health certificates might feature in our redrafted new SOPs. Can our ERPs or hotel software be patched with the Arogya Setu app? Probably not! The key to our survival and revival will very heavily depend upon our first fifty days of online reviews and thereafter.

Upon arrival at your next stay with us, don't be surprised if you're given three bags: one for soiled towels, one for soiled bedding and one for trash, you are then asked to place the bags near the entrances to your rooms and contact housekeeping for clearance. Few of you may observe no in-room housekeeping per se during your stay, as the deep cleaning of the rooms might only take place after guests leave. Maybe others would get into their rooms which have been kept vacant, then cleaned, again kept vacant and then allocated, after the previous guest checked out. Few hotels might have no minibars, few might have shut their spas or swimming pools, few stopped buffets or the turndown service. Maybe there'll be no excess pillows or excess linen, or hangers, you might also be given a specific gym time slot, IRD (room service) might be with bento boxes or tiffin boxes or set meals & yet others may allow only one person in the lift car.

Corporate travel managers told, their employers had cancelled or suspended all or most previously booked or planned international business travel, while 92% said all or most domestic business travel had been cancelled or suspended. There is light at the end of the tunnel though, since the 23 odd million Indians who travel abroad every year,

might not do so and travel within the country, but with hardly any of the 10 plus million foreign tourists coming in every year, will there be a revival, albeit with Delhi and Mumbai still shut? With MICE or the big fat Indian weddings going on a year-long diet, diminished business traffic, e-papers replacing print, mostly e-conferences on Zoom or Team or gowebinars and no exhibitions, domestic and leisure travel will be king.

*Like us at FHRAI, the American Hotel and Lodging Association also sent a letter to the Treasury Department and the Securities and Exchange Commission asking for a $10 billion CMBS market relief fund that would be part of the Main Street Lending Program, but designed specifically to facilitate loans to hotels.

We are one of the most capital as well as labour intensive industry. Without new normal working capital revenues flowing, it'll be difficult to service our lenders and honour our commitments to our teams, our supply chains and the authorities, when our banks have today blocked our bank accounts and our credit card funds due to directives to many banks.

What support we'll get from our Governments at the States and the Centre, with so many representations we've all made, as our businesses and expansion plans have been put in the attic?

"Hotels tend to be a reactive business," said professor Chekitan Dev, marketing and branding at Cornell University's School of Hotel Administration. But now we shall be moving from the hands-on & human touch approach to contactless hospitality, no breakfast overcrowding, no communal tables & new staff cafeterias. New menus shall be either 'use & throw' or menus shall be QR'd on guests' phones or on sanitized tabs. Sanitization of public area toilets and even faucets within would be done after every use. Cutlery, crockery, glasses & napkins, may be UV sanitized or thrown away. All this will increase our overheads rather than lowering our costs, coupled with depressed revenues due to the spaced-out seating, to adhere to safe distancing. From FHRAI we shall send a new hygiene checklist to all our members, for each and every department, followed by FSSAI seminars for our all India members. We just finished 46 seminars on the new FSSAI Act and have trained 1643 team members.

In these trying times, with staff exodus to their hometowns and stalled mass transportation, we have yet the biggest challenge, to retain our most talented and multitasked team. Though we are not in favour of retrenching our decades loyal staff for a few month's salary trimming, to cut down on the heaviest loader on your P&L, but that is if we will revive.

Coca-Cola CEO, James Quincey said "Game theory developed with care is, how bad problems become less bad, and opportunities become apparent, in the fog of war. "

With 1.3 billion guest's pent-up money and entertainment desire with no software in cinemas and lesser screens, since the non-polluting and zero honking lockdown started, the size & shape of their wallets, also would have changed. There'll be now the new Fine Dining avatar and takeaways, even at an additional delivery cost, going up to 35% at times to the restaurants, as the new strategic point-of-sale, without any value cutting.

*With the Centre freezing staff DAs for the next 18 months to save INR 38,000 crores we observe that in USA the unemployment has plummeted today to 23%, which was in the great depressions at 25%. 38 million out of work till date, have filed for unemployment claims, besides those who have left the labour market. In LA under the government CARES act, furloughed or unemployed employees can collect their state unemployment plus an additional $600 weekly from the federal government for up to four months. White House just approved additional funding for the Pay-check Protection Program (PPP) an additional $310 billion. Of that, $60 billion would be set aside for community-based lenders and smaller banks to assist smaller businesses that don't have established relationships with big banks.

On the brighter side, Trip.com anticipates peak travel season over Chinese May Day holiday. The five-day holiday is expected to mark the first peak for travel in 2020, with travel figures possibly doubling those of the Qingming Festival, long weekend in April.

"We shouldn't assume that each step forward is permanent, necessarily".

The World is not going to be the same?

Mr. Sanjay Mehta
Dy. Director General, IMC Chamber of Commerce and Industry

We all have been hearing about how life and things would not be the same as we make advances in quantum computing, robotics, IoT, AI, et cetera. That was then.

The Covid-19 pandemic has hastened that process. What we were contemplating day after tomorrow is going to be tomorrow.

As we emerge out of this crisis that has brought the world to a grinding halt and ushered into isolation, would the world, the people, the societies, businesses, trade, governments change from business as usual, for better, and in some cases, for worse?

This question arises because in fight against the pandemic the government around the world are expanding their roles in economy. Given the expected huge hit to the world economy, it is justifiable that the governments only can mobilise resources to enforce lockdown of industries and isolation and help prevent economic collapse. But the biggest bailout in the history by governments and central banks around the world, the governments have assumed commanding heights of economy. The scale of involvement also covers surveillance of people to track movements of Corona positive people and trace those they came in contact with. This is all good to check the spread. The question is will they retreat from the economic and private space once the world economy recovers from the Covid-19 shock? History suggests otherwise. So be prepared for big governments in tech and economy dictating terms and following you for a longtime after Covid-19 war is won.

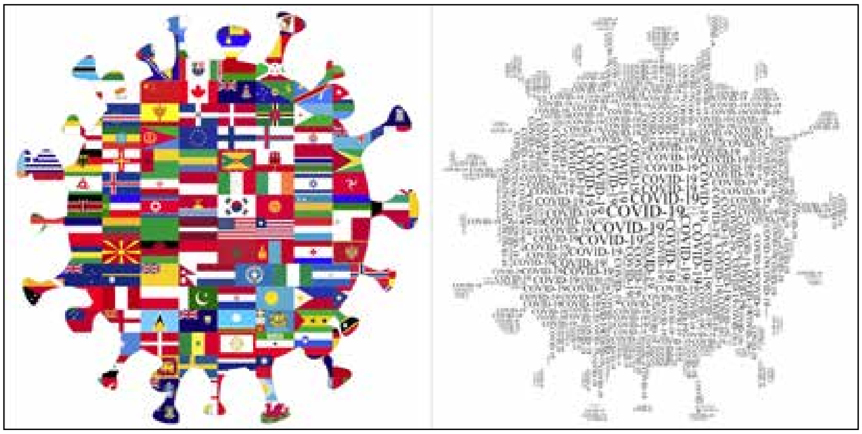
The nations are more likely to withdraw inward into autarky as supply chain shock has caused loss of trust and more and more nations are raising trade barriers to restrict exports of medical supplies and banning exports of certain medical devices, medicines and certain commodities. Going forward, regulation register will get bulkier with expanding state support. This would lead to higher public dept and the state would have no option but to recover some with higher taxes and levies. The world probably would see less dynamic capitalism and free trade that it was used to.

This pandemic has shown fault lines in preparedness of healthcare system of many countries. Particularly in local capability of production of clinical and protective equipment and paraphernalia. Dependency on imports of face masks, respiratory masks, ventilators and protective gears led to acute shortages. Post Pandemic, expect many nations to allocate greater share of their GDP to public healthcare and design policies to encourage local production of medical equipment and essential drugs and pharmaceutical ingredients. Again, here, the governments would have no choice but to ask citizens to share the burden.

Businesses and industries are going to fundamentally change. Industries around the world would aggressively pursue diversification of supply chain to significantly reduce dependency on any one source. More emphasis will be given to local sourcing and local markets. Governments which are quick to realise this and create appropriate policy framework and incentives to encourage investments for local quality manufacturing at scale and competitive rates will benefit.

Companies will draw up elaborate contingency plan to cope up with future such disruption when more than half of the global GDP had to be shut and other half lumbering. This might make companies to hold on to greater amount of cash. The same goes with households. They will save more to cushion them from future shocks of unpaid salaries or loss of

COVER STORY



jobs. In result consumer demand would remain flat until confidence is regained. This would make recovery of global economy much more lengthy than many expect that to be V shape.

Workplaces and factories are going to go through some important changes in ways employees and workers are going to be spaced out. There will be new protocol for separation between workers, hygiene, regular disinfection of surfaces and screening of workers.

Assembly lines which normally see workers cluster around will be spread. While companies will probably go for hybrid system of on-site and work-from- home for their employees, the factories would see more automation and remote operation.

Many companies would likely to opt for cloud-based services.

Travel will become more cumbersome. Particularly, air travel. Time taken for getting into and out of airports could become longer with new measures like screening and disinfecting baggage, requirement to fill in declaration forms on health and travel history of travellers.

Getting visas for international travel could become difficult and involve lengthier process involving tests for Covid-19. This could stay at least till a proven cure or vaccination comes about.

The pandemic has caused millions to lose their jobs and getting their citizens back to jobs would become priority for countries. As a result, many developed countries are likely to heavily restrict work permits for foreign nationals.

Some most desirable change, particularly in developing countries, could be in behavioural habits of people in public. Just like we see in Western countries, people spitting, coughing or sneezing without covering the mouth or littering in public spaces are going to get hard stares or reprimand from others.

The government of India should seize this opportunity and introduce bill for heavy fines or imprisonment for spitting, littering public spaces. We could see more people with masks in public spaces.

Will all these be new normal or things would be business as usual after sometime? Only time will tell. However, changes in work places, factories, supply chain logistics would be there for good.

One thing though I hope change in India is client-patron relationship in politics.

Even in the middle of the crisis when people took the Prime Minister's call for remaining at home quite seriously and responsibly, few connected people still were able to get VVIP treatment and flouting all norms.

They could not have done this without help from authorities. While the poor and the hapless and stranded migrant workers with no decent shelter or means of subsistence were denied passage to their homes citing fear that they might carry virus to rural areas, hundreds of buses were arranged for pilgrims and students to transport them from far away places to their homes.

No such fear then? Even the pandemic is given communal and class colour.

I know I am digressing but could not help highlighting discrimination. The cause for this is both the people and the politics.

How true the great visionary Dr. Ambedkar was when he said, "The factors on which the working of the organs of the state depend are the people and the political parties they will set up as their instruments to carry out their wishes and their politics.

Who can say how the people of India and their parties will behave?"

The world may or may not be the same post-Covid-19, but hope that India would see a people-politics relationship based on mutual trust, respect and equality.

(Views expressed are personal)

If your board is grappling with this crisis

Mr. Anirudh Gupta, CEO, Ashina Services

Alarmed about the Covid-19 impact on your company? Key steps to be taken by board to reduce the impact immediately and prepare for the future upside.

If your board is grappling with this crisis read on

The Covid-19 virus has made any movement difficult and any contraction of conversations, interactions results in lower economic growth.

Payments are being delayed

Salaries need to be paid

Business needs to get back on track

All chambers of commerce are talking about contraction of activity if not loss of jobs.

This quarters numbers are not only impacted maybe next quarter is also hit.

Is a Recession Coming?

How do we prepare the organization to tide over this crisis without sacrificing medium term growth is the right question to be asked?

If the right question is asked the answer appears

What can be done for the next one quarter, two quarters,1 yr or 2 yrs which will secure the medium term plan and maybe exceed it?

It may seem a bit out of place for you in this lockdown to digest this idea but the role of the board is to meet the needs of now and prepare the company for the future.

What is a starting point?

A business when faced with a crisis needs to identify the core assets of the company or the group and build around it.

A second step is to look at the future and build for it.

What approach is your board taking?

Are you making sufficient use of it in these times of turmoil?

In turmoil it is very difficult to initiate a conversation on opportunity. But then being a leader that is what the job is.

Let us say till a quarter Covid-19 is on the discussion table globally as well as domestically, what would be looked at?

A key thing to look at as a director is till next quarter is

1. Having enough cashflow to pay the staff
2. Work on pressing issues of generating cashflow
3. Looking at collections in a proactive manner
4. Being there for your communities you serve
5. Figuring out ways to help people get back in the game including your vendors
6. Absorbing information on opportunities
7. Maintaining bank and stakeholder covenants
8. Identifying and renegotiating with stakeholders in terms of time or money

Is this sufficient?

To start with yes.

Fair enough. This is short term management. What about the medium term?

The long term is made of short terms and generally the short term is a starting point.

The longer term issues are

What markets to enter strategically?

What is our right to win as a company?

What advantages we need to build to generate momentum?

What advantages can we capitalize on now?

What could be an advantage?

Knowhow in knowledge industries

Goodwill particularly when it comes to extend credit terms

Supply chain relationship when it comes to international trade

Good banking relationships for debt capital if you spot an opportunity in the market place

Good client relationships which help in challenging times

Being able to secure help through government policy interventions for your industry

If this downturn lasts one quarter it can be absorbed in a year.

If two quarters then close to 2 years.

What if it lasts more?

It is an event based crisis based on a virus and hence not structural.

Businesses based on international work are likely to suffer, although certain segments may do well.

Domestic consumption will also take a hit if salaries are cut across the board though not for basic consumption items

Recovery may take longer than expected

The first round of central banks stimulus has happened.

Not to forget it is an election year in the US.

What would one look at next quarter?

1. Streamlining existing busi-nesses
2. Identifying what parts of the business can be made more productive
3. Looking at new opportunities and forming teams to work at that
4. Looking at what part of the businesses to optimize or exit

What is the solution?

A couple of things as discussed above.

All businesses are run on 3 fundamental drivers

1. Revenue
2. Costs
3. Reputation

Plan A – Phase 1

Secure cash flow

Use technology

Renegotiate agreements on key cost elements wherever possible

Plan B-phase 2

Increase spends on marketing as economy improves.

Now you would say it is counterintuitive but it helps to increase

Marketshare.Data within your own organizations in previous cycles can validate it

It largely depends on whether you want to deepen existing business or new side of the business.

Deepening existing business may be a limiting strategy.

It depends on your organizational situation. However if looking at new markets is a practice then

The business stays sustainable.

Can you share an example?

A family business with a decent presence in the hotel industry had

COVER STORY

started a hardware business

Years back. That small initiative is the core business of the group now

If you are looking at digital as a medium look at a cost: income benefit of 1:3 at least, although 1:2

Is more seen.

The way to look at digital is it increases reach at a lower cost as compared to print media. Specifics

depend on your organization.

What if the recession happens?

One needs to ensure that one years fixed expenses are there at a company level and personally.

As experienced in past situations one year is generally good for the basic situation to come closer

To a normal.Vaccine trials are also expected to deliver results around a years time.

What if it is longer?

The business design would need to be reworked.Business would need to be digital in all aspects. Costs would need to be made variable.

A good business design is one wherein technology costs or critical costs are relatively low in fixed costs.

Benefit of that is one can look at scaling up faster depending on the opportunity.

How will this help our company's valuation?

As one takes steps to improve health through exercise the value of the business increases through daily steps taken in the right direction.

A simple 1% improvement every week can result in a 50% improvement in a year.

On what parameters?

Key elements of revenue primarily recurring revenue

– Costs

– Fixed

– Variable

Value proposition

There is an interesting story I have come across which makes the point more lucid.

A revered monk was approached by two young boys.

One had a pigeon in his hand with his hands behind his back.

The other one asked him

O Revered one, is the pigeon dead or alive?

The monk calmly replied "It depends on your intention"'

Are we willing to stretch our minds and hearts to achieve it?

The choice is yours.

What if it is a wrong decision?

It can be reversed within a quarter.

Momentum is critical and enthusiasm is contagious.

If we are passionate as a team towards solving pressing needs of our key stakeholders we can thrive in any kind of economy.

What if we don't?

It can be reworked if the problem is identified correctly.

If we think growth, stability happens.

If we think stability, survival happens.

If we think survival, degrowth happens.

The right thought will get us our true potential. Of course it needs to be deliberated, well thought out and timely executed. This is the foundation on which long term businesses are built. May you allocate capital and time wisely.

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

March 17, 2020

Mr. Shaktikanta Das
Governor
Reserve Bank of lndia
Central Office Building
18th Floor, Shahid Bhagat Singh Road,
Mumbai-400001.

Dear Mr. Das,

Sub: Recommendations for the upcoming Credit Policy

Greetings from IMC Chamber of Commerce and Industry!

IMC Chamber or Commerce and Industry is a 112-year old premier institution representing the interests of over 400,000 business establishments covering a range of industry, trade, commerce and services.

We wish lo compliment the RBI for announcing an additional LTRO for up to a total amount of Rs. 1 lakhs crorcs at the policy repo rate; and the decision to conduct LTRO for Rs 25000 crores on March 18. We have also noted that RBI will under take anot her 6-month US dollar sell/ buy swap auction of $ Two Billion March 23 to provide liquidity to the foreign exchange market.

However, a lot more needs to be due lo support sagging growth. IMC believes there is an urgent need for the MPC to seriously consider lowering the repo rate by at least 100 basis points given the transmission issues with banks and at a time when the economy is facing a crisis due to the Coronavirus.

1) Indian economy is facing several challenges including slowing economic growth, subdued investment, tepid export growth weakening rupee, lack of jobs growth, and general loss of business confidence. Developments on the global front are also impacting the Indian economy. Lowering of interest rates would help spur consumption and investment. An increase in retail credit and demand pick up in the housing space will boost consumption growth.

2) The world is currently facing an unprecedented threat frum the rapidly spreading cornnavirus (Covind 19). What started as an epidemic in China is now a global phenomenon, a pandemic declared by WHO. Not only threat to human health, hut also threat to nations' economic health is very real. Covid-19 is seen affecting many countries some of which an; our major trading partners including China and EU.

3) Sectors like tourism, hospitality, aviation and shipping have been directly affected. In manufacturing, sectors such as pharma, auto, electronics and similar have been impacted due to disruptions to the supply chain.

4) Companies in these sectors are affected in varying degrees in terms of loss of business and loss of incomes. These companies arc sure to face growth challenges and difficulties in debt servicing.

5) We need to take preemptive or proactive steps before the situation gets out of hand. Extra-ordinary situations demand extra-ordinary responses. A rate cut by RBI will help the cause. Indeed, the market is expecling a positive response from RBI and it is critical that growth is supported.

6) Central bankers in many count ries across the globe are taking coordinated action by reducing interest rates. In an emergency measure, the US Federal Reserve cut interest rates twice (50 bp plus 100 bp) to hring the interest rate near zero. Stimulus packages are also beingannounced.

7) With crude oil prices collapsing (Brent below $ 30 a barrel) and sufficient stocks of rice, wheat and pulses with government agencies, inflation is not a major concern at the moment although a weaker rupee (ahove 74 to a dollar) makes imports somewhat expensive. Fort unately, WPI has come marginally lower at 2.26 percent year-on-year in February as compared with the previous print of 3.1 percent Y-o-Y in January.

8) We would like RBI to use interest rates as a weapon to combat low growth as well as create a pro-lending environment to unleash growth impetus.

9) A one-time moratorium on payment of interest/principal for all borrowers including corpornte and individuals may also be consitl red.

10) Soft loans could be provided to the stressed sectors to help these tide over the crisis for a year.

To sum up, IMC seeks a reduction of at least 100 bp In repo rate to spur growth; in these tough times of business going through unexpected upheaval due to the Coronavlrus.

Thanking You,

Ashish Vaid
President

Innovate, Motivate, Consolidate

IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

March 17, 2020

Shri Ajay Bhushan Pandey
Finance Secretary
Government of India,
Ministry of Finance
North Block, New Delhi

Dear Sir,

Sub.: Extension of date for filing of GSTR-3B return for the month of February and March 2020 in wake of the Corona virus outbreak

The spread of coronavirus In India has picked up significantly over the last few days with many town and cities coming under its grip. The spread has been particularly severe in state like Maharashtra, Kerala, Odisha, Gujarat, Karnataka, Uttarakhand, New Delhi etc. In order to check the spread of the deadly disease several advisories are being Issued by the state govemments as well as by the medical experts advocating social distancing. As a result, from Monday 16.03.2020 onwards several offices, companies and organizations have resorted to measures like work from home, do not travel by public transport, self imposed quarantine in sensitive cases etc. Keeping in view the severity of the situation some of the states have also issued directives for limiting the work force in offices.

As a result, the functioning of the offices/organizations has been severely disrupted all of a sudden which will impact their preparedness to file GSTR-3B returns for the month of February, 2020 due shortly on 20/3/20. Till the organizations become attuned to the new system of working from home and ensure that their work force adequately enabled, which will require the provision of facilities like laptops, wi-fi, VPN connectivity etc., it is requested that extra time be given to the businesses/tax payers to file the GSTR-3B return to the month of February 2020 and the last date for filing of GSTR-3B for February 2020 be extended by at-least15 days. Similar action also needs to be taken in respect of GSTR 1 and GSTR 3B returns for the month of March 2020.

It may be pointed out that several countries are taking proactive tax compliance related steps to mitigate the impact of corona virus. To give an example in an order issued on 13/3/20, Irish Tax and Customs Department announced a slew of measures to assist businesses experiencing cash flow and trading difficulties arising out of impact of virus. These Include suspension of interest payments for January/February VAT payments and suspension of debt enforcement activity.

Similar proactive measure taken by Government of India will go a long way in ameliorating the plight of the taxpayer who are already reeling under the Impact of this deadly disease on their cash flows in particular and businesses in general.

With regards,

Ashish Vaid
President

March 25, 2020

Shri Ajay Bhushan Pandey
Finance Secretary
Government of India,
Ministry of Finance,
North Block, New Delhi.

Dear Sir

Sub: Request for deferment of due date for payment of Excise Duty by one month in view of Pandemic Corona (Covid-19).

1. We wish to draw your kind attention to Rule 8 of Central Excise Rules, 2017 dealing with the manner of payment of excise duty on non-GST goods which mandates that excise duty on goods removed from factory or warehouse during the month of March shall be paid by 31st March itself being the last month of the financial year.
2. As you are aware that as of now the entire world is fighting with full strength against the Pandemic Novel Coronavirus (Covid-19). India is also one of the affected country fighting with it for last couple of days. Further from today onwards based on appeal of the Hon'ble Prime Minister, there is to be a complete lockdown for 21 days in the entire country so that social distancing and minimal human contact can be achieved both of which are extremely necessary to stop further spread of the Pandemic. States and Districts within the state have even closed borders. All train services are suspended and flights grounded for reducing its spread.
3. The above situation has adversely effected the financial stability of major industries as the entire world is experiencing economic slowdown due to the lockdowns globally. This has caused major difficulties as industries are unable to supply goods or services to its customers even within the country and hence there is no timely realisation of payment which is resulting into liquidity crisis. In addition to above, as per the advisory issued by the State/Central Government, most of the industries has made their offices nonfunctional or essential work from home and hence unable to carry out day to day operations entirely. All these has started to impact manufactured product deliveries. Goods despatched domestically are not reaching the customer destinations within intended timeline. At each customer end also, there is much of similar liquidity crisis and so unable to make timely payments. In the export market too, there are majorly offtake disruptions.
4. Furthermore there is a major turmoil in the financial market with equity and bond market taken a downward spiral with heightened volatility & uncertainty. Funds have got blocked leading to challenge in fulfilling payment commitments. All this have impacted the capability of servicing even mandatory payment obligations.
5. In addition to the above, in this difficult period where liquidity in the hands of industry will play the crucial role to maintain few essentialities so that such activities including payments to manpower can continue. This will help the industry to pickup the manufacturing operations at a faster speed once situation get improvised to meet the public demand.
6. In view of the above, we request you to kindly extend the due date for payment of excise duty on non-GST goods for the month of March-2020 from 31.03.2020 by three months. Moreover it is being contemplated for extension of the financial year 2019-20 from 31st March 2020 to 30th June 2020. The interest on such delayed payment of excise duty can be charged at concessional rate of 9% p.a as against current rate of 15% p.a. as it has been done recently under GST law for tax to be paid on goods or services.
7. Requesting favourable kind consideration.

With regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978
ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

Hon. Prime Minister Shri Narendra Modiji
Government of India,
South Block, Raisina Hill,
New Delhi 110 001
(cc Dr PK Mishra, Principal Secretary to Prime Minister)

23 March,2020

Respected Prime Minister,

Suggestions for actions by RBI and Central Government to alleviate economic stress for businesses and less-privileged individuals due to Covid-19

The drastic curtailment of business because of Covid-19 will stress every individual and almost every business in the country. To alleviate the financial stress and assist individuals and businesses, IMC recommends certain targeted policies as emergency measures to assist individuals and businesses to tide over the pandemic and progress towards economic recovery, to provide liquidity support for affected businesses and income support for vuJnera ble ho useholds.

In these extraordinarily difficult times for all, individuals and businesses, IMC feels it is better to have a stronger stimulus rather than a more modest one to help stressed businesses and individuals tide over the current economic situation and progress towards recovery. Germany bas proposed a package of 10% of GDP, USA is talking of 10%, Britain bas proposed 15% of GDP. IMC suggests an IMMEDIATE package of measures amounting to about 5.7% of GDP (as estimated for 2021 by the budget) which will provide targeted liquidity support for businesses and income support for vulnerable households, in a systems-driven, administratively-easy way.

Sir, These measures would have to be implemented on a war footing by Reserve Bank of India and by the Central Government. The suggestions have been made with the idea that they should be administratively easy to implement.

IMC Recommendations for Steps to be taken by Reserve Bank of India:

With a view to provide additional liquidity support for individuals and businesses, to enable banks to make more-affordable loans to individuals, businesses and NBFCs, and in turn for banks and NBFCs to lend to businesses and individuals, IMC recommends the following :

1. RBI to reduce CRR by 1% (making available about Rs. 139,000 crores to banks to lend and improve profits), SLR by 2% (freeing up about Rs 278,000 crores)
2. RBI to reduce Repo Rate by I% and the Reverse Repo Rate by 1.50% (to discourage banks from lazy banking by putting deposits with RBI)
3. Reduction of Interest rate by l00bp
4. RBI to ask all banks and NBFCs to not collect but capitalize as additional loan, unless the borrower opts out, all interest and principal due from all entities (including individuals) during the period March 1, 2020 to June 30, 2020. with no fees or charges and with no "negative impact" on their credit score; none of the borrowers to be treated as defaulting during this period.
5. RBI to reduce capital to risk-weighted assets ratio for bank loans to all microfinance lenders as well as to MSMEs to incentivize banks to lend to such borrowers.

IMC Recommenda tions for Steps tu be taken by the Central Government:

l. Reduce GST rate on autos, cement, tiles etc from 28% to 12%, and on hotels from 18% to 12%, and Sale of Real Estate from 12% to 5%. Additional depreciation on automobiles for FY 2021 (as was done in July 2019) may be allowed.
2. All restaurants, airlines, hotels, travel agents, retailers, unless they opt-out, would be entitled to retain as a temporary loan from Government (which would be a senior loan in the event of bankruptcy) the next six GST monthly payments, to be paid back with interest at 12% per annum in two equal annual installments (the process of filing returns would continue but the returns tweaked to allow businesses to retain as loan the GST payable to the government- everything can be system-driven)
3. Dividend tax should be max 20% for the recipient; or lower rate if recipient is in lower bracket.
4. All losses (except losses arising out of speculation) should be allowed set-off against any income; for instance today, long tenn capital losses are not allowed set-off against any income except LTCG.
5. Business establishment should be advised not to resort to lay-off or retrenchment; Two months salary can be provided as a loan at the Repo Rate to be paid off in 1 year.
6. Vulnerable households and individuals deserve the sympathy and sup port. To provide income support on the lines of PM-Kissan Yojana, we recommend an amount of Rs 1,500 to each individual identified and credited through Jan Dhan Bank accounts,
7. Amounts spent by companies on staff welfare for helping staff address consequences of the corona virus on themselves or their relatives should be consiucred as part of CSR spending.
8. No Punitive action to be taken for failure by any ent ity to comply with Company Law / Ministry of Corporate Affairs rules related to filing of returns, holding board meetings, etc till June 30, 2020
9. Mortgage Payments suspend for 3 months (US just did it) till 30 June 2020.
10. Change end of Financial Year to 30 June 2020
11. Shifl GST & TOS payment for March, April & May till 30 June, 2020.
12. Remove Buy Back Tax. It will help Cos to Buy back Shares & support share prices in these bad markets.
13. Airlines. Hospitality, Travel & Tourism to be provided soft loans to tide over this crisis.

IMC and its members are ready to assist the Government in implementation of all economic policies the Government decides, to alleviate the burden of the Covid-19 pandemic on businesses and individuals.

With regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978
ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218
IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

March 27, 2020

To,
Shri A B Pandey
The Revenue Secretary,
Ministry of Finance,
Government of India,
North Block, New Delhi

Subject: - Relaxation from the provision of Rule 36(4) of CGST Rule, 2017 in view of the extension of dates given for filing of GST returns.

Hon'ble Sir,

At the outset we are very thankful to the Hon'ble Finance Minister Smt. Nirmala Sitharaman and the Ministry of Finance for extending the due date for filing of GST returns for the months of March, April and May 2020 to 30.06.2020 and for giving relief on interest payments in case of delay in tax payment during this period. We from IMChad also represented to the Ministry for such an extension. This relief will greatly help the trade and industry to deal with the unprecedented situation created by the outbreak of Covid-19.

It is brought to your kind notice that along with the extension of due dates for filing of GST returns for the months of March, April and May 2020, a concomitant change needs to be carried out in the provisions of CGST Rules to ensure that such an extension does not lead to undue restrictions on the availability of input tax credit to the taxpayers.

In terms of provisions of rule 36(4) of CGST Rules, 2017 introduced recently, a restriction has been imposed on the unmatched credits that can be availed by taxpayer. As per this provision the total quantum of credits that can be availed by a taxpayer on invoices that have not been uploaded by the supplier in a tax period cannot exceed 10% of the credit availed on invoices details of which uploaded by the vendor. With the extension of due dates for filing of GST returns for the months of March, April and May 2020, which includes the GSTR 1 return, the supplier can now upload invoices issued in the month of March, April & May 2020 up to the extended date of 30.06.2020. Hence the recipients will not be in position to match such invoices before 30.06.2020 which makes it necessary that the restrictions imposed under rule 36(4) are suspended for the returns for the months of March to June 2020.

As pointed out earlier this relaxation has become necessary in view of the extension of due dates and it is requested that the same may be done immediately before the 20th of April, 2020 when the original due date for filing of GSTR-3B forthe month of March 2020 falls. Otherwise the credit availability at the hands of tax payers will get unjustifiably restricted which, in turn, will addto the cash flows already under severe pressure because of the current country wide lock down.

Your personal and kind attention is, therefore, solicited.

With regards,

Ashish Vaid
President

April 2, 2020

Smt. Nirmala Sitharaman
Hon'ble Union Minister for Finance
Room No. 134, North Block
New Delhi – 110 001.

Respected Madam,

Sub: Extension of time limit for application/utilisation under Section 11 of the Income-tax Act, 1961

We appreciate various measures taken by the Government in current extra-ordinary situation including relaxation of time limit for various compliances under the Income Tax Act, 1961("the Act").

It is brought to our attention that list of sections/provisions, for which extension of time limit for compliance under the Act is granted vide Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 issued on 31 March, 2020 ("the Ordinance, 2020"), does not cover compliance time limit under Section 11(1)(a) and Section 11(3)(b) of the Act.

Section 11(1)(a) of the Act exempts income of an eligible charitable or religious trust if it applies 85% of its income of the previous year for charitable or religious purposes in India. In other words, it is permitted to carry forward 15% of its income for any previous year to be applied for its objects in future years.

Section 11(3)(b) of the Act allows a charitable or religious trust to utilise its accumulated funds (accumulated for specified purpose for specified period in terms of Section 11((2) of the Act) in the previous year immediately following expiry of such period. This period in several cases was 31 March 2020.

These charitable and religious trusts could not meet this deadline of 31 March 2020 due to challenges being faced on account of spread of Covid-19 followed by complete lock down.

Non-compliance with time limit under these provisions will make income of such trusts liable to income tax and would cause unintended hardships as such trusts would not be able to utilise the funds for the intended objects/committed projects.

Request

We, therefore, request Your goodself to kindly look into the matter and issue appropriate notification in terms of powers granted to the Central Government under the Ordinance of 2020 referred to above and extend the date for such compliance to 30 June 2020 in line with several other extensions granted in terms of the said Ordinance of 2020 like for capital gains, for investments for eligibility for deductions under Chapter VIA and like.

We trust, keeping in view the challenges faced by taxpayers in meeting the compliance deadlines under the Covid-19 situation and complete lockdown in the country, our request will be considered positively and appropriate notification will be issued at the earliest.

With regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978
ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 3, 2020

Shri Yogendra Garg
Principal Commissioner, GST Policy Wing,
Central Board of Indirect Taxes & Customs,
Government of India, North Block, New Delhi – 110001

Dear Sir,

Sub: Clarification required in respect of CSR Activities undertaken for the purpose of relief for Covid-19.

1. We write this to seek clarity on a matter of extreme importance as to whether goods given by a tax payer for the purpose of relief for Covid-19 (and similar activities) would be hit by the provisions of section 17(5)(h) of the GST Act.

2. The said sub-section bars eligibility for tax credits and the relevant sub-clause reads as follows:

   "(h) goods lost….or disposed of by way of gift or free samples;"

3. The question is whether goods given for the purpose of Covid-19 and similar crisis under CSR activities by corporates would be hit by the stated sub-clause. Many corporates have joined the rest in making their humble contribution in these hours of global crisis on unprecedented scale both under the CSR or even exceeding the mandatory legal requirements. Ventilators, masks, PPEs and many other supplies are needed on war footing. Some items would be procured and supplied as such while others may need to be manufactured from available raw materials.

4. It is now well recognized that CSR activities are responsible actions of a business and help them win the confidence of the society at large and are thus in furtherance of business. Besides the responsibility to public at large CSR is now also a mandatory legal requirement.

5. The legal & social aspects of CSR have been well recognized in the Tribunal Judgement in the case of - *Essel Propack Ltd. v. Commissioner of CGST, Bhiwandi* (2018 (362) E.L.T. 833 (Tri. - Mumbai). While allowing the Cenvat Credit as it relates to business, the Hon'ble Tribunal has held that - *"CSR not only holistic approach but integrating core business strategy since same addresses wellbeing of all stakeholders and not just company's shareholders - Also, CSR not charity as same having direct bearing on manufacturing activity of company that is largely dependent on smooth supply of raw materials - CSR also augmenting credit rating of company as well as its standing in corporate world - Hence, sustainability of company dependent on CSR without which companies cannot operate smoothly for long period as they are dependent on various stakeholders to conduct business in economically, socially and environmentally sustainable manner i.e. transparent and ethical - Impugned order demanding duty, interest and penalty against input service availed hereby set aside - Rules 2(l) and 14 of Cenvat Credit Rules, 2004."*

6. Under GST Law input tax credit is available for any inward supply which is used in the course or furtherance of business, unless it is covered by the blocked credits mentioned under Section 17(5) of the CGST Act. The expression 'course or furtherance of business' appears to be very wide in scope and therefore, it is said that many tax credits are now available under GST which were not available earlier. CSR is mandatory under Companies Act, 2013 and accordingly, non-compliance with such requirements can have implications for businesses. Therefore, one may argue that such expenses are incurred in the course or furtherance of business. **If we compare GST with pre-GST taxes then we will observe that, GST have much wider scope of ITC. Therefore, cenvat credit was allowed on CSR before GST then same shall be allowed after GST.** CSR activities are those activities which give indirectly benefits to company & helps to run its business. ITC on CSR activity is legal requirement and it mandate company to do the same, therefore, it is also one of the reasons to consider as eligible ITC.

7. Expenditure incurred for CSR does not fall under any of the blocked credits under 17(5) of the CGST Act as expenditure on CSR benefits public at large, it cannot come under the shadow of Section 17(5)(h) of the CGST Act, which restricts Input Tax Credit on goods lost, stolen, destroyed, written off or goods disposed off through free samples. CSR activity is not in nature of gift because in common parlance "Gift" is something which cannot be enforced on any one. However, mandatory CSR expenditure is not a gift, it is done under an obligation laid down by the Companies Act, hence Section 17(5)(h) of the CGST Act, which restricts Input Tax Credit on goods disposed of by way of gift, cannot cover the same under its shadow.

8. By denying ITC of taxes paid on goods & services distributed under CSR, the benefits eligible to needy and deprived public gets restricted as Tax credit of which is not available shall become part of total cost for the Company. Therefore, taxes paid shall also be part of CSR expenditure and shall be included for the purpose of calculating CSR expenditure. In other words, actual benefit given to the needy and deprived public will be restricted to 80% of the total expenditure made under CSR. This cannot be the legislative intent.

9. We also wish to draw your attention that in the initial period of roll out GST, Government specifically clarified eligibility of ITC on CSR activities through twitter. (22 Sep 2017)

   Q - Is ITC available under GST w.r.t CSR expenses incurred by companies. Pls clarify?

   Ans. ITC of GST paid on all expenses incurred in course or furtherance of business except blocked credit is available.)

10. **In view of the above, it is requested to clarify that CSR spending under statutory obligation is towards furtherance of business and is not hit by any of the provisions of section 17(5). Hence taxes paid on goods & services considered in CSR spending is eligible for ITC under GST Law.**

With regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 4, 2020

Smt. Nirmala Sitharaman
Hon'ble Union Minister for Finance
Ministry of Finance
Room No. 134, North Block
New Delhi 110 001

Respected Madam,

Subject : Representation on Economic Stimulus Package

GENERAL

1. GOI package is a relief package for the poor. RBI package is also a relief package. What is needed is an economic stimulus package, a combination of fiscal, monetary and regulatory.
2. RBI is still of ensuring adequate liquidity in the system and reducing policy rates. This is welcome and necessary, but RBI needs to go beyond that and act empathetically. Extraordinary situations call for unconventional measures, if not extraordinary measures.
3. Liquidity aspect is addressed at system level; next stage is to ensure flow to firm level. Illiquidity leads to insolvency, faster for smaller firms.

SPECIFIC – RBI

4. Direct (not advise) Lending Institutions (LIs) i.e. Banks, NBFC, HFC, RRBs, AIFIs, SFBs, UCB to sanction ad hoc loans up to 20% of sanctioned working capital limits enjoyed by borrowers to be released immediately irrespective of asset classification i.e. even if NPA subject to eligible end use of funds: - payment of wages and salaries to all employees including contract workers, medical expenditure on employees, storage and distribution arrangements, purchase of raw materials, urgent payment to creditors etc. to maintain production particularly for specified industries - pharma, health care, food restaurants, other essentials. (SBI and some PSBs have already announced 10 %). Banks have to ensure against misuse, diversion.
5. The interest deferred and accumulated for the 3-month period up to 31/5/20 as per RBI guidelines will be payable immediately thereafter. LIs should be authorized by RBI to fund the accumulated interest over a suitable period. The interest rate on the funded interest shall be at MCLR of the respective LI.
6. Permit one time debt restructuring of all loans at request of borrowers to be completed by 30 June 2020. This will cover infrastructure and manufacturing projects under implementation.
7. Suspend IRAC norms i.e. NPA classification for all non-corporate agriculture loans and loans to MSMEs for a period of one year i.e. up to and including 31/3/21.
8. All collateral free loans extended by banks post 1/4/20 to 30/6/20 to MSMEs, farmers, MFIs, HFCs as per existing Priority Sector regulations will be given 200 % weightage in computation of PSL obligation. Personal guarantees and primary security can be taken.
9. Credit Guarantee Trust - CGTSME of SIDBI to be directed to provide guarantee cover to all LIs (not just banks as hitherto) up to the extent of 90% of the loans extended by LIs between 1/4/20 up to 30/6/20 to MSMEs up to Rs.2 crores.
10. RBI will direct or issue an advisory to banks not to reduce interest rates on deposits – savings bank, term deposits up to 30 September 2020. Government of India likewise will not reduce interest rates on small savings.
11. RBI will constitute a Committee of senior RBI officials, IBA (Indian Banks Association), FIDC (representative body of NBFCs) who will be charged with monitoring the flow of credit to various sectors for emergent needs and keep production going. In the interests of transparency, RBI will publish data on flow of credit say on a fortnightly basis.
12. An Alternative Investment Fund (AIF) may be set up with an initial corpus of Rs.10000 crores by say, SBI, LIC, SIDBI, NABARD and other banks who may want to join with a view to supplementing bank finance with structured finance, mezzanine finance, equity etc. SEBI will fast track approval. Alternatively, an existing AIF in the government system will be used.

SPECIFIC- GOI

13. A major reason for the liquidity crunch faced by corporates at all levels is the delayed payment by governments and PSUs. GOI should direct all GOI Depts, PSUs, PSBs, and advise all State Govts, their undertakings to do likewise, to release immediately 75% of payments due to vendors, including contractors with annual turnover over Rs.100 crores, pending more than 90 days in respect of bills/invoices accepted, for MSMEs, individuals and 50 % to others, against Legal Undertakings (LUTs) to accept final settlement.
14. In a similar vein, Department of Revenue, GOI should direct IT, GST Depts to release all refunds pending beyond 90 days, 75% of dues up to Rs.1 crore and 50 % beyond Rs.1 crore.
15. GOI should direct that all arbitrations pending beyond 1 year involving Govt departments, PSUs, PSBs and State Govts, their undertakings should be fast tracked and completed within 3 months i.e. by 30/6/20.
16. NBCC and State Housing Boards with funding where necessary from HUDCO, NHB to purchase completed residential flats, houses for EWS, LIG and MIG categories subject to a maximum size of carpet areas as already fixed in the Pradhan Mantri Awas Yojana and subject to an additional cap of Rs.60 lakhs per unit for metros and Rs.30 lakhs for others. These flats will be offered for sale to public by lottery on no profit / no loss basis barring transactional expenses. The developers who offer their flats for sale under this scheme must commit to use the funds to repay bank debt and to complete unfinished projects. This will shift part of the burden of unsold inventory from the beleaguered developers to PSUs and could lead to additional construction activity with multiplier benefits.
17. Similarly, large PSUs, POSBs may purchase flats up to MIG level to be used as quarters for their employees. Any funding requirement for the PSUs can be met by UUDCO, NHB, banks.

SPECIFIC–SEBI

18. As in the case of loans from LIs, SEBI to direct all debenture trustees to defer interest accrued for the 3-month period April 1, 2020 to June 30, 2020 to repay in installments within a one-year period i.e. by 30 June 2021. Redemptions during the period may also be deferred by 90 days.

Warm Regards,

Ashish Vaid
President
IMC Chamber of Commerce and Industry

S. Sridhar

S. Sridhar
Chairman, Banking and Finance Committee
IMC Chamber of Commerce and Industry

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978
ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 7, 2020

Shri Narendra Modi ji
Hon'ble Prime Minister of India
South Block, Raisina Hill
New Delhi-110 011

Respected Prime Minister Shri Narendra Modi ji,

We admire and applaud the measures taken by you in containing this dreaded Virus and request you to kindly take equally bold and aggressive measures to revive the Economy too. Many countries have set aside 5-10% of their GDP as stimulus packages for revival of the Economy, and the industry looks upon you to be the leader in this too.

We have compiled as below recommendations of urgent steps that we believe are needed to revive the economy and put it back on growth track.

Touch times calls for tough decisions and we have a leader in you capable in acting in a determined manner. We want to assure you that IMC will stand in full support for any measures which would lift the economy and boost business confidence.

The following are the recommendations:

Urgent steps required to Save the Indian Economy and keep it Progressing in view of Covid-19.

Liquidity creating methods:

A) RBI to buy Government Paper: To enable the Government to provide the fiscal stimulus, RBI should be prepared to buy Government Bonds of 3 years' maturity; to bring down expectation of interest rates, the Government should announce its intention to lower the EPF interest rate by 1% along the lines of what it has recently done for small savings.

B) India should lead in establishment of a Multi Sovereign WarChest to deal with such events in future with the right global governance mechanisms. This multi sovereign fund may be a repository of technology, a platform for consolidation by the lender and by domain and a provider of equity to the MSME sector. The tie in would be with the contributors of the fund to export short supply and required products at a large scale.

C) Setting up of a special fund which has a Quasi Equity Character by making available significant amount of liquidity to this Fund. Liquidity could come from various sources besides the Government/RBI, from specific subscriptions from individuals and other entities, willing to contribute to risk capital, from within India and also from outside India.

Urgent Steps Required to Boost the Economy:

1A). Our GST is currently on invoice basis. This should be made on "Cash Basis" till the end of FY 2021.This will provide business enterprises the much needed cash flow to meet working capital requirements.

1B) The GST payable by Companies should be provided as a loan to all businesses. This will be a boost of 6L crores (1.0L crore pm), and this can be by automatic route repayable over the next 2 years. These 6 months of GST can be collected back in equal instalments from the 7th to the 30th month, in 24 equal instalments. Hence the collection of the Govt will be intact.

1C) GST Clawback Loans: All entities that have paid GST can opt-in and accept, through the same GST system they use for filing returns, an offer from the Government for a temporary loan (which would be an unsecured senior loan with full prepayment rights) in the amount of the last six-months' (September 2019 - February 2020) GST monthly payments; this would be done by Government giving credit into those companies' accounts, to be paid back with interest of 9% per annum in two equal annual instalments starting at the end of year one; (only those businesses will avail of it that cannot get cheaper loans from other sources)

2) Loan equal to 3 months salaries should be provided at the repo rate which will come with a moratorium of 1 year. This can be repayable in 6 equal instalments starting from the 13th month to the 18th month.

3) PF and ESIC collection should be waived form March to September 2020, for all employers and employees irrespective of number of employees and wages.

4) The migrant workers should be encouraged to get back to work, and the employer should be provided a 3 months' wage bill loan with a moratorium for 1 year at the repo rate. This can be repayable from the 13th to the 18th month. This will ensure job security to the migrant worker.

5) One time roll over of all business/retail loans should be done for at least one year (like it was done in 2008 crisis).

6) All lending institutions should be instructed not to liquidate securities of borrowers for 1 year as long as they have a positive cover. Value of securities have fallen substantially which is making lenders sell the securities. Also, the Foreign Institution Investors are selling causing a domino effect and making our capital markets crash. This is creating instability, with FIIs having already pulled out $12 Billion. At times like this, short selling should be completely banned till the markets stabilize. This is important, as the Government also needs to ensure that the PSU disinvestment takes place at good valuations.

7) Industry Specific:

   A) Infrastructure -The Government had announced a spend of Rs 100 Lakh crores in 5 years in the last budget. This should be done with great momentum so that employment gets a boost and also the development work gets a kick start. Various models like PPP model and foreign collaborations can be encouraged.

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

B) Construction Industry which is one of the largest employers of labour employing over 40 million of the work force, and also has several ancillary industry to support like cement, steel, tiles, should be provided a major boost. The GST on sale of flats for both with ITC and without ITC should be pegged at 5%. The GST on construction contracts should be made 5% (from the existing 18%).

C) The Auto Industry which is under severe pressure should be provided a rescue package. Once again the double depreciation on vehicles should be permitted till March 2021.Also the GST on all vehicles should be pegged at 12%

D) The Airlines, Travel Tourism, Hotels and Restaurants need a major boost to tide over these tough times. For Hotels the maximum GST should be reduced to 12% to ensure citizens have all events in India and do not go abroad in view of the high GST of 28%.Also a loan package equivalent to their salaries of 6 months should be provided for a period of 2 years to help them tide over these tough times.

8) Exports should be encouraged by providing major tax reliefs. For MSMEs export LC devolvement's should be converted into working capital loan, payable over the next 18 months under an automatic route, provided the export history with the overseas buyer is clean.

9) SIDBI should be given aggressive targets to disburse actively to MSME sector including for working capital to 'Jump start the Industry sector. 'If SIDBI capital needs to be enhanced, Government/RBI can put in additional capital directly or through directions to Banks.

10) Direct Taxes: We have made a separate representation of the Direct Tax recommendations for providing an impetus to the economy, which are enclosed herewith.

We urge the Government to immediately undertake these measures to keep us from falling into recession and keep the wheels of our Economy progressing. We support the Governments move to lift the lock down in a phased manner, at the same time we should aim to at least open 70% of the manufacturing/service sector so that all sections of the economy keep progressing.

With regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 7, 2020

Smt. Nirmala Sitharaman
Hon'ble Union Minister for Finance
Room No. 134, North Block
New Delhi – 110 001.

Respected Madam,

At the outset, IMC appreciates the efforts taken by the government in dealing with the crisis faced by the economy through various policy interventions.

Please find below some recommendations that may be considered to provide impetus to various critical issues and also in addressing undue and unintended hardship arising on account of direct tax issues due to the Covid-19 situation.

Sr. no.	Issues & Rationale	Recommendations
1	Boost consumption capacity due to income drop and job losses **Rationale:** To ensure that reduction in income (salary and otherwise) of individuals for the current year does not translate into huge fall in consumption capacity and does not further worsen the economic equilibrium.	Impact on the purchasing power of individuals should be mitigated by a reduction in tax liability, say, by providing a rebate of 15-20% of the applicable tax rate.
2	Address unwarranted issues pertaining to residential status of individuals **Rationale:** Several Non-Resident persons visiting India for a brief period would be restricted in returning to the country of their current residence, resulting in them becoming tax residents in India with undue tax burden in India.	There should be some relaxation for determination of residential status for specific Non-Resident persons who never had the intention to stay in India for a period exceeding 60/ 180 days.
3	Incentive to corporate entities to mitigate job losses **Rationale:** Given the dire economic situation, several corporate entities would be forced to lay-off employees to cut-down their costs. In order to provide some support to the corporate entities, some benefit in relation to the salary costs should be provided.	A weighted deduction for salary costs incurred by the entities for the current and the next financial year should be considered.
4	Significant capital losses to be utilised **Rationale:** Given the current status of the capital markets, individuals and corporate entities would have incurred significant capital losses. Such losses are incurred at the most inopportune time i.e. when the commercial entities are in need of capital deployment to recover from the lockdown. Permitting set-off of such losses against other income will help entities preserve the much-needed cash resources and utilise them in strengthening the business operations.	Capital losses should be permitted to be set-off against any other income.
5	Impetus to manufacturing and other capital-intensive industries **Rationale:** The world has realised the high cost of almost complete dependence on China as a country of manufacture. More and more companies are looking towards India as an important destination for meeting their needs. Supporting the industries to undertake capital expenditure at this stage would go a long way in developing Indian industries in view of the above paradigm shift.	Capital expenditure undertaken by corporate entities in the current and the next financial year should be made eligible to higher depreciation or weighted deduction.
6	Optimising India's economic growth **Rationale:** There is a wide felt need for restructuring of global value chains during these times. The world has realised the high cost of almost complete dependence on China as a country of manufacture. More and more companies are looking towards India as an important destination for meeting its global supply chain needs.	Window for investment in Special Economic Zones should be opened up again for a period of at least 5 FYs starting from FY 2020-21 with relaxed requirements for meeting conditions as per erstwhile provisions.

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

Sr. no.	Issues & Rationale	Recommendations
	At this time, providing a tax holiday for global businesses to relocate their functions in to India should be incentivised by allowing a tax holiday for businesses for the next 10 years. The window for investment should be opened up for next 5 FYs at the minimum. This will also be in line with Make in India thrust of the Government.	
7	Moratorium on TDS and TCS obligations and relaxation in payment of statutory dues under section 43B of the Income-tax Act **Rationale:** Collection of taxes by way of Tax deduction at source and Tax Collection at Source aggravates the cash problem being faced presently by entrepreneurs. TDS and TCS obligations result in lesser cash in hand from revenues at the time when income is earned. Further, in many cases the tax deducted may not be commensurate with the tax eventually paid in these trying times. Also, the credits for such deducted and collected taxes happens only after the end of the FY and not before. Therefore, a moratorium from TDS and TCS obligations will go a long way in getting more cash in the hands of tax payers. The compliance requirements should continue without deduction or collection of taxes, so that full information about incomes earned is available with the tax department at any point of time. On similar lines, there may also be an unintentional delay in payment of statutory dues arising from limitations in Jcash collections during the current period.	Tax collection through provisions of Tax Deduction at Source and Tax Collection at Source should be stopped for FY 2020-21 immediately. The tax payer can still pay taxes by way of advance tax payments considering the whole of the incomes earned by it at its discretion. Due dates for payment of statutory dues under section 43B should be relaxed.
8	Flexibility in advance payment of taxes **Rationale:** Advance tax payments for the first three quarters of the FY are based on estimates. In such a dynamic business environment, estimating the correct advance tax payment would be difficult if not impossible. Further, the advance tax payment deadlines should be kept flexible for the next two financial years. This way a tax payer can manage his cash resources at the optimum level.	Advance tax payment deadlines should be made flexible. • For those having turnover of Rs 100 crore and more during FY 2019-20, instead of quarterly payments, advance tax payment deadlines should be made half-yearly. • For those with a turnover lesser than Rs. 100 crores, the advance tax payment obligations should be made optional with tax payment being allowed at the time of filing the tax return.

This is for your kind consideration.

With regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 09, 2020

Shri Ravi Shankar Prasad
Hon'ble Union Minister for Law & Justice
Ministry of Law & Justice
Communications & Electronics and Information Technology
4th Floor, A-Wing, Shastri Bhawan
New Delhi-110 001

Respected Sir,

Sub: Recommendations for Draft Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020.

At the outset, we would like to appreciate measures of the Government to improve transparency levels through inclusions of the following new provisions such as:

- Mandating Companies to display CSR related information on website;
- E-form for implementing agencies which may lead to better scrutiny;
- Ensuring impact assessment of projects (in cases where budgets exceed INR 5 crores);
- Involvement of Chief Financial Officer in CSR;
- Authority to engage an international organization for implementation of a CSR project subject to prior approval of the central government.
- Establishment of National Unspent Corporate Social Responsibility Fund by the Central Government.

Further, please find below our recommendation for the Proposed draft Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020 ("the Rules").

i. International Organization

Proposed Rule 2 (1) (f)- "International Organization" means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply."

Recommendation: While the Rules state that "international organization" may be identified as implementing partners (after seeking permission from Central Government), the Rules also state that implementing partners can only be Section 8 Companies / organizations established through Parliamentary Act / State legislature (as mentioned in Rule 4). It is recommended that a suitable clarification may be given on whether or not international organization have to be section 8 Company/ organizations established through Parliamentary Act / State legislature.

ii. CSR Implementing Agency:

Proposed Rule 4 (1)- "CSR Implementation - The Board shall ensure that the CSR activities are undertaken by the Company itself or through:

(a) a Company established under section 8 of the Act, or

(b) any entity established under an Act of Parliament or a State legislature "

However, Existing Rule 4(2) of the Companies (Corporate Social Responsibility) Rules, 20, states that:

"The Board of a Company may decides to undertake its CSR activities approved by the CSR Committee through:

(a) a Company established under section 8 of the Act or a registered trust or a registered society, established by the Company, either singly or along with any other Company, or

(b) a Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature :

Provided that- if, the Board of a Company decides to undertake its CSR activities through a Company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-Rule, such Company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the Company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism."

Proposed Rule 4 (1) of Companies (CSR Policy) Amendment Rules, 2020, Limits 'CSR Implementing Agency' to only those entities which are established under Section 8 of the Act or under an Act of Parliament or a State legislature.

Recommendation: It is recommended that the said Rule clarify on whether Trusts and Societies will be eligible to receive CSR donations - the Rules mention only Section-8 or any entity established under an act of Parliament or a State.

Operationally, in the current scenario, most implementing agencies are Societies/Trusts which have been involved in developmental activities and have created legacies. In case of exclusion of such agencies, there may be following implications:

- Companies conducting CSR shall have limited options to undertake CSR through a Company established under section 8 of the Act or any entity established under an act of Parliament or a State.
- In the Proposed Rules 4(1) it is recommended to clarify whether Trusts and Societies will be eligible to receive CSR donations - the Rules mention only Section-8 or any entity established under an act of Parliament or a State.

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

- In case Corporate Foundations are registered as Societies or Trusts then they are likely to face closures as most are solely dependent on the Company funding or such Trusts have to incorporate a Section 8 Company as proposed Rule 4(1) provides for a Company established under Section 8 of the Act or any entity established under an act of Parliament or a State.

This may lead to adverse impact on projects and the employees of these foundations.

iii. CSR Implementation:

Proposed proviso to Rule 4(1) "Provided that such Company/entity, covered under clause (a) or (b), shall register itself with the central government for undertaking any CSR activity by filing the e-form CSR-1 with the Registrar along with prescribed fee."

Recommendation: It is recommended to the Ministry to provide list of Section 8 and Entities established under an act of Parliament or a State, who will be eligible to receive CSR contribution on MCA portal.

iv. Modification of ongoing projects:

Proposed Rule 4 (5)- "In case of ongoing projects, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period"

Recommendation: If there are any modifications in CSR project pursuant to above Rule, then it is recommended that the Company reports the modification in its Annual Report for the information of the Stakeholders.

v. Annual Action Plan by CSR Committee

Proposed Rule 5 (2)- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following:

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

(b) the manner of execution of such projects or programmes as specified in sub-Rule (1) of Rule 4;

(c) the modalities of utilization of funds and implementation schedules for the projects or programmes; and

(d) monitoring and reporting mechanism for the projects or programmes.

(e) Details of need and impact assessment, if any, undertaken by the Company."

Recommendations: In the above Rule it is recommended that the following clause (f) be added:

(f) the Board shall review the Status of the ongoing CSR projects on quarterly basis.

vi. Holding of Asset only by a Company established under Section 8 of the Act having charitable objects or a public authority

Proposed Rule 7(3) – "The CSR amount may be spent by a Company for creation or acquisition of assets which shall only be held by a Company established under section 8 of the Act having charitable objects or a public authority.

Provided that any asset created by a Company prior to the commencement of Companies (CSR Policy) Amendment Rules, 2020, shall within a period of One hundred and eighty days from such commencement comply with the requirement of this Rule, which may be extended by a further period of not more than ninety days with the approval of the board based on reasonable justification."

Recommendation: In case a Company is carrying out CSR Activity directly and for the purpose of such activity Company has created or acquired assets then how the said Company shall comply with the above rules. A suitable clarification/explanation may be provided in this regard.

vii. Impact Assessment:

Proposed Rule 8(3) - a Company having the obligation of spending average CSR amount of Rs 5 Crore or more in the three immediately preceding financial years in pursuance of sub section 5 of Section 135 of the Act, shall undertake impact assessment for their CSR projects or programmes, and shall disclose details of the same in its Annual Report on CSR.

Recommendation: It is recommended that a suitable clarification/explanation with regard to the modus operandi for Impact assessment be provided in the above rule.

"We request you to consider our recommendations favourably which will help corporates in the ease of implementation."

With regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 11, 2020

Shri Uddhav Thackeray ji
Hon'ble Chief Minister of Maharashtra
Mantralaya, Mumbai 400 032

Respected Chief Minister Shri Uddhav Thackeray ji,

We admire and applaud the measures taken by you in containing this dreaded Novel Corona Virus and request you to kindly take equally bold and aggressive measures to revive the State Economy too.

As you may be aware IMC Chamber of Commerce and Industry has a long relationship with the Government of Maharashtra which has also been formalised by an MOU with the state Industries Ministry.

We have compiled as below recommendations of urgent steps that we believe are needed to boost the state economy and put it back on growth track.

We want to assure you that IMC will stand in full support for any measures which would lift the state economy and boost business confidence.

Urgent steps required to boost the State Economy and keep it Progressing in view of Covid-19.

1. **Liquidity creating measures:**

   A) **Raise funds in State Finance Corporation (SFC)** through a loan/bond route backed by State Guarantee. GDP of Maharashtra is $500 billion and in these tough times our budget to alleviate the business community from the perils of Covid-19 should be at least 10%, i.e., $50 billion, which will be ₹ 350,000 crore.

   These funds to be used for:

   i. Salaries and wages support to businesses for 3 to 6 months

   ii. Working capital requirements

   iii. Support to new ventures/ start ups

   iv. Government to immediately release funds to pay dues to its existing suppliers

2. **State Spending Measures:**

   A) Defer Property(Residential & Commercial) tax Collections till March 2021

   B) Defer Water charges (Residential & Commercial) collections till March 2021

   C) Infrastructure -The government should immediately start work in this area with great momentum so that employment gets a boost and also the development work gets a kick start. Various models like PPP model and foreign collaborations can be encouraged.

3. State Administration Measures:

   A) The matter of Unified DCR or Common DCR (Development Control Rules) has been pending since over 2 years. The Unified DCR will be applicable to all Municipalities across Maharashtra except Mumbai. Peripheral of Mumbai we have Mira Bhayandar Municipal Council, Palghar, Thane, New Bombay, Panvel, Pune, etc. each one having different Development Control rules and being modified locally from time to time, leading to a vast divergence, in the kind of development and the rules applicable within the state of Maharashtra. Hence, for greater uniformity and clarity and for the organized development of Maharashtra it is essential to have the Unified Development Rules approved soonest. It has held up development as several land owners and developers are waiting for the new unified DCR to carry out development as it will be more beneficial and they will be able to consume more BUA.

   B) Restart work of de-silting of dams and smaller water bodies as was being done by NGOs like ATE Chandra Foundation. This will benefit employment creation and agriculture.

   C) Issuance of Non-Preferential Certificate of Origins (COO) by Chambers of Commerce. Currently the certificate of origin is one of the mandatory documents for export consignments. In the current lock down condition the chambers are not in any position to issue the same and hence exports are being held up. Request that chambers be allowed to issue the COO with minimal staff for 2 to 3 hours a day.

   D) Businesses are unable to move out containers out of JNPT without essential service passes. Please allow free movement of goods from the ports in order to decongest them and not create a bottleneck. Major shipping companies are skipping JNPT due to congestion.

We urge the Government to immediately undertake these measures to keep us from falling into recession and keep the wheels of our Economy progressing. We will stand in support of the government of Maharashtra's decision on the current lockdown but at the same time, request that the State should aim to at least open 70% of the manufacturing/service sector so that all sections of the economy keep progressing.

With regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 20,2020

Shri Narendra Singh Tomar
Hon'ble Union Minister for Agriculture & Farmers Welfare
Krishi Bhavan
Dr. Rajendra Prasad Road
New Delhi 110 001

Respected Sir,

I extend my warm greetings from IMC Chamber of Commerce and Industry.

Allow me to present to you some of the recommendations below that we have compiled with inputs from experts in IMC's agriculture and food processing committee to help the farm sector impacted from the lockdown due to Covid-19 pandemic.

- It is understandable that the nationwide lockdown since March 26 has been absolutely necessary in order to arrest the spread of the pandemic. On the flip side, the lockdown has been exerting an adverse impact on agriculture and allied activities. March and April are crucial months for harvest of major Rabi crops including wheat, pulses (mainly chana/gram) and oilseed (mainly rapeseed/mustard).

- Sub-optimal operations at marketing yards, inadequate availability of lorry transport and limited participation of labour (due lockdown, social distancing, reverse migration) are seen hurting Rabi harvest. Growers are losing income following the slowdown in marketing activities. This exerts a demoralizing effect on the farming community. Rural India is in a state of 'forced inactivity'.

- Growers' problems have been compounded by unseasonal rains and hailstorm during March and early April has damaged crops to the extent of 10-12 percent. Despite damage, the country would still harvest near-record crops of wheat (95-98 million tons), chana (10.0 to 10.5 million tons) and mustard (8.2-8.5 million tons).

- Farm-gate prices of mustard (Rs 4,000 a quintal) and chana (Rs 4,100 a quintal) are well below the specified minimum support price of Rs.4425 and Rs 4875 respectively. This necessitates large-scale price support operation by state agencies.

- Port operations too stand largely suspended due to limited cargo movement and limited availability of dock labour. March/April is the peak season for export of a number of farm goods, especially perishables like mangoes.

- There is a case for full or at least partial resumption of farm activities (wherever not opened) as well export / import of farm goods together with allied services such as transportation, warehousing, fumigation etc with appropriate checks and balances in terms of social distancing and so on. This is because harvesting cannot wait any longer. In Punjab and Haryana, wheat harvest formally begins on Baisakhi, April 14. So, procurement and price support operations brook no delay.

It is in this context we want to welcome recent announcement of Government to open marketing yards and allow procurement. This will benefit growers

The following are a set of recommendation for the Rabi crop harvest:

1. In all the Mandis, the District Administration must ensure that smooth operations, social distancing and hygiene norms are strictly followed;

2. The onus of smooth mandi operations must be on respective Produce Market Committees (APMCs);

3. Reopening of the mandis will attract transport operators and labour;

4. Allied services such as transport, warehousing, fumigation etc should be allowed;

5. As a quick relief measure, mandi tax / cess should be waived for three months;

6. State agencies such as FCI and NAFED should stand geared to reach all major producing regions for procurement / price support;

7. To augment efforts of State agencies and reach the as yet unreached, Central Government should consider enlisting the services of professional warehousing companies who have track-record and expertise in procurement, storage and crop preservation.

8. Using online marketing or electronic mandi will help;

9. Many FPOs and farmer groups are reportedly holding export orders for perishables, but are unable to execute shipment. Those with proof of confirmed export orders (including pre-shipment bank credit) but are unable to effect shipment may be compensated to the extent of the loss.

10. In order to woo back daily-wage workers and migrant labour into productive activity, it is critical that the promised free rations is distributed without any delay (5 kg rice or wheat per person and one kg pulse per family per month for three months);

11. Food processing units (paddy milling, wheat flour mills, dal mills, oilseed crushing mills, edible oil refineries, fruits and vegetable processors etc) should be encouraged to reopen processing activity with appropriate precautions.

12. Ports that are mechanized should be allowed to operate normally and adequate precaution must be taken where labour is involved;

13. We would like to suggest setting up an online portal for sale of Agricultural products where the concept of "farm to fork "ie from the farmer to the consumer can be arranged (IMC is willing to help in this). For this we will need to have a tie up with logistic companies in areas where there is high agricultural produce and this can be facilitated. It can also be encouraged for high value produce like mangoes , cardamom, and exotic fruits and vegetables.

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

Kharif 2020-21 sowing season will commence in the next 4-6 weeks from now. The preliminary outlook for the southwest monsoon appears to be positive. IMD has forecast a Normal Monsoon. It is imperative that preparations for the Kharif planting are started in right earnest.

For this purpose, we recommend the following:

a) Adequate quantities of seeds, fertilizers and agro-chemicals as well as bank credit should be made available on time;

b) There are complaints of District Administration not permitting input marketing; District Collectors and other field functionaries should be advised not to hamper input marketing during the high season of April /May for the upcoming Kharif crops (major Kharif crops: rice, pulses, coarse cereals, oilseeds, cotton etc);

c) MSP for various crops should be announced before onset of the Monsoon.

In all these, the State governments have to rise to the occasion and play an active role in mitigating the challenges of the rural population. It is critical the Centre and the States act in unison to revive agriculture related activities. The coming weeks and months are likely to be challenging for the country. The aim should be to mitigate the hardship as much as humanly possible and prevent any chance of social unrest.

The above suggestions for your kind consideration.

Warm Regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 22, 2020

Smt. Nirmala Sitharaman
Hon'ble Union Minister for Finance
Ministry of Finance
Room No. 134, North Block
New Delhi 110 001

Respected Madam,

Sub: Covid-19 relief measures announced till date, challenges and our suggestions for additional measures required

We appreciate various measures taken by the Government in current extra-ordinary situation including relaxation of time limit and waiver/reduction of interest and like for various compliances under the Goods and Services Tax Law ("the GST Law"). However, considering the extension of lockdown and the difficulties faced by various industries, we request your Goodself to consider our below suggestions for grant of further relief/relaxation.

1. Challenge – Point of taxation

Liability to pay GST in case of supply of services arises with reference to the time of receipt of advance or raising of invoice whichever is earlier. Invoice is required to be raised within 30 days of rendering of service or as per terms of the agreement/contract, as applicable.

Liability to pay GST in case of goods arises with reference to the time of raising of invoice.

Challenge arises on two counts:

1. Preparation/delivery of invoice:

a. As many offices are under lock-down, it is not possible to raise invoices and deliver them to the customers esp. in case of rental and similar services.

2. Inability of customers to pay due to lock down and stoppage of businesses/activities

a. Even if invoice is raised, the customers are unable to make payment towards goods/services delivered/supplied during the lock down period due to non-availability of cash with them.

In such a situation, where the businesses have not received payment for the services/goods supplied, it will be extremely burdensome for businesses to pay GST when the amounts for principal supply is not received.

Suggestion

For the financial year 2020-21, the point of taxation/liability to pay GST to Government be linked to receipt of consideration for supply. In other words, shift the point of tax liability from accrual to cash basis. Similarly, in the case of RCM liability, the point of tax liability should be only when the payment is made to the supplier.

This measure will mean that the claim of input tax credit will also need to be linked to payment of the consideration to the supplier.

Benefit

Government has been taking several measures to facilitate businesses facing severe cash crunch and providing relief as suggested above, by linking payment of GST to the point of time of receipt of consideration will go a long way in supporting businesses to survive and avoid huge burden of interest/penalty which could arise due to non/delayed payment of GST.

2. Due date of tax payment and filing of returns

One of the relief measures announced in the wake of lock-down is the facility to pay GST dues for the months of February'20, March '20, April '20 and May'20 by the specified dates in the month of June/July , 2020 without attracting late fees and penalty and without interest in case of businesses having annual turnover up to Rs 5 Crores and with interest @ reduced rate of 9% (against applicable rate of 18%) in case of businesses having annual turnover exceeding Rs 5 Crores.

This is a welcome measure but, there are few challenges:

a. This benefit of lower rate of interest/waiver of interest, waiver of late fee and penalty is available if the payment is made by specified dates in June/July 2020 and if there is delay all these benefits would not apply. Lock-down has since been extended to 3 May'20 and could be extended further in some parts, esp. Mumbai. Considering this, it will be very difficult for businesses to comply with the deadline specified.

b. The next challenge is that many offices are closed and even if, businesses manage to make payment in time say, a business having annual turnover of say, Rs 8 crores makes online payment of GST for Mar'20 by 5 May'20 (within the 15 days extension), they may not be able to file GSTR – 3B return before due date for filing return i.e. 5 May '20. As a result, the amount paid will reflect in cash register but, will not be adjusted against GST due (that happens only on filing of the GSTR 3B return). Thus, though amount would have been paid by businesses, the same will not be considered as paid and interest at the higher rate of 18% will be triggered.

c. Filing of returns for non-individual entities require digital signature which, in most cases, are in offices and businesses do not have access to offices and therefore, even if businesses desire to file 3B return, they are unable to do so by due date.

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

Suggestions

a. Extend the due dates of filing all returns under GST up to 31 August 2020 – return filing dates to be staggered in the month of September 2020 in respect of months up to 31 August, 2020 –consequently, the question of charging, late fee for delay in filing and penalty will not arise.

b. Treat the amounts deposited by tax payers in their electronic cash ledger as payment towards estimated GST liability towards IGST, CGST, SGST UTGST and Cess from 1st June 2020 onwards.

c. Grant full relief from interest due even for businesses who have annual turnover in excess of Rs 5 crores in cases where tax is paid within 15 days from the regular due date but could not file the return.

d. The tax so paid be reconciled and adjusted at the time of filing of Returns within specified dates in the month of September 2020.

e. If the total tax paid up to 31 August 2020 in respect of net tax liability (output GST less eligible input GST) up to the month of July 2020 is less than 20 % of the tax liability, interest at 9% be charged on the difference and if the tax paid by cash is in excess of the net tax liability (output GST less eligible input GST), interest at 9 % be paid to the tax payer.

f. Tax liability arising in the month of August 2020 will be due for payment by 20th of September, 2020 and that would be in the normal course of business.

Benefits

- Businesses will have breathing time to prepare and file returns after the lock-down is lifted and they are able to get back to setting up/ preparing working systems. They can attend to other pressing needs and start business activities and not be under pressure to file GST returns.
- Government will also get revenues from the activities that are started albeit, on realisation/receipt of cash for supplies by businesses on the basis that the Suggestion in (1) above is accepted. Also, the concern about inability to file returns on account of inability to access digital signatures/staff handling it will be addressed.
- Businesses will not be burdened with interest cost (as it is, many of them will be struggling to stay afloat) despite their depositing money which is reflected in cash ledger but, not adjusted towards GST liability on account of non-filing of GSTR 3B – and, that is due to their inability to file the returns due to lockdown.

3. Challenge – Reverse Charge Mechanism

Tax paid under reverse charge mechanism is eligible as input tax credit and such input tax credit is to be worked out on the basis of relevant provisions, in particular, Section 17 of CGST Act (and, other relevant State and UT laws). This requires businesses to make payment first and then claim credit for it. This adds to the cash woes of businesses who are stressed in any case.

Suggestion

Businesses be asked to do accounting entry in respect of RCM i.e. debit and credit and this be required to be reflected when they file tax returns and, they be required to pay the GST under RCM only of the net tax liability after the adjustment of eligible ITC as and when they make payment for the supply.

Benefit

The tax due on RCM basis will be appropriately reflected in tax returns and, all applicable provisions esp. relating to disallowance, proportionate allowance or blocked credit will be satisfied and, at the same time, businesses will not be burdened with tax payments and claiming credit immediately.

4. Challenge – GST Audit deadline

The deadline will need to be extended on account of extended lock-down.

Suggestion

Extend the deadline appropriately.

5. Challenge – Computation of refund amount for exporters – Recent amendment to the definition of the term "Turnover of zero rates supply of goods" – Rule 89(4) (c) of Central Goods and Services Tax Rules,2017

Meaning assigned to the term 'turnover of zero-rated supply of goods' is modified vide Notification 16/2020 dated 23.3.2020.

Hitherto, exporters of zero rated supply of goods had the option of exporting without payment of tax under Bond or LUT and claim refund of the consequential unutilized ITC as per the following formula as set out in Rule 89(4):

Refund Amount = Net ITC * Turnover of Export (Zero rated goods) / Total Adjusted Turnover.

Before amendment, the actual transaction value of the exported goods was taken in the numerator for determining the ratio of export turnover to total turnover and the resultant ratio was applied to the ITC to arrive at the refund amount. Now, the numerator will be artificially restricted by a deeming/legal fiction to max 1.5 times the "value of supply" of similar goods by same exporter or similarly placed suppliers, in the domestic market

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

Anomalies/challenges

i. The restriction placed on the margin of exported goods (vs similar goods sold in domestic market) defies commercial logic , inasmuch as the export value is bound to be substantially higher than the domestically supplied like goods, since there are relatively higher costs involved in exporting goods, like transportation, insurance, customs clearances, statutory compliances, backing up the transaction by letters of credit etc. Moreover, the extra margin earned by exporter, after costs, is after competing in the global market and establishing its product and its own credibility.

ii. The amended clause (C) to Rule 89(4) is in conflict with the extant provisions of the Act, as the amended definition of value of exported goods builds in an artificial restriction/ceiling on the actual transaction price realized for the exports , whereas Section 15 of the Act, defines assessable value as the transaction price , with no restriction of this kind on the export price or turnover . It is a settled principle of law that a subordinate legislation like the Rules, cannot travel beyond the principal law.

iii. The amended Rule also has anomaly from the perspective that the ceiling (1.5 times the domestic price of similar goods) imposed by the amendment is built into the numerator only (export turnover) but not into the denominator ("Adjusted Total Turnover"). This leads to comparing apples with oranges.

iv. Further, the amendment also appears to be prima facie violative of Article 14 of the Constitution of India as it restricts the value only for exporters exporting goods without payment of tax to claim refund of ITC under Rule 89 and, not ***for the exporters exporting goods on payment of full tax under Rule 96. This leads to treating exporters otherwise equally placed as inequals.***

v. What happens in situations when an exporter does not have domestic turnover? There could be two views in such situations: one, that such an exporter is not eligible to claim refund of ITC since if domestic turnover is NIL, the formulae cannot be applied. Another view is that in that case, this Rules does not apply also cannot be the position.

vi. The Rule requires exporters to find out value of goods supplied to domestic customers (which may require adjustment as the terms may be different) and, in absence thereof, the value of similar goods supplied by similarly placed exporters. This would mean that the ITC of 100 percent export units will be restricted and they will be burdened with ITC lockup accentuating the cashflow burden on them. Moreover, this will be huge challenge and will require significant time and effort for businesses. Also, this will lead to difference of views between department and tax payer and consequent avoidable litigation. We are witness to the transfer pricing litigation and this will become one such area of litigation having significant bearing on exports.

Suggestion

Restore the original sub-rule(c) to Rule 89(4) and do away with artificial determination of turnover of zero rated goods.

If the purpose of the amendment is to reduce grant of refund in cash, that does not seem to be an appropriate measure as it impacts exports from the country and adversely affects sale to these markets leading to increase in costs for exporters. The present times call for ramping up exports and such restrictions would only serve to discourage or disadvantage exports. Also, at this time of severe cash crunch this is completely avoidable amendment.

If the concern of the tax authorities is that the exporters enhance value of exports to get larger refunds, that is misplaced since the export value is realised and is monitored by RBI under FEMA. This safeguard is built into as per Rule 96B and there is no need to introduce such artificial provisions which are fairly harmful for export trade.

Request

We trust, keeping in view the challenges faced by taxpayers on account of this unprecedented situation will be addressed and our suggestions above will be considered positively and actioned soonest.

We also request your Goodself to depute a senior officer in charge of this subject to grant us a video meeting when we can explain rationale for these suggestions in greater detail and apprise him/her of the challenges faced by businesses at the ground level and how these suggestions will facilitate them in wake of Covid-19 lock-down.

Looking forward to hearing from your office about the deputation of senior officer and indicating the date and time for the video call.

Warm Regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 22, 2020

Mr. Rakesh Gupta
CIT(C&S)
Central Board of Direct Taxes

Subject : SWOT Analysis of issues for revival of the economy

Dear Sir,

Greetings from IMC Chamber of Commerce and Industry

We appreciate the efforts of the government in dealing with the crisis faced by the economy in the current situation.

Please find attached our recommendations to revive the sectors and Industry for your kind consideration.

Warm regards,

Ajit Mangrulkar
Director General

Dealing with Covid-19: Recommendations for incentivising and reviving industries

The Chamber is aware that India, along with the world, is going through the blackest of black swan situations. At the outset, that Chamber appreciates the efforts of the Government in dealing with the crisis faced by the economy through various policy interventions. With a view to assist the Government in providing impetus to various critical industries and also in addressing undue and unintended hardships arising on account of direct tax issues, provided below are some recommendations that could be considered for direct tax related policies:

Sr. no.	Issues & Rationale	Recommendations
A.	**Impetus to industries and facilitate cashflow crisis**	
1	Incentive to corporate entities to mitigate job losses **Rationale:** Given the dire economic situation, several corporate entities would be forced to lay-off employees to cut-down their costs. In order to provide some support to the corporate entities, some benefit in relation to the salary costs should be provided.	A weighted deduction for salary costs incurred by the entities for the current and the next financial year should be considered.
2	Impetus to manufacturing and other capital-intensive industries **Rationale:** The world has realised the high cost of almost complete dependence on China as a country of manufacture. More and more companies are looking towards India as an important destination for meeting their needs. Supporting the industries to undertake capital expenditure at this stage would go a long way in developing Indian industries in view of the above paradigm shift.	Capital expenditure undertaken by corporate entities in the current and the next financial year should be made eligible to higher depreciation or weighted deduction.
3	Optimising India's economic growth **Rationale:** There is a wide felt need for restructuring of global value chains during these times. The world has realised the high cost of almost complete dependence on China as a country of manufacture. More and more companies are looking towards India as an important destination for meeting its global supply chain needs. At this time, providing a tax holiday for global businesses to relocate their functions in to India should be incentivised by allowing a tax holiday for businesses for the next 10 years. The window for investment should be opened up for next 5 FYs at the minimum. This will also be in line with Make In India thrust of the Government.	Window for investment in Special Economic Zones should be opened up again for a period of at least 5 FYs starting from FY 2020-21 with relaxed requirements for meeting conditions as per erstwhile provisions.

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

Sr. no.	Issues & Rationale	Recommendations
4	Supporting real estate sector **Rationale:** Entities in the real estate sector have huge inventory and owing to the skew in demand, the prices need to be slashed significantly to enable sale to unlock cash in this sector. Various tax provisions imputing stamp duty reckoner value for real estate result in hardship for this sector since the reckoner value is not indicative of the present market conditions.	Sections 43CA, 45(5A), 50C, 56(2)(x) need to be revised to appropriately to address undue tax impact on the already stressed real estate sector.
5	Moratorium on TDS and TCS obligations and relaxation in payment of statutory dues under section 43B of the Income-tax Act **Rationale:** Collection of taxes by way of Tax deduction at source and Tax Collection at Source aggravates the cash problem being faced presently by entrepreneurs. TDS and TCS obligations result in lesser cash in hand from revenues at the time when income is earned. Further, in many cases the tax deducted may not be commensurate with the tax eventually paid in these trying times. Also, the credits for such deducted and collected taxes happens only after the end of the FY and not before. Therefore, a moratorium from TDS and TCS obligations will go a long way in getting more cash in the hands of tax payers. The compliance requirements should continue without deduction or collection of taxes, so that full information about incomes earned is available with the tax department at any point of time. On similar lines, there may also be an unintentional delay in payment of statutory dues arising from limitations in cash collections during the current period.	Tax collection through provisions of Tax Deduction at Source and Tax Collection at Source should be stopped for FY 2020-21 immediately. The tax payer can still pay taxes by way of advance tax payments considering the whole of the incomes earned by it at its discretion. Due dates for payment of statutory dues under section 43B should be relaxed.
6	Flexibility in advance payment of taxes **Rationale:** Advance tax payments for the first three quarters of the FY are based on estimates. In such a dynamic business environment, estimating the correct advance tax payment would be difficult if not impossible. Further, the advance tax payment deadlines should be kept flexible for the next two financial years. This way a tax payer can manage his cash resources at the optimum level.	Advance tax payment deadlines should be made flexible. • For those having turnover of Rs 100 crore and more during FY 2019-20, instead of quarterly payments, advance tax payment deadlines should be made half-yearly. • For those with a turnover lesser than Rs. 100 crores, the advance tax payment obligations should be made optional with tax payment being allowed at the time of filing the tax return.
7	Significant capital losses to be utilised **Rationale:** Given the current status of the capital markets, individuals and corporate entities would have incurred significant capital losses. Such losses are incurred at the most inopportune time i.e. when the commercial entities are in need of capital deployment to recover from the lockdown. Permitting set-off of such losses against other income will help entities preserve the much-needed cash resources and utilise them in strengthening the business operations.	Capital losses should be permitted to be set-off against any other income.
B.	**Facilitate business restructuring**	
8	Definition of "demerger" is very restrictive and hampers potential restructuring to manage risks of varied businesses/ divisions housed under the same company. **Rationale:** Corporate entities are likely to consider business combination and restructuring to manage their operations more efficiently and effectively. Conceptually, any form of entity restructuring with virtually the same economic interest needs to be tax neutral. This concept is anyway there in the context of amalgamation, demerger, conversion of firm into company, but there are still several gaps which need to be amended to facilitate Ease of Doing Business without loss to the revenue.	The definition of 'demerger' should be made less restrictive, and 'undertaking' should include shares, at least those held in a subsidiary/ associate company (because that is simply a way of holding a business)

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

Sr. no.	Issues & Rationale	Recommendations
9	There is a dire need for broad basing the provisions permitting carry forward and set off of losses in cases of an amalgamation (section 72A) or in case of share acquisitions (section 79). *Section 72A:* As per section 72A, losses incurred by a transferor company are allowed to be carried forward and utilised by transferee company only if it involves, inter alia, an amalgamation of a company owning an industrial undertaking. Additionally, there are several conditions that need to be complied with. **Rationale:** Having such a restrictive section for carry forward of losses and additional compliance with conditions impairs amalgamation of companies engaged in services sector, for example NBFCs. *Section 79:* In case of share acquisitions, if there is a change in the persons holding 51% of the voting power in the year of loss, the loss will not be allowed to be carried forward in the year of such change as per section 79. **Rationale:** Given the current economic scenario, it would be critical for businesses to be able to preserve their losses even while restructuring their corporate structures.	Scope of section 72A should be broadened to cover companies not owning industrial undertakings as well. Further, conditions mentioned under section 72A should be made less restrictive. Applicability of section 79 should be kept in abeyance for the share transfers/ share acquisitions undertaken for a period of at least 3 FYs starting from FY 2020-21.
C.	**Address undue and unwarranted hardships**	
10	Boost consumption capacity due to income drop and job losses **Rationale:** To ensure that reduction in income (salary and otherwise) of individuals for the current year does not translate into huge fall in consumption capacity and does not further worsen the economic equilibrium.	Impact on the purchasing power of individuals should be mitigated by a reduction in tax liability, say, by providing a rebate of 15-20% of the applicable tax rate.
11	Address unwarranted issues pertaining to residential status of individuals **Rationale:** Several Non-Resident persons visiting India for a brief period would be restricted in returning to the country of their current residence, resulting in them becoming tax residents in India with undue tax burden in India.	There should be some relaxation for determination of residential status for specific Non-Resident persons who never had the intention to stay in India for a period exceeding 60/ 180 days.

Warm Regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 23, 2020

Shri Piyushji Goyal
Hon'ble Union Minister for Commerce & Industry
Udyog Bhawan
New Delhi 110 011

Respected Minister for Commerce and Industries Shri Piyushji Goyal,

Sub: Representations made to Hon PM and Hon CM Maharashtra.

We thank you for the interactive webinars held by your ministry and thank you for the opportunity given to IMC Chamber of Commerce and Industry to put forth its recommendations.

We are thankful to you for all the positive outcomes of the webinars which helped movement of goods to a great extent and also helped in removing irritants and bottlenecks in a positive manner.

Our Chamber has made representations to the Hon PM and to the Hon CM of Maharashtra to address the concerns of the MSMEs. We understand that the Government is under financial strain and hence, our Chamber has made suggestions in the direction of deferment of payments, and hand holding by providing soft loans to businesses at little over the repo rate to tide over these difficult times. Our experts at IMC will be pleased to interact with the administration and explain any of the points mentioned, if required.

We thank you for your warmth and cooperation always towards IMC, we look forward to assisting the Government in any manner possible from our end.

Warm Regards,

Ashish Vaid
President

Enclosed: 1) Representation to Hon PM | 2 Representation to Hon CM, Maharashtra.

April 24, 2020
Shri B. Venugopal Reddy
Principal Secretary (Industries)
Government of Maharashtra
Mantralaya
Mumbai 400 032
Dear Sir,
Sub: Suggestions for boosting exports

Maharashtra is the highest industrialized state and the backbone of all the commercial activity of our Country.

The recent pandemic has created a total disruption in exports due to various issues related to logistics and documentation. With exports adversely affected in a big way, manufacturing activity has also been severely affected.

Following is the feedback we have received from exporters:

Although the exports has been identified as an essential category under the lockdown guidelines, the exporters are not able to complete a number of mandatory procedures because agencies involved in facilitating these procedures are not being allowed to operate due to lack of clarity among government agencies issuing permissions.

Documentation is the biggest hurdle that the exporters are facing. documents are stuck up in transit with couriers who find it very difficult to get permission to operate. While many shipping companies are co-operating, many others shipping companies are asking Cash /Bank guarantees upto 200% invoice value to release cargo without documents.

All agencies involved in exports and imports including customs, freight forwarders, transporters, shipping lines, courier companies, plant quarantine, certificate of origin issuing agencies must be allowed to function. Because if one of them is not functioning, the export-import chain is broken.

The exporters find it difficult to obtain police and vehicle passes to allow their employees to commute to various agencies for documentation. In absence of such permission, even if all agencies in the export supply chain are functioning, it of no use to exporters if they are not able to reach them for documentation.

The documentation procedures still involve physical papers to be signed and stamped for all non-preferential exports as demanded by customs at destination countries.

In view of the above, we request the necessary instruction may be issued to Municipal and Police authorities in the state to allow certificate of origin issuing under essential category as it is very important link without which exporters can't export non-preferential export goods which is a significant portion of total exports.

We will be grateful for your positive consideration.

Regards,

Ajit Mangrulkar
Director General

Innovate, Motivate, Consolidate
IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978
ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

IMC
Chamber of Commerce and Industry

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

April 29, 2020

Honourable Shri Uddhav Thackeray ji
Chief Minister of Maharashtra
Mantralaya
Mumbai

Respected Chief Minister Shri Uddhav Thackeray ji,

Sub: Likely Continuation of Lockdown in Mumbai and Pune Metropolitan Region

We congratulate the Maharashtra Government on all the steps taken to mitigate and contain the spread of the deadly virus.

We went in for National Lockdown on March 25, 2020, initially for 21 days which was extended, rightly so, until May 3rd. The Maharashtra government had begun locking down from March 20 itself.

While from Monday, April 25, the stand-alone shops selling non essential good and offices were allowed to open in orange and green zones, the same relaxation was not extended to Mumbai and Pune metropolitan region because they were in red zone, mainly due to some pockets, which have now been very well contained and isolated.

Continuation of lockdown beyond May 3 in Mumbai and Pune regions would aggravate sufferings and stress level of citizens because of prolonged anxiety over uncertainty of sources of livelihood.

While all measures might have been taken by the government to ensure citizens get their daily essentials, the ground reality is starkly different. All citizens are at their wits end due to the following:

- Paying high prices for fruits and vegetables
- Non-availability and high prices of provisions
- Long queues at stores which are open only for few hours
- Plumbing, electrical and other urgent household repairs as tools and material required for repair are not available.
- Similar situation faced for repair of computer and availability of accessories which is hampering even work from home. Even batteries and other everyday usage items not easily available
- Urgent Requirement of building repairs pre-monsoon-only 1 month for the monsoon
- Medical requirement and facilities for the aged, to name few

Also, it has become imperative to attend office to do finalisation of account for the year ended March 31 and statutory compliances for which no extension of date is announced. This is apart from maintenance and upkeep of office premises locked for over a month.

In view of the above, although we understand the need to keep public transport closed, we request that offices and shops for all categories be allowed to open and operate from May 4 with strict adherence to proper social distancing, hygiene, sanitisation and regular disinfection of office premises.

The Business community appeals to you to kindly allow establishments to open (those who want to), keeping all public transport closed for the time being.

Warm regards,

Ashish Vaid
President

Innovate, Motivate, Consolidate

IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, India.
Tel.: +91(22) 7122 6633 | Dir.: +91(22) 7122 6677 | Fax: +91(22) 2204 8508 | Website: www.imcnet.org
Branch Offices : Andheri: Tel.: 022-2623 1937, Navi Mumbai: Tel.: 022 2784 2466, New Delhi: Tel.: 011 2373 0978

ISO 9001-2008 certified organisation | CIN : U74999MH1969NPL014218

14th Session of M & C Study Circle on Mediating under the Commercial Courts Act, 2015

20th January 2020

The M & C Study Circle, periodically organized by The Mediation & Conciliation Committee of the Chamber, is a series of "Interactive Sessions focused on Dispute Resolution Processes" intended to introduce different aspects of Mediation and Conciliation in the Indian Context.

14th Session of the said series was held on the topic of "Mediating under the Commercial Courts Act, 2015" Objective behind this session was to update and educate people for efficaciously resolving commercial disputes under the new regime of Pre-Institution Mediation introduced by the Commercial Courts Act of 2015, as amended in 2018.

The Speaker for this session was Shri M. P. Rao, Sr. Counsel practicing at the several benches of the Bombay High Court and other Courts & Tribunals. He is associated with the Mediation movement since its initial stages in 2002-2003 at the Bombay High Court and has undertaken a special tour of several Courts in California, USA to study their ADR & Case Management system.

This session was very useful for in-house lawyers, business owners, managers involved in managing business disputes, parties and their representatives who intend or expect to appear before a mediator.

Mr. M. P. Rao and Mr. Prathamesh Popat

KNOWLEDE SERIES

8th International Research Conference

29th February 2020

International Research Conference held at Aditya Institute of Management and Research (AIMSR), Mumbai on 29th February,2020, on the theme ' Transforming Business - The Smart Way' was supported by IMC with a vision to help evolving Students, Researchers and Academicians. There was panel discussion on 'Redefining Employability Competencies of MBAs'.

The Conference highlights were Chief Guest address by Bangladesh Deputy High Commissioner Mr. Md. Lutfor Rahman;, Guest of Honour- Prof Uday Ghosh- President's Advisor, International Business, Lincoln University, USA; and Dr. Michael Guerra VP, COO & Sr. Professor, Lincoln University, USA on the theme: "Transforming Business-TheSMART Way".

IMC Welcomes former President of Iceland Mr. Olafur Ragnar Grimsson

06th March 2020

(L-R): Mr. Milind Deora, Dr. Gul Kripalani, H.E. Olafur Ragnar Grimsson, Mr. Ashish Vaid, Ms. Poonam Dhillon and Mr. Ajit Mangrulkar

2 Day Refresher Course on Insolvency & Bankruptcy Code (2016)

06th & 7th March 2020

IMC Chamber of Commerce and Industry organised on 6th and 7th March 2020 at IMC Vashi Conference room, a 2-day Refresher course on Insolvency & Bankruptcy Code (2016) extensively covering the intricacies of IBC 2016, Resolution Plan, Valuation of Business. Conducted by Mr Mahesh Sureka, the 12 hours course was attended by participants consisting of advocates, professionals, academicians and others.

Participants, trainer and IMC official at the workshop

Webinar session on 'Mediating and Arbitrating (Online with Presolv360')

02nd April 2020

IMC's Mediation & Conciliation Committee, IMC International ADR Centre (IIAC) and Presolv360" jointly hosted a webinar session on 'Mediating (and Arbitrating) Online with Presolv360' on April 2, 2020. The agenda was to highlight the need and effectiveness of Online Dispute Resolution (ODR) in times to come and to see a demonstration of how disputes can truly be resolved online.

The webinar received an overwhelming response. It began with an insight into the current scenario, changing times amidst the Covid-19 pandemic and how marrying law to technology is unquestionably the way forward. It concluded with a very interesting interactive Q&A session. Presolv360 showcased their mediation and arbitration modules, touched upon the impact of their platform, ran through a few cases resolved via their platform, and highlighted collaboration opportunities with members. All in all, it set the tone for how ODR is becoming the new norm, and is here to stay even after the lockdown ends."

Mr. Prathamesh Popat

Mr. Bhavin Shah

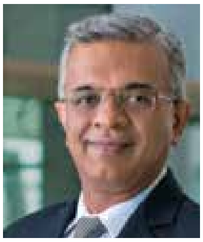
Ms. Namita Shah

Webinar on Boardroom Mastery

13th April 2020

We are Locked Down but not locked out of LEARNING. After First successful Boardroom Mastery program in November 2019, IMC & MentorMyBoard conducted a webinar on "Boardroom Mastery'. A good number of enthusiastic participants got certified as "Board Ready" and "Board Informed" who can handle Boardroom Challenges more efficiently and effectively. Special thanks to our Esteemed Expert Panel comprising of CA. Nilesh Vikamsey, CA. Dr. Purva Shah, CA Rammohan Bhave, Mr. Rajnikant Patel, Mr. Martin Luther and CS. Divya Momaya for sharing great insights on Boardroom.

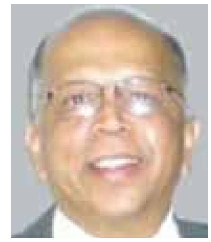
Ms. Divya Momaya-Founder & Director, MentorMyBoard, took all the participants through 'safety nets' that can be created during their


CA. Nilesh Shivji Vikamsey


CA. Amisha Vora


Mr. Rajnickant Patel


Ms. Divya Momaya


CA. Rammohan Bhave


Dr. CA. Purva Shah

role as Directors and also explained about the Board Succession Planning. CA Nilesh Vikamsey, Past President of ICAI and a Director on various Boards of Indian Corporate Houses educated participants over aspects of corporate frauds, and how Boards play a very important role in timely identification of such frauds and how right and timely actions helps to save and enhance reputation of the company on a whole. His session was full of practical knowledge from his vast experience.

CA Purva Shah, Finance Mentor and Faculty at NMIMS-NGASCE, educated participants over the Financial Statements and how the Directors need to interpret financials which can help companies grow.

CA, CS, CMA Rammohan Bhave, Limca Record Holder in conducting IFRS trainings, conducted the session on Aspects of Risk Management in unique way with lots of questions for the directors and aspiring directors to ponder upon which helps to develop critical thinking on matters involving organizational risks.

Session by Mr. Rajnikant Patel, Ex-MD & CEO of Bombay Stock Exchange Ltd., conducted interactions between the Mentor and participants regarding Listing Regulations, Women Directors, and how right corporate governance can help organizations to grow.

Lastly, Mr. Martin Luther, Group HR Head, Prabhudas Liladhar Pvt Ltd, revealed the VUCA World-Volatility, Uncertain, Complexity and Ambiguity model and how right strategy formation at board level can save corporates from such challenges and help them take sustainable business decisions.

Directors must get acquainted with their oles and responsibilities while carrying out their duties in more efficient and diligent way.

IMC and MentorMyBoard have joined hands in continuous upskill programs and next batch of Boardroom Mastery program is scheduled on August 28th, 2020.

For more details,
contact Mrs. Ila Pathak Jha on
ila.pathakjha@imcnet.org

Webinar Business *pe* Charcha - Panel discussion on Overcoming of Business Challenges of Covid-19 Crisis & Bounce Back

16th April 2020

IMC jointly with Business Leadership League on 16.4.20 conducted webinar Business pe Charcha- Panel discussion on Overcoming of Business Challenges of Covid-19 Crisis & Bounceback today. Mr. R K Jain, Chairman, IMC Navi Mumbai, Mr. Swaminathan Former Co- Chairman IMC Navi Mumbai, Mr. Khadilkar (IMC member) along with other experts from Finance, Marketing, Management, etc spoke on the problems & emerging opportunities arising from the crisis.

Panelists enlighten on the various initiatives & assistance offered by Govt & banks, exploring export potentials, reviving India as a manufacturing hub as Japan and other countries are shifting their manufacturing base from China. A lively interactive Session with more than 75 + participation joined for more than 2 .5 hours at online Zoom Session. Ms. S.P Mohanty, CEO, BLL moderated the session

Webinar on Visionary Leadership

17th April 2020

IMC Ramkrishna Bajaj National Quality Award (IMC RBNQA) Trust conducted its third webinar in its series on 'Performance Excellence' on 17 April, 2020. The topic for this webinar was on Visionary Leadership and by Mr. Vivek Talwar, Founder-Director, Chrysalis Consulting, Co-founder Sensible Earth and Former Chief Culture Officer & Chief Sustainability Officer, Tata Power. This webinar was facilitated by Ms. Maya Desai, Director, IMC RBNQA Trust.

Visionary Leadership is a crucial core value (attributes) of the IMC RBNQA Performance Excellence Model that makes any organisation move towards sustained high performance. Mr. Talwar walked the participants through the various factors that influence the decision of leaders and how leadership really drives the organization towards achieving their goals.

Mr. Talwar also covered the role of leadership during disasters or any emergency situation. During any crisis, specially the one that our world is currently facing, it is paramount for leaders to not only account for business continuity and also account for the human aspect of it. The organization needs to compress their environment scanning cycles to suit the changing scenario, involve key sources of information and insights at an early stage, actively listen to outlying views, create probable scenarios based on emerging trends, calculate the risks involved through careful understanding, and plan mitigation of risks and various other nuances that will help the leader set a clear path.

The detailed recording of this webinar is available on our Youtube channel :

https://youtu.be/U08j1Vyn87s

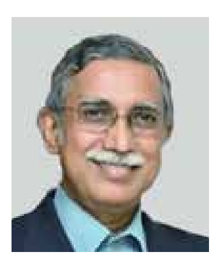
KNOWLEDE SERIES

Impact of Covid-19 on Production and Behaviour Pattern

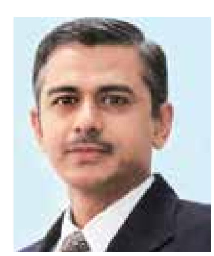
22nd April 2020

The Indian economy is passing through challenging time due to Covid-19 outbreak. To understand the implication of this health crisis on various sectors of industry, a talk by Mr Raj Nair, past president of the chamber and chairman of Avalon Consulting and by Mr Atul Joshi, former MD of the Fitch India Rating was organized by the Chamber on 22nd April.

The study of 1563 odd companies by Avalon Consulting showed at except for only 1% of industries which are in digital entertainment mode, rest of the companies are facing stress in liquidity, cash flows, order book and on margins to various degrees.



Mr. Raj Nair



Mr. Atul Joshi

About 60% of the companies are in deep distress and the rest are just barely able to stay afloat. The talk also spoke of sectors like FMCG, agri, IT, media, energy and food industry to bounce back faster after the lockdown is lifted as compared to Gems & Jewellery, Chemcials and leather amongst others, which could have a time frame of 4 to 5 quarters to come back. However industries like auto, aviation, capital goods, consumer goods and real estate would take longer that 6 to 8 quarters to recover. The current scenario of work from home will see an increasing trend in times to come.

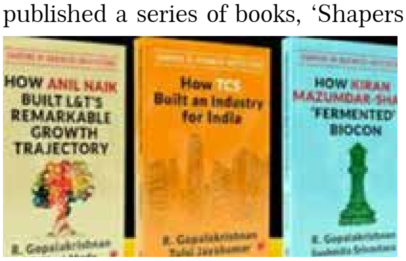
Mr Atul Joshi made interesting observations on the behavior pattern of the consumers and he opined that the current scenario will see greater consumer spending on white goods and automobiles, apart from personal hygiene goods. However investment into new sectors will remain a challenge as consumer will like to have more money at hand for spending. The video conference meeting drew encouraging response from the members and other invitees.

KNOWLEDE SERIES

Webinar on Discussion on shapers series ■ *24th April 2020*

During the unprecedented time of the lockdown due to Covid-19, IMC is taking lead in creating stimulating environment for the members and society at large.

IMC, SPJIMR and Rupa Publications held a Webinar on 24th of April, 2020. Noted management practioner, thinker and writer Shri R. Gopalakrishnan and faculty of SPJIMR recently co-authored and published a series of books, 'Shapers of Business Institutions'.

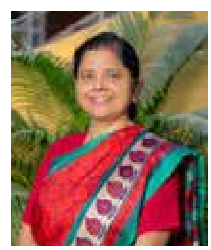


Mr Ashish Vaid- President, IMC, welcomed the authors and the participants and opened the Discussion on Books. The webinar discussed the inception of three books: the first one- 'How TCS Built an Industry for India' co-authored with Prof.TulsiJayakumar deals with the story of beginning of the IT industry in India, second one- 'How Kiran Mazumudar-Shaw fermented Biocon' co-authored with Prof. Sushmita Srivastava narrated the story of an enterprising woman and the third one- 'How Anil Naik Built L&T's Remarkable Growth Trajectory' co-authored with Prof. Pallavi Mody narrates the story of the leader who takes the business to the next orbit.

A large no participants attended the webinar and were highly appreciated.


Mr. R. Gopalakrishnan


Prof. Pallavi Mody


Prof.Sushmita Srivastava


Prof. Tulsi Jayakumar

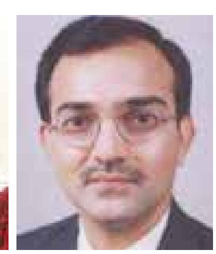
Covid-19 - Implications of recent amendments/ clarifications under GST and what next? ■ *24th April 2020*

IMC conducted an online VC on "Covid-19 - Implications of recent amendments/clarifications under GST and what next?". It was well attended by senior tax practitioners, tax advocates and businesses.

Mr. Ashish Vaid, President, IMC in his opening remarks stated that the Government has responded more stringently than other countries in tackling the pandemic of Covid-19 by swift action, emergency policy making emergency investment in healthcare, fiscal measures, investment in vaccine research and active response to the situation.

Mrs. Bhavna Doshi, Past president, IMC mentioned that Government has announced measures to tackle challenges faced due to the current situation however there are issues and areas where further support/extension of time lines


CA. Bhavna Doshi


Mr. Parind Mehta

are required. Ms. Aarti Agrawal, M/s BDA Associates explained the amendments related to the compliance relief under GST with regards to GSTR3B, GSTR1, Input Tax Credit and E-way Bill. Mr. Shouvik Roy, GM – Indirect Taxation, Tata Chemicals Ltd. gave insights in the issues related to the GST refund such as postponement of due date for filing of refund claims Inverted Duty Structure refunds, Grant of refund through Cash and ITC Credit, Turnover for purpose of ITC refund etc. Mr. Parind Mehta, Partner, N C Mehta & Co. expressed concern over the amendments which will increase the compliance burden on taxpayer.

Video Conferencing on "After the Lockdown: What next – a detailed framework of action items for business leaders"

27th April 2020

The Covid-19 pandemic has thrown up unprecedented challenges for senior management and business leaders in the new world order, where the traditional manner of conducting business are rapidly undergoing changes.

The talk on – After the Lockdown: What next – a detailed framework of action items for business leaders – by Dushyant Dave and Nishit Dave brought out many an interesting concepts for implementations. The speakers gave an insight to an increased external awareness in understanding communities and partnering with supply chains.

This would call for agile leadership roles while undertaking more responsibilities, while reinventing business, communicating more strongly and decisively with the stakeholders to understand and fulfill their requirements. Internally, there would be a need to review the HR policies to get optimum results from the staff. This may be through the activity based performances or in restrategising the decision making processes of centralization v/s decentralization. The speakers also spoke of the strategies across various timelines – such as the short term strategies which could look at highlighting the importance of cash flows, and plugging in the revenue leakages, if any and looking for credit requirements in most cost effective manner.

The medium term strategies would hover around the need to rework on budgets, ways and means to conserve capital , and undertaking studies in increasing efficiencies across operations . This would help the business leaderships to look into various scenario analysis for better controls.

They also spoke on the issues that the startups would face in light of tighter liquidity, long gestations periods and limited innovation opportunities. Scenario analysis for different sectors such as manufacturing retail and healthcare were also discussed.

Earlier in his opening remarks the President of the Chamber, Mr Ashish Vaid spoke on the current trends wherein though the strains on economy were acute, India is poised to be one of the three global economies to show a positive GDP growth in the current fiscal.

He impressed upon the industry to have their costs controlled, keep a tab of cash flows, adoption of the best and contemporary systems in technology, and the need for the chambers and industry associations to work together for making representations and communicating with the govt at frequent interals for voicing the issues of the industry. He said in the current milieu the industry and businesses need to empathize and be humane in their approach for the vast suffering majority.

KNOWLEDE SERIES

Webinar on the Impact of Covid-19 on MSMEs and the road ahead

30th April 2020

IMC Chamber of Commerce and Industry through its Forum of Affiliated Associations Committee organized the Webinar on the Impact of Covid-19 on MSMEs and the road ahead.

Mr. Ashish Vaid, President - IMC welcomed Mr. Shailendra Singh, Assistant Director, MSME Development Institute, Ministry of MSME, Government of India and Mr. Manish Kotian, Solution Expert - Tata Tele Business Services.

President opined about the current coronavirus pandemic Covid-19 lockdown which has substantially disrupted the operations of MSMEs due to their dependence on the cash-economy that has severely hit by the lockdown, the physical non-availability of workers, and restrictions in the availability of raw materials and transport infrastructure. Further Mr. Vaid also emphasized on the current scenario that will have substantial ramifications throughout the economy and therefore, a robust policy response is essential.

Mr. Vaid also stated that given the clampdown on economic activity in the past few weeks, it was unquestionable that a vast number of MSME units will be choked, possibly to the point of perpetual closure. He also shared that MSMEs contribute nearly 30 percent of India's gross domestic product and close to half of the country's total exports. Therefore, MSMEs are the backbone of the Indian economy and deserves urgent financial stimulus and a safety net.

Mr. Manish Kotian made a presentation on 'Smart Solutions Work from Home' where he explained that with the outbreak of the Covid-19 pandemic has triggered both demand and supply side challenges for enterprises across India. He elucidated that with most of the businesses moving their operations to a work from home mode, Tata Tele Business Services (TTBS) is offering 'Work from Home' solutions that empower enterprises with robust, end-to-end connectivity solutions with secure access, collaboration and back-office operations.

Mr. Shailendra Singh addressed the audience about the role of MSME Development Institute, Mumbai and Ministry of MSME, Government of India and the various policy measures and initiatives undertaken for the growth of MSMEs in India during the Lockdown.

Further, Mr. Singh furnished the participants with detailed presentation, covering the following topics:

1. New Sectors and New Area of Business
2. Covid-19 effect All so what to do??
3. Micro, Small and Medium Enterprises Development Act 2006 (MSMED): Web Portal Access
4. Support and Policies IBC, NCLAT
5. Support to MSME in IBC, NCLAT
6. Financial Support to MSMEs in ZED Certification Scheme
7. Lean Manufacturing Competitiveness
8. Design Expertise for Manufacturing in MSME Sector.
9. Digital MSME Scheme
10. Entrepreneurship Skill Development Programme (ESDP)
11. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

Later, Mr. Singh and Mr. Kotian interacted with the participants and the issues of the participants were addressed appropriately.

The program was well attended and the Webinar was interactive and interesting. This thought-provoking webinar ended with a vote of thanks by Mr. Ajit Mangrulkar, Director General, IMC Chamber of Commerce and Industry.

Over 80 participants representing SMEs from manufacturing, services, corporate, logistics and related industries attended and benefited from the Webinar.

KNOWLEDE SERIES

A Webinar on Crisis Management Quantitative Risk Model: Solution to Mitigate the Impact of Covid-19 in India

30th April 2020

IMC in association with the Institute of Risk Management (UK) India Affiliate along with Glasgow Caledonian University, organized a Webinar on Crisis Management on "A Quantitative Risk Model: Solution to Mitigate the Impact of Covid-19 in India" on 30th April 2020. The speakers of the session were Dr. Madhu Acharyya- Senior lecturer at the Glasgow Caledonian University (London Campus) and Dr. John Houston- Research Fellow (Economics) at the University of Stirling and Associate at the University of Glasgow.

The session mainly focused on Covid-19; Risk Management & Modelling; Resource-Constrained Decision Making and Crisis Management. The speakers proposed a quantitative risk model that allows optimal decision making to mitigate the impact of Covid-19. They applied this model in India by taking its cultural diversity in addition to its infrastructural and economic constraints. Analysing the publicly available data they illustrated how this risk model could assist the decision makers to reach better strategies with an ultimate aim to minimise the potential deaths of its citizens.

Dr. Madhu Acharya

Dr. John Houston

Students and Faculties of Vishwabhushan Bharatratna Dr. Babasaheb Ambedkar (Model) College, visits IMC

28th February 2020

Students and Faculties from Vishwabhushan Bharatratna Dr. Babasaheb Ambedkar (Model) College, Vidyanagari, Ambadave, Dist-Ratnagiri, visited IMC Chamber of Commerce and Industry to get insights on the process of Certificate of Origin (COO), how the Chamber works and how it influences the Indian Economics and Corporate Sector.

Students and Faculties with IMC Officials

Mr. Sanjay Wakkar, briefing students and faculties about COO process.

Heritage Talk

01st March 2020

The Travel, Tourism and Hospitality Committee organized the 'Heritage Talk' on March 01, 2020 at IMC.

IMC President, Mr. Ashish Vaid, in his welcome address citied that India has a diverse heritage and a rich history and among the other cities of India, Mumbai has a lot to offer. He also mentioned that Mumbai being a port city, it has been the hub for travellers and explorers from time immemorial. The Heritage buildings of Mumbai depict the diverse monumental structure and design that is across boundaries. The city of Mumbai is a story – teller's paradise.

Mr. Vikas Dilawari, India's leading Conservation and Heritage Architect addressed the audience about the 'Conservation of Built Heritage in Mumbai - Challenges and Opportunities'. Mr. Dilawari furnished the participants with detailed presentation which covered the following topics:

(L-R): Ms. Nazma Mamaji, Mr. Farhat Jamal, Mr. Guillermo Devoto, Mr. Tang Guocai, Mr. Ashish Vaid, Mr. Vikas Dilawari, Mr. Ritesh Yadav, Mr. Soemarjanto Karyasentika, and Mr. Gurpreet Bakshi

1. What Does Conservation Mean…?
2. Origins of Conservation Movement Internationally- were due to Industrial revolution and the World wars
3. The Indian Conservation Scenario
4. Conservation Reality
5. Is Conservation A Fashion? Or Beautification? Or A Movement in India??
6. Mumbai's Built Heritage
7. Conservation Spectrum
8. Accepted Principles In Conservation
9. Difficulties In Architectural Conservation Practice In India

10. Issues In Architectural Conservation

11. Way Ahead

The program was well attended and the Talk was interactive and interesting. Mr. Farhat Jamal, Chairman IMC's Travel Tourism and Hospitality Committee emphasized that IMC has been instrumental in initiating and continuing with the Heritage-related events that have tremendous potential to create awareness among people to conserve and protect the valuable assets and cultural heritage, which leads to promote tourism and play a meaningful role in projecting the Mumbai city's cultural identity.

Meeting with Shri Madhukar Pandey (IPS), Jt. Commissioner of Police (Traffic)

03rd March 2020

Mr Pandey in his opening remarks complimented the Chamber for arranging such interactions which add to better citizenry police confidences. He said the role of traffic police is both administrative and developmental, but major time be spent on operational issues for directing the traffic for smooth flow across the island city. He said parking of commercial and private vehicles is a major issue and the department in conjunction with BMC is looking at creating huge spaces for parking. He welcomed the members' suggestion of exploring parking under the flyovers. He mentioned that to bring more discipline to the road traffic, the department has installed CCTV cameras at major interactions which give them real time information of the traffic conditions, and the traffic personnel been give the powers to issue on the spot e-challans for traffic rules violations. He said the hike in traffic fines is an attempt towards more discipline on the road. He welcomed the suggestions for strict monitoring and disciplining of the two wheelers who criss-cross the roads without any discipline and thus endangering lives. He said the traffic police have been taking cognizance of road rage incidents attributed to careless driving by the two wheelers and strict monitoring is underway especially on the flyovers, the expressways and the freeway. He said similar strict monitoring goes for the commercial vehicles especially trucks which do not conform to timings of entry to the city. He said his department is also strictly monitoring the phasing out scheme for old commercial and private vehicles, as per motor vehicles act which add to the pollution and road congestion.

Mr. Madhukar Pandey Alongwith Mr Ashish Vaid, and Managing Committee Members

Among the developmental aspects, he said, much emphasis is being laid of road safety wherein his department, along with government agencies and NGOs, have been organizing classroom sessions for schools and colleges. He welcomed suggestion to include a chapter on road safety in school curriculum. The safety programs are also held for the BEST bus drivers and large fleet owners, in which lane discipline and traffic signal is being especially stressed upon.

He assured the members of full cooperation of the department in resolving their issues.

Indian Shipping and Arctic Program

06th March, 2020

(L-R): Capt. P. C. Meena, Capt. K. P. Jayakumar, Shri Amitabh Kumar, H.E. Olafur Ragnar Grimsson, Mr. Ashish Vaid, Dr. Gul Kripalani and Mr. Ajit Mangrulkar

Fire Side Chats

25th March 2020 to 14th April, 2020

Post announcement of First countrywide lockdown made by our PM starting from 25th March till 14th April, 2020, IMC alongwith Manoyog GRC Advisors came up with an idea of ONLINE FIRESDIE CHAT SERIES to deal with latest and current topics.

The FIRST SESSION in the SERIES announced was considering the needs and requirements of the Members of the Chamber who were not sure about the possibilities of likely huge claims and disputes that may be arising out of the involuntary non-fulfillment of obligations cast under the legal agreements due to the Countrywide Lockdown due to Covid-19 pandemic situation.

To provide guidance and clarifications three stalwarts from the legal fraternity were invited. Mr. Anand Desai, Managing Partner, DSK Legal and Co-Chairman of Legal Committee, IMC, Mr. Rajendra Barot, Partner, AZB Partners and Mr. Sharad Abhyankar, Partner, Khaitan & Co. The session was moderated by CS Manoj Sonawala, Principal consultant, Manoyog GRC Advisors and Co-Chairman of Law Committee, IMC. Registration for the Webinar Session was full within first few minutes and many Members, including President, IMC could not attend the Session. For the benefit of those who could not attend and for reference the recording of the Session is available on https://youtu.be/hqV8cG83sk8.

The Session covered the Force Majeure Clause, its wording, position in absence of Force Majeure clause in the Agreement, will wide coverage wordings will help the parties, different kinds of agreements – supply chain to commercial and residential leave & license agreements were discussed.

The Second Session in the ONLINE FIRESDIE CHAT SERIES announced was on Personal Data Protection Bill 2019. Due to the lockdown, most of the offices have instructed their employees to work from home. Many trade associations, chambers and training and educational institutes started using video conferencing as tool for virtual meetings. There were so many risks related to use of such open ended platforms and there were threats attached to identity and personal/ confidentail data theft. There were risks related to intrusion in the system and possibilities of virus attacks could not be ruled out.

To understand the possible loss / damage and risks attached to the use of such platforms and implications of personal data loss alongwith legal framework available to safeguard us against the same, three experts were invited to discuss and guide us. Ms. N. S. Nappinai, Advocate Supreme Court, Mr. Srinjoy Banerjee, Founder of India's First Techno Legal advisory and consultancy in Data protection, Privacy and IP – Excalliburancy and Mr. Arun S Prabhu, Partner, Cyril Amarchand Shroff took us to the intricacies of Data Protection Framework available in India, dissected some of the decided case laws, general practice, need of the awareness among the general users of the technology, possible losses and way forward. The Session was moderated by CS Manoj Sonawala, Principal Consultant, MANOYOG GRC ADVISORSMANOYOG GRC ADVISORS. The session was attended online by 82 participants. For the benefit of those who could not join, the recording of the aforesaid Session is available on https://youtu.be/bAB4F6l-LUs. To take the mission further, the Third Session in the ONLINCE FIRESIDE CHAT SERIES was organized on the most burning and talked about issue of Liquidity Management post Lockdown. Many trade associations and experts in the field used to discuss and throw their opinions on the subject. To cover the problem in a better perspective, three stalwarts from different sectors who are most experienced and directly not only associated but dealing with the same were invited to discuss "Liquidity – an Essential Commodity Post Lockdown – Eligibility, Availability and Management."

To deal with this topic representatives of three different Sectors like Banks, NBFCs and Investment banking / Stock broking were invited. Mr. P. N. Prasad, Deputy Managing Director, CCG-I of State Bank of India representing Banks, Mr. Shailesh Haribhakti, Non-Executive Chairman of L & T Finance representing NBFCs and Mr. Anand Rathi, Chairman, Anand Rathi Group representing broking and investment banking fraternity were Expert Panelists. To moderate such a critical and most important Session Mr. Sudhir Kapadia, Vice President, Bombay Chambers and EY India Tax Leader was invited who could tactfully extract the best answers from the most experienced and knowledgeable faculties of the Session. On the day of the Session, RBI came out with many action points and solutions to improvise liquidity in the market and the economy which itself speaks about the importance and timing of the Session. For the benefits of those who could not attend the session, the same is available on *https://youtu.be/-0owKYsAmgw*.

NETWORKING SERIES

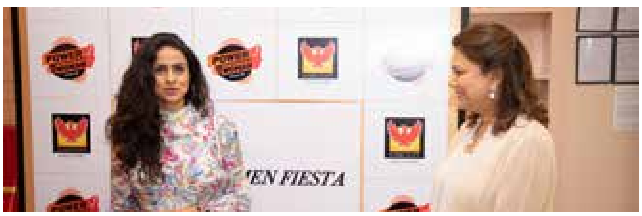
Women's Day Special Brunch

2nd March 2020

Phoenix Marketcity Kurla, hosted a special brunch for the committee members of the IMC Ladies' Wing, in honour of the upcoming International Women's Day.

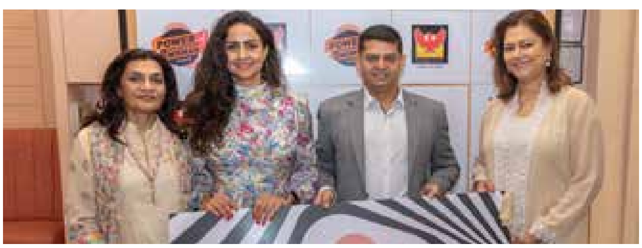
The lovely Gul Panag, a well-known advocate of gender equality and gender justice, was the Guest of Honour. The actor, whose web series are making waves, joined Sudhir Jena, Centre Director, Phoenix Marketcity and Ms. Vanita Bhandari, President IMC Ladies' Wing in launching the mall's much awaited "Power Woman Fiesta Booklet", replete with discounts and offers to make shopping at this popular mall, even more fun!

Ms. Vanita Bhandari



Ms. Gul Panag with Ms. Vanita Bhandari

Launch of the - "Power Woman Fiesta Booklet" by Ms. Gul Panag, Ms. Vanita Bhandari and Mr. Sudhir Jena



Ms. Anuja Mittal, Ms. Gul Panag, Mr. Sudhir Jena and Ms. Vanita Bhandari

Seated: Ms. Anuja Mittal, Ms. Gul Panag, Ms. Vanita Bhandari, and IMC Ladies' Wing Committee Members

Screening of the Film "Hellaro"

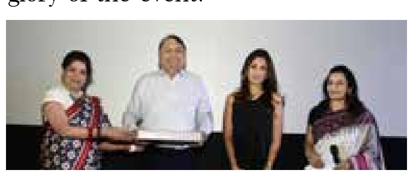
03rd March 2020

On the occasion of International Women's Day Celebration, the IMC Ladies' Wing hosted a Special Screening of the popular film – Hellaro (The Outburst) at INOX Cinemas, Nariman Point.

It was an evening echoing the spirit and victory of womanhood. The screening was graced by the cast and crew of the film. The raffle and the dance performance by Ms. Ella Shah's Group Sargam added to the glory of the event.

The event was supported by Mr. Harish Mehta and Ms. Natasha Mehta from Onward Technologies.

IMC Ladies' Wing – Cinema and More Committee Members with the cast and crew of the film and sponsors



Felicitation of Sponsors – Mr. Harish Mehta and Ms. Natasha Mehta

Garba performance by Ms. Ella Shah's – Sargam dance group

Lucky draw winners receiving their gifts

Hellaro Team: Ms. Brinda Nayak, Ms. Ekta Bachwani, Mr. Aarjav Trivedi, Mr. Tribhuvan

Lucky draw winners receiving their gifts

VIT | Vidyalankar Institute of Technology
ACCREDITED A+ BY NAAC

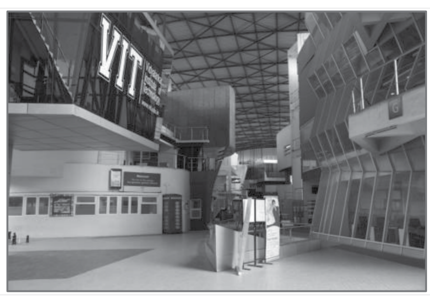
Vidyalankar Institute of Technology

Premier Engineering Institute Centrally located in Mumbai

Vidyalankar Institute of Technology was established in 1999 and it has grown over last 21 years to become one of the leading Engineering Colleges in Maharashtra. It spreads across sprawling 11 Acres area, in the heart of Central Mumbai. It is equipped with State-of-the-Art Infrastructure.

It has Air-conditioned Classrooms fitted with the latest electronic teaching/learning aids, modern laboratories equipped with latest technology instruments and software tools. It has impeccable student facilities such as Library, Computer Centre, Seminar Halls, Award winning Auditorium, Gymkhana, Sports Grounds, Landscaped garden and Vehicle parking lots.

However, Vidyalankar is known for its Teaching. The Institute is powered by some of the best technology teachers and support staff. The Institute has produced excellent students and Alumni that spread over the entire world!



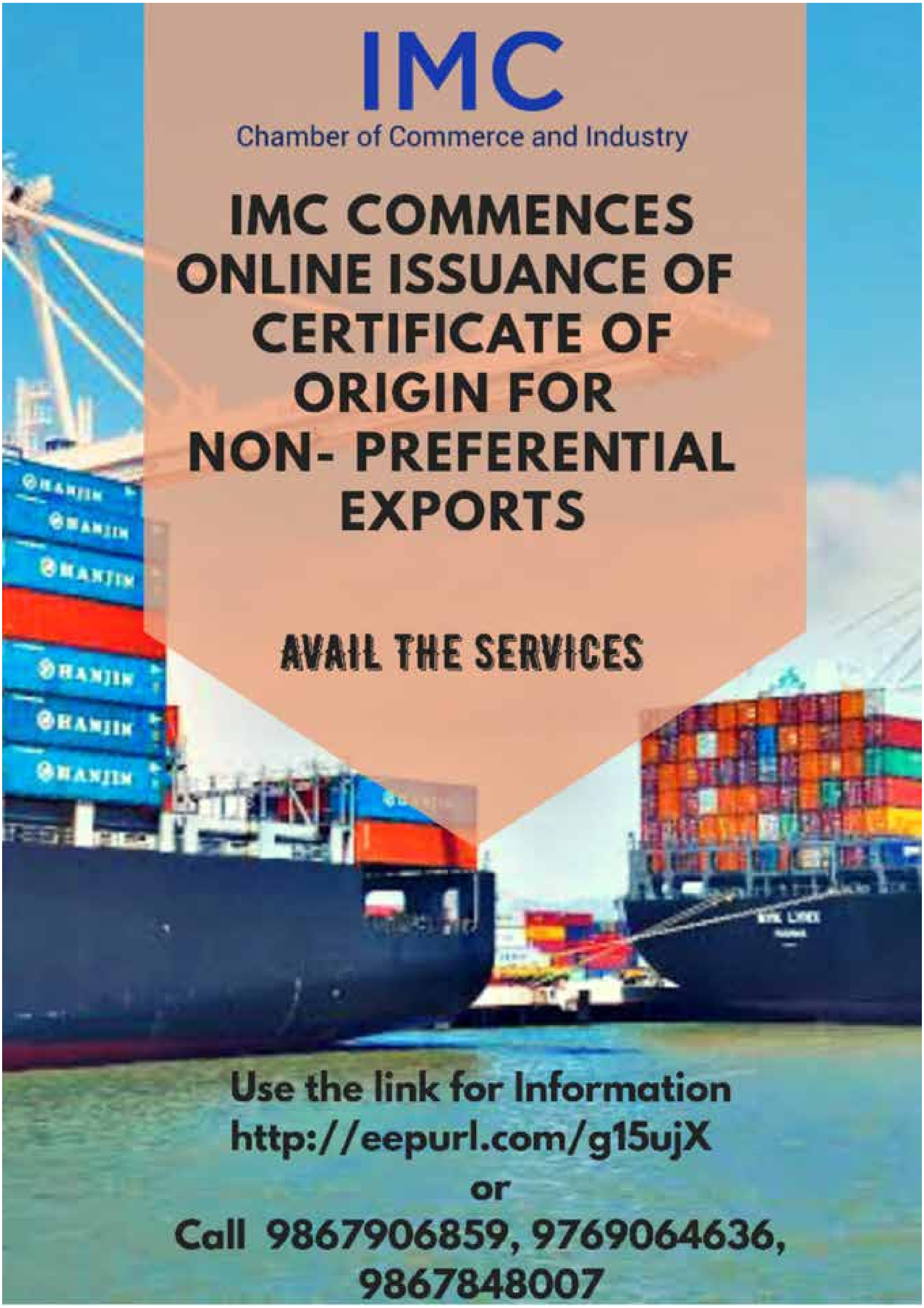
Admissions Opening Soon for Academic Year 2020-21

Undergraduate Courses		Post-graduate Courses	
Computer Engineering	120	Computer Engineering	18
Electronics Engineering	120	Information Technology	18
Information Technology	120	Electronics & Telecom Engineering	18
Electronics & Telecommunication Engineering	120		
Bio-Medical Engineering	60	Master of Management Studies (M.M.S.)	120

Vidyalankar Institute of Technology has Institute level association with IMC and
We would be happy interact & collaborate with industry for Internships & Projects

For Student and Industry Enquiries, please contact us at –
Vidyalankar Institute of Technology, Vidyalankar Educational Campus, Antop Hill, Wadala, Mumbai – 400037
Contact: 24161126, 24161179 || Website: www.vit.edu.in **|| e-Mail id:** principal@vit.edu.in


IMC
Chamber of Commerce and Industry
I have elderly
neighbors.
It's my
duty to
help them
www.imcnet.org


IMC
Chamber of Commerce and Industry
IMC COMMENCES ONLINE ISSUANCE OF CERTIFICATE OF ORIGIN FOR NON- PREFERENTIAL EXPORTS
AVAIL THE SERVICES
Use the link for Information
http://eepurl.com/g15ujX
or
Call 9867906859, 9769064636, 9867848007