IMC

Chamber of Commerce and Industry

# IMC JOURNAL

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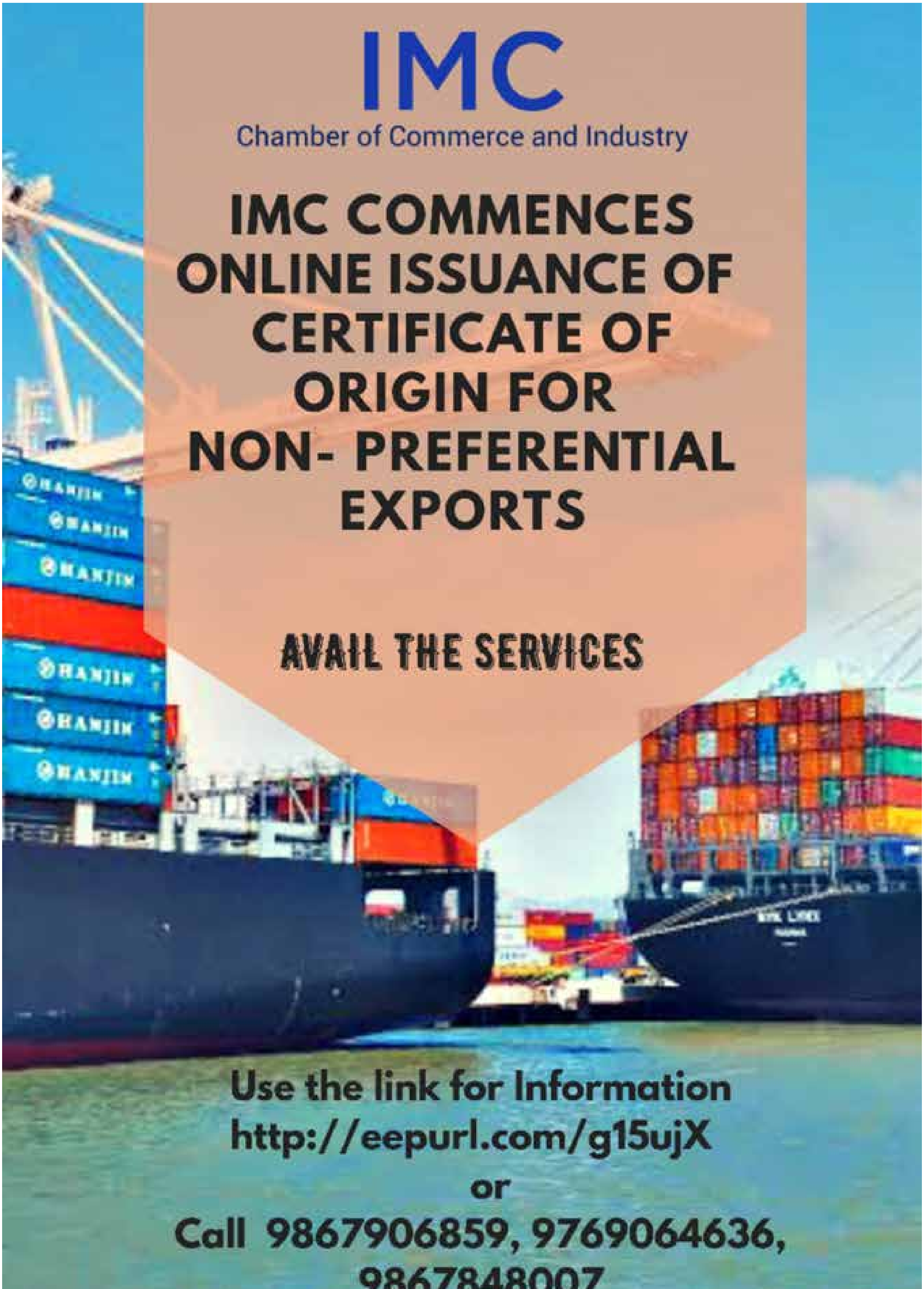
# INDIA UNLOCKED

*Green Shoots of Recovery*



INNOVATE • MOTIVATE • CONSOLIDATE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# *From the President's Desk*

***Mr. Ashish Vaid***

Pray this finds all of you and your families safe and well.

May & June have been an extension of the lockdown. Never could we have imagined that we would be 'working from home' for 3 months continuously. It has been a time to reflect and rejuvenate for all of us. At IMC we have held over 75 webinars and made several representations on various topics to the Government both at the Center and the State. It is heartening that our Government is responsive and acting positively and speedily in these tough times.

We are particularly enthused with the host of measures that have been announced for MSMEs which comprise 32% of the production 48% of exports and employ 11 Crore persons.

1) Financial packages of collateral free loans of Rs. 3.0L crores, which will benefit 45 lakh MSMEs (of this 90,000 Crores has already been sanctioned).

2) 20,000 crores for stressed MSMEs which will benefit 2L MSMEs

3) 50,000 Crores fund of funds for MSMEs. The funds will take a 15% equity stake in the MSME till they go public on the stock exchange.

4) Change in the definition of MSMEs

| | Micro | Small | Medium |
|---|---|---|---|
| Invest-ment T/o | < 1 Cr & < 5 Cr | <10 Cr & < 50 Cr | <20 Cr & < 250 Cr |

5) On representation removal of exports from the MSME turnover definition.

6) Moratorium on repayment and interest till August on loans.

7) Restructuring of loans has been represented for and is being actively considered.

8) Interest rate reduction transmission also being followed up with the banks. RBI is giving a strong directive to banks on this.

Our Hon. PM has given the call for 'AtmaNirbharBharat' that is a Self Reliant India' 'Go vocal for local and become Gobal'.

With the shift in the geo-political situation, India stands to benefit greatly if we can rise to the occasion. We need strong policy measures with EODB to attract foreign investments and also technology. Only then can we, not only replace our imports with local manufacturing, but can also turn to become suppliers to the world.

Since this is my last President's column, I would like to give you a snap shot of the year gone by. It has been a great experience to lead this great institution and I am humbled and thankful to all of you for the honour bestowed upon me. We had several events throughout the year, and made over 100 representations to the Center, state and the various authorities, and almost all have borne positive results. Our Government is very receptive and proactive. Some of the highlights, I believe were the following :-

- President of India Delegation to Baltic Countries
- President of India delegation to Iceland, Slovenia and Switzerland.
- Hon. Minister of MSME and Roads and Infrastructures Shri Nitin Gadkari event at Taj Hotel
- Webinar with Hon. Shri Nitin Gadkariji
- Webinar with Hon. Minister of Commerce and Industries and Railway, Shri Piyush Goyal.

- E-Diplomacy meeting series with Indian Ambassadors and Senior Officials in Embassies abroad and with Ministry of External Affairs Senior Officials. We have already held 5 such meetings.

The Indian Economy is luckily showing some green shoots of revival. The electricity consumption is at 90% and so is fuel consumption. Also, the GST collection topped 90,000 crores for June 2020. Consumer Goods Sales have also achieved sales in June equivalent to pre-covid days. We have a long way to go but the determined manner in which the Government is moving will surely reboot the economy sooner than later. The Government also decided to provide liquidity to NBFCs which have had a mismatch due to short term borrowing against their long term lending. The Government has said it would step in to provide the liquidity for the short term lenders to be repaid.

Passenger vehicles (1.7 lakh units) and 2-wheeler sales (1.2 million units) have picked up considerably and registration of flats crossed 1.60 lakhs in Maharashtra.

I thank my respected Governors, Past Presidents, Managing Committee Members and all the members for all your love, support and guidance to me throughout the year.

A special thanks to Shri Rambhai Gandhi who guided me like a Guru throughout the year with his vast wisdom and knowledge.

I would particularly like to thank all the Expert Committee Chairmen and Co-Chairmen for all the events they held, and the deliberations, and the representations made by them.

A big thank you to our dedicated IMC Team led by DG Ajit Mangrulkar and DDG Sanjay Mehta, and each and every member of the Team who have given me unstinted support throughout the year. IMC is indeed blessed to have a hardworking and dedicated staff.

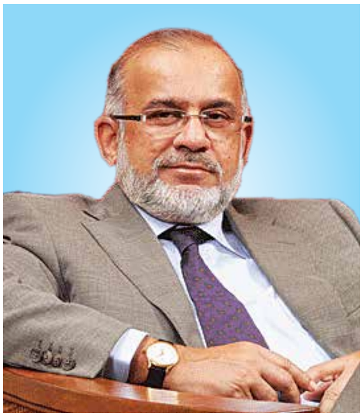
I congratulate Mr. Rajiv Poddar "a third generation IMC President". I wish his incoming team all the very best to take IMC to even greater heights, and promise him my support always.

God Bless IMC

# *Meet IMC's Incoming President and Vice President for 2020-21*

***Mr. Rajiv Podar, Vice-President of IMC Chamber of Commerce and Industry has been elected as the Chamber's President for 2020-21. Mr. Juzar Khorakiwala has been elected as Vice-President for the year***

***Mr. Rajiv Podar***



***Mr. Juzar Khorakiwala***

Mr. Rajiv Podar , Vice-President of IMC Chamber of Commerce and Industry has been elected as the Chamber's President for 2020-21. Mr. Juzar Khorakiwala, has been elected as Vice-President for the year.

Mr. Rajiv Podar will take over at the Annual General Meeting (AGM) of the Chamber to be held on 10th July, 2020 while the current President, Mr. Ashish Vaid will step down from office after completing his distinguished one-year term.

**Mr. Rajiv K Podar**, Managing Director of the Podar Entreprise – a century old organization with interests in education, skill development, sports, education, investment, housing and advisory services. He has been entrusted by the governments of Belarus and Benin to represent them in enlarging and deepening their economic interest in India in close association with the government of India. He also represents the Economic Promotion Council of the Canton of Zug of Switzerland, in India. He is also a founder of International Business Linkage Forum which aims at promoting trade, joint ventures and investments between the Indian government and private entities. Mr Rajiv K Podar is a Managing Trustee at various social institutes and an advisor at many educational institutes in India and abroad. He heads the International Business Committee of the Chamber and is on board of advisors at the forum of Consumer Fair Business Practises.

**Mr. Juzar Khorakiwala,** the Vice President Elect of the IMC Chamber , is the Chairman and Managing Director of Biostadt India Ltd., the company that provides high-quality product range of insecticides, herbicides, fungicides, hybrid seeds, aqua products and farm services. Mr. Juzar Khorakiwala holds a Bachelor of Pharmacy (B.Pharm) degree from Ahmedabad, and a Masters degree in Business Management from the Asian Institute of Management (AIM), Manila, Philippines.

Mr. Khorakiwala laid the foundation of Biostadt Agrisciences in the year 1987. He later made entry into the seeds business by launching Hi-Q Seeds. He is involved in various fields of social work, was the President of the Asian Institute of Management Alumni Association between 1990- 97, Chairman of Life Science & Biotechnology Committee and Vice Chairman of the International Trade Committee of the IMC. He was the Vice President of the Indo-Canadian Business Council and was also the Executive Committee Member of the Indian Drug Manufacturers Association (IDMA), an apex body of the National Pharmaceutical Industry of the country. He was also a member of the Bombay Management Association (BMA), Indian Institute of Materials Management (IIMM), and a member of the Governing Body of Allana College of Pharmacy.

In the year 2014 he was awarded 'Entrepreneur of the Year' by the Small and Medium Business Development Chamber of India.

# Lockdown Messages

By Mr. Ashish Vaid, President, IMC

*IMC Journal presents you with special 'lockdown musings' by Mr. Ashish Vaid specially for our esteemed readers*

## Day 1 (March 25, 2020)

**HEAL THE EARTH MY LORD.**

*Some call it China Virus,*
*But it's come only to remind us,*
*How we've become materialistic,*
*Stopped being caring and realistic,*
*How we've abused our Mother Nature,*
*Not sparing her beauty and her lovely creatures,*
*How we've become like machines,*
*Never stopping to ask our own 'how have you been',*
*One lockdown and we find we have all the time,*
*Now no running here and there where every moment is measured in dollar and dime,*
*The skies have once again turned their blue,*
*The canals again have dolphins and sea birds too,*
*The birds are singing in the trees melodiously,*
*Man sleeps at home and rests 'tirelessly',*
*He's wondering why he rushes 9-5,*
*What's it that make him so strive, Ignoring his body mind and health,*
*All in the pursuit of wealth,*
*What use is the wealth if he can't enjoy it,*
*When there is no nature to go to when he's got it,*
*Slow down you crazy child and take a breath,*
*God and nature have so much to offer for your good health,*
*Lead a happy and balanced life,*
*Cut out illwill and strife,*
*Lead your life with love and happiness,*
*Calm body mind soul prayer and blessedness,*
*None is greater than the Almighty,*
*Man when he thinks he's greatest is but faulty,*
*The Lord can cure any trouble or pain,*
*Ever forgiving and merciful in every grain,*
*Pray our Mother Earth is healed very soon,*
*And Lord forgives , heals and blesses us with Good health wealth and happiness and His bright Sun and new Moon!!!*

## Day 2 (March 26, 2020)

*As we live the Lockdown,*
*Chin up but not knocked down,*
*We exercise and meditate,*
*All evil from our earth eradicate*
*Watch the birds sing*
*The clouds in the blue sky sailing*
*We will be positive and strong*
*Keep smiling and ring the going*
*Cast away all the evil spirits,*
*Rejuvenate our body mind and spirit !!!*


## Day 3 (March 27, 2020)

*These are days to be homebound,*
*Lots of thoughts in the mind rebound,*
*Am I doing things correctly,*
*Should I do things differently,*
*Hon PM is pleading to stay indoors to contain the spread,*
*Hon FM giving incentives to the needy to cope with their daily bread,*
*RBI gave a good package to face the tough days ahead,*
*We should all be optimistic is said,*
*I too believe the same in my head,*
*It will get better n better as we work together,*
*Get our body mind n spirit aligned together,*
*It is a case of "Denouements"*
*It will eventually lead to happier moments!!!*

## Day 4 (March 28, 2020)

*Tough times don't last tough people do,*
*PM or Prince it can attack anyone no matter who,*
*Be positive and do not fear,*
*Chant His name and He is always here,*
*These tough times shall also pass by,*
*And we will have Blue skies for our birds to fly!*

## Day 5 (March 29, 2020)

*We have to pray for the virus Containment,*
*We have to work for inner Contentment,*
*This virus we have to eradicate,*
*To nature our future world dedicate!*
*We will very soon be over this God willing,*
*Keep Safe,Keep Smiling!*

## Day 6 (March 30, 2020)

*Staring at this virus,*
*Wondering why it hit us,*
*What did we do to deserve this,*
*Obviously something was very Amiss,*
*We all have to mend our ways,*
*Think how to heal our earth and nature night n day,*
*Plant more and more trees,*
*Reduce the kms on the wheels,*
*Zero plastic and sustenance,*
*That's the mantra for our maintenance!*

## Day 7 (March 31, 2020)

*As days turn to night and nights to day,*
*We learn that the pandemic is on but with His grace we will win we Pray,*
*None could have imagined the day,*
*We would be all locked up for 21 days,*
*God is the supreme controller and Master,*
*He has the remote and of this wonderful earth the Creator,*
*Our Lord is ever merciful,*
*He will forgive if in future we promise to be careful!*

## Day 8 (April 01, 2020)

*So together we went through a week,*
*God's strength each time with Prayer we did seek,*
*The earth is ours to carefully look after,*
*To nurture and be loving hereafter.*
*The dolphins have popped up on Marine Drive,*
*The Peacocks in the Colony Drive,*
*Crude is at an all time low,*
*Clean energy only let's blow,*
*Bluer skies can be seen*
*And never ever before seen Green!!*
*Hello Just doing what everyone else is doing. Fixing my blocked posts. I wondered where everybody had been! This is good to know. It's ridiculous to have 4000 friends and only 25 are allowed to see posts!*
*I ignored this post earlier because I didn't think it worked. It WORKS!! I have a whole new news feed. I'm seeing posts from people I haven't seen in years.*
*Here's how to bypass the system FB now has in place that limits posts on your news feed. Their new algorithm chooses the same few people - about 25 - who will read your posts. So hold your finger down anywhere in this post and "copy" will pop up. Click "copy". Then go to your page, start a new post, and put your finger anywhere in the blank field. "Paste" will pop up and click "paste". This will bypass the system.*
*If you are reading this message, do me a favor and leave me a quick comment...a "hello ," a sticker, whatever you want, so you will appear in my newsfeed It WORKS!! I don't know how many friends I have. I just want to see all of your posts that I have been missing.*
*We shall see.....hello.*
*Might as well have a go. Because all I see now days is advertising rubbish.*
*Wonder if this is true???*

## Day 9 (April 02, 2020)

*Today is Ram Navmi*
*The end of Navratri*
*The end of all negativity*
*The beginning of all positivity*
*May Lord Ram all His blessings on us shower*
*We win and conquer these difficult times with His power*
*We keep our spirits high,smile,and don't frown*
*As we enter day 9 of the Lockdown.*

## Day 10 (April 03, 2020)

*So by and by we have reached 10 days,*
*We worked we rested we spent time in different ways,*
*We pray the numbers are contained,*
*Our doctors nurses and paramedics working night and day are also getting drained,*
*We admire and thank each one of them for their dedication,*
*Also our dear Teachers who are online providing kids education,*
*Our Leaders who are working night and day,*
*Our police force and law enforcers for keeping harmful elements at bay,*
*So that we all have better tomorrows than Today!!!*

## Day 11 (April 04, 2020)

*When we are on the better side of the half way mark,*
*When suddenly the light on the other side of the tunnel takes over the dark,*
*10 more days I say to myself and smile,*
*Think of all the things I plan to do differently all the while,*
*We all have to plan and learn to help others,*
*As all our facing tough times ..friends and brothers,*
*I hope life doesn't become impersonal with virtual conference,*
*Only when you meet and talk do you get the real sense,*
*We are all meant to meet and mingle,*
*Not stay isolated and single,*
*Everything will soon be absolutely alright,*
*Don't believe false messages which give you a fright,*
*It's a hard lesson we have all learnt and understood,*
*Not to take anything for granted and to always be ground rooted.*

## Day 12 (April 05, 2020)

*As we all keep on a brave face,*
*For once forgotten the ratrace,*
*Waiting for the virus to get eradicated without a trace,*
*Enough damage it has done tonus and our economy from the base,*
*It's going to be a tough revival case,*
*But together we will win this revival chase,*
*This time let's take care of our delicate nature,*
*Of every flower,bird,animal, person, and living creature,*
*Let's not get swayed blindly by technology,*
*Sift out the one that created damage to our ecology,*
*Let's all be loving and caring of our surrounding,*
*Let's make life meaningful and with nature have a true belonging!*

## Day 13 (April 06, 2020)

*As we watch nature heal*
*We can the true colours of nature feel*
*The sky is bluer*
*The leaves are greener*
*The air we breathe is cleaner*
*The water is clearer*
*The din of the city is quieter*
*The birds singing and chirping seem happier*
*As we lit 1.3 billion candles last night*
*We will surely win over this pandemic and this fight!*

## Day 14 (April 07, 2020)

*Our scientists work hard to find a cure,*
*They will succeed in their endeavour I'm sure,*
*We should think how we will work after this,*
*Look after nature and ourself forever forgetting this,*
*Handle with care our beautiful nature,*
*To it be gentle kind and always nurture,*
*As the Queen said Look forward to meeting again,*
*Let's pray the lockdown opens and it's very soon again.*

## Day 15 (April 08, 2020)

*Better safe than sorry*
*All say no need to open the Lockdown in a hurry*
*Government may open in a phased way*
*We need to see that the Economy also doesn't go astray*
*A fiscal stimulus is much required*
*To see that all workers are paid and no one is fired.*
*Pray for health wealth and happiness*
*Pray we soon get over this period of sadness.*

## Day 16 (April 09, 2020)

*Everyone asks when will this all end*
*Till we resolve our ways towards nature to mend*
*It's time we realize*
*To be humane caring and with nature wise*
*Leave away those car keys*
*Learn to walk cycle and with nature be free*
*Live and let live... and let nature flourish*
*So we can live happily joyfully as we wish!*

## Day 17 (April 10, 2020)

*He endured the cross for us so we could be forgiven and live,*
*We must all try and of our best always to give,*
*The third day led to His resurrection our salvation and the beginning of God's reign of righteousness and peace,*
*To live with eachother in harmony and care for nature with ease,*
*We are only the caretakers of our earth,*
*We have to value it and realize it's worth!*

## Day 18 (April 11, 2020)

*And on the 18th day Saturday a few thoughts,*
*Why did this virus come and how was it brought,*
*Vaccine and med and eradication is asap sought,*
*We have to be more caring for our world as health can't be bought,*
*Good hygiene and good lifestyle all must be taught,*
*Else all efforts to fight this will come to nought,*
*This has shown us how our world is so fragile,*
*And we thought we could solve it all this while,*
*When this is over we will feel out of exile,*
*Let's be positive,healthy, and always keep our SMILE!*

## Day 19 (April 12, 2020)

*It's Easter and time to celebrate as Lord did resurrect,*
*He has shown and continues to show the path which is correct,*
*Our Govt did increase the LD by 15 days more,*
*Let's pray there are no more cases and it's the right cure,*
*Let's all keep the faith with prayer,*
*Coz more things are wrought by prayer than we are aware!*

## Day 20 (April 13, 2020)

*The wheels of the economy also need to be kept moving,*
*We cannot be in a Lockdown and languishing,*
*The Rabi crop is ripe and ready for harvest,*
*Our farmers by this have also been hit the hardest,*
*We need to gradually open up phase wise sensibly,*
*Yet take care of social distancing and open the economy safely*

## Day 21 (April 14, 2020)(End of LD phase1)

*Today marks the last day of phase1 Lockdown,*
*But sadly we have some hotspots in my Mumbai town,*
*Now we extend for another fortnight,*
*Against this cv we will win the fight,*
*Our Hon PM at 10 am will address us today,*
*For the road ahead he will show us the way!*

## Day 1/LD 2.0 ( April 15, 2020)

*So far in LD 1.0 we(India) have done well,*
*But in LD 2.0 for another 18 days we have to dwell,*
*Let's pray the number of cases do not swell*
*Stay home stay safe and stay well,*
*Pray for the well-being of the migrants and homeless living day to day,*
*Stuck in this megapolis with no proper place to stay,*
*They want to run home but have no way,*
*Wish the Govt would start a bus or train to their villages all the way .*

### Day 2/2.0 (April 16, 2020)

*The Govt announces some easing of economic activities from 20th April,*
*Win over this fight over cv we surely will,*
*The Farmers can harvest their crop,*
*And trucks in the supply chain can ply and goods pick up and drop,*
*Meanwhile our scientists work hard on a medicine and vaccine,*
*To cure this pandemic the kind in our lives we've never seen.*

### Day 3/2.0 (April 17, 2020)

*Now they plan to give Hydrochloroquine,*
*That should prevent the spread is the opine,*
*World estimate is that there will be a hit of 9 Trillion dollars*
*How will our economies recover one really wonders*
*I believe in a world of shorter cycles*
*Only we need to pay attention to nature's revival and survival.*

### Day 4/2.0 (April 18, 2020)

*It is not only about survival,it is also about revival,*
*Let's pray this Pandemic departs as suddenly as its arrival,*
*We not only have to cure we have to endure,*
*Be thoughtful and caring of our environment and keep it protected and pure,*
*Our central bank RBI has opened up the liquidity,*
*Let's hope banks provide transmission to boost economic activity.*

### Day 5/2.0 (April 19, 2020)

*Today it was announced international airlines will fly in May,*
*10,000 aircrafts parked at airports...never thought we would see the day,*
*Will the economic recovery be slow or fast,*
*We only pray that this pandemic is soon a thing of the past,*
*Every government is trying its best to tackle this problem,*
*All trying to contain and keep the numbers to the minimum.*

### Day 6/2.0 (April 20, 2020)

*Today some movement of goods will partially open,*
*Agriculture, essentials, manufacturing where workers are in-situ can reopen,*
*All divided into Red amber and green zone,*
*Opening any activity in the hot red areas where the cases are high for the time being we will have to postpone,*
*There is a new theory linking the virus to the 5g network,*
*Why have it at all if a suspicion in the mind does lurk?.*


### Day 7/2.0 (April 21, 2020)

*The challenge is to keep the mind calm and quiet,*
*And ofcourse to eat healthy and have a good diet,*
*We've got to ourselves reinvent,*
*Find new ways of doing things in our own work segment,*
*Yesterday the air was polluted and we needed a mask,*
*Today the air is super clean and we need a mask ....why we ask!*

### Day 8/2.0 (April 22, 2020)

*And Singapore just extended it till 1 June calling it a circuit breaker,*
*Please eradicate and make this virus disappear my world creator,*
*So much suffering and trouble of shelter money and food,*
*Who could have imagined a world with negative price of crude,*
*The world I believe will change for the better,*
*Our care and sensitivity towards nature will be greater.*

### Day 9/2.0 (April 23, 2020)

*We cannot switch to good health we have to dial,*
*All scientists are working on the vaccine and medicine trial,*
*We have to develop antibodies against the virus,*
*We have to be careful of all the equipment, PPEs, masks, some of which are spurious,*
*We all have to discover new ways to lead our life,*
*Above all to be happy, caring with no strife.*

### Day 10/2.0 (April 24, 2020)

*Numbers go up in simple linear*
*Progression or geometric progression,*
*Some days seeing the numbers leads of depression,*
*We have to have containment to flatten the curve,*
*Only then can we this problem solve,*
*We have all seen how the world around us is so fragile,*
*We have to always be helpful, calm, composed and agile.*

### Day 11/2.0 (April 25, 2020)

*So Mr. Trump says why not inject everyone with disinfectant,*
*Most innovative cure and height of being expectant,*
*India desparately awaits an economic stimulus package,*
*Else it will lead to a lot of disruption and blockage,*
*No students in schools and colleges,*
*How will kids learn to socially interact and gain knowledge.*

### Day 12/2.0 (April 26, 2020)

*We alll have to wear our masks,*
*It's the new way of getting around our tasks,*
*Will they...won't they open the lock down,*
*We must pass these days with a smile rater than a frown,*
*The markets rise n fall like a seesaw,*
*No astrologer can claim such a situation he fore saw.*

EXPRESSIONS

### Day 13/2.0 (April 27, 2020)

*Stock markets oscillate up and down debt funds put their hands up,*
*Banks fold up and companies go belly up,*
*Where should one invest for good returns on money,*
*Someone wisely said fold the note and put it in your pocket and it's doubles honey,*
*Cash is King,and rather than debt one must look to raise their equity,*
*Only then can one's business be strong and mighty.*

### Day 14/2.0 (April 28, 2020)

*We all await a good economic stimulus package,*
*Really wonder if this is longer how will we manage,*
*Life will be different and it is said there will be a ' new normal',*
*We will need to maintain social distancing not thinking that to be abnormal,*
*For a while no more get-togethers to celebrate,*
*Lest the virus spreads and starts to accelerate,*
*As a child asked if it can go with soap why do we need a vaccine,*
*Unfortunately this virus is expensive even to test and screen.*

### Day 15/2.0 (April 29, 2020)

*In the US Interest rates Inflation and Unemployment all are negative,*
*Defying all what we learnt in Economics,*
*Many time one feels to deal with these times need a sedative,*
*If you noticed all other illnesses and diseases seem to have disappeared from the world matrix,*
*Even within our country and state we can't travel,*
*I pray we all keep smiling and not turn crazy n mental.*

### Day 16/2.0 (April 30, 2020)

*The hotels have empty rooms,*
*After the gloom happiness will bloom,*
*The restaurants have empty tables,*
*Wish internet would work efficiently with its fiber cables,*
*The business and economic scene is badly hit,*
*To the Lord's ways we all have to submit.*

### Day 17/2.0 (May 01, 2020)

*It's the end of the month and there are bills to pay,*
*To carry on with our life we all have to find a way,*
*Our Government keeps promising an economic package,*
*But the way things are going there's going to be a lot of damage,*
*When people can't work and don't have food to eat,*
*There's bound to be revolts and protests on the streets.*

### Day 18/2.0 (May 02, 2020)

*Till 18th May another 2 weeks extension,*
*Healthcare and Economy require our full attention,*
*While healthcare is being well addressed,*
*The economy and business continue to be stressed,*
*As the world crosses the 3 million mark thankfully 1 million have recovered,*
*Where this deadly virus came from is a mystery yet to be uncovered.*

### Day 19/2.0 (May 03, 2020)

*We thought we had been heard,*
*Without public transport offices could open we hoped,*
*But the State Government has kept everything locked,*
*All the MSMEs and businesses will surely get rocked,*
*This will jam the wheels of commerce from moving,*
*We can have other problems of joblessness and hunger looming,*
*We must all be positive and send good vibrations into the universe,*
*Maybe to heal the earth our Lord made us this journey traverse.*

### Day 1/3.0 (May 04, 2020)

*Welcome to lockdown phase three,*
*A fortnight more for us to move about and be free,*
*I believe it is after all for our good,*
*Better to be safe than sorry,*
*We have all our life ahead to make a livelihood,*
*Over this pandemic we will surely obtain victory*

### Day 2/3.0 (May 05, 2020)

*First we used to get tired of working all day,*
*Now we get tired of resting all day,*
*Yesterday some shops reopened with huge queues,*
*We won't open Mumbai fully till from here we see Himalayan views,*
*From 8pm to 7 am we cannot step out as we have curfew,*
*Being 40 days at home don't remember when I last wore my office shoe.*

### Day 3/3.0 (May 06, 2020)

*Oil prices are at an all time low saving India $100 billion,*
*Let's provide benefits to our Labour who are in millions,*
*The debt to GDP ratio is 129% in countries like America,*
*We can print more currency as our ratio is 45% in India,*
*US package is over $ 3 trillion & UK $ 500 billion in stimulus,*
*Let's do something substantial in India and not something small and frivolous.*

### Day 4/3.0 (May 07, 2020)

*As the international price off crude drops,*
*Our Govt keeps increasing the taxes on petrol non stop,*
*All migrants want to leave for their village,*
*They look for food rest and a peaceful image,*
*Some good news of an Italian vaccine and an Ayurved cure,*
*Until we find a remedy this pain we will have to endure.*

### Day 5/3.0 (May 08, 2020)

*Almost all nations will have rate of growth that is negative,*
*How much more and how much less is all very relative,*
*In these times of economic gloom we have to be positive,*
*Deal with the situation calmly and be sensitive,*
*So many NGOs and good Samaritans are out there to give,*
*We all have to live the 'new normal' and alter our perspective.*

### Day 6/3.0 (May 09, 2020)

*Reset reboot reinvent,*
*The spread of this virus we have to prevent,*
*And our State Government said they can handle and don't need the army,*
*Also they appealed to the migrants to await their turn to go and not recklessly flee,*
*I pray the new way of life is not to always wear a mask,*
*To get our life and economy back on track is our first task.*

### Day 7/3.0 (May 10, 2020)

*Our thoughts become action action becomes habit and habit becomes destiny,*
*We all have to live taking precaution and live safely sensibly,*
*Wondering when the clubs and parks will reopen,*
*No sports no exercise,no meeting friends everyone is heartbroken*
*Everyone's turnover has become the same a big zero,*
*All we can do is pray for a better tomorrow.*

### Day 8/3.0 (May 11, 2020)

*Let's hope we all learn to live differently,*
*Rest exercise meditate and be busy in a way that's leisurely,*
*Let's get more environment friendly,*
*Get kids out of malls and in the garden dirty and sweaty,*
*Let's get off our computer and mobile screens,*
*And go more to the beaches parks and enjoy the greens.*

### Day 9/3.0 (May 12, 2020)

*Let's forget our car keys and walk jog and run,*
*Challenge ourself by outdoing yesterday's workout can be fun,*
*Our Government is starting our Railways,*
*People longing to go home to meet their loved ones since many a days,*
*Some States want an extension of the lockdown,*
*But that will surely lead to an economic breakdown.*

### Day 10/3.0 (May 13, 2020)

*As our Hon PM says the 21st century belongs to India,*
*Think big and don't bother about the trivia,*
*We have to become " Atmanirbhar" ie self reliant,*
*Only then can we race ahead and become independent,*
*From 0-2lakh PPE and masks per day we started to produce,*
*What cant we achieve once the path we choose.*

### Day 11/3.0(May 14, 2020)

*We have to be vocal and produce local,*
*Produce good quality so we can go global,*
*Land Labour Liquidity and Law,*
*If we get all properly in place the world to manufacture here we can draw,*
*The 5 pillars are Economy, Infrastructure, System, Demographics and Development,*
*We have to energize all to make it for investors excellent!*

### Day 12/3.0 (May 15, 2020)

*To open or not to open the Lockdown,*
*It will be 54 days since the shutdown,*
*The migrants have gone home and the Economy is bleeding,*
*It's about time with our lives we began proceeding,*
*We have to keep the wheels of the Economy rolling,*
*How much will the fatigued cops also keep controlling,*
*We have to maintain the rules and do self monitoring.*

### Day 13/3.0 (May 16, 2020)

*Hon PM announces a 20Lcrore Economic Stimulus Package,*
*To get over the economic turmoil and damage.*
*MSMEs were given a 3.7Lcrore package to grow,*
*Next were the migrants, street vendors, tribals and farmers for their new lives to sow.*
*Agriculture, dairy, animal husbandry, beekeepers were next,*
*In empowerment of the Farmer we will see a positive effect.*
*Real estate, hospitality, aviation, need a boost,*
*Personal IT and GST rates need to surely reduce.*

### Day 14/3.0 (May 17, 2020)

*As we are at the end of LD no.3,*
*We all look forward to be moving and free,*
*I've been penning my thoughts for 54 days,*
*All what we did and the LD ways,*
*I believe we all did exercise great control,*
*To win over this is our ultimate goal,*
*I pray we win over this and it loses its sting,*
*Many years later we will narrate the trials and pains it did bring.*

# *An Ode to IMC*

*A journey I began 20 years ago as President of the IMC Young Entrepreneurs Wing,*
*A lot of pride, learning and joy to the young members it did bring.*

*Sitting and learning under all the great presidents in the Managing Committee Room*
*Great economics,Country affairs,and a place from where great innovative ideas bloom*

*Then with all your blessings,and of our Governors, I was elected Vice President*
*Truly honored to be leading IMC and to try and achieve something significant*

*My Dad was so proud of me when he heard the news*
*Always guided me and taught me to see things from all points of view*

*"Char din ki hai Chandni",so do your best and always be humble said Dad*
*I did my best with his blessings, and pray he is proud of his lad*

*We went to Europe in the President of India's delegation*
*It was amazing to witness everything well planned and great implementation*

*Thanks to our expert committees we made super representations to the Governments at the Center and State*
*And almost each and every one had positive results, which was great*

*Plenty of Consul Generals, Ambassadors and delegations visited the Chamber*
*For which our dedicated Team worked hard, laboured, and did wonders*

*We held numerous training and educative events*
*Which enhanced learning and was an effort well spent*

*We activated our Library with some best selling book releases*
*Its become a favourite with authors to launch their books with elan and ease*

*We had a grand event at the Taj with the Hon MSME Minister*
*How to boost progress,changes required, and step on the accelerator*

*We also had the Hon Minister of Commerce and Industries*
*How we should reboot the Economy ,and chase away all the economy worries*

*The pandemic put paid to our sincere efforts of a grand India Calling Show,*
*Due to the sudden Lock down it was a disappointment we had all to undergo*

*We resiliently continued with plenty of representations, webinars throughout the lock down*
*Kept us busy morning to evening, a new way to function we found*

*I am deeply touched by everyone's spontaneous response and generosity*
*We rose to every calamity, flood relief, covid-19, and every adversity*

*I thank each one of you from the bottom of my heart for all the love, affection, and support, you have showered on me throughout the year*
*It sure makes IMC the greatest Institution filled with determination, hard work, and good cheer*

*What I have learnt in these two years*
*No Business School course could have taught me even in 5 years*

*A big thank you to my office Team Lizia,Helen,Kishor and Sunil for holding the fort*
*While I was in the IMC avtivites caught*

*Also a big thank you to Gopi, Avi and Arnav*
*Who always encouraged me with their woohs and wow*

*As I head back to my spot at the back benches, and step down today*
*I promise all my support to our new team 24x7 Always*

*I pray our incoming team at IMC greater heights and greater success*
*I end with a big thank you,warm good bye, and a big God bless!*

# *Sincere acknowledgement of Team IMC !*

I would like to personally thank our entire team who, quietly work behind the scenes, to make all the magic happen seamlessly.

**DG Ajit** – The Captain of the Team always motivating the Team to be Champions

**Sanjaybhai** – His vast knowledge and experience makes me call him the super 'Encyclopedia'

**Sougata** – Our DDG

**Chandra** – Our Agri Expert always sought after by media

**Abhinav** – Always prompting me with points

**Anita** – Doing wonders in Agri Committee and CSR

**Sia** – Handling ably the Arbitration &laws efficiently

**Jayshree** – Calling me at odd hours to send video clips and to be prepared all the time for statements

**Selby** – Our IT Team leader who seamlessly handled all the Webinars brilliantly, at times 3 a day. Also, did well with the startup committee.

**Chitra** – Fabulously putting together all our IMC Journals and the fab design

**Upendrabhai** – Keeping a tight control on accounts, to get a cheque from him is like trying to get something out of a lion.

**Bharati** – Planned a great 'Fusion' event which couldn't be held due to lockdown and handled Banking, NBFC Committee and Shipping and Logistics too.

**Anup** – FAA in charge, co-ordinate with our 160 trade associations, Also the tourism events.

**Vanita** – International Business in charge. A new comer but who got entrenched from Day 1 and did a commendable job of 5 E-Diplomacy meetings.

**Prajakt** – Legal and Mediation Committee in charge

**Ganeshan** – Navi Mumbai in charge, got the road named "IMC Marg", may soon get the town named too.

**Maya** – RNBQA Awards were virtually held with great participation, with the same enthusiasm

**Jessy** – Calm and efficient Assistant forever updating my google calendar. Always smiling and enthusiastic.

**Narendra** – Ably helping Selby with IT and has also become Webinar pro.

**Sitaram** – The ever smiling face at the entrance and driving us safely

**Sunil** – Efficiently managing all the venue bookings

**Amit** – Always running after us for account and voucher signatures

**Lucy** – Handling all our PPTs at the Meetings calmly and efficiently

**Rupali** – Deftly assisting secretariat

**Vipul** – Our go to man in Delhi for connect in corridors of power

**Priyanka** – Keeping our Secretariat and compliance efficient and handling HR

**Rangan** – Making sure the accounts are in order

**Ana** – Superb designer of all the event flyers

**Nancy** – Very quiet and always smiling dedicated in the legal cell and handling ADR Centre

**Meryl** – Ensuring super connectivity and efficiency at our reception

**Nitin** – Sincerely helping in committees and PR

**Sachin** – Administrating well

**Klinton** – Super efficient guy, tell Klinton anything and it will be done.

**Ila** – Always smiling and organizing novel events, and pleasure to listen to her 'Shudh Hindi', the only 'Doctor' we have.

**Ajit, Ashwin, Dinesh, Ashok, Radhe and Krishna** – A dedicated hard working lot, always knowing what is needed

**Appu** – Always ready with hot masala chai, filter coffee and yummy snacks

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# 112th Annual General Meeting of IMC

***Chief Guest Address***

***Prospects of Indian Economy Post-COVID***

***Shri Sanjiv Mehta,*** *Chairman & Managing Director, Hindustan Unilever Limited,* ***(Transcript)***

Good afternoon everyone. For me it is a big pleasure to share my thoughts with one of the great institutions we have in the country.

Now the subject that was given to me by Ashish was to look at it from a lens of prospects of Indian economy post COVID but I think post COVID is not something where we can put a finger on as to when it would happen. Many may refer to COVID-19 as a black swan event. However, the truth is the risk of pandemic was always there. The years of abuse and non-sustainable consumption has ravaged nature. The effects of climate change and lots of biodiversity has further risen zoonotic diseases, infection that comes from animals. In fact, it was the UN Environment Chief, Inger Andersen, who had warned that never before have so many opportunities existed for pathogens to pass from wild and domestic animals to people and had explained that 75% of all emerging infectious diseases come from wildlife.

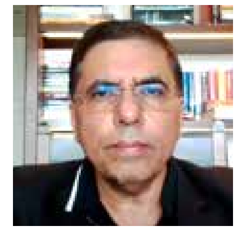
The COVID-19 crisis is in many ways a social crisis. In India we have crossed the three quarters of a million mark in number of cases and more than 21,000 people have already died. I remember it was mid-Feb when I started monitoring the number of cases and in mid-Feb the numbers of cases in India and in the US were near identical in single digits while we are at three quarter of a millions, in US it has crossed three million and over 130,000 people have died. So, from that lens, I think we should give a pat to the government in the way in which they have been able to protect lives.

Of course, this kind of a crisis there will be an economic fallout, which is inevitable. The world must come together to protect lives and health of the people, managed the immediate term implications of its effect on the economies and livelihoods and search for lasting solutions. The first job of any government would be to save lives and then focus on livelihoods; both the tasks are in many ways intertwined.

Our government was decisive in closing the borders and locking down the country and now a similar kind of resolve should be shown to stop the economy from stalling. The immediate impact of the national lockdown was severe supply chain constraints. From a demand perspective, the fear of loss of a job, dwindling earnings, eroding investments have made people circumspect with their spends. The slowdown in the demand side could potentially lead also to a financial crisis.

While some will be able to raise funding or latch on to lifelines sent by the government, many businesses will stare at ruin. Investors will hesitate and look for robust balance sheets, resilient leadership and hardy institutions. The impact is bound to vary from sector to sector with some seeing a relatively quick rebound whereas many others will feel a sustained loss of outcome.

Whether as a country we can avoid the recession or not, the path back to growth will depend on a range of drivers, such as the trajectory of the virus, the effectiveness of the containment efforts, the economic steps taken by the government, the reaction and behavior of the firms and the consumers, the degree to which the demand will be lost or delayed, whether the shock is truly a spike or loss or whether there is any level of structural damage to the economy. So, my conclusion is that the risk of recession is real but please do not take it as foregone conclusion.



***Mr. Sanjiv Mehta***

The Indian government has taken series of steps to provide relief to the most vulnerable sections of the population by providing food grains, support in terms of increased allocation under MGNREGA, direct transfer of cash and increase in the minimum support price. Providing collateral free automatic loans to MSMEs, along with setting up liquidity facilities and providing partial credit guarantees for NDFCs have again been steps in the right directions and they are all aimed at reducing the risk eversion in the system. The government has also used the current crisis as an opportunity to introduce the long-


***Mr. Rajiv Podar, Mr. Ashish Vaid***
***Mr. Sanjay Mehta, Mr. Ajit Mangrulkar***

awaited structural reforms in the agriculture sector, steps taken towards privatization of PSEs, opening up the mining industry to the private sector and increased FDI limits and defense among other steps. I believe these were all necessary steps and they will have a trickledown effect on demand, but the debate still remains whether these are sufficient to kick start a virtue of spiral of growth or would it require a substantive demand side stimulus. Given the limited fiscal space, it is not easy for the government to have a large demand led stimulus and it must be concerning the government that if they go down this route, a large part of the stimulus could end up as savings rather than being spent to generate demand. Having said that, the government should definitely keep a very close watch on the demand and step in unhesitatingly if it does not pick up in the next few months. Emergency situations always require emergency kind of measures.

Now for me there is also massive opportunity lurking in the corner. I know Chinese are no longer the flavor of the day but if we look at the word crisis and Chinese then it is made of two characters, danger and opportunity. Dangers we are all aware of but let us look at the opportunities that are staring at us.

I think first and foremost is healthcare. One of the reasons why India had to go down this hard lockdown was the fragile health care system in the country and there was a fear that the healthcare system might be totally overwhelmed if we do not go in for a lockdown. Now this is a great opportunity for us to invest in healthcare both, public sector and private sector, ramp up significantly the capabilities in the healthcare and we could rightfully become the healthcare capital of the world both from excellence perspective as well as affordability perspective. In many ways, Y2K gave a huge impetus to Indian IT industry. Can we look at this crisis to give an impetus to several sectors in the country?

Second is agriculture reforms. Let us accept it that India is in no stage to have the kind of urbanization which China has done in the last couple of decades. I remember if we go back to the 1980s, both China and India, our urbanization level was at about 25%. We have moved up to about 32% to 33% whereas China has crossed 50%. Today, the infrastructure in the cities do not have the capacity to take in massive influx of people from the agriculture sector and moving from rural to urban. You know a small country like Netherlands is the third largest exporter of agriculture and horticulture products in the world. India with its massive acreage under cultivation, we could really become a granary to the world. I am glad that initial steps have been taken to reform but there is a long way to go and this is something which is an opportunity, we should never let go.

The third, is of course manufacturing. Now this is staring at us. Manufacturing as a share of GDP is under 20% for the country. Manufacturing is one of the sectors which provides massive opportunities for creating employment in the country and when global companies are looking to diversify the manufacturing base from a country to many other countries, India should become the logical point for their destination of investments. But for India to become a destination for investments, we cannot be copying the Chinese model. We cannot become a factory to the world overnight and for us the competition will not be from just the country like Vietnam. There are certain countries in the world which do not come under our radar and let me tell you East European nations which have historically had a great engineering base would be proving to becoming big competitors of India in manufacturing. India has to identify sectors where we have a real competitive edge in terms of quality, in terms of cost, in terms of service and in terms of innovation. We can't be good in everything, but there are few sectors which we need to pick up and then become best in class in the world. Not just one of the good but we have to become best in class. Only then we would be able to give impetus to manufacture.

And last but not the least is technology. Just imagine had we ever thought that we could be sitting and having the AGM of IMC sitting from our homes just a few months back. It looked impossible. But look at the speed of technology adoption. India could very well bring about a revolution as far as digitization is concerned across the economy of the country. Across every field, from education to healthcare and I believe that during this period of lockdown there are two channels in my industry FMCG which have really stood out. One is of course e-commerce; everyone is aware of it because it is 'e' everything. But the second bit which I often refer to as is the renaissance of the humble grocer. Everyone has realized the benefits of the proximate grocery shop. And just think of it if we can wire up the store, if we can bring in the science of retailing to that store, then that store, that channel which provides source of livelihood or nearly 100 million people live on that store, we would not only be able to ensure that they survive but they would be able to thrive. Just like Y2K, there is fabulous opportunity for us to wire up and bring technology across the country.

The other thing I would like to refer to is about geopolitical rebalancing. The crisis of this magnitude has the potential to reshape the world and it will test many countries as well as global and regional partnerships. At the multilateral level, the crisis could be read as a call to more cooperation or it could move the world to unilateralism. We have seen how WHO has been marginalized, while there remains the risk of anti-globalization sentiments to rise further. The reality is, that this crisis is neither a one country problem and nor can one country solve it. It will require the efforts of the world community. Political ramifications are also not ruled out globally as the virus puts to the test various political system ability to effectively protect their population. It could very well possibly reshape the US elections.

The next subject I want to talk about is compassionate capitalism and sustainable development. It has rightly been said, the inherent vice of capitalism is the unequal sharing of blessings, the inherent virtue of socialism is the equal sharing of miseries. The virus has been a leveler when it comes to sharing of miseries, it does not differentiate between the rich and poor, between the urban and rural, between the developed and developing world. However, the aftermath is much more severe on the poor who are at risk of losing their livelihoods and the developing nations will straggle with their meager resources. Today as we stand the rich and developed should not shirk away from the responsibility towards the poor. As Mahatma Gandhi rightly said the rich must live simply so that the poor can simply live. We must share the blessings of capitalism to take away the miseries of the society and collectively win. The world does need to change in many ways to ensure that much more equitable distribution of wealth and resources. The current model of capitalism, with this one-dimensional focus on shareholder value creation definitely needs to change. Let me tell all of you, I am a diehard capitalist. I firmly believe that capitalism is the best way to allocate scarce resources. But I also firmly believe about the limitations of the current model of capitalism. The pandemic has demonstrated how fragile and unsustainable the world has become. This is a wakeup call for nations and businesses to step back and re-evaluate the current models.

Let me speak a bit about the climate and environmental challenges. The 10 warmest years on record have all occurred since 1998 and 9 of the 10 have occurred since 2005. Climate change and environmental challenges have led to loss of lives, livelihoods, large scale displacements and loss of biodiversity across the world. In a country like India, the impact is even more pronounced. According to a World Bank report rising temperatures and change in monsoon rainfall patterns from climate change could cost India 2.8% of GDP and depress the living standards of nearly half the country's population by 2050. If India does not change the management of its water resources, we will have just half the water we need by 2030. Climate change needs to be tackled at the necessary scale and speed through wider transformational changes to the systems in which we operate. And businesses have an important role to play. Let us not put climate change on the backburner just because we are facing this pandemic.

At the end of the day, to successfully navigate crisis, leadership matters. Leaders must get comfortable with ambiguity and chaos. They should commit themselves to navigating through the turbulence by adjusting, improvising and redirecting as the situation changes and new information emerges. Now the question that may come upper most in everyone's mind what are the kind of traits required during this kind of crisis. First and foremost, we have to be calm but determined. Second, sitting at home I don't know how my 60 factories can run, so I have to delegate to the extreme, yet not abdicate my accountability. The other important business bit is, we have to evoke trust and live our purpose. As leaders, we have to use microscope with intense magnification to look at the immediate term issues but peer at the telescope to hunt for medium-term opportunities. We have to be cognizant of the dangers, we have to spell it out to our people brutally what the facts are, but we should also be confident of our abilities to navigate the storm. This is what I call as brutal optimism. And above all, as leaders we have to demonstrate humanity, compassion and kindness. All of us need all of us not some of us. This has been a historical truth forever and it is now even more important as the world recuperates from the grasp of the pandemic. We will need to push the reset button on our world to ensure a just transition to a better future. That transition needs to address all the convergent crisis based on the real needs of our people from health, economic security and respect for the human rights. For the world and our country this means a new social contract where profit, people and planet are central to shared prosperity. In the last global crisis, the world reacted swiftly to stabilize the financial markets but neglected the social dimension, thus deepening the inequality in the world. We cannot afford or allow that mistake of a decade ago to be repeated now. COVID-19 has been a great leveler to make us realize that. We need to build a new social contract and responsible and equitable growth, inclusion and social justice. An inclusive world that builds a global economic model that shuns inequality and does not constrain development of millions of less fortunate, we should get away from procrastination and half measures and work together to flatten the climate curve and take concrete steps to better manage the water resources and keep for instance the plastic away from our environment.

Thank you so much for listening to me. All of you please look after yourselves and stay safe.

# Build Farm and Food Systems Resilience in Unlocked India

**_G. Chandrashekhar_**

*Economist, Senior Journalist and Policy Commentator is Economic Advisor, IMC Chamber of Commerce and Industry*

Amid the Covid-19 pandemic and national lockdown since March 25 when manufacturing and services sectors both were badly hit, agriculture and food sector stood as a beacon of hope, only to prove yet again that food security is next only to national defense security.

Admittedly, in the beginning lockdown did adversely impact agriculture and related activities as marketing yards were closed, labour was unavailable, transportation had come to a standstill, and supply chain was disrupted. The whole nation was in a state of 'forced inactivity' for a period of time.

Supply chain dislocation meant there was no processing of food raw material (milling of grains like rice, wheat, pulses; crushing of oilseeds for edible oil production and so on), nor was there a functioning distribution mechanism – from farm to food processing factories to food retail. Panic buying by consumers resulted in supply tightness, shortage at the retail level and inevitable price rise, especially in the month of April.

But soon policymakers realized that agriculture and food 'cannot wait any longer'. Restrictions were eased. Marketing yards were gradually reopened. Trucking service resumed slowly. Processing mills started to buzz again with activity, albeit on a lower scale. By mid-May, there was substantial easing of food supply tightness.

Now that the country is unlocking with caution, what can we look forward to? The pandemic has taught us some lessons. From here on, a key component of the national response ought to be to build 'resilience' in every aspect of life. Agriculture and food systems are most critical for our country; but there are serious risks threatening the sector – not only the ongoing pandemic, but also climate change, water shortage, land constraints and even terrorism from a bio-security perspective.

It is a matter of concern that agriculture and food sector could be the victim of any or all of these risks. So, it is critical that policymakers recognize the looming risks and take steps to de-risk the sector with appropriate policy support, research support and investment support. We need to protect our food system by designing real-time response to any looming threat.

Another lesson the pandemic has taught. Should we be chasing cost efficiency alone in business? As critical as cost efficiency is resilience. So, businesses must now start to move towards not only maximising cost efficiency, but also building resilience to be able to effectively overcome the risks. For farm and food business this becomes even more critical as they are the nation's lifeline. To be sure, it is not efficiency versus resilience, rather efficiency and resilience.

To put it differently, we not only have to practice 'climate-smart' agriculture, but also 'crisis-smart' agriculture. We need to recognize that far from being separate or disjointed, agriculture and food systems are a continuum. To bolster its ability to face perceived threats, it is necessary to build partnerships and collaborations among all stakeholders covering input suppliers, growers, output processors, researches, financiers, service providers, policy makers and so on.

Each one of the above is an integral part of the chain; and as the saying goes, 'a chain is as strong as the weakest link'. Indeed, this is what must form the bedrock of our Aatmnirbhar Bharat campaign (Self-reliant India). Self-reliance is not isolationism or protectionism or cutting ourselves off from the rest of the world – it will not work in practical terms as there are inescapable interdependencies. Self-reliance is our ability to address our internal challenges on our own without depending on outside assistance.

As India begins to unlock, economic activities in the manufacturing and services sectors will begin to revive. But there are and will be challenges of business viability, liquidity and labour availability. It will take at least three months that is July-September or the third quarter of 2020 for businesses to review, revive and revitalize.

By the last quarter, hopefully, the country's economic activities should recover substantially, if not to the pre-Covid levels, but at least modestly close to it. For this to happen, the stimulus package announced by the government needs to be implemented in letter and spirit. Banks have a critical role to play in ensuring the success of the stimulus package. Otherwise, revival hopes will be pushed to second half of 2021.

*(Views expressed are personal)*

# India as a Super Power

***Mr. Shailesh Haribhakti***
*Chartered Accountant & Past President, IMC Chamber of Commerce and Industry*

COVER STORY

The Covid-19 situation is a Pandemic of fear and psychological trauma masquerading as a Health pandemic. It has given the whole world a chance to pause and accelerate. Deep rethinking and a technology immersed assessment leads to an unexpected line of thinking for India. India shall and must emerge as a Global super power!

India may now let 20-60 year olds work fully and trust that those who have contact with Covid-19 positive persons will self quarantine. The experience of treatment should release many from makeshift Municipal hospitals for home quarantine. Over a six month period, India should gradually lift the lockdown completely. The entrepreneurial spirits must be unleashed completely.

By that time both a herd immunity and a protocol for treatment to be found. Existing drug modifications, lifestyle changes and a new mindset of personal hygiene will deliver relief. Phytoplant extracts and homeopathic immunity boosters should be made available at population scale.

If the world is fortunate and agrees to use technology to speed up trials, a vaccination which is affordable and produced at scale will become available soon. Serum Institute of Pune will play a mighty role in scaling and coverage.

India has a large, demographically advantageous population which will drive demand. Abundant endowments of sunlight, wind and educated youth, a focus on infrastructure and a zeal to transform and grow will soon come into play. The current sullen mood post a rating downgrade and a deep recession staring at us is exactly the cloud which can enable unrestricted thinking. India must get it right this time.

Massive resources are agglomerated in the Government and banking systems. Over US$ 5 trillion of fresh investible money has suddenly become available to the world. First effect of this is that equity markets are hitting all time highs! Corporates are widely separated: the ultra weak and the super strong. Individuals are wealthy but are experiencing a sinking feeling of wealth erosion and an uncertain income stream.

While we may be excited and scared by exponential technologies today, their applications in the long-term will transform us to abundance.

Today the convergence of exponential technologies around information, bio and nano is acutely visible. This convergence is delivering disruption, digitalisation, demonetisation, dematerialisation, delocalisation and democratisation after a quiet period of deception.

Networks, sensors and chips that underpin today's AI and ML have been in the works since the 1960s. Today the IOT world is moving rapidly to a trillion sensor reality. 5-G, quantum internet and bioinformatics are combining to deliver an ability to decipher and put to use extremely large data systems. The rate at which we are able to track, crunch and decipher information from data is galloping and storage space is expanding beautifully.

Governments around the world are embracing E processes almost every where. Fintechs are seamlessly blending into Banks and financial institutions everywhere. Businesses and entrepreneurs, big and small, were on the path of massive acceleration already. Filling the gap created by the pandemic, we need to push a completely new thinking driven by exponential technologies. All four Balance sheets of Governments, financial institutions, corporations and individuals can and will be transformed. The pandemic has provided the opportunity to accelerate the process.

Technologies of tomorrow will be the fountainhead of changes in our consumption, communication, transaction processing and transportation.

**Consumption:**

New-age agriculture and manufacturing practices will use

renewable power, making the ecosystem sustainable and future-ready. I foresee a comprehensive move to renewables. A combination of solar, wind and battery with hydrogen cells as carriers can create a global grid that can make the energy the world uses cheap (less than 2cents a unit) ubiquitous and clean.

A form of hyperlocal urban farming, vertical agriculture having 10x productivity with one hundredth water usage will give us greener and more nutritious produce.

Similarly, stem cell led production of all animal meat will save one third of our grazing grounds and avoid all cruelty to animals, while we continue to enjoy the best gastronomic experience in the world.

Modern manufacturing guided by AR/VR and 3D printing will produce high quality, zero waste products at a fraction of their cost. This will help India capture the high ground of being part of Global Value Chains that only a few countries occupy today.

Railways and Commerce ministries can support infrastructure Through a 9 point plan.

1. Build six free zones on the coasts. This will revive trade and manufacturing. Partner with a large domestic player for this.
2. Encourage multiple small cluster based smart cities. Ensure basic services and full employment.
3. Free up Agri exports as we can create massive surpluses by adopting Vertical Agriculture.
4. Block chain and automate all customs and clearance processes to encourage trade.
5. Ease all port to hinterland movement using the same protocols. Connect to GST process.
6. Free WiFi usage at ports and import export terminals and warehouses.
7. Make multimodal transport available to all engaged in international trade.
8. Sign bilateral free trade agreements with three key partners to ensure at least USD $50 billion incremental trade. Activate all missions to ensure facilitation.
9. Unclog all ports and movements so that the time ships have to await berthing is eliminated. Use AI and ML for this.

Fresh investment in these initiatives will create jobs of tomorrow. In fact it will create the entrepreneurial bandwidth that will result in our full workforce being gainfully occupied. We simply need to move manufacturing and cultivation to where the Human Resources are and not wait for remigration to happen. A hundred thousand community kitchens, a massive availability without the hindrance of middlemen of vegetables and food grains will completely transform landscapes across the country!

**Communication:**

Our interactions and social contracts with service providers is on a path to get upended.

Artificial intelligence, Machine Learning, Block Chain, Big data Analysis, and Robotic process automation will drive flawless services at scale from India for the whole world. Even commodity services like Auditing, Accounting, legal drafting, contracts, etc will become renderable from multiple locations in India. E-learning converged with VR/AR and the quantum internet will provide continuous unlearning and relearning for our entire population and then enable serving the world remotely.

Stem cell based micro and molecular biology driven, tele-health will support health care. Combined with tailor-made diets, an exercise and personal hygiene regime will make our 130 crore population the most productive in the world. Every Indian will be on a life-long immunity enhancement program using natural materials.

**Transactions:**

Personalised buying and a zero cash payments system will transform consumption and finance. Lending will be based on data collected by account aggregators. Insurance will be driven by real-time diagnostics from wearables and tele-health.

Block-chain technology will enable seamless traceability and transfer of land holdings.

A transparent, cyber secure nation enjoying a high per capita income on an evenly distributed basis, using Universal Basic Income and Universal basic services as policy instruments and moderate, stable and simplified taxes will emerge.

**Transportation:**

Electric vehicles with distributed charging stations will transform mobility. Virtually connected driver-less vehicles no longer belong in a sci-fi movie. We can bid adieu to traffic jams as hyperloops will aid long-distance travel and personal flying taxis and drones will complete the mobility space. All this without the pollution we inevitably suffer today!

Applications will virtually transport us to meetings. Further, secure video apps could be the options to physical AGMs, court hearings and parliaments.

This will aid a full elimination of all polluting practices, still delivering the highest standards of living for our large population.

Answers of the future lie in our past. Learning from our past, entrepreneurs of tomorrow will have to be more mindful and conscious of our environment and people around us.

The race for tech supremacy will uproot millions of jobs. Capitalism as we've know it, will have to change to become more inclusive. While most will unlearn and relearn, others will have to be supported.

In all of this, India will emerge as the e-Governance, sustainability and spiritual leader of the world making its soft power felt over the quantum internet.

*(Views expressed are personal)*

# Ordinary Times in Extra-Ordinary Circumstances

**(Jointly – Cyril Amarchand Mangaldas and FTI Consulting)**

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## A. INTRODUCTION[1]

"We are placed today in uncomfortably peculiar circumstances. A pandemic, of the nature which affects the world today, has not visited us during the lifetime of any of us and, hopefully, would not visit us hereinafter either. The devastation, human, economic, social and political, that has resulted as a consequence thereof, is unprecedented. The measures, to which the executive administration has had to resort, to somehow contain the fury of the pandemic, are equally unprecedented."

*- Hon'ble Justice Mr. C. Hari Shankar, Hon'ble High Court of Delhi*

On 11 March 2020, the World Health Organization **("WHO"),** based on its assessment, characterised Covid-19 as a pandemic. Following the outbreak and the subsequent lockdown measures undertaken by the Government of India in March 2020, all industries have been impacted, albeit to varying degrees. Industries such as retail, tourism, hospitality, aviation, railways, automobiles, etc., are expected to be most affected and will likely experience significant distress. Food and beverages, media and services companies are expected to be moderately impacted. Some sectors such as internet service and communication software companies might even witness growth.[2] Supply chains that were dependent on just-in-time deliveries of parts or finished products to manage inventory levels are facing significant disruption due to unavailability of labour, raw material and restrictions on transportation.

Against this background, performance of commercial contracts will likely become more difficult, with consequences for all parties involved. In this article, we will discuss potential contractual provisions and risk management strategies that may be available to businesses in managing any negative consequences arising from non-performance of their contractual obligations. We will then discuss the implications of the current crisis on quantification of damages in commercial disputes arising out of or during the pandemic.[3]

The article is structured as follows:

(1) First, we will provide a brief overview of the current state of affairs. In doing so, we will summarise the economic impact of Covid-19 and the legal and regulatory developments that have followed since the virus was declared a pandemic;

(2) Second, we will introduce and discuss the legal concepts of force majeure and frustration of a contract, and the implications of such events on performance of contracts. We will do so by using a hypothetical example of a potential dispute between a seller and a buyer, arising from the seller's alleged wrongful termination of contract, involving sale and purchase of refrigerators and air-conditioning products between the seller and the buyer; and

(3) Third, we will briefly discuss the overall framework for calculating damages and the implications of the economic and financial consequences of the pandemic on calculation of damages.

## B. BRIEF OVERVIEW OF THE CURRENT SITUATION

### 1. Economic impact of Covid-19

1.1 The impact of Covid-19 has been large and widespread. Countries are taking unprecedented measures to contain the spread of the deadly virus and have restricted domestic and international travel, implemented strict social distancing measures and

1 This article is jointly written by Cyril Amarchand Mangaldas ("CAM") and FTI Consulting ("FTI"). Specifically, Sections A, B and G are jointly written by CAM and FTI. Sections C to D and Sections E to F are written by CAM and FTI respectively. Please note that this article is updated as of 31 May 2020.

2 https://www.moodysanalytics.com/articles/2020/dual-risk-rating-and-origination-strategies.

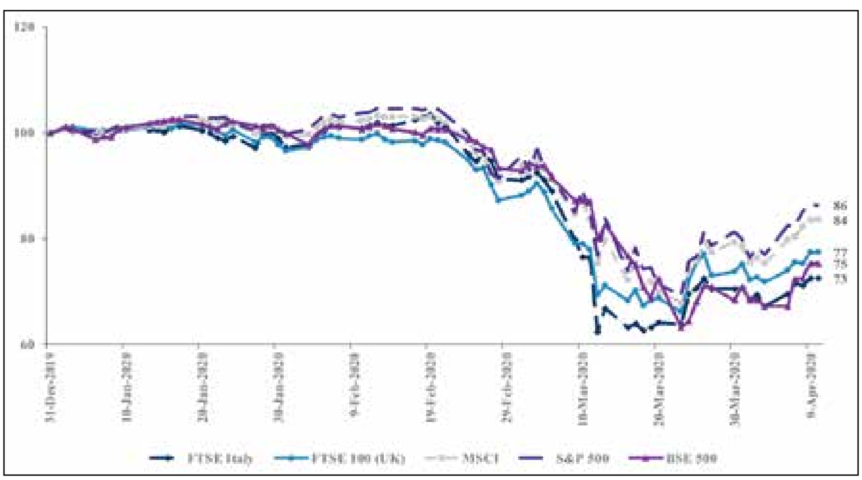
3 This article focuses on the commercial, legal and economic consequences. That is not to at all downplay or overlook, in the very first instance, the pandemic's human, health and social costs which are significant and sad.

significantly curtailed economic and business activities.

1.2 This has affected almost all aspects of commercial transactions and has disrupted supply and distribution chains across the globe, affected international trade and altered production and consumption patterns. For example, the World Trade Organization **("WTO")** expects global merchandise trade to decline by between 13 percent and 32 percent in 2020.[4] Further, the International Monetary Fund **("IMF")** has projected the global economy – as measured by the real gross domestic product **("GDP")** – to contract by almost 3 percent in 2020.[5] This compares to the earlier projected growth of 3 pecent as on at 9 January 2020.[6] Only two economies (China and India[6]) are expected to grow – albeit at significantly lower rates than projected, prior to the outset of the pandemic.[7]

1.3 The above developments, in turn, have resulted in stock market declines and volatility eroding trillions of dollars in wealth – as investors react to short and medium-term implications of the pandemic. As the figure below shows, global stock market indices fell by an average of ~16 percent[8] between 1 January 2020 and 10 April 2020.

**Figure 1: Impact of Covid-19 on global stock markets[9]**




1.4 India is not immune to the negative developments. At the start of the year 2020, IMF projected India's real GDP to grow at 5.8 percent in FY2021.[10] In April 2020, IMF revised its growth projections down to 1.9 percent. As the figure above shows, the BSE 500 index's performance has largely mirrored the other global indices and has declined about 25 percent since the start of 2020.[11] Currency exchange rates and government bond yields have also been impacted. The Indian Rupee **("INR")** has weakened considerably against the US dollar **("USD")**, with USD-INR exchange rate increasing from INR 71.2 per USD on 31 December 2019 to INR 75.3 per USD on 31 March 2020. Similarly, interest rates on 10-year bonds issued by the Indian government declined from 6.5 percent on 1 January 2020 to 6.1 percent on 31 March 2020.[12] National lockdown is further expected to impact the economy, with almost 40 million jobs being at risk in the immediate term.[13]

## 2. Legal and regulatory developments in India on account of Covid-19

2.1 In India, approximately 700 major notifications have been passed by the Central Government,[14] and around 4,000 notifications by the various State Governments[15] to inter alia control the spread of the Covid-19 outbreak. The preventive actions taken by India, albeit necessary, have affected most commercial transactions, leaving parties to face challenges in performance of their contractual obligations. The Indian Government imposed a lockdown in the



4 https://www.wto.org/english/news_e/pres20_e/pr855_e.htm, and https://www.wto.org/english/news_e/news19_e/anrp_04jun19_e.htm.
5 https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020.
6 https://www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020.
7 The GDP growth rate of China and India was projected at 6 percent and 5.8 percent respectively (for 2020) as at 9 January 2020.
8 Decrease in MSCI World Index which is composed of 1500 constituents listed on stock exchanges of various developed markets.
9 Source: S&P Capital IQ, Market levels as of 31 December 2019 have been indexed to 100. Market data as of 12 April 2020.
10 https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020. Financial year running from April to March.
11 S&P Capital IQ.
12 Thomson Reuters Eikon and S&P Capital IQs.
13 http://www.ficci.in/pressrelease-page.asp?nid=3674.
14 https://prsindia.org/covid-19/notifications.
15 Ibid.

country on 25 March 2020, which continues to be in effect till 30 June 2020 for containment zones.[16]

2.2 Among the several notifications passed by the Central Government of India, we have listed below a few such notifications issued till 17 May 2020 that may affect performance of contracts:

(i) Ban on operations of non-essential e-commerce companies;[17]

(ii) Prohibition on export of all personal protection equipment, including clothing and masks [coveralls (Class 2/3/4) and N-95 masks][18]; ventilators, surgical/disposable masks (2/3 ply masks), sanitisers and textile raw material used for making masks and coveralls.[19] This was amended by way of a notification dated 16 May 2020 to prohibit the export of all masks except non-surgical/non-medical masks of all types;[20]

(iii) Closing of all educational establishments, gyms, museums, cultural and social centres, swimming pools and theatres;

(iv) Advisory on minimising meetings involving large numbers of people unless necessary;

(v) Advisory to all sports organisations and their affiliate units to not hold any sports events, including competitions or selection trials;[21]

(vi) Prohibition on landing of any international commercial passenger aircraft until 31 May 2020; and banning of all scheduled domestic flights (except all-cargo flights) and flights by holders of non-scheduled operator permit (except all-cargo flights, off-shore helicopter operations, medical evacuation flights, or flights especially approved by Directorate General of Civil Aviation **("DGCA")**);[22]

(vii) Enhancement of production of hand sanitizers and availability of ethyl alcohol/extra neutral alcohol[23] and regulation of production, quality, distribution, prices and other aspects of alcohols used in manufacturing hand sanitisers (including all the raw materials involved);[24]

(viii) Suspension of passenger trains (other than the Special Shramik Trains);[25]

(ix) Restarting manufacturing industries after the lockdown period (of 17 May 2020);[26]

(x) Declaration of power generation and electrical power transmission as an essential service;[27]

(xi) Allowing of inter-state movement of cargo/goods for inland and export;[28] and

(xii) Parties to a public-private partnership concession contract, may invoke force majeure for all construction/works contracts, goods and services contracts and public-private partnership contracts with Government agencies.[29]

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16 https://prsindia.org/files/covid19/notifications/IND_Lockdown_Extension_June30_31052020.pdf.

17 Though allowed for the short interval on 15 and 16 April 2020, was banned later on 19 April 2020 https://prsindia.org/files/covid19/notifications/3132.IND_Exemption_Lockdown_April_19.pdf.

18 https://prsindia.org/files/covid19/notifications/15.Noti%2048%20PPE_0.pdf.

19 https://prsindia.org/files/covid19/notifications/93.218857%20(1).pdf; https://prsindia.org/files/covid19/notifications/140.Noti%2053_0.pdf.

20 https://prsindia.org/files/covid19/notifications/5780.IND_Export_Ban_Masks_May_16.pdf.

21 https://prsindia.org/files/covid19/notifications/1698.IND_sports_March19.pdf https://prsindia.org/files/covid19/notifications/2732.IND_Revised_Consolidated_Guidelines_April_15.pdf.

22 https://prsindia.org/files/covid19/notifications/4420.IND_DGCA_passenger%20air%20travel%20ban%20Extension_May_02.pdf https://prsindia.org/files/covid19/notifications/2778.IND_DGCA_Circular%20Domestic%20Extension_Apr_14.pdfhttps://prsindia.org/files/covid19/notifications/5771.IND_DGCA_passenger%20air%20travel%20ban%20Extension_May_17.pdf.

23 https://prsindia.org/files/covid19/notifications/99.IND_DFPD%20Letter%20to%20States%20to%20Permit%20Alcohol%20and%20Distilleries_March%2019.pdf.

24 https://prsindia.org/files/covid19/notifications/98.IND_DCA%20Alcohols%20for%20Hand%20Sanitisers%20as%20ECs%20Price%20Cap_March%2019.pdf; https://prsindia.org/files/covid19/notifications/4825.IND_Export_Alcohol_Based_Hand_Sanitizers_Prohibited_May_6.pdf.

25 https://prsindia.org/files/covid19/notifications/2769.IND_Rail_Passenger_Cancellation_Extended_Apr_14.pdf.

26 https://prsindia.org/files/covid19/notifications/IND_NDMA_Guidelines_Restarting_Manufacturing_May_9.pdf.

27 https://prsindia.org/files/covid19/notifications/168.IND_Operation_RE_Gen_Utiliites_Mar_26.pdf; https://prsindia.org/files/covid19/notifications/156.IND_Operation_Elec_Transmission_Network_Mar_25.pdf.

28 https://prsindia.org/files/covid19/notifications/158.IND_Citizens_Guidelines_LockdownAddendum_Mar_24.pdf.pdf.

29 https://prsindia.org/files/covid19/notifications/5642.IND_DoE%20Contract%20Extension%20FMC_May%2013.pdf. It is to be noted that invocation of force majeure clause here would absolve all non-performance of a party to the contract, as long as such non-performance is attributable to a lockdown situation or restrictions imposed under any act or executive order on account of the COVID – 19 global pandemic.

2.3 Between 17 May 2020 and 31 May 2020, the following activities were permitted, including:[30]

(i) Inter and intra-state movement of passenger vehicles and buses with mutual consent of the State(s) and Union Territories(s) involved; and

(ii) Movement of individuals was permitted between 7 am to 7 pm.

2.4 During the said time, the country was designated in specific zones, based on risk profiling, into containment, buffer, red (hotspot), green and orange zones.[31] This order imposed complete restriction on all domestic and international air travel except for medical purposes, schools, colleges, hotels, restaurants (except for food delivery), cinema halls and religious places etc. Further, on 20 May 2020, domestic passenger air travel was removed from the list of prohibited activities,[32] and guidelines for such travel were issued. Train services were also ordered to resume from 1 June 2020.[33]

2.5 By an order dated 30 May 2020, the lockdown was extended in containment zones till 30 June 2020, and activities prohibited earlier, were ordered to re-open in a phased manner.[34] Notably, while the Central Government of India has provided the consolidated guidelines, the State Governments can impose stricter measures to enforce it, however the same shall not be diluted by the State Governments.[35]

## C. RISK MITIGATION STRATEGIES AND PERFORMANCE OF CONTRACTS

1. We believe that due to legal and regulatory developments in the times of Covid-19 (as explained in the article above) and the impact on the world's economy, parties to a contract may fail in performing their contractual obligations, which may result in disputes between the parties. In order to understand the impact of Covid-19 on the performance of contractual obligations by the parties to a contract, unique contractual provisions of each such contract would necessarily be required to be analysed. We explain these contractual provisions as per Indian law in the sub-section below.

2. In this article, we have sought to explain the general concepts of a contract likely relevant in the current times, by way of a hypothetical example. Our example involves a seller, **("Seller")** and a buyer, **("Buyer"),** wherein the Seller and the Buyer have entered into a contract for the sale and purchase of refrigerators and air-conditioning products **("Goods")**. We assume that the contract is valid for a period of three (3) years from the date of its execution (January 2019). The Goods are to be delivered in the quantities mentioned in the contract, at the specified delivery location, date and time. The contract also provides for the Seller to deliver goods to the Buyer on the last day of every month. The Seller is obligated under the contract to notify the Buyer immediately if the Seller is not able to complete its contractual obligations in time. Delay in sale and delivery of the Goods by the Seller gives the Buyer the right to terminate the contract. The contract also contains a force majeure clause, which states:

> *"A Force Majeure shall mean any extraordinary event or circumstance beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, riots, crimes (but not including negligence or wrong-doing, predictable/ seasonal rain and any other events specifically excluded in the clause). An force majeure event/ circumstance in the contract frees both parties from contractual liability or any obligation when prevented by such event from fulfilling their obligations under the contract. However, this shall not excuse a party's non-performance*



30 https://prsindia.org/files/covid19/notifications/IND_MHA_Lockdown_Extension_upto_May31_17052020.pdf.
31 https://prsindia.org/files/covid19/notifications/IND_MHA_Lockdown_Extension_upto_May31_17052020.pdf.
32 https://prsindia.org/files/covid19/notifications/5885.IND_Lockdown_Domestic_Flight_Exemption_May_20.pdf%20.pdf.
33 https://prsindia.org/files/covid19/notifications/5890.IND_Rail_guidelines%20for%20trains%20starting%20June%201_May_20.pdf.
34 https://prsindia.org/files/covid19/notifications/IND_Lockdown_Extension_June30_31052020.pdf.
35 https://prsindia.org/files/covid19/notifications/3156.IND_States_Comply_April_19.pdf.

*entirely, but only shall suspend it during such an event. The supplier has to give notice of force majeure as soon as it occurs, and it cannot be claimed ex-post facto." ("Force Majeure Clause")*

3. Due to the Covid-19 lockdown, we assume that the Seller has failed to perform his obligations under the contract in February 2020 and March 2020. Consequently, the Seller, after expiry of 30 (Thirty) days, terminates the contract at the end of March 2020 on the following grounds:

    (i) The import of parts for the manufacture of the Goods (refrigerators and air conditioning products) from China has been impacted due to the spread of Covid-19 and the Seller has been unable to manufacture the Goods for sale;

    (ii) The contract became impossible to perform due to non-availability of parts required for the manufacture of the Goods; and

    (iii) The Seller is not liable to pay any damages for the failure to deliver the Goods because of the applicability of the Force Majeure Clause as per the contract between the Buyer and the Seller.

4. The Buyer aggrieved by the termination of the contract, invokes arbitration against the Seller in April 2020, seeking damages for wrongful termination of the contract and takes the following defense:

    (i) Delay because of Covid-19 cannot be covered under the Force Majeure Clause, and therefore the Seller cannot be excused from performing its obligations;

    (ii) The contract cannot stand frustrated because neither import of parts from China for manufacture of the Goods was banned by India, nor the export of such parts from China was banned by China;

    (iii) The Seller is liable to specifically perform its obligations under the contract; and

    (iv) Arguendo, even if the Seller's failure to perform its obligations is assumed to be protected under the Force Majeure Clause, the Seller ought to have notified the Buyer of the same immediately upon occurrence of the Force Majeure event.

5. We now analyse the legal concepts of force majeure, doctrine of frustration and how these might apply to the above dispute between the Buyer and the Seller.

6. Indian law on force majeure clauses and doctrine of frustration of a contract

6.1 The expression force majeure is a French version of the Latin expression vis major, meaning an 'act of God'. A reference to force majeure shows parties' intention to save the performing party from the consequences of anything over which it has no control.[36] However, it is relevant to understand that the question of applicability of a force majeure clause and its ambit shall primarily depend on unique contractual provisions and the evidence brought forward by the parties during the course of their dealings. A force majeure clause may contain events such as an act of God, governmental action, pandemic, extraordinary circumstance that is beyond human control, war, riot, etc. Such a clause merely suspends the obligations of the parties for the duration of the event/situation that was envisaged in such a clause and does not excuse any party from performing its contractual obligations. Notwithstanding the above, a contract may or may not contain a force majeure clause.

6.2 For a party to take the benefit of a force majeure clause, such a clause ought to envisage an extraordinary event beyond human control. Albeit such clauses are generally broadly worded, the Supreme Court of India has held that the same should be narrowly construed and importance be given to the terms of the contract.[37] Further, in so far as the impossibility to perform contractual obligations is concerned, due to the occurrence of a force majeure event, it shall be governed by Section 32 of

36 Dhanrajamal Gobindram v. Shamji Kalidas & Co., AIR 1961 SC 1285, 1291.

37 Energy Watchdog v. Central Electricity Regulatory Commission, [2017] 14 SCC 80 [39].

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the Indian Contract Act, 1872 ("ICA"), which would render the contract void, in such a situation.

6.3 It is possible that a contract, due to Covid-19, may merely be suspended or there may be delay/ interference in its performance, and parties may not be relieved of their contractual obligations merely because Covid-19 has become a world pandemic. However, to ascertain the effects of Covid-19 on a contract, primary importance ought to be given to distinctive terms and conditions of a contract.

6.4 Usually when a contract contains a force majeure clause, which covers a situation/event that has occurred, it will preclude the application of Section 56 of the ICA.[38] Although, such a clause may not exhaustively set out the possibility of unforeseen events occurring outside natural and/or unnatural events. This might mean that if the parties were not able to foresee the situation/ event that has actually occurred, the contract could stand frustrated under Section 56 of the ICA. This should, however, not be confused with the fact that when consequences of the situation/ event envisaged under the contract are specifically provided for in a contract, the parties will be bound by such a clause and cannot take the defense under Section 56 of the ICA. This has been clarified by the Supreme Court of India:

> *"[I]f the parties do contemplate the possibility of an intervening circumstance, which might affect the performance of the contract, but expressly stipulates that the contract would stand despite such circumstance, there can be no case of frustration because the basis of the contract being to demand performance despite the happening of a particular event, it cannot disappear when that event happens."*[39]

6.5. Section 56 of the ICA incorporates the doctrine of frustration of a contract. In Satyabrata Ghose v. Mugneeram Bangur and Co.,[40] Mukherjee J. explained that Section 56 discharges the obligation to perform because of inherent impossibility attached to it.[41] However, it also envisages of an agreement to do an act, which becomes impossible or unlawful and is therefore void. Mukherjee J. stated:

> *"[T]he word "impossible" has not been used in the sense of physical or literal impossibility. The performance of an act may not be literally impossible, but it may be impracticable and useless from the point of view of the object and purpose which the parties had in view. Therefore, if an untoward event or change of circumstances totally upsets the very foundation upon which the parties rested their bargain, it can very well be said that the promisor finds it impossible to do the act which he promised to do."* [42]

6.6 For a contract to be frustrated under Section 56 of the ICA, three tests have been laid down, i.e. (1) there must be a subsisting contract, (2) some part of the contract is still to be performed and (3) performance has become impossible after the contract was entered into.[43] The Supreme Court of India has in the year 2017 opined on certain additional factors to the above-mentioned list through a "multifactorial" approach as stated below:

> *"[T]he application of the doctrine of frustration requires a multi-factorial approach. Among the factors which have to be considered are the terms of the contract itself, its matrix or context, the parties' knowledge, expectations, assumptions and contemplations, in particular as to risk, as at the time of the contract, at any rate so far as these can be ascribed mutually and objectively, and then the nature of the supervening event, and the parties' reasonable and objectively ascertainable*

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38 Energy Watchdog v. Central Electricity Regulatory Commission, [2017] 14 SCC 80 [39].
39 Delhi Development Authority v. Kenneth Builders and Developers Ltd, AIR 2016 SC 3026 [33].
40 AIR 1954 SC 44.
41 Satyabrata Ghose v. Mugneeram Bangur and Co., AIR 1954 SC 44.
42 Satyabrata Ghose v. Mugneeram Bangur and Co., AIR 1954 SC 44.
43 Industrial Finance Corporation of India Ltd v. The Cannanore Spinning and Weaving Mills Ltd, AIR 2002 SC 1841 [43]; Sharda Mahajan v. Maple Leaf Trading International Pvt Ltd, [2007] 139 CompCas 718 [29].

*calculations as to the possibilities of future performance in the new circumstances."* [44]

6.7 Therefore, the intention of the parties at the time of entering into the contract, which may not be directly ascertainable from the terms of a contract, is also a relevant factor to ascertain whether the doctrine of frustration shall apply to the case.

6.8 In every situation, it must be noted, that the intention of the parties, proved through evidence adduced by them, is of primal importance, and application of Section 56 of the ICA would depend on the same. Further, it has also been held that applying the doctrine of frustration must always be within narrow limits.[45] If Section 56 of the ICA is held to be applicable to a particular case, the principle of restitution under section 65 of the ICA shall thereafter apply and the consideration received under the contract by a party must be repaid. However, one must note that the doctrine of frustration and doctrine of impossibility, shall not apply merely because the performance of a contract has become burdensome or onerous or uneconomical for parties, and when the foundation of the contract is not substantially damaged.

## 7. Impact of prohibitions by the Government on performance of a contract

7.1 Parties to a contract may find that performance is rendered impossible by the intervention of governmental action, even though, but for such action the contract was (in spite of say Covid-19) capable of being performed. For example, several States and Union Territory Governments such as Maharashtra,[46] Delhi[47], etc., have issued advisories relating to Covid-19 to stop all operations of commercial establishments, factories, workshops, offices, go-downs, etc.

7.2 In such cases, however, it is necessary to distinguish cases of prohibition where the prohibition makes it unlawful for a party to the contract to fulfil its obligation, and where the prohibition does not make it unlawful, but destroys the benefit, which the performing-party to the contract was expecting to receive in lieu of the consideration to the contract.[48] In an appeal against a judgment and order of the High Court of Calcutta, rejecting an application for setting aside an award, the Supreme Court of India dealt with the question – "was there a change in the policy of the Government of India of a total prohibition of import of Pakistan jute as contended by the appellants which was not foreseen by the parties and which intervened at the time of performance and which made the performance of their stipulation to obtain a licence impossible?".

7.3 The Apex Court on scrutinising the relevant policy found that the government had not placed a total embargo on import of jute from Pakistan, but had only put certain qualifications in order to procure an import licence.[49] Moreover, the contract between the parties in this case contemplated a situation for delay, owning to non-furnishing of import licence and also provided for consequences of the same. Also, the Appellant was unable to get a licence, due to failure in meeting the qualifications provided by the government, and not because procuring of a licence became impossible. In view of the facts and circumstances, the Apex Court held that "because of the said reasons, the question of importing an implied term into the contract would also not arise".[50] Further, the Court also held that:

*"…A contract is not frustrated merely because the circumstances in which it was made are altered. The Courts have*

44 Energy Watchdog v. Central Electricity Regulatory Commission, [2017] 14 SCC 80 [39].
45 Satyabrata Ghose v. Mugneeram Bangur and Co., AIR 1954 SC 44.
46 https://prsindia.org/files/covid19/notifications/760.MH_Lockdown_Order_Mar_23.pdf.
47 https://prsindia.org/files/covid19/notifications/228.DL_Lockdown_Order_Mar%2022.pdf.
48 'Paxton Blair', Breach of Contract due to War' Colum. L. Rev. 20 (1920), 413.
49 Naihati Jute Mills Ltd. v. Khyaliram Jagannath, (1968) 1 SCR 821.
50 Naihati Jute Mills Ltd. v. Khyaliram Jagannath, (1968) 1 SCR 821.

*no general power to absolve a party from the performance of his part of the contract merely because its performance has become onerous on account of an unforeseen turn of events.*

…

*In such a case, the doctrine of discharge by frustration cannot be available, nor that of an implied term that the existing state of affairs would continue at the date of performance. The reason is that where there is an express term, the court cannot find on construction of the contract an implied term inconsistent with such express term."*

7.4 Therefore, it will be pertinent to review a force majeure clause to ascertain whether a party's failure to perform its contractual obligations could be the result of a force majeure event on account of prohibition imposed by the Government.

7.5 The Delhi High Court[51] in its judgment dated 20 April 2020, by which the Court considered a Section 9 application under the Arbitration and Conciliation Act, 1996, for restraining invocation of bank guarantees by the Respondent No. 1, granted an interim relief to the Petitioner and held that the countrywide lockdown due to Covid-19, prima facie was in the nature of force majeure. Such a lockdown is unprecedented and was incapable of having been predicted either by Respondent No. 1 or by the Petitioner. The Court upon granting such an injunction, held that special equities existed in favour of the Petitioner. However, it is relevant to note that the Court vacated the said order on May 29, 2020 and held that *"the past non-performance of the Contractor cannot be condoned due to the Covid-19 lockdown in March 2020 in India. The Contractor was in breach since September 2019. Opportunities were given to the Contractor to cure the same repeatedly. Despite the same, the Contractor could not complete the Project. The outbreak of a pandemic cannot be used as an excuse for non-performance of a contract for which the deadlines were much before the outbreak itself."*

## D. LEGAL IMPLICATIONS OF COVID–19 ON DISPUTE BETWEEN THE BUYER AND THE SELLER

1. In view of the above laid down legal position in India, we have analysed the legal implications of Covid-19 on our hypothetical example described above. The legal implications can mainly fall under two scenarios: (i) Applicability of Force Majeure Clause; (ii) Inapplicability of Force Majeure Clause, resulting in mere termination of the contract due to the Seller's breach of contract arising out of Covid-19.

### ***1.1 Applicability of Force Majeure Clause:***

(i) The spread of Covid-19 may be covered under any extraordinary event or circumstance beyond human control, such as an event described as an act of God, as mentioned in the Force Majeure Clause (please see part C of this article). This would lead to the suspension of obligations of both the Seller and the Buyer during the subsistence/outbreak of the virus. However, since the Force Majeure Clause here provides for service of immediate notice of the occurrence of such an event, the Seller not having provided such a notice, may not be allowed to take the benefit of the Force Majeure Clause.

(ii) Further, it may be relevant to keep in mind that the Ministry of Finance, Department of Expenditure Procurement Policy Division, have issued several notifications declaring inter alia disruption in supply food chain, due to the spread of Covid-19 in China or any other country, would be covered under the force majeure clause of the Manual of Procurement of the Goods, 2017, as it would constitute an extra ordinary event or circumstance beyond human control,



51 Halliburton Offshore Services Inc v. Vedanta Limited & Anr., O.M.P (I) (Comm) & I.A. 3697 of 2020, dated April 20, 2020, however the said order was vacated by the order dated May 29, 2019.

however the same shall only be applicable in cases wherein non-performance of contract shall be attributable to the lockdown situation prevailing in the country.[52] Further, said notifications also recognise the restrictions placed on the movement of goods, services and manpower on account of the lockdown which may be making it impossible to perform contractual obligations. However, the said notifications are contract specific and may only have a persuasive value on other contracts. It may also have to pass the test of judicial scrutiny on whether the spread of Covid-19 will be considered an extraordinary event, beyond human control.

(iii) In the event, it is adjudicated that the present case is covered under the Force Majeure Clause, the Buyer may not be able to claim any damages for claims such as loss of profits, etc.

**1.2 *Inapplicability of Force Majeure Clause:***

(i) In the event the spread of Covid-19 is not considered an extraordinary circumstance beyond human control, the Force Majeure Clause may not apply. It also may not apply if due process as mentioned under the Force Majeure Clause is not followed.

In view of the same, the following may be relevant to consider for ascertaining the veracity of the Seller's defense:

(a) If the import of parts from China required for manufacture of the Goods was not banned by India, and the performance of the contract could be said to be unlawful or illegal;

(b) If the intention of the Seller and the Buyer in the contract shows that the delay in the delivery of the Goods could be cured, or if there is a provision for renegotiation on account of delay. This is because the intention of the parties to a contract is to be given primal importance, and if such a provision for delay has been canvassed by the parties, non-performance of S's obligations under the contract for the period of February-March 2020 would not shake the fundamentals of the contract;

(c) The local borders in India were sealed for a very short period of time during the lockdown period for transport of non-essential goods and services, and cannot relieve the Seller from performing its obligations of delivery of those goods, which were already manufactured;[53]

(ii) It is pertinent to note that in the event, the Seller was successful in performing the contract and the Buyer rejected to purchase the products, the situation would squarely fall under the decision given by the Bombay High Court. The Court recently dealt with a force majeure clause in a steel supply contract and held that the force majeure clause could not come to the aid of the buyer if the supplier had fulfilled its obligation.[54] According to the contract, the Respondents, which had its head office in South Korea, were to supply certain steel products to the Petitioner, which were to be shipped from South Korea to Mumbai. The contract contained a force majeure clause, however, the Petitioners had raised a contention that in view of the Covid-19 pandemic and the lockdown declared by the Central/State Government, its contract with Respondent No. 1 was terminated

52 https://prsindia.org/files/covid19/notifications/5595.IND_DoE%20Performance%20Security%20Contracts%20FMC_May%2013.pdf; https://prsindia.org/files/covid19/notifications/5642.IND_DoE%20Contract%20Extension%20FMC_May%2013.pdf.; https://prsindia.org/files/covid19/notifications/108.IND_Time_Extension_Commissioning_RE_Projects_Mar_20.pdf.

53 https://prsindia.org/files/covid19/notifications/2665.IND_Clarification_Lockdown_Transportation_April_12.pdf.

54 Standard Retail Private Limited v. M/s. G.S. Global Corp. & Ors., in Commercial Arbitration Petition (L) No. 404 of 2020 (order dated April 8, 2020).

as unenforceable on account of frustration, impossibility and impracticability. The Court held that firstly, the force majeure clause was applicable only to Respondent No. 1 and could not come to the aid of the Petitioners, and secondly, Respondent No. 1 had complied with its obligations and performed its part of the contract and the goods had already been shipped from South Korea. The fact that the Petitioners would not be able to perform its obligations so far as its own purchasers are concerned and/or it would suffer damages, is not a factor, which could be considered and held against Respondent No. 1. It was also noted that steel had been declared as an essential service, and the lockdown would be for a limited period and the lockdown could not come to the rescue of the Petitioners so as to escape from its contractual obligations with the Respondent No. 1 of making payments.

(iii) In light of the above analysis, it can be said to be a case of breach of a contract due to reasons of increased burden to perform the contract rather than impossibility to perform the contract. The burden has increased due to the spread of the virus. It is because of Covid-19 that workmen are not showing up at factories, cargo aircrafts/ships are not being attended, etc., which may cause delay in import of parts. However, there is no prohibition on such import by the Indian Government. The case study makes a classic case of a mere breach of a contract by the Seller[55], except that it happened during the times of Covid-19. In view of the above circumstances, the Buyer may be able to claim damages against the Seller, assessment, and quantification of which are dealt in detail subsequently in this article.

## E. DAMAGES IN CASE THE RESPONDENT'S[56] BREACH IS ESTABLISHED

1. In the earlier half of the article, the co-authors have provided a summary of the contractual provisions and protection businesses and governments might consider in managing and minimising any negative consequences arising from non-performance of their obligations.

2. In the remainder of this article, we consider issues that might arise when quantifying economic damages in disputes in the context of the Covid-19 pandemic. We do so by again developing the hypothetical example described earlier. For the purposes of our example, we assume that the Seller has been found liable for breach of contract and other applicable contractual provisions. Therefore, the relevant question might be on the economic loss suffered by the Buyer.

3. Below, we first summarise the overall framework that might be considered for assessing the Buyer's loss. We then describe the key inputs that are relevant to assessing such loss and how such inputs might be impacted due to the Covid-19 crisis.

4. Framework for assessing damages, given the current crisis

4.1 The objective of awarding damages is to adequately compensate the injured party for the loss suffered by them because of alleged breaches. A common approach is to measure damages by reference to the sum required to place the injured party in the economic position it would have occupied "but for" the alleged wrongful acts or omissions committed by the other party. This framework gives rise to the lost profits approach.[57] That is, an injured party's profits are lower than they would otherwise have been, absent the alleged breaches.

4.2 Lost profits are measured by comparing:

(i) the profits[58] that the injured party would have earned, but for



55 Herein the notifications mentioned in footnote 50 above issued by the Ministry of Finance, Department of Expenditure Procurement Policy Division may have persuasive value wherein restrictions causing the lack of manpower has been considered as one of the situations which allows for return of performance security, or for extension of the date of completion of contract. An extended application of this principle may allow for condonation of delay, extension or return of performance securities, but may not relieve the parties of their contractual obligations in its entirety.

56 Seller, in context of the illustrative case study.

57 Losses might also be assessed using alternative frameworks and approaches (including wasted costs approach). The focus of this article is on the lost profits approach.

58 For simplicity, we use the term "profits" here and in other parts of this article. However, valuers typically assess lost profits based on cash flows which is derived from the business' accounting profits adjusted for, inter alia, non-cash items and other cash inflow or outflows not properly considered in calculating accounting profits. This distinction is not relevant to this article.

the alleged wrongful acts of other party (the "counterfactual position"); and

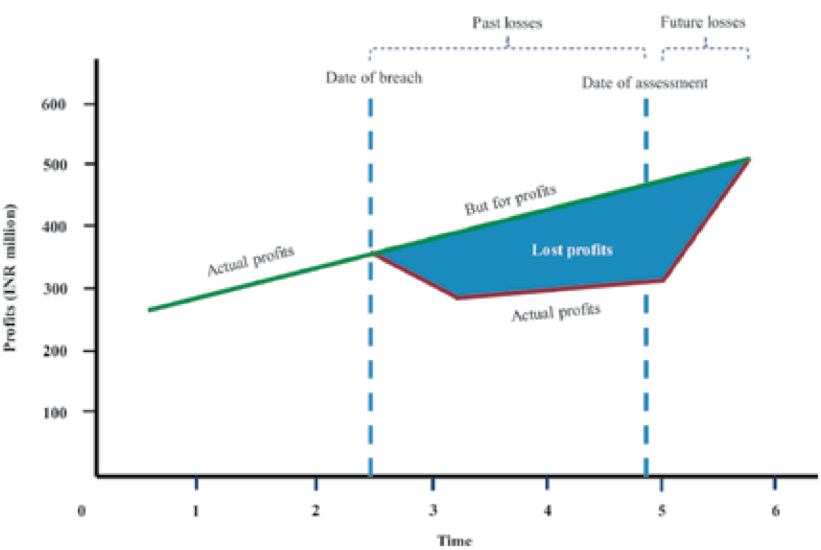
(ii) the profits that the injured party actually earned as a result of the alleged wrongful acts of the other party (referred to as the "actual position").

The difference between the two positions being the injured party's loss.

4.3 The profits in the two positions are projected over the affected period – usually running from the date of the alleged breach to an estimated end of the loss period (which might be driven by contractual considerations and/or economic factors). The profits are then brought forward (using an appropriate interest rate) or discounted back (using an appropriate discount rate) to calculate the present value of such profits (and in turn the injured party's loss) as at the date of assessment.[59]

4.4 Figure 2 illustrates the lost profits approach – the shaded blue area being the loss suffered by the injured party.

**Figure 2: Lost profits framework**




4.5 There are four important considerations when using the lost profits approach:

(i) First, losses are assessed as at a particular date. This in turn is based on the facts known or knowable as at that date and valuers are usually not allowed to consider any further information beyond the date of assessment.

(ii) Second, the injured party's loss requires a credible projection of profits under both the counterfactual and actual positions over the affected period. Importantly, the difference between the two positions should reflect the sales or costs affected by the alleged breaches and not on account of unrelated events (for example, external events and market factors).

(iii) Third, the appropriate discount rate used to translate future profits into their present value recognises the risk associated with receiving those profits in the amounts and within the time expected. The use of a discount rate therefore recognises: (1) time value of money (i.e. an INR received tomorrow is worth less than an INR received today); and (2) the uncertainty (or risk) attached to future profits. The value of an INR that is expected to be received but is uncertain (the amount actually received could be more or less than an INR) is less than the value of

59 This is because often an injured party's loss includes both historical losses (accruing to the party before the date of assessment) and future losses (accruing to the party after the date of assessment to an estimated end of the loss period).

an INR that will be received for certain.

(iv) Fourth, it is often necessary to consider any mitigation steps that the injured party might have undertaken to reduce its loss. Such steps might include entering into alternative contracts and/ or filing of a business interruption insurance claim by the injured party.

## F. APPLICATION OF LOST PROFITS TO THE CURRENT CASE

1. In our current example, the injured party is the Buyer (as claimant) and the other party is the Seller (as respondent). The Buyer alleges that the Seller's breaches relate to, first, non-supply of the Goods under the contract during the period February to March 2020 and, second, the wrongful termination of the contract in March 2020.

2. On this basis, the Buyer's lost profits might include both: (1) the additional profits it might have made during the period under consideration, absent any non-supply of the Goods under the contract; and (2) the additional profits it might have made after March 2020 up to the expiry of the contract. That is, the Buyer might have earned higher profits from sale of the Goods had the Seller continued to provide the agreed quantities at the agreed price.

3. In the subsection below, we discuss some of the key inputs and assumptions that might impact the Buyer's loss calculation. Even during normal times, these factors require considerable investigation and examination. However, due to the extent of uncertainty and volatility caused by Covid-19, these factors likely require more careful consideration.

4. Date of assessment

4.1 As briefly discussed above, losses are assessed as at a particular date (referred to as the date of assessment). The appropriate date is a matter of law, informed by the relevant facts of the case. The date of assessment is important as valuation of losses are often forward looking and are therefore based on the facts known and expectations held (known or knowable) as at a specific date.

4.2 In our example, the date of assessment might be:

(i) the date of the first breach by the Seller under the contract, i.e. February 2020 (when the Seller failed to supply the Goods in the month of February 2020 for the first time since the execution of the contract); or

(ii) the date of termination of the contract by the Seller, i.e., March 2020; or

(iii) the date of filing of request for arbitration by the Buyer, i.e., April 2020; or

(iv) a more current date close to the submission of any evidence (including expert evidence) or the presumed date of hearing/award, i.e., say July 2020.

4.3 The choice of assessment date will influence the factors, information and events (both macro-economic or company and contract specific) that a valuer might include and consider in his/ her calculation.

4.4 Valuations may move markedly over time depending on volatility in the underlying business assets and operations, the capital structure of the business, changes in the regulatory regime, exchange rates and inflation rates, and movements in capital and commodity markets. As noted in Part B above, recent events have contributed to such volatility.[60] The awareness, evolution and spread of Covid-19 has (negatively) impacted business and economic activities and forecasts of such activities going forward. For example, as mentioned earlier, on 9 January 2020, the IMF projected that the Indian economy would grow by 5.8 percent in FY2021. It revised its estimate down to 1.9 percent on 6 April 2020.[61] Similarly, the consumer durables sector in India is forecast to grow between 2 percent and 3 percent in FY2021,[62] compared to the

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60 https://www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020.
61 https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020.
62 This is primarily because India – importing 45-50 percent of finished units and the bulk of components from China – is likely to face significant supply chain disruptions. This is expected to result in increases in cost impacting overall demand of discretionary products (such as refrigerators and air-conditioners).

growth of 5-6 percent in FY2020, as per CRISIL.[63]

4.5 Therefore, in the current example, any loss assessed as in late 2019 and early 2020 - when Covid-19 was more contained and forecast was one of continued growth - might differ quite significantly from the one assessed as at March/April 2020 – when forecast of economic growth and consumer demand had declined.[64,65]

**5. Profit projections in the counterfactual position**

5.1 Tribunals and courts are sensitive to the credibility and plausibility of profit projections in the counterfactual position.

5.2 Under normal circumstances, a valuer might reasonably assume that the contract would have been performed in the counterfactual position, and therefore, rely on the terms of the contract and use historical cost and price data of the claimant (the Buyer herein) in developing such profit projections. The current crisis complicates the above assumptions and depending on the date of assessment, it might be necessary to disentangle the effects of Covid-19 from the alleged breaches of the respondent, the Seller. We discuss a few such effects in the paragraphs below.

(i) First, given the scale and scope of the dislocations caused by the pandemic, it is possible that – even absent the alleged breaches – the supply of the Goods at the Buyer's distribution or warehousing facilities would have been negatively affected. For example, in the period after February 2020 – after the imposition of various restrictions on trade and business activities – supply chains were severely affected. This in turn might have caused disruption in the supply of the Goods to the Buyer (for example, restrictions on movement in non-essential commodities including refrigerators and air-conditioners) and/ or increased the cost of such supply to the Buyer under the contract (for example, due to higher backlogs for transportation services). Similarly, the Buyer's distribution activities might have also been negatively impacted on account of availability, access and cost of labour and logistical services. Therefore, a valuer might have to consider whether the Buyer would have been able to trade the Goods, even if the Seller had supplied the Goods under the contract, and at what cost. The Buyer's historical costs may be an inaccurate guide to the costs it would have incurred, absent the Seller's breach, during the outbreak.

(ii) Second, it is possible that demand for the Buyer's products by consumers might have also been negatively impacted by the pandemic. For example, the demand of consumer durables in India is projected to fall by ~40 percent year-on-year during the first quarter of FY2021.[66] Similarly, as noted above, the Indian economy and the consumer durables sector is expected to experience lower growth in FY2021 than previously estimated. Lower demand might also impact prices at which the Buyer might be able to sell the Goods. As before, historical demand and price data – based on periods of less volatility and more certainty – may not be a reliable measure of future demand and prices after the onset of the pandemic. Likewise, budgets or forecasts made prior to the pandemic are unlikely to be reliable guides to expected financial performance in the counterfactual position. Therefore, a more detailed economic analysis might be required to project future consumer demand. Additionally, a valuer will need to carefully consider contemporaneous forecasts (prepared by the management or other third-party

63 https://www.crisil.com/content/dam/crisil/our-analysis/views-and-commentaries/impact-note/2020/march/the-covid-19-fallout.pdf, and https://www.livemint.com/industry/manufacturing/covid-19-impact-summer-sales-to-be-a-washout-for-consumer-durable-firms-11586075707788.html

64 https://www.thehindubusinessline.com/news/covid-19-impact-consumer-durable-firms-hope-for-revival-in-demand-by-may/article31285951.ece.

65 Valuers might seek instructions as to whether the use of hindsight is appropriate which varies depending on the exact facts of each case.

66 https://www.thehindubusinessline.com/news/covid-19-impact-consumer-durable-firms-hope-for-revival-in-demand-by-may/article31285951.ece For example, businesses dealing in 'essential' commodities and services (including, inter alia, hospitals, petroleum, food products, groceries, medicines, telecommunication and media, banking and ATMs, electricity, water and sanitation) might be relatively less impacted by COVID-19 than 'non-essential' businesses (including dine-in restaurants, gyms and sports clubs, schools, hospitality services, retail stores and malls (non-food), cinemas, manufacturing units and public transport).

organisations) and determine whether they remain relevant as at the date of the assessment. The collective effect of the above factors might require a careful analysis to reflect: (i) the different possible contingent events (or sequence of events) and outcomes (including on account of failures of the business itself, loss of important suppliers, and reduction in demand); (ii) any transmission effects within supply and value chains that have been disrupted at several points; and (iii) various other causes affecting the financial performance of the injured party.

5.3 The magnitude of the impact of the pandemic will ultimately depend on the size and scale of the affected business, the industry in which it operates and the geographic regions it relies on (both for supply of its raw materials and demand of its final products).[67] A valuer will need to carefully consider the available evidence with respect to the effects of the pandemic on the company in question, and how long those effects are likely to last.

## 6. Discount rate

6.1 As explained earlier, discount rate is used to discount the projected future profits back to their present value as at the date of assessment. The use of a discount rate recognises both: (1) compensation for the time value of money; and (2) compensation for risk. By making an investment, an investor is giving up a certain amount of money for an uncertain return.

6.2 Often valuers use the affected firm's or investment's weighted average cost of capital ("WACC") as the appropriate discount rate. WACC represents the blended cost of all the capital (debt and equity) invested in a firm.

6.3 The inputs to WACC are often estimated using financial market and macroeconomic data. For example, cost of debt capital can be calculated based on the prices and yields (interest rate) of a firm's publicly traded debt.[68] Similarly, the cost of equity capital is often calculated using the Capital Asset Pricing Model ("CAPM"). The CAPM is a commonly applied approach by valuers, investment analysts, bankers and academics. The standard assumptions for the key inputs to CAPM (namely, the risk-free rate, beta, the equity risk premium and the country risk premium) are based on capital market data, including the performance of the stock market indices and share prices of listed firms.

6.4 As with the profit forecasts, the current crisis raises a number of key issues in measuring an appropriate WACC.[69]

6.5 A firm's cost of debt (interest) reflects returns that lenders require to compensate them for, both time value of money and the default risk associated with the borrower. The lender loans an initial amount (the "principal") and in return receives compensation in the form of interest as well as the repayment of the principal on a timing that is typically pre-agreed.

6.6 As figure 3 below shows, the yield (the prevailing market interest rate) on US 5-year corporate bond has been rather volatile, particularly, for corporate bonds with lower credit rating (for example, B and CCC rated bond). Firms with higher credit risk (and in turn lower credit ratings) appear to have been most affected, with yields increasing by 160 to 280 basis points (or, 1.6 percent to 2.8 percent) between 1 January 2020, and 14 April 2020. That is, it has become more expensive for such firms to raise debt against the background of increasing risks and investors seeking higher returns for lending capital. What the figure below also shows is that borrowing for the highest rated debt has actually decreased as investors seek safer investments during the current crisis.

6.7 Going back to our case study, a valuer will need to be careful in computing the appropriate cost of debt for the Buyer – taking into account the current



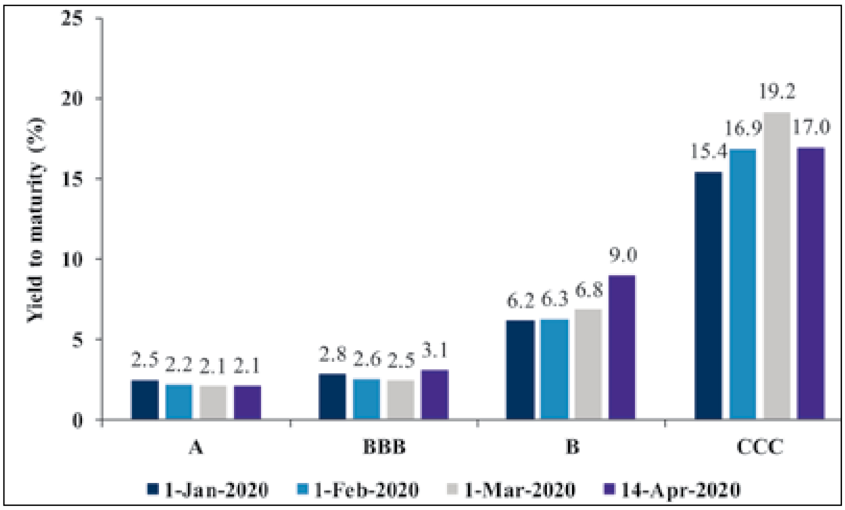
67 For example, businesses dealing in 'essential' commodities and services (including, inter alia, hospitals, petroleum, food products, groceries, medicines, telecommunication and media, banking and ATMs, electricity, water and sanitation) might be relatively less impacted by COVID-19 than 'non-essential' businesses (including dine-in restaurants, gyms and sports clubs, schools, hospitality services, retail stores and malls (non-food), cinemas, manufacturing units and public transport).

68 Or other market proxies and benchmarks of such debt. Alternatively, often data from the affect firm's financial statements is also considered in calculating its cost of debt.

69 The authors have not sought to undertake an exhaustive and detailed discussion and review of the relevant issues which are complex and large in number. This is outside the scope of the current article. Instead, they have focused on summarising the key issues that are likely to be relevant in estimating the appropriate discount rate.

market conditions, B's credit rating (and to what extent that has been affected by the current crisis) and the price of credit risk (as measured by yield/ interest rate) over the term of the contract.

**Figure 3: US 5-year corporate bond yields by credit rating[70]**




6.8 Similarly, inputs to cost of equity are based on financial market data and recent (increased) volatility in financial markets will need to be carefully analysed prior to computing an appropriate cost of equity over the term of the projected cash flows.

6.9 For example, the risk-free rate in the CAPM is the return on a security with no, or virtually no, default risk. In practice, the yields of developed country government bonds with maturity and currency consistent with those of the project profits are frequently used as proxies for a risk-free rate. The United States government bonds are often the most used benchmark for the risk-free rate. The US risk-free rates reduced from 1.92 percent in January 2020 to 0.76 percent in April 2020; a decline of almost 60 percent. This was primarily because of deteriorating market conditions and expectations of future growth coupled with an increase in demand for safe investments (often termed as flight to quality)[71] and the effects of actions taken by the Federal Reserve, including the USD 700 billion quantitative easing programme[72] announced in March 2020.[73]

6.10 A valuer might choose to use the current spot rates,/ reflecting the current returns available on risk-free securities or, as some valuers argue, use a ''normalised' (increased) risk-free rate – often based on longer term historical averages – to reflect a more appropriate rate over the forecast period in the valuation. Neither approach is without debate, but notwithstanding the approach adopted, consistency between the various inputs to the cost of capital will be critical.

6.11 Similarly, other inputs (such as beta, equity risk premium and country risk premium) are based on the performance of the wider stock market indices and traded securities (such as government bonds and listed firms' stock returns). Recent heightened volatility might impact any calculation of such measures to the extent they rely on historical data. For example, the standard deviation[74] (a common measure of risk in corporate finance) of the daily returns of the BSE 500 index between 1 January 2020, and 13 April 2020, was 3 percent.[75] This compares to 0.7 percent over the same period in 2019. Similarly, the rating based default spread between the US and India government bond yields – often used as a proxy for the additional risk associated with investing in India over more developed markets like the US – increased from 1.59 percent on 1 January 2020, to 2.82 percent as on 1 April 2020.[76] the risk of investing in Indian business has increased since January 2020. Therefore, inputs calculated based on capital market data might be particularly sensitive (rightly or wrongly) to the period considered in the calculation.

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70 S&P Capital IQ.
71 There is an inverse relationship between price and yield of a bond. With increase in demand, price increases and yield falls.
72 The quantitative easing programme involves purchase of long-term securities by the central bank from the open market to increase the money supply in the economy for lending and investment.
73 https://www.cnbc.com/2020/03/15/federal-reserve-cuts-rates-to-zero-and-launches-massive-700-billion-quantitative-easing-program.html
74 Standard deviation measure the amount of variation or dispersion in the sample set. In this case, it refers to the variation in the daily returns of the BSE500 index.
75 Standard deviation increased to 5 percent during March 2020.
76 As estimated by Professor Damodaran, Professor of Finance at the Stern School of Business at New York University. Source: http://www.stern.nyu.edu/~adamodar/pc/datasets/ctrypremApr20.xlsx.

6.12 As before, in the case of B, a valuer will need to be careful in choosing the appropriate approach and period for calculating the various inputs to B's cost of equity and importantly if the chosen inputs appropriately reflect the risks attaching to B's projected profits over the affected period.

**7. Mitigation**

7.1 It is often incumbent on the injured party to take reasonable steps to mitigate its losses. The extent to which the injured party has (or could have) performed its duty in this regard is a matter of legal consideration informed by the underlying facts. To the extent such steps could have been taken by the injured party, but were not, it may be appropriate to consider the effect of those potential actions in the loss calculation.

7.2 It is possible that in the context of the widespread disruption in economic and business activities, mitigation of losses might be more challenging and difficult. However, that does not necessarily absolve the Buyer from making efforts towards mitigating losses.

7.3 Some key questions that a valuer might need to address with his/ her counsel include:

(i) Were there other potential suppliers of the Goods that could have supplied to the Buyer over the relevant period?

(ii) Could the Buyer have used such alternative suppliers for the remaining period under the contract?

(iii) If so, what would have been the cost of such alternative supply to the Buyer? Would it have been economically viable for the Buyer to incur such costs?

7.4 To the extent, the Buyer did (or could have) reasonably mitigate its losses, the Buyer's loss calculation will need to reflect the effect of such mitigation steps.

**G. CONCLUSION**

1. It is clear that the health and economic impact of Covid-19 is extensive. This has necessitated unparalleled steps and actions by governments globally, including social distancing measures and severe restrictions on trade, travel and economic activities. These measures are likely to affect businesses' ability to perform their contractual obligations, resulting in disputes.

2. In the first instance, parties are likely to consider risk mitigation strategies available to them by way of exercising their rights under a contract, or doctrine of frustration available to parties as per the Law of Contracts. However, in order to ascertain the applicability of a force majeure clause in a contract or the doctrine of frustration, one ought to mandatorily analyse the ambit of such a clause and whether the same will be applicable to the extraordinary event being contested as a force majeure event. The said analysis must be undertaken on a case-to-case basis and no over-arching principle may be applicable to contractual clauses.

3. Separately, quantifying economic damages in disputes against the background of the Covid-19 pandemic will likely require particularly careful analysis. The financial and economic consequences of Covid-19 and the resulting increased volatility in the financial markets have introduced additional challenges to the implementation of the standard approach to damages calculations. Such challenges might relate to forecasting profits of the injured party in the counterfactual position, and/ or estimating an appropriate discount rate to calculate the injured party's loss as at a particular date. The length and magnitude of the impact of the pandemic on the above factors will depend on the nature and size of the affected business, and the industry and geography in which it operates. Valuers will need to address the additional complexities and disentangle the effects of Covid-19 from the effect of the alleged breaches under the disputed contract.

4. These are unprecedented times and all stakeholders in a dispute ought to ascertain their best foot forward while claiming/ defending one's case.

*Note: This article is subject to changes in applicable laws from the date of the publication and any contrary view that may be taken by any Indian court or any governmental / regulatory authority on issues considered by this article. This article does not contain any legal opinion on dispute strategy or outcome of any claims or potential claims by a buyer/supplier against a supplier/buyer and the content of this article do not necessarily reflect the views/position of Cyril Amarchand Mangaldas but remain solely those of the authors.*

*The views expressed in this article are those of the authors and not necessarily the views of FTI Consulting, Inc., and IMC Chamber of Commerce and Industry its management, its subsidiaries, its affiliates, or its other professionals. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.*

# Covid-19 pandemic is a major medical, social and economic crisis

*In the first ever section of "In Conversation" we present to you an interview with*
***Dr. Shekhar C. Mande***
*Secretary, DSIR and Director General, Council of Scientific & Industrial Research*

CSIR covers a wide spectrum of science and technology – from radio and space phys-ics, oceanography, geophysics, chemicals, drugs, genomics, biotechnology and nano-technology to mining, aeronautics, instrumentation, environmental engineering and in-formation technology. It provides significant technological intervention in many areas with regard to societal efforts which include environment, health, drinking water, food, housing, energy, farm and non-farm sectors. Further, CSIR's role in S&T human re-source development is noteworthy.

CSIR is ranked at 84th among 4851 institutions worldwide and is the only Indian organi-zation among the top 100 global institutions, according to the Scimago Institutions Rank-ing World Report 2014. CSIR holds the 17th rank in Asia and leads the country at the first position.

**Covid-19 pandemic is a major medical, social and economic crisis.**

**We would like to obtain your expert views on the following:**

**1) Could you brief our readers about what CSIR is doing to help fight Covid-19**

CSIR is fighting Covid-19 on multiple fronts. It is mapping sequences of a large number of isolates, developing new diagnostics tests, getting many repurpos-ing drugs into clinical trials, making PPE's, making BiPAP ventilator etc.

**2) How far are we in India and world at large in identifying an effective vaccine?**

Many Indian companies are working with academics around the world in vac-cines. In Academia, there are a few groups who are expressing and purifying surface proteins in order to test their viability as vaccine candidates, generating antibodies etc. CSIR has funded a program under its flagship NMITLI program to develop monoclonal antibodies in this direction.

**Will it happen before the end of 2020 or later?**

Vaccines are unlikely to be available before the end of 2020. However, the chances of repurposing drugs becoming available against Covid-19, is a distinct possibility.

**3) What will be the role of Indian healthcare companies in researching and pro-ducing an effective vaccine?**

Indian companies are well geared for vaccine production. Is it heartening to see that they are also investing time and resources towards this.

Are we in the right direction? Can something different be tried?

We are indeed on the right track. If at all anything different, the atmosphere for public-private partnerships should be made easier.

**4) What lessons we in India - government, healthcare service providers, public - should learn from this pandemic?**

We should be prepared for future pandemics, and any other calamity. In the healthcare area, India must achieve self-dependence (atmanirbharta) in all are-as- medicines, diagnostics, hospital equipment etc.

**Do you see this as a big opportunity for the country to invest in and upgrade healthcare systems? Will it happen?**

This is the right time to introspect on healthcare investments. There are posi-tive signs, and hopefully this will translate into a world-class healthcare system.

**5) There was a time government / municipal hospitals provided good medical fa-cilities. How to lift their service higher?**

Capacity building in all hospitals is an important aspect. On today's date, all the healthcare workers are overworked- but that is due to the scale of pandem-ic. However, we need many more healthcare workers even in the normal times, and there is a need to increase numbers at the training levels.

**6) How do you rate the chances of recurrence of Covid-19? Why? (See what's happening in Beijing)**

Many epidemiologists around the world have predicted recurrence and waves of infection. They must have given considered opinion on this.

**7) Will life return to the old normal? When?**

Hopefully soon.

**8) As a nation, are we doing all the right things to fight the pandemic? Is there anything more we should do?**

As a nation, we have done much better than many of the developed econo-mies. We should be proud that the Govt of India's response has been exempla-ry.

**9) Any thoughts on how to contain the economic impact of the pandemic?**

There are many eminent economists who have considered this, but in naive opinion, focus on rural economy must be considered important.

*The Council of Scientific & Industrial Research (CSIR), known for its cutting edge R&D knowledgebase in diverse S&T areas, is a contemporary R&D organization. Having a pan-India presence, CSIR has a dynamic network of 38 national laboratories, 39 out-reach centres, 3 Innovation Complexes and 5 units. CSIR's R&D expertise and experi-ence is embodied in about 4600 active scientists supported by about 8000 scientific and technical personnel.*

# Future of Work is Work from Home! and its implications

***Mr. Sougata Ghosh***
*Dy. Director-General, IMC*

*There are decades where nothing happens; and there are weeks where decades happens" - Vladimir Lenin*

For the last few weeks and months, beginning around March, India as well as the rest of the world, has been living through one such time, hit by a pandemic not seen by Humanity for a very long time. For the record, Spanish flu was the last widespread pandemic in 1918, a century ago.

The Covid-19 crisis hit the world like a battering ram. Blowing up economies, destroying jobs and shutting down entire countries. The future is so uncertain that world most highly regarded investor, Warren Buffet, is sitting pretty on his massive stock pile cash, instead of investing it.

The People, world over want things to go back to as they were, Before Covid, go back to the "normal" times. Unfortunately we are not going back to normal anytime soon. We will though, at some point in the future be in the after Covid period and there will many changes on how we work, socialize, entertain in that future. While some changes will be disconcerting, all the changes will be disruptive.

Whenever we face disruptive change, we observe the most obvious impacts first, followed by not so obvious impact later. This post is about the "how we work" part likely to evolve. The obvious impacts that we see, is called the First Order Impacts, which I shall tackle first. Followed by, not so obvious secondary impacts, called the Second Order impacts. This is going to be a long post, so grab a cup of coffee!

In any disruptive and sudden change that impacts the world, some will be at an advantage as compared to others, because, they were in the right place at the right time. Undoubtedly one of the beneficiaries of the transition to Work from Home (WFH) is the tech sector. Lockdown and social distancing has led to rapid and overnight adaption of technology. People who have never heard of terms like zoom, goto meetings, webinars, before are zooming all day, attending zoom webinar, virtual get together and parties.

Case to the point is Microsoft. While companies across the world are under tremendous stress, going bankrupt and laying off workers, Microsoft CEO Satya Nadella said "We saw 2 years of digital transformation in 2 months"

*https://www.microsoft.com/en-us/microsoft-365/blog/2020/04/30/2-years-digital-transformation-2-months/*

To understand the scale of the changes taken place, consider this:

Microsoft Teams now support meetings of all sizes, meetings that scale from 250 active participants, to live events for up to 100,000 attendees, to streaming broadcasts. It saw more than 200 million Microsoft Teams meeting participants in a single day, generating more than 4.1 billion meeting minutes. Teams now has more than 75 million daily active users.

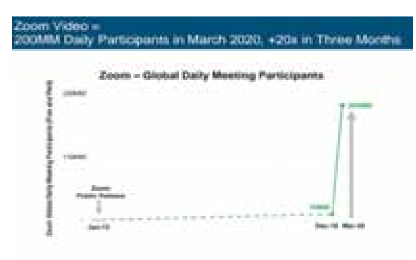
Windows 10 has more than 1B monthly active devices, up 30% YoY. Office 365 has 258m Paid seats.

LinkedIn has 690m+ Professionals, learning on the app went up 50% MoM in March. LinkedIn live streaming went up 158% MoM.

Microsoft reported little to no impact due to Covid. Operating Cash Flow for the quarter: $17.5B (up 29% YoY) Free Cash Flow: $13.7B (up 25% YoY). That's pricing power!

And it is just one tech major. Then there is Google, Amazon, and Facebook, each of which has many business units all of which helps you to work, play, socialize virtually.

To underscore the change what has happened, and how rapidly the world has adapted to the new normal, video conference service provider Zoom saw its user's grow from 10 mil to over 200 million in little fewer than 90 days. And currently it is valued more than the world's 7 largest airlines put together.




*https://www.visualcapitalist.com/zoom-boom-biggest-airlines/*

You can argue that global companies have been quickly able to adapt to

COVER STORY

the changing business realities. What about the Indian organisations which operate at scale?

The USD 147 billion Indian software & Outsourcing Industry is one of the biggest employers in India. Just the top 6 companies, TCS, Infosys, Wipro, HCL, Tech Mahindra, Cognizant employs over 1.2 million people. In the month of March when the lockdown was announced, the work force of the just the top 6 companies - 1.2 Million, equivalent to the entire population of Mauritius, were shifted to Work From Home (WFH) in a matter of days and weeks. Wipro, for example, shifted 165,000 employees to WFH between March 15 and March 25th. While such a large shift obviously required permission and the support of the clients, the Government and had to meet stringent security standards, the Indian ITeS Industry managed a miracle of sorts, overseeing the world's largest transition to work from Home.

But can it be argued that once the crisis is over things will go back to normal? I argue that we will not go back to the "Normal" pre-crisis days, because of the not so obvious second order effects and cost benefit analysis.

Future of Work is Work From Home!

The WFH move has been so successful that many companies foresee this transition as the new normal. For example TCS sees 75% of its 450,000 strong workforce, permanently working from home by 2025, in a model called 25/25.

"We don't believe that we need more than 25% of our workforce at our facilities in order to be 100% productive," TCS's chief operating officer NG Subramaniam

Former CEO of Infosys expects work from home to continue even after normalcy resumes. HCL has announced similar intentions saying 50% of its employees will work from home even after the lockdown is lifted.

*https://www.businesstoday.in/current/corporate/post-coronavirus-75-percent-of-3-5-lakh-tcs-employees-permanently-work-from-home-up-from-20-percent/story/401981.html*

While it may be difficult to envisage such an eventuality, chances are it will happen. Simply because there are substantial benefits for companies which are successfully able to transition to WFH. One of the largest components of cost of running an ITeS company is the office rent, apart from salaries and equipment. If companies are able to save the office rent, which adds up to a tidy sum, it will. Just so long as they are able to manage the security concerns of their clients.

Such a move will obviously please the management, the investors and the employees of ITeS companies, but it has got severe and ominous implication for many other sectors of the economy and companies operating within those sectors. The unintended but the secondary impact of such moves on other sectors of the economy will be significant.

Second Order Effects - Impact on Commercial real estate and the office space market.

The first impact of such a move will be felt by the commercial real estate companies and developers who build and maintain large corporate and IT parts across the major business hubs, like Bangalore, Hyderabad, Mumbai, Pune etc. Most of the corporate and IT parks and support infrastructure built around these hubs are to cater to these very large ITeS companies. If these companies are going to shift to WFH, substantially, then the companies who own and manage these large chunks of commercial and office space will have face a challenge to keep these properties occupied and to manage the rental rates.

*If you own a shopping center, you've got a bunch of tenants that dont want to pay you right now.*

*And the supply and demand for retail space may change fairly significantly.*

*The supply and demand for office space may changed significantly.*

*A lot of people have learned that they can work at home or that there's other methods of conducting their business than they might've thought from what they were doing a couple of years ago.*

*And when change happens in the world, you adjust to it.*

*- Warren Buffett*

To appreciate the impact of such a large transition to WFH on the commercial office space market consider this, according to a report - The IT/ITeS sector accounted for 41% of transacted volume in H2 2019 as compared to 31% in the previous period of all commercial office space market. Hyderabad and Chennai accounted for 51% of the space absorbed by IT/ITeS sector companies during the recently concluded period.

The IT/ITeS sector accounted for 41% of transacted volume in H2 2019 as compared to 31% in the previous period of all commercial office space market.

That is to so say, when ITeS consumes 30% - 40% real estate office space market and some of the largest companies from the sector, like TCS have explicitly stated that their goal is to transition 75% of their staff to WFH by 2025. The result of such a strategy on the commercial real estate market will not be pretty and the impact on the commercial real estate market of the country will be not insignificant.

The impact will not alone be on the developers and the real estate companies, but also on their financiers, banks, REIT funds and trusts which invest in the commercial real estate sector.

Second Order Effects - Impact on Telecom players & Internet service providers.

Our modern digital lives will not be possible without internet data packs and ubiquitous coverage by mobile companies and internet service providers. The mobile companies are able provide such coverage putting up cell towers, also called base stations, across the length and breadth of the country. The cell towers transmit signals to one another and enable us, to connect across the country.

However these towers are expensive to put up and are expensive to run, so telecom companies optimize them. That it so to say, where they expect more traffic, they put up more of these towers and where they expect less traffic they put less. That is why you may observe, villages may have very few towers as compared to cities, because the traffic expected in the village will be much less as compared to the city and also because villages are less dense.

At this point a question may occur to you…How will WFH impact telecom?

Well just like telecom companies optimize their towers between cities and villages; they also do so within cities. Putting up more towers in the congested heavily trafficked areas of the city and putting up fewer towers in the residential areas of the city, where less traffic is expected. Now such an arrangement will work perfectly as long as people leave for their office, which are in the congested office districts, to do their work. But such an arrangement will breakdown when people start working from homes.

The networks are optimized to handle heavy traffic in the office districts and light traffic from the residential districts. When large sections of the society starts working from home, the networks will have to handle large amount of traffic coming from everywhere except the commercial and office districts. The issue has covered very well by team at Ken in one of their stories.

The telecos will be faced with the challenging situation, where higher capacity dense networks built around commercial areas remain underutilized and while the lower capacity lower utilized networks built around residential areas become over utilized. Thus telecos and network operators will have to relook at their capacity utilization, building capacity where it is required and taking out capacity where it is not. As it is we have only 19 million on wire line broadband. The rebalancing exercise will come at a cost and the telcos and network operators will have to find ways to deal with their stressed balance sheet and stressed networks.

Second Order Effects - Impact on the Cloud.

Another trend which shall see an accelerated pace of adoption will be the migration to the clouds. As more and more companies adapt to WFH, workers would need to access to the systems remotely, which will inevitably lead to migration of entire processes to the cloud. From managing basic systems like, payrolls, sales & invoices, accounts to more sophisticated systems and entire processes would migrate to clouds.

This means more business for cloud companies like Amazon & MS Azure. It is also good news for integrated system solutions providers, like TCS, Infosys, Wipro, which provide custom solutions to assist clients to migrate to the cloud.

In a study Industry body, NASSCOM predicted the cloud computing market set to grow at CAGR of 30% and hit USD 7.1 billion by 2020. Gartner has predicted the cloud computing market will grow at CAGR 25%. While business maybe hit due to the on-going Covid-19 crisis, it should more than pick up once we are past the crisis.

COVER STORY

Second Order Effects - Impact on Start-ups.

The move to the cloud will also provide opportunities to start-ups to innovate around Software as a service (SAAS) products, pricing and business models, which larger players may not be able to respond in a nimble fashion.

Second Order Effects - Impact on e-Commerce.

As more people seek avoid exposure to crowds and shift to WFH due the experience of Covid, it is expected to push up online shopping. With high smart phone penetration and ubiquitous network coverage, eCommerce in the country is expected to grow to USD 200 billion by 2026.

*https://www.livemint.com/industry/retail/lockdown-impact-india-e-commerce-market-picks-pace-may-touch-rs-7-trln-by-2023-11589530943145.html*

Second Order Effects - Impact on Electronic sales (laptop/cell phones/ Printers).

As more and more companies switch to WFH format, workers would need to be equipped with basic equipment in order to work, like desktops, laptops, smart phones, wireline or wireless internet connection of sufficient bandwidth.

Second Order Effects - Impact on Fast-food, QSR, & Catering & segment.

Quick Service Restaurants (QSR) and catering companies feed millions of workers in the ITeS sector daily. These agencies serve all kinds of food, from fruit juice and tea/coffee, to variety of meals and help keep the ITeS sector ticking. However, with large companies planning to make WFH permanent, millions of workers are set to disappear from IT parks across the country, the catering companies will be challenged by the shrinking base of customers. Quick service restaurants situated around these IT Parks and the road side food vendors which grow up around these clusters may face challenging times.

Second Order Effects - Impact on premium FMCG grooming products.

One of the unintended impacts of large scale switch to WFH will be the grooming products. After all if you are not expected to regularly go out, how much will you consume personal care and grooming products like hair gels, deos, make-up materials? Companies which derive a substantial portion of their sales derived from such products may see a hit on their bottom-line. How much will be the hit will depend on how much the ITeS work force contributes to the bottom line of such companies.

Second Order Effects - Impact on ready to wear Formals and the Footwear market.

Another impact of such a large scale switch to WFH will be on the formal apparel industry. With everyday going to office cut out of the daily routine the need for large number of formal shirts, trousers and office dresses for women decreases considerably.

Similar impact will be felt on the formal footwear market. With cut down on the number of visits required to the office, you wouldn't need as many pairs of formal footwear. With less usage the existing ones will last long.

How much will be the hit will depend on how much the ITeS work force contributes to the bottom line of such companies.

Second Order Effects - Impact on Private Transport players (office picks and drop services).

There may be considerable impact on the private transportation too. Many of these companies engage private transporters for pickup and drop service of their employees. There are also start-ups operating in this space, providing transportation solutions to large companies. Such companies need to tweak their business models, value propositions or altogether pivot to new models and segments.

Second Order Effects - Impact on Consumer Durables.

The transition of the large work force to WFH over the next few years, one can anticipate an uptick in the sales of consumer durables, particularly air conditioners and air coolers as young workers used to working in air-conditioned office suddenly may have to face the discomfort of working from their homes many of which may lack amenities like the air condition. These workers will look at the first opportunity to upgrade their homes to more comfortable temperatures, thereby fuelling the sales of air conditioners and coolers.

Conclusion

While the impact of WFH will mainly be seen in the ITeS segment and the service sector we can expect certain trends in the manufacturing sector also.

In the field of manufacturing one can expect accelerated adoption of technology, automation and robotics in the production process aided by IoT, AR/VR, 3D Printing, AI, Predictive machine analytics, and cloud computing.

It is clear, if you have read this far, that stake holders (for eg REITs, Banks, Investment trusts in the case of real estate sector) and companies operating in the sectors which may be adversely affected, need to develop effective strategies to deal with the fall out of transition to WFH.

In the coming days, the impact of Covid-19 will challenge us and change us on how we work, socialize and entertain. While we may yearn to go back to the "Normal" days, chances are we have left the good old "Normal" days behind us and we will have new "Normal" days and routines overlaid by technology in the days ahead.

*(Views expressed are personal)*

# Japan A Civilisation – Way Ahead of the Rest

***Mr. Raj Kumar Srivastava***
*Deputy Chief of Mission, Embassy of India, Tokyo, Japan*

As I complete three years of my stay in Tokyo in August 2020, I thought to reflect on Japan as a country, as a civilization and as a culture. Any foreigner who lived in Japan for sometime has been invariably positively affected by the manner in which Japanese people go about their lives. When I arrived in August 2017, one of the very first books that I read was "The Japanese Mind". Three years down the line, I attempt to analyze how much of that Japanese mind I noticed in day to day life while living and working here as a diplomat.

For Japanese people, there is a special significance of silence – "Speech is silver, Silence is golden". When you see so much of noise in today's world of social media, silence seems to be a weakness, but not in Japan. Silence allows one to observe more keenly, appreciate the true nature of things, avoid confrontation, and most importantly to connect with one's inner self. I have noted the intriguing silence especially after a speech in Japan when the speaker was looking for audience to ask questions, leaving him conclude either he was too well understood or the exact opposite of it. In Japanese traditional tea ceremony or in calligraphy practice, one observes the role silence plays. At a more spiritual level, salience of silence comes from practice of Zen Buddhism in old times in Japan, in which emptying of mind is the key objective. – "To experience enlightenment is to become conscious of the Unconscious". In this context Swami Vivekanada's words are relevant, "The seeker's silence is the loudest form of prayer".

Group feeling and being thankful to the surrounding ecosystem which includes society and nature, is at display in Japan in the form of celebrating nature in all its forms and gifting and expressing gratitude to the people who are creating positive value in one's life. These traits make Japanese people grounded in reality and reduce ego-generated chaos. In spite of so many natural disasters that Japan undergoes every year in the forms of earthquakes, tsunamis, typhoons, flooding etc., the society always comes together to face them with complete humility and creates better resilience for the next time. No wonder Japan is the world leader in Disaster Management best practices and technologies. The combination of Shinto and Buddhist beliefs in Japan make its people respect whatever come their way and engage fully to find solutions. The way Japanese people have responded to Covid-19 pandemic is illustrative of this point. It is the people who make the nation look great. The social distancing norms, which became global practice due to Covid-19 seemed so normal in Japan as respecting each other's space is integral part of Japanese behavior.

Japanese cuisine and its presentation demonstrate the primacy of nature in Japanese thinking. It is said that one of the main reasons for longer human life in Japan is its very evolved stress free cuisine, which is made and presented with least amount of unnatural ingredients. Food is not only eaten in Japan, it is experienced too. The aesthetics surrounding the cuisine provides "living the moment" experience on a regular basis.

The famous Japanese way of Omotenashi (Hospitality) is another defining feature of Japanese culture where there exists a literal translation for Sanskrit phrase "Atithi Devo Bhava" in Japanese as "Okyakusama wa Kamisama", meaning the Guest is like God. Connected to this tradition is the omnipresent "Convenience" to the customers that is the main focus of Japanese service industry. The living experience in Japan for anybody is unparalleled, on the count of convenience. Many solutions that you see in day-to-day life in Japan are created anticipating the simple needs of people. On top of this, the associated selfless demeanor of the serving people in this sector specifically and otherwise in general, makes one feel living in heaven already. Again one can see in this, the Buddhist thought of "living without expectations" to reduce the cause of misery.

Importance of Consensus and Conflict-avoidance in Japan is visible all around. It is achieved with lot of hard spadework behind the scenes so that the solutions are found amicably without confrontation. Downside of such approach is the long time that it takes to arrive at a decision in Japan but by natural corollary the upside is that once a decision is taken you are pretty sure that complete due diligence has been undertaken. A connected Japanese trait is of Patience and Determination. These cultural aspects are important to understand for expanding diplomatic and business relationships with Japan.

Making quick profit without value addition is considered opportunistic and unfair in Japan and therefore the slow and steady growth is preferred over volatile ups and downs of financial markets. In my experience of promoting Indian startups in Japan, we found that the relationships are built on substance and skills and not on mere branding and presentation, which are necessary but not sufficient. The partnerships are built on mutual benefits for medium to long terms and therefore it takes time to develop mutual understanding. Those Japanese people who do not follow such methods are considered too much influenced by foreign practices.

Japan is a conservative country from the standards of developed Western or fast growing Asian economies. This is so, because of above-mentioned historically ingrained traits. In the current pandemic, the conservative investment policies of Japanese companies in good times have placed them in comparatively comfortable situation with sufficient cash reserves to face the crisis. Every past crisis has made Japan stronger, which makes me certain that Covid-19 would not become an exception either. I consider Japanese Civilization, way ahead of the rest, as it has achieved material well being without compromising human spirit.

*(Views expressed are personal)*

GLOBAL CONNECT

# Save MSME

***Mr. Shashwat Yadav***
*Co-Founder and Managing Director*

MSME is the poster child of commerce, often poorly heard and mostly poorly paid. However, it provides bulk of employment and is the backbone of our economy. If the government misses the opportunity to provide a holistic support to MSME sector, it will be the death nail of Indian economy. Saving MSME requires incentives for all M's of manufacturing namely man, machine, money, material, market and method. This article provides a Point of View on some such measures that the government should undertake.

**Man** – The manpower condition at MSMEs is unique. MSMEs are intensely labor dependent primarily because they operate in secondary or tertiary manufacturing space, where value addition requires non-standardized, manual tasks that can't be automated. Furthermore, MSMEs do not have the capital or technical workforce to automate their processes. An additional problem is that MSMEs often do not document their work processes. They rely on inherent knowledge, hand overs, or atleast limited workforce having a know-how of all the 'jugaad'. A complete exodus of migrant labor will most adversely affect this inherent knowledge base. It does not help that harvesting season will be at its peak in May, and demand for extra hands will be high in the villages.

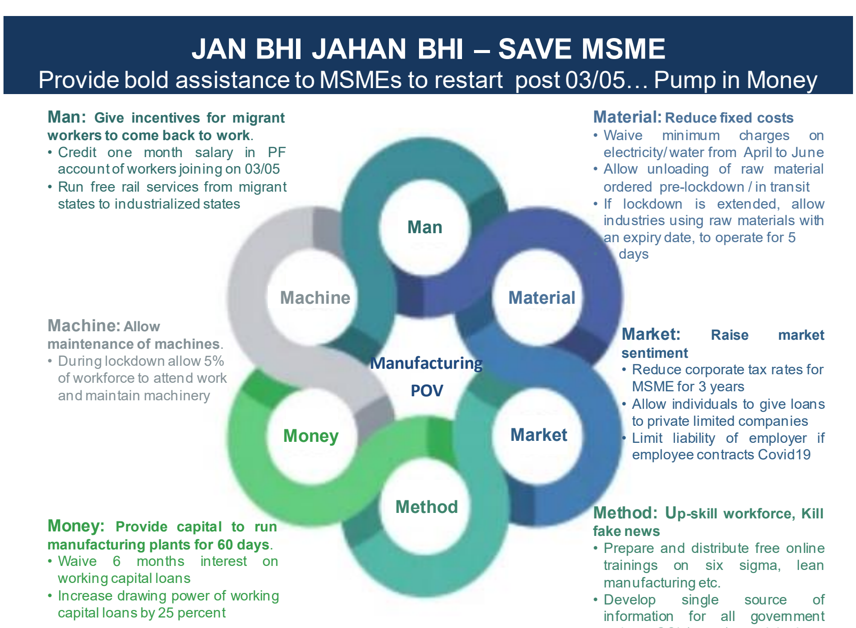
One month salary credited directly into the PF will have many benefits. The money will stay out of the hands of the employer and will bring additional workforce into the formal system. Combined with a date caveat of 03/05, it will ensure that migrant labor that has not already left for their native states will stay back. Free train services will help those who want to come back and join workforce.

**Machine** – Here again, MSMEs situation is unique. Unlike LSEs, MSMEs procure their service parts from the local wholesale market and do not have stock keeping software to maintain their storerooms with spare service parts. It might be the case that the machines are old / second-hand, and require lot more maintenance. Put simply, MSMEs are like your father's scooter, that started only by his kick, and only when it was started once a week. It's reliable, if serviced periodically and kept in a running state.

A machine cannot be kept shut for weeks on end, and expected to start suddenly. If kept idle a host of problems might take hold starting from jammed hydraulics, creaking bearings, cracking o-rings, and leaking seals. The situation is aggravated by the fact that local wholesale markets which service the MSMEs with spare parts, are located in densely populated commercial areas and are expected to be shut for a while. Furthermore many MSMEs do not require bulk quantity to order directly from original equipment manufacturers. Keeping their unique problem in mind an MSME should be allowed to idle-run (i.e. run the machine without producing) for a few hours per week. As such, an MSME should be allowed to call-in atleast 5 percent of its workforce to maintain the plant and its equipment.

**Money** – Money is the name of the game. As per current situation an MSME with a yearly revenue of Rs. 100/-, needs approximately Rs 8/- per month to run its operations (As shown in the table).

Current, government stimulus of deferral of interest payments on working capital & deferral of EMI on term loan adds to about 50 paise only (As shown in the table). So an MSME needs Rs. 8/-, and



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government stimulus gives it a meager 50 paise or just 6% of its requirement. Increasing the drawing power of the working capital will immediately release Rs. 5/- to MSME cash flow (As shown in the table) and provide more than 50 percent of its operating needs. Done across board, it will result in customers releasing payments to their suppliers and eventually gets the ball rolling.

**Material** – It looks increasingly likely that rolling lockdowns are going to be the norm. Reducing the fixed costs of an MSME should be an additional objective of the government. Industrial electrical connections often carry a minimum charge with them, dependent on capacity of the electrical connection. If the MSME is shut for April and most of May it will assist greatly to waive off these minimum charges associated with electricity and water.

Also, multiple media reports have suggested that over Rs. 35,000 crore of goods in 3.5 lakh trucks are stranded on national highways. This is Rs. 35,000 crore of billed but unused raw material. After imposing strict guidelines of not taking other passengers on-board, this stranded raw material should be allowed to reach its destination. It will provide MSMEs raw material to deal with sudden surge in post opening demand and also free-up goods carriers for post lockdown period.

**Market–** Many times in the past, market sentiment has overruled reality, eventually making the sentiment a reality. The government needs to announce a slew of positive measures, small but numerous, to raise the overall market outlook. Given that most MSMEs will not post a profit this year and will carry forward their losses, reducing corporate tax will not cost much to the government exchequer, while simultaneously raising overall market sentiment.

Previously, in its fight against black money, government had blocked individuals from providing loans to private limited. However, given that MSMEs will now require immediate funds, formal financial systems take time to disburse, and MSMEs often do not have access to other formal instruments to raise money; an MSME will end up borrowing from individuals, legal or not. If the borrowing remains illegal, the money coming in will be borrowed in cash, and in turn will force MSMEs to drive their operational expenses to cash, driving an entire percentage of economy underground. This will undermine the original intent of this measure.

Government should further reduce the liability of the employer in case an employee contracts Covid-19. Given that 68% of all cases are asymptomatic, it is extremely hard for the employer to detect Covid-19. Creating harsh penalties develops a sense of fear and opens the door to future harassment of MSMEs which will further inhibit productivity.

**Method–** The information channel regarding MSME functioning during rolling lockdowns needs to be streamlined. Government needs to develop a website where all orders belonging to Government of India, state governments, municipals, district administration etc. are uploaded. It should act as a single source of truth. The answer to whether an MSME should be functioning or not, should be as simple as putting an address on a portal and receiving an automated response.

Also, this is probably the single longest length of time when everyone is at home and government has everyone's attention. If aptly utilized the government can up-skill the entire national workforce by creating a website with free tutorials in various languages. These tutorials can range from, manufacturing principles such as six-sigma and lean manufacturing to prevention measures against Covid. It would do well to prepare the nation for new challenges ahead.

***About the Author:***

Shashwat Yadav is the Co-Founder and Managing Director. He holds a Master in Business Administration (MBA) from the Kellogg School of Management in Finance and Marketing; and has earned a Bachelor's degree in Electrical Engineering from Georgia Institute of Technology.

*(Views expressed are personal)*

| Requirement to run an MSME for one month = Rs. 8/- | |
|---|---|
| Lets say yearly revenue is = | 100.00 |
| Then, monthly revenue is 100/12 = | 8.33 |
| If profit percent (PBT) is 5%, then cost of operations is 95% of 8.33 = | 7.92 |
| | |
| However, stimulus given by the government = 50 paise | |
| **A) Deferral of Interest Payment of Working Capital** | |
| Usually an MSME receives 15-20% of its revenue in WC loans | |
| Amount of WC loan | 20.00 |
| Say, yearly interest is 9 percent, then interest amount is 9% x 20 = | 1.80 |
| Monthly interest amount is 1.80 / 12 = | 0.15 |
| **B) Deferral of EMI of TL** | |
| Now lets say Asset Turnover Ratio is 3x then expected value of MSME assets is | 33.33 |
| Then, expected term loan is 80% of assets = | 26.67 |
| Given a 7 year payback period, monthly EMI is 26.67 / 84 months | 0.32 |
| Total Govt. Relief announced is A + B = | 0.47 |
| | |
| **However, increasing DP by 25% will add** | **5.00** |

# E-Contracts in the times of Covid-19 – A move towards Digital India

**_Mrs. Jaya Sharma_**
*Founder, Jaya Sharma & Associates*

**BACKGROUND:**

The Indian Contract Act, 1872 ***("the Act"),*** is one of the oldest mercantile laws of our country. The Act was passed by British India, was based on the principles of English common law. It came into effect on September 01, 1872, and it applies to the whole of India except Jammu and Kashmir. However, on August 05, 2019 Article 370 was revoked and hence "all provisions of this Constitution, as amended from time to time, without any modifications or exceptions, shall apply to the State of Jammu and Kashmir." Thus, from August 06, 2019, the Act applies to the whole of India. It is one of the principal acts governing all the contractual relations not only in the business world but also from day to day life.

According to section 2 (h) of the Act, 'An agreement enforceable by law is a contract.'

The agreement is a broader term than contract wherein all contracts are agreements, but all agreements are not contracts. Thus, agreements which satisfy the conditions mentioned in Section 10 of the Act become contracts. Some of the essential requirements are as follows:-

1. Agreement
2. Free consent of parties
3. Offer or proposal & its acceptance
4. Lawful object
5. Consideration should be legal in nature
6. Not expressly declared as a void contract
7. Intention to create a legal relationship

The Hon'ble Supreme Court in the case of **Trimex International v. Vedanta Aluminium Limited, India, 2010 (1) SCALE 574** has held that even without there being the execution of a formal contract, the electronic communications if satisfying the requirements of Indian Contract Act, constitute a legally enforceable agreement.

**E-Contracts: A move ahead from traditional contracts:**

In India, usage of the internet has grown in an expeditious manner which has given many opportunities for businesses to enhance their business and create a new kind of trade called e-commerce. With a high level of internet penetration worldwide and the rise of internet user's e-commerce is booming. E-commerce brought about a new form of contracting in an electronic world called electronic contract or simply e-contract or on-line contracts.

E- contracts can be defined as any kind of contract formed in the course of e-commerce by the interaction of two or more individuals using electronic means, such as e-mail, the communication of an individual with an electronic agent, such as a computer program, or the interaction of at least two electronic agents that are programmed to recognise the existence of a contract.

The two main parties to an e-contract are- The Originator and the Addressee as per the Information Technology Act, 2008 ***('the IT Act').***

**An Originator** is a person who sends, generates, stores or transmits any electronic message to be addressed, generated, stored or transferred to any other person and does not include an Intermediary.



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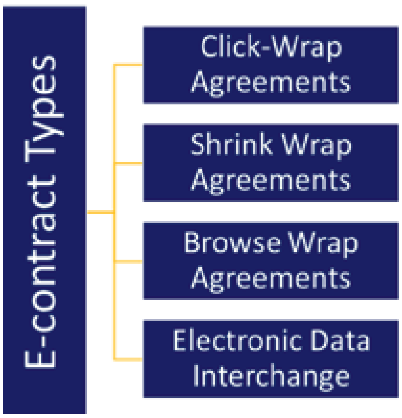
**An Addressee** is a person who is intended by the originator to receive the electronic record but does not include any Intermediary.

**Types of E-Contracts:**

All pre-requisites required in forming physical contract same shall apply in e-contracts. So, there are the following forms of E-contracts: -




1. **Click Wrap Agreements:**

   These agreements generally come on the screen while surfing the internet Such as "I AGREE" or "I DISAGREE" to the conditions.it is mostly found in software packages as a part of their process. These agreements are also known as click-through agreement or clickwrap license.

2. **Shrinkwrap Agreements:**

   These are the licensed agreements by which user can read & accept the terms and conditions written over the product after opening it. These are the agreements that generally contains the CD Rom of software. The terms and conditions are printed on the cover of CD Rom.

3. **Browse Wrap Agreements:**

   Browse-wrap contracts mostly contain terms and conditions hyperlink on the web page that proposes to sell goods or services. According to these terms, using the site to buy the goods or services is required to give the acceptance of the conditions laid within. We usually saw such kinds of on-line contracts in our day to day life.

4. **Electronic Data Inter-change:**

   Electronic Data Interchange is the mechanism where data or information can be transferred from one computer to another in such a way that the data is processed virtually. Here the contract is completed between two computers.

**INFORMATION TECHNOLOGY ACT 2000:**

The Information Technology Act 2000 provides the legislation around e-commerce, electronic contracts and e-signatures for India. It also defines certain acts of cybercrime and outlines penalties. IT Act officially recognise electronic records and digital signatures (e-signatures) for e-commerce business.

**Insertion of Section 10A in the Information Technology Act, 2000**

In the year 2008, the IT Act was amended, and Section 10A was inserted to provide the legality & enforceability to electronic contracts in India. This amendment reflects section 11 of the UNCTRAL Model Law on Electronic Commerce 1996.

Section 10A of the Information Technology Act gives special recognition to all e-contracts. All communications electronically made leading to the formation of a contract gains special recognition under the Information Technology Act.

In India, MCA-21 programme launched by the Ministry of Corporate Affairs (MCA) revolutionised the use of digital signature by making E-filing mandatory for most of the documents required to be filed under the Companies Act 1956/2013 and under the Limited Liability Partnership Act 2008 (LLP Act). Further, the same was followed by various departments.

According to the Information Technology Act, 2000, digital signatures mean authentication of any electronic record by a subscriber by means of an electronic method or procedure in accordance with the provisions of section 3. Further, the IT Act deals with digital signatures under Sections 2, 3, and 15.

Further, section 47A has been inserted under Indian Evidence Act, 1872 to provide that when the Court has to form an opinion as to the electronic signature of any person, the opinion of the Certifying Authority which has issued the electronic Signature Certificate is a relevant fact.

**INDIAN EVIDENCE ACT, 1872:**

The definition of 'evidence' was amended to include electronic records. The definition of documentary evidence' has been amended to include all documents, including electronic records produced for inspection by the Court.

Section 3 of the Indian Evidence Act, 1872 ***('the Evidence Act')*** defines evidence as under:

"Evidence" means and includes:-

1. all statements which the Court permits or requires to be made before it by witnesses, in relation to matters of fact under inquiry; such statements are called oral evidence;

2. all documents, including electronic records produced

for the inspection of the Court. Such documents are called documentary evidence.

The evidentiary value of e-contracts can be well understood in light of the following sections of the Evidence Act:

1. Sections 85A, 85B, 88A, 90A and 85C deals with the presumptions as to electronic records.

2. The courts in India recognise electronic documents under Section 65-A of Indian Evidence Act, 1872.

3. Section 65-B talks about the admissibility of electronic records. It says that any information contained in an electronic record which is printed on a paper or stored/recorded/copied on optical/magnetic media produced by a computer shall be deemed to be a document and is admissible as evidence in any proceeding without further proof of the original, in case the following conditions are satisfied.

    - It is required that the document or e-mail sought to be produced from a computer, was used regularly to store or process information by a person having lawful control over the use of the computer at the time of producing it;

    - In case a combination of computers, different computers or different combinations of computers are used over that period, the document or the e-mail was stored or received during the ordinary course of activities; the information was fed into the system on a regular basis;

    - the output computer was in a proper operating condition and has not affected the accuracy of the data entered.

The High Court of Delhi in the case of **Societe Des Products Nestle S.A and Anr Vs Essar Industries and Ors** has legally recognised and laid the foundation for the immediate introduction of Section 65A and 65B in the Evidence Act. This relates to the admissibility of the computer-generated evidence in a practical way to eliminate the challenges to electronic evidence. As per section 65A of the said Act, the contents of the electronic records can be easily proved by parties following section 65B of the Evidence Act.

Further, in the case of **State of Delhi v/s Mohd. Afzal and Others** the Court held and stated that "Electronic records are admissible as evidence."

UNCITRAL Model & Use of Digital Signature Certificate in E-contracts:

The United Nations General Assembly dated January 30, 1997, Chapter III and specifically Article 11 sets about the formation and validity of E-contract which states that in the context of the contract formation unless otherwise agreed by the parties, on offer and the acceptance of an offer may be expressed through data message.

The United Nations Commission on International Trade Law recognised that soon growth of e-commerce contracts could be validly concluded over the internet. The steps taken by the UNCITRAL had to ensure that users of E-Commerce should be able to sign the contracts to ensure their enforceability electronically.

Definition of Digital Signature is defined under section 2(1)(P) of the IT Act, which means the subscriber can authenticate any electronic record through electronic mode or procedure following provisions of section 3.

The digital signature takes away the concept of the traditional paper-based signing of the document. By using Digital Signature ensures the authenticity of the signer as well as document.

The Digital signature certificate (DSC) is required to sign the contract digitally even parties are present in two different territories. The subscriber can authenticate the record by affixing DSC. The authentication of e-records affected by asymmetric cryptosystem and hash function. Through the use of DSC, a contract can be executed in very less time without making any physical efforts as it saves travelling costs.

So after affixing the digital signature, it protects against any forgery and tampering in the document. As it also globally recognised where many organisations use for data integrity, accountability of such documents.

**JURISDICTION AND PLACE OF EXECUTION OF A CONTRACT:**

Jurisdiction also plays a vital role in executing a contract, and it refers to the boundary whose legislation applies in the event of any dispute or breach of contractual terms.

The Code of Civil Procedure, 1908 ("CPC") prescribes the manner of determining the jurisdiction of civil courts in India, based on two fundamental principles the place of residence of the defendant; and the place where the cause of action arises. Section 13 of the IT Act governs the provisions relating to time and place of dispatch and receipt of an electronic record. It addresses the issue of deemed jurisdiction in electronic contracts, as under:

"1. *Save as otherwise agreed to between the originator and the addressee, the dispatch of an electronic record occurs when it enters a computer resource outside the control of the originator.*

2. *Save as otherwise agreed between the originator and the addressee, the time of receipt of an electronic record shall be determined as follows, namely:*

   a. *if the addressee has designated a computer resource for the purpose of receiving electronic records,*

      i. *receipt occurs at the time when the electronic record enters the designated computer resource; or*

      ii. *if the electronic record is sent to a computer resource of the addressee that is not the designated computer resource, receipt occurs at the time when the electronic record is retrieved by the addressee;*

   b. *if the addressee has not designated a computer resource along with specified timings, if any, receipt occurs when the electronic record enters the computer resource of the addressee.*

3. *Save as otherwise agreed to between the originator and the addressee, an electronic record is deemed to be dispatched at the place where the originator has his place of business, and is deemed to be received at the place where the addressee has his place of business.*

4. *The provisions of subsection (2) shall apply notwithstanding that the place where the computer resource is located may be different from the place where the electronic record is deemed to have been received under subsection (3).*

5. *For the purposes of this section:*

   a. *if the originator or the addressee has more than one place of business, the principal place of business, shall be the place of business;*

   b. *if the originator or the addressee does not have a place of business, his usual place of residence shall be deemed to be the place of business;*

   c. *"usual place of residence", in relation to a body corporate, means the place where it is registered."*

E-Contract can give rise to issues of jurisdiction while pursuing any matter related to e-contracts. **In Casio India Co. Ltd. vs Ashita Tele Services Pvt. Ltd. [2003 27PTC 265 Delhi],** the Delhi High Court held that once the website is accessed from Delhi, it is enough to invoke the territorial jurisdiction of Delhi.

The landmark judgment of **PR Transport Agency vs. Union of India & others AIR 2006 All23** is also to be remembered in the end to complete our understanding of the jurisdictional issues involved in the e-contracts. The party sent the letter of acceptance through electronic mail. Later, another e-mail was sent to cancel the e-auction in favour of the petitioner "due to some technical and unavoidable reasons". This communication was duly challenged before the Hon'ble Allahabad High Court.

The defence taken was evident as it was taken on the jurisdiction of the Court. Since the transaction happened on-line, the respondents claimed that the cause of action did not arise in the territorial limits of the Court (UP).

But, the Court rejected the argument of the respondent. The simple logic was the place of business of the petitioner being in UP itself (Varanasi / Chandauli,) U/S 13 (3) of the IT Act, 2000. The acceptance of the tender by e-mail was deemed to have been received by the petitioner at Varanasi / Chandauli. Thus the Court, even in the absence of any long-arm statute, assumed the jurisdiction over the dispute.

This shows that the place of contract in an e-contract is significant to determine jurisdiction. Section 13 of The Information technology shall be applicable under which the place where the cause of action arose would be deemed to be where the originator has his place of business and where the addressee has his place of business. That place is considered to be where the originator has his place of business and where the addressee has his place of business.

**STAMPING OF E-CONTRACTS:**

With the emergence of technology in the dynamic environment the contracts are executed electronically. In India mainly stamp duty is levied under Indian stamp act, 1899 as well as many states have their own stamp act like Maharashtra stamp act 1958.

The act doesn't contain any specific provision that basically deals with e-records and stamp duty payable on it. Further, as per act Every instrument under which rights are created or transferred needs to be stamped under the specific stamp duty legislation.

As we all know e-agreements is necessary required to be stamped as per their respective state stamp act. Section 17 of Stamp Act states that all instruments chargeable with duty and executed by any person in India shall be stamped before or at the time of execution.

As regards the manner of stamping, same can be done in three ways.

1. E-stamping: In e-stamping both the parties can digitally signed the documents and get stamped electronically without any delay.

2. Franking: Some states provide facility to stamp documents by way of franking, in this manner document may be printed and stamped before the parties have affixed their signatures.

3. Physical stamping: One of the conventional method to get documents stamped, an e-agreement can also be physically stamped with adhesive/impressed stamps if e-stamping or franking is not available.

**IMPACT OF COVID-19 ON CONTRACTS:**

Although e-contracts are well recognised in India various laws also governing them but with this unprecedented crisis occurred in India and worldwide it will pave the way for E-contracts in near future that pushes towards digitalisation like on-line classes, meetings in companies, e-commerce activity can be done through digital mode.

Although to restrict social gathering and maintain social distancing now it will necessarily require to execute contract electronically, which will boost digitalisation.

In the current scenario of safe distancing when one is reluctant to meet another, it would be convenient and wise to use special software along with digital signatures to sign and execute documents at the convenience of being at one's home.

**Conclusion:**

Based on the several judgments, the concept of e-contracts is a well settled law in India. However, the current scenario of Covid-19 will spur the usage of e-contracts. Just like every cloud has a silver lining, the current pandemic scenario would lead to greater espousal of e-contracts leading to greater adaptability towards Digital India.

However, at the time of execution of the e-contracts the parties must carefully consider the jurisdiction, e-stamping and related issues and then take a well informed decision.

**Source:**

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*(Views expressed are personal)*

**Ashish Vaid**
**President**

IMC
Chamber of Commerce and Industry

**May 7, 2020**

**Honourable Shri Narendra Modi ji**
**Prime Minister of India**
South Block, Raisina Hill
New Delhi-110011

**Respected Prime Minister Shri Narendra Modi ji,**

We present compliments from IMC Chamber of Commerce and Industry.

As the nation prepares to gradually resume economic activities, it looks upon your visionary leadership to fuel the economy with bold and innovative measures, much in the same way you transformed Gujarat into a vibrant economy as its Chief Minister.

For India, the pandemic presents an unique opportunity. Global manufacturing companies are looking to shift their base from China. Many of them are exploring possibilities of moving part of their supply chain from China to India and other South East Asian countries as they seek to diverse their operations following the experience of major disruption due to the Covid outbreak.

We are confident that your government must be working on policies to attract such foreign companies to India.

We enclose herewith some recommendations that we have put together of measures that we believe would help the government in formulating the policies to attract multinationals to establish their operations in India.

We are grateful for your kind attention.

With warm regards,

**Ashish Vaid**
*President*
*IMC Chamber of Commerce and Industry*

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**May 07, 2020**

**Shri Prakash Javadekar ji**
Hon'ble Union Minister of State of Environment, Forests & Climate Change
Indira Paryavaran Bhawan
Jor Bagh Road, New Delhi-110003

**Respected Minister,**

**Sub: Suggestions for consideration – Draft notification of March 23, 2020.**

We extend warm greetings from IMC Chamber of Commerce and Industry.

With reference to the draft notification dated March 23, 2020 of the Ministry of Environment, Forest and Climate Change published vide Gazette no 1071, New Delhi, we have following suggestions on behalf of our members that we request could be considered for incorporation in proposed draft notification:

- In view of Prior Environmental Clearance (EC) requirement for various industrial projects being set up in Industrial zones/SEZ/Industrial Parks , the time-limit for development of land acquired ( as in case of MIDC) for industrial development /setting up of project /building completion must be extended from date of obtained environment clearance (EC) from concerned department rather than from the date of lease agreement.
- In case of modernisation/expansion - running industries/companies operating under Zero liquid discharge consent from Pollution Control board should be given automatic Environmental Clearance (EC) approval and they should not be required to take additional approvals as they are already a Zero liquid discharge unit.
- In case of running industries/companies operating under Zero liquid discharge consent from respective Pollution Control Board -addition of new products range to its existing product portfolio should get automatic Environment clearance (EC) approval / get exemption from EC subject to getting consent to establish from the SPCB.

We will be grateful if the above suggestions are incorporated in the final notification.

With kind regards,

**Ashish Vaid**
*President*
*IMC Chamber of Commerce and Industry*

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**Ashish Vaid**
**President**

IMC
Chamber of Commerce and Industry

**May 31, 2020**

**Smt. Nirmala ji Sitharaman**
Hon'ble Union Minister for Corporate Affairs & Finance
Ministry of Corporate Affairs
Room No. 436, C Wing,
Shashtri Bhavan,
Rajendra Prasad Road,
New Delhi 110001

**Respected Madam,**

**Subject: Request for Extension of last date for filing of Form AOC-4 (Financial Statement) and Form MGT-7(Annual Return) by Companies for the Financial year ended on 31.12.2019 and 31.03.2020.**

We extend warm greetings.

We have received numerous requisitions from our members to request the Hon'ble Minister to kindly look into considering extension of the last date for filling of Form AOC-4 (Financial Statement) and Form MGT-7(Annual Return) by Companies for the Financial year ended on 31.12.2019 and 31.03.2020.

Pursuant to Section 137 of the Companies Act, 2013, every Company is required to file Financial Statement in Form AOC-4 with the Registrar within thirty days of the date of Annual General Meeting and pursuant to Section 92 of the Companies Act, 2013, every Company is required to file Annual Return in Form MGT-7 with Registrar within sixty days from the date of Annual General Meeting.

However, due to the continuing lockdown, the companies may not be able to file the above forms within stipulated time period.

Further, in the background of the due date for Income Tax Return for Financial Year ended on 31.03.2020 has been extended to 30.11.2020, we would request the Ministry of Corporate Affairs to extend the due date of filing of Form AOC-4 (Financial Statement) and Form MGT-7 (Annual Return)the forms to 31.12.2020.

With kind regards,

**Ashish Vaid**
*President - IMC*

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**June 4, 2020**

**Shri Shaktikanta Das**
Governor, Reserve Bank of India
Central Office Building, Shahid Bhaget Singh Marg, Fort, Mumbai 400001

**Dear Sir,**

**Suggestions from traders across Maharashtra**

We extend warm greetings.

The following are some of the concerns and suggestions that came up during an online interaction with traders which was organised jointly by IMC Chamber of Commerce and Industry (IMC) and Federation of Associations of Maharashtra (FAM). Together, IMC and FAM represent more than 1 million traders across Maharashtra through affiliated associations, apart from 400,000 MSMEs.

- The validity of the cheque instruments should be extended from the current 3 months to 6 months, in view of the extended lockdown conditions the traders have not been able to open their premises and cheques lying at the premises have lost their validity due to the expiry of date and nor are they in a position to collect fresh cheques. In such financially challenging times, it would be difficult to get fresh cheques issued.
- Banks are wary of lending to Traders Collateral free Working Capital loans even up to a sum of to 25 to 50 lakhs. Banks should trust Traders and collateral free loans should be expeditiously be made available to traders for their cash flow requirement and there should be a separate mechanism to ensure that the banks lend to the traders.
- Despite repo rates being reduced and several others liquidity measures introduced by the RBI, the benefits of these have not accrued to the traders because banks are still not lending to them nor passing on any benefits. The transmission of lower rates, affected through the reduction in repo rate, should be implemented expeditiously. A liberalized scheme to provide them with easy loans against stock, receivables, bills of exchange, needs to be speedily implemented to prevent loss of livelihoods and jobs.

We request you to kindly consider implementing above suggestions of traders who feel that they are being neglected although they are a very critical link to the well being of the economy.

With warm regards,

**Ashish Vaid**
*President*
*IMC Chamber of Commerce and Industry*

**Vinesh Mehta**
*President*
*Federation of Associations of Maharashtra*

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**Ashish Vaid**
**President**

IMC
Chamber of Commerce and Industry

**June 4, 2020**

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

**Respected Madam,**

**Suggestions from traders across Maharashtra**

We extend warm greetings.

The following are some of the concerns and suggestions that came up during an online interaction with traders which was organised jointly by IMC Chamber of Commerce and Industry (IMC) and Federation of Associations of Maharashtra (FAM). Together, IMC and FAM represent more than 1 million traders across Maharashtra through affiliated associations, apart from 400,000 MSMEs.

1. Traders from all sectors, including transporters, strongly recommended that they should be classified as MSMEs as they too are vital components of supply chain and an integral part of the eco system. In these times of unprecedented crisis, while large corporates and MSMEs have received some relief measures from the government, the traders are largely ignored. They are not eligible for collateral free loans nor can they avail loans under MUDRA scheme. A liberalized scheme to provide them with easy collateral free loans up to 50 Lakhs against stock, receivables, bills of exchange, can be expeditiously implemented.

2. In absence of any handholding in terms of collateral and interest free or lower and viable interest rate loans, a large number of traders are under financial stress that could lead to massive unemployment and loss of livelihood as they give employment to a large number of workers. The government of India should consider some kind of relief package to traders.

3. The value of exports undertaken by MSMEs should be excluded from the total turnover, while judging the MSMEs under the new definition. This would add to the growth momentum of the industry.

4. Upon the removal of DDT, the maximum rate of income tax, which is pegged at 25.17% for corporates should be made applicable for the traders also instead of about 30% currently applicable to them. This will ensure a level playing field for the traders and enable internal accruals for deployment for growth.

5. Auto component manufacturers and traders contribute significantly to the supply chains of the auto industry which is facing a massive crisis because of the slump in demand. In order to generate demand, the government should consider reducing GST rate to 12% from current one of the highest rates of 28% up to June 2021. A similar reduction in excise duty during the 2008 global financial crisis had shown positive result in generating overall demand.

6. Special IRDA insurance cover for Yarn manufacturers in cluster like Bhiwandi and Malegaon should be considered. Likewise ECGC should extend liberalized cover for export / exporters.

7. Fling of GST returns should be extended from June 30 to July 31, 2020 as there is still uncertainty over lifting of nation wide lockdown and zone wise relaxation being considered.

8. All direct and indirect tax related filing, compliances etc. be given a blanket extension till Oct 2020.

9. Refund due against IT and GST outstanding should be made immediately.

We request you to kindly consider implementing above suggestions of traders who feel that they are being neglected and marginalised although they are a very critical link in the value chain and the wellbeing of the economy.

With warm regards,

**Ashish Vaid**
*President*
*IMC Chamber of Commerce and Industry*

**Vinesh Mehta**
*President*
*Federation of Associations of Maharashtra*

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IMC
Chamber of Commerce and Industry

**Ashish Vaid**
**President**

IMC
Chamber of Commerce and Industry

**June 4, 2020**

**Shri Uddhav Thackeray**
Hon'ble Chief Minister of Maharashtra
Government of Maharashtra
Mantralaya, 6th Floor
Mumbai 400 032

**Respected Chief Minister Shri Uddhav Thackeray ji,**

**Suggestions from traders across Maharashtra**

We extend warm greetings.

The following are some of the concerns and suggestions that came up during an online interaction with traders which was organised jointly by IMC Chamber of Commerce and Industry (IMC) and Federation of Associations of Maharashtra (FAM). Together, IMC and FAM represent more than 1 million traders across Maharashtra through affiliated associations, apart from 400,000 MSMEs.

1. APMC traders have to pay 1%market cess. This needs to be done away with. This is in addition to 5% GST (on an average) they have to pay, though at times the GST on food grains charged is as high as 12% and is susceptible to double taxation when dealing in two different APMC. It is suggested the rate be brought down uniformly to 5% and all GST should be deferred for one year. The state finance minister should put this up to GST council with strong recommendation to implement it.

2. Bhiwandi and Malegaon are the main clusters for yarn manufacturing and weaving. To help them on their various issues a Single Window Clearance system should be started. State government should help in upgrading skills of the local labor considering the migrant issue griping the state.

3. The transportation of both essential and non-essential goods, including plying of empty trucks, is allowed under the new guidelines. However, at the ground level, transporters are facing problems from local police who are stopping them. This is affecting the supply of goods to the industry. This results in a chain reaction of disruption in supply chain as well as delayed payments which the sector can ill afford. The state government should issue clear instructions to all ground level agencies implementing the guidelines.

4. The State government should also grant permission to operate godowns, so that necessary raw materials like steel and metal could be transported to the manufacturing units. This should not be any problem as godowns are located in remote places and don't need many staff to operate it. This allowance will ensure smooth operation of supply chain.

5. The State government should set up fast track courts to settle trade disputes arising in the current Covid period.

6. Labor law changes are required to spur growth in the post Covid period.

7. Special efforts are made for a coordinated effort by BMC and police with regard to the restarting of business. Conflicting guidelines makes it difficult for the units to operate. Thus BMC notification form should be made simpler.

8. Government should open up the Red zone, with the units giving assurance to adhere to all compliances requirements.

9. Traders in general felt rationalization of GST rates and a selective reduction in GST rates and removing of the 28% slab will help revive up demand. A similar reduction in excise and VAT had showed positive result in the past in reviving the economy.

10. Confidence building measures for traders in all sectors through frequent dialogues with them.

We request the government of Maharashtra to kindly consider implementing above suggestions of traders who feel that they are being neglected although they are a very critical link to the well being of the economy.

With warm regards,

**Ashish Vaid**
*President*
*IMC Chamber of Commerce and Industry*

**Vinesh Mehta**
*President*
*Federation of Associations of Maharashtra*

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**June 23, 2020**

IMC
Chamber of Commerce and Industry

**The Secretary**
Ministry of Finance, Department of Financial Services
Jeevan Deep Building, 3rd Floor, Sansad Marg
New Delhi 110001

**Dear Sir/Madam,**

**Sub:-Decriminalization of Minor offences for improving business sentiment and unclogging court processes – 138 of Negotiable Instruments Act 1881**

We extend greetings from IMC Chamber of Commerce and Industry.

We refer to the Finance Ministry's Circular dated 08/06/2020 regarding proposal to decriminalize the offence punishable under Sec.138 under Negotiable Instrument Act. The Chamber has received numerous communications from our members and affiliated trade and industry associations, all of which are unanimous about their concern over the proposal to decriminalize of several economic offences including the offence of dishonouring of cheques and have asked to make a representation to appeal to the Ministry against considering such a proposal.

The criminalization of writing cheques without sufficient balance was introduced in India in 1988. It was an addition to a much older British law called the Negotiable Instruments Act, 1881. The reason for the amendment was the endemic problem of cheques being dishonoured. This amendment was based on the report of the committee on banking laws by Dr. Rajamannar, submitted in 1975, which suggested, inter alia, penalizing the issuance of cheque without sufficient funds.

The IMC submits the following points for consideration of your good office:

1. The statement of reason to the circular dated 8th June, 2020 issued by DFS, rightly observed that the decriminalisation of minor offences are expected to go a long way in improving the ease of doing business and helping unclog the court system and prisons. Whereas the intent is laudable, but given the realities on the ground, doing away the provision regarding Sec. 138 of the Negotiable Instruments Act, 1881, will be entirely counter-productive. India has one of the lowest ranking in the world for enforcement of contract, and doing away with the criminality in Sec. 138 N.I. Act which offence is against the private individual the prosecutor being a private individual, unlike other offences mentioned in the proposal which are all mostly compliance related matters, prosecution being the state, thus causing no burden on the prosecutorial arm of the government, will cause more harm than good. Decriminalising the offence under Sec. 138 N.I. Act will act against the intent of the statement of reason of ease of doing business, as it would lead to further deterioration in enforcement of contract, especially in terms of honouring acknowledged debt and liability. Small and medium enterprises, apart from NBFCs will be the worst sufferers and the market place will be relegated to cash and carry transactions, with cheques losing their value as a means to secure transaction.
2. At the offset, the offence under Sec.138 of NI Act is a vital offence impacting the integrity of transactions in economic marketplace, as weak enforcement of commercial transaction between two parties commutatively and systemically harms the integrity of the trade system. There is mala fide intent on the part of the drawer of the cheque who dishonours the cheque issued in a commercial transaction. The original object, intent and purpose of imparting criminality to the wilful breach of provisions of Sec.138 of NI Act to promote efficacy and integrity of commercial transactions have not lost its meaning as no corresponding laws or provisions have been brought into force to ensure equally efficacious methods of enforcement of legal rights to enforce a valid debt under an instrument.
3. It is pertinent to note the object of introducing Sec. 138 of N.I. Act into statute books by B**anking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988** which reads as under:

   **"(xi) to enhance the acceptability of cheques in settlement of liabilities by making the drawer liable for penalties in case of bouncing of cheques due to insufficiency of funds in the accounts or for the reason that it exceeds the arrangements made by the drawer, with adequate safeguards to prevent harassment of honest drawers."**

   If the said provision is decriminalised, it would largely defeat the object of enhancing the acceptability of cheques in settlement of liabilities and consequently adversely affect the credit system in the country as cash settlement will become the order of the day since the recovery mechanism through civil remedy will take a longer time.
4. With the commercial globalisation of Indian Economy, there was a rapid increase in trade and commerce and a thrust was needed to create confidence in the Industry with regard to banking operations. With the increase in trade and commerce, the use of cheques has also increased and so also the dishonour of the cheques. To promote efficacy of banking operations and to ensure credibility in business transactions through cheques, Sec.138 of NI Act was introduced making the dishonour of cheque a criminal offence.
5. The object of Sections 138 to 142 of NI Act is to punish unscrupulous drawers of cheque, who though issue a cheque towards payment/ discharge of their liability, have no real intention of making payment or discharge their liability. The provisions of Sections 138-142 of NI Act were specifically introduced to impose the criminal liability on such unscrupulous drawers of cheque, who have dishonest and mala fide intention of avoiding their legal liability, after issuing a cheque purporting towards the payment or discharge of the liability.
6. However, with a view to avoid unnecessary and unwarranted prosecution of honest drawer of the cheque and with a view to afford an opportunity to an honest drawer of the cheque to make amends, the prosecution under Sec.138 of N.I. Act has been made subject to conditions, like issue of statutory notice, opportunity to pay the amount within a time frame etc. The statute also provides for safeguards to protect honest drawers of such cheques, where the dishonour may take place for reasons other than arising out of dishonest intention. The statue also envisaged a notice on the drawer of the instrument calling upon him to make the payment covered by the cheque and permits prosecution only after the expiry of the statutory period mentioned in the statute.
7. The Act while providing deterrence of criminal prosecution to ensure that the mala fide act of the parties do not go unpunished, has also provided protection or opportunity to honest drawers of the cheque and therefore strikes a good balance between punishment and protection. The amendment to the NI Act imposing criminal liability has brought a lot of confidence in the traders and industry, where crores of rupees are disbursed on the issuance of cheques. Incidentally, it may be noted that a similar provision in Sec. 25 of the Payment and Settlement Systems Act, 2007 has not been sought to be decriminalised.
8. As per the 213th report of the law commission, 20 per cent of the litigation pending in the court relates to dishonour of cheques which is an indication of the Magnitude of the trade and commerce that is done on the strength of cheques. It also indicates the relevance and importance of cheques and its dishonour in the Indian Economy.
9. Decriminalization of Section 138 of the NI Act, would lead to surge in contract enforcement disputes, which would clog the civil courts thereby shifting the nature of the legal battle from 'criminal' to 'civil' defeating and acting against the prime objective of ease of doing business and unclogging the court system.

**Ashish Vaid**
**President**

IMC
Chamber of Commerce and Industry

10. While there is a need to address the expeditious prosecution/disposal of the cases like referring the cases to mediation or Lok Adalat before commencement of trial and creating a separate tribunals for trying such cases, the decriminalisation of the offences punishable under Section 138 NI Act may take the lid out of the same and will embolden the unscrupulous drawers of the cheque, adversely affecting the trade relations and Economy.

11. The prosecution for the cheque dishonour is an important source of collection mechanism for Finance industry and if the same is decriminalised, it would increase the stress on already battered industry besides increasing the operating cost notwithstanding the delay in disposal of Section 138 cases.

12. The answer perhaps lies in putting in place more efficient case management system for dealing with cases under Negotiable Instrument Acts and systems can be evolved to carry out most of the case flow through online summary systems, with those opting for trail having to bear severe costs and consequences for abusing the process of court if it is found the same is done with mala fide intent. This will speed up the case disposal and lessen the burden on judiciary. In fact, a small fraction of successful claim can go to a court system argumentation fund to keep on improving the system.

While we welcome the steps taken by the Government of India in creating atmosphere for ease of doing business, we also request the Government to reconsider the proposal of decriminalisation of offence under Sec.138 of NI Act as it may impact the efficacy of banking transactions and may instil a sense of fear and insecurity in the traders and business community who use to transact on the strength of cheques. As the industry is always willing to collaborate and work along with the Government in finding ways to reduce the litigation, the decriminalisation of offence of Sec. 138 of NI Act may not be a step in a right direction.

We, therefore, earnestly request you to consider our request.

With kind regards,

**Ashish Vaid**
*President - IMC*

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**June 25, 2020**

**Shri Pradeep Ramakrishnan**
General Manager – Compliance and Monitoring Division – 1 (CMD-1)
Securities and Exchange Board of India (SEBI)
SEBI Bhavan, Plot No.C4-A, `G' Block
Bandra Kurla Complex
Bandra (Eaast)
Mumbai 400 051

**Dear Sir,**

We refer to the SEBI circular No - SEBI/HO/DDHS/ON/P/2020/41 dated March 23, 2020, whereby relaxation is granted for submission of Annual Financial Results till June 30, 2020.

As is known the country was under complete lockdown till 31st May 2020, after which certain relaxations were allowed for offices to operate with reduced staff strength depending on the nature of activities being undertaken, including social distancing.

The Chamber is being approached by various member companies, explaining the practical difficulties faced by them in accounting, data sharing, completion of audit and related finalization of accounts process due to a restricted process under the Work from Home (WFH) format.

In writing this, while we appreciate the relaxations of time lines by SEBI wrt the submission of accounts, we would be delighted if SEBI could re-view the timelines in view of the fact that the first phase of unlocking has commenced only since June 8th, 2020. We would specifically request SEBI to extend the filing and submission of the accounts upto 60 days after the lifting of lockdown for the March 2020 results. SEBI may also allow companies to file their half yearly result up to 30th Sept, instead of 2 quarterly limited reviews.

Such a move by SEBI will help the companies complete their accounts and its submission in a complete and correct manner.

Looking forward to your favorable response.

With Warm Regards,

**Ashish Vaid**
*President - IMC*

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# AgroSpectrum on 'Impact of Covid-19 on Indian Agriculture Sector'

***24th April, 2020***

Globally, there is unprecedented economic disruption. 'Forced inactivity' has resulted in demand destruction; erosion of capital; lack of investment; loss of jobs; accumulating inventory; shrinking international trade; disrupted global value chain; etc. Equity and commodity markets have tanked.

In India, national lockdown since March 25 has adversely affected all economic activities including Agriculture and thus the livelihood of millions.

Representations made by chambers of commerce like IMC, saw a gradual easing of restrictions especially for rural activities.

While Marketing yards (mandis) are open, labour availability is still a challenge and maintaining social distancing and hygiene norms must be on Agriculture Produce Market Committees. Mandi tax should be waived for at least three months.

To ensure flow of goods from farm to processing factories, processing mills should be encouraged to start operations to avoid shortages for consumers.

*Here's the link to the AgroSpectrum webinar on April 24, 2020http://agrospectrumindia.com/news/96/640/-agrospectrum-webinar-impact-of-covid-19-on-the-agricultural-sector.html*

# Biodiesel Association of India (BDAI) on 'Covid-19 and Impact on Biofuels Market'

***28th April, 2020***



Webinar organised by Biodiesel Association of India (BDAI) on 'Covid-19 and Impact on Biofuels Market' on April 28, 2020.

*Excerpts of keynote speech delivered by G. Chandrashekhar:*

Covid-19 pandemic has wrought unprecedented economic disruption globally. Everyone is in a state of 'forced inactivity' because of lock down. This has resulted in demand destruction; erosion of capital; lack of investment; loss of jobs; loss of productive mandays; accumulating inventory; shrinking international trade; disrupted global value chain; and debt servicing challenges. Equity and commodity markets have tanked. Research is going on round-the-lock to find a vaccine. Governments are taking all possible action to contain the virus as well as to contain the economic fallout of the pandemic. As of now, we really do not know when the pandemic will come under reasonable control.

I am able to imagine two scenarios: Scenario 1 - Pandemic comes under reasonable control by June. In that case, it will take at least 2-3 months for economic activities to revive. By Q4 (Oct/Dec), we may see a semblance of industrial activities nearing normalization. Should that happen, I see, equity and commodity markets rebounding from their lows in Q4 because of low interest rates and humungous liquidity. This scenario seems to be a little ambitious. Scenario 2: the pandemic extends well beyond June. In the event, the economic consequences will be really disastrous. Recession will kick in. Livelihood problems will compound. There will be massive loss of confidence. Businesses are already disrupted; but must get ready for further disruption which will affect different businesses in different degrees of severity and in different timelines.

For the benefit of BDAI members, let me share my outlook for crude oil and palm oil. Usually supply side issues create huge price volatility (shortage or excess supplies); but this time commodity prices have slumped because of demand destruction.

If Scenario 1 plays out, I expect crude (Brent) to stay under pressure until Q3. Based on demand recovery signals, the market may rise by Q4. It will be more of liquidity-driven price action. However, if Scenario 2, global recession will lead to a freefall in energy prices. Palm oil is under intense downward pressure because of lower import demand in China and India. Low crude oil price has discouraged discretionary blending of palm oil for biodiesel purposes. Indonesia's mandated B30 biodiesel program is floundering. Palm is facing severe challenges globally from activists and environmentalists.

World production prospects for 2020-21 are good with a forecast increase of 2.5 million tons to 75.8 million tons. Adequate availability of soybean oil and other oils is also seen pulling palm oil down. So, crude palm oil prices are likely to stay at the current $ 500-550 a ton range until September.

# Video Conference on Real Smart Cities Post Covid-19 Pandemic

***02nd May, 2020***

The current Covid-19 crisis has given rise to a new thought process wherein it is being explored whether the integrated smart cities, which comprise of both industrial segments and residential segments, can be made immune to current situations. To understand the scope and extent, the Chamber organized a video conference talk of Mr. Sandeep Goswami a climate change expert with deep knowledge of the concept of smart cities.

In his talk, the speaker said that as most of the smart cities are based on IT driven initiatives, with huge data collection and interpretations, it is imperative that new smart cities should be integrated wherein industrial, commercial and residential facilities exist in a gated community. As most of the establishments are either nonpolluting in nature or are supporting nonpolluting industries, in the smart cities, the implications of climate changes such as that of global warming, oceanic changes, atmospheric changes to the pollution and health of the citizenry, amongst others could be included in the SOP of these industries. All such developments can cause the production and selling pattern of the industries undergo a huge change, keeping them well informed of the climate changes affecting their bottom-line. Thus mapping of the developments on regular basis by climate experts is required. He explained in detail the importance of health facilities within the gated compound, water and waste management, use of renewable energy in transportation and electricity consumption, and others which also part of the UN SDGs. He said the development control regulations and planning for new industrial townships complemented with residential ones, like the ones of Rourkela and Bhilai steel plants some 5 decades ago, could be used as models for increased efficiency.

*Mr. Sandeep Goswami*

Mr. Bipin Shah, President of the Thane Belapur Industries Association and a member of the Chamber, in his talk, gave the example of cluster development of the chemical industries in TTC industrial area and how the city of Navi Mumbai was smart even some 40 years back wherein the industrial area was having its own waste treatment, seamless rail and road connectivity to Mumbai and other parts of the state, emergency response system through state of art hospitals and with a responsive local government of NNMC, MSEB and MIDC. He desired the TTC area could be developed into an integrated township, now that residential areas have been permitted near to the industrial area.

# Webinar on Global Market Scenario for India

***07th May, 2020***

World trade is expected to fall by between 13% and 32% in 2020 as the Covid-19 pandemic disrupts normal economic activity and life around the world.

India has begun work on a continuity plan to kick-start exports once the country emerges from the shadows of the Covid-19 pandemic. The plan includes cutting down import dependence, especially from China, by focussing aggressively on substitution while improving safety compliance and quality goods to gain global market share. Ministry of Commerce, Govt. of India is considering setting up groups to draw up strategies for sectors where China has vacated space and countries are looking to diversify suppliers. In this contest of the prevailing Covid-19 situation and its impact on and implications for global economy , markets , businesses as well as mindsets of the people IMC organised Webinar on "Global Market Scenarios for India" to have a in-depth analysis of the emerging global market and business opportunities in association with World Trade Centre, Navi Mumbai.

Mr. RK Jain, MD Sarachem India Pvt. Ltd/ Chairman, IMC, Navi Mumbai welcomed the speakers and participants gave the opening remarks. He also gave a brief introduction of IMC Chamber of Commerce and Industry.

The following other speakers shared their views on the subject.

1. Mr. Jayant Ghate, Advisor, World Trade Centre, Navi Mumbai
2. Mr. Virendra Gupte, Head Trade Service / Consultant - Tata International Limited
3. Mr. Arun Sehgal, CMD Chempro Group of Companies Specialized in Global Business Expansion
4. Dr. R Gopal, Director, DY Patil Deemed to be University School of Management
5. Mr. Jayant Khadilkar, MD, Jay Elastomer Pvt. Ltd.
6. Mr. Harshwadan Parikh, Entrepreneur Electrical Electronics

Ms. Swetapadma Mohanty, CEO / Founder, Business Leader League moderated the webinar which had participants from India and abroad.

KNOWLEDE SERIES



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## Q&A Session from a Legal Perspective — *08th May, 2020*

IMC having its objective to promote commerce introduced a novel model in a webinar concerning **"Legal Q&A"** on May 8, 2020 along with ANB Legal. The aim of conceptualising such webinar was to give specific answers several people who do not know where to ask.

IMC Legal Team along with Mr. Aditya Thakkar, Counsel High Court and Mr. Ashish Bhakta, Founding Partner, ANB Legal gave the audience a chance to put forth their queries along with any document to be perused, if any.

Special Guest of Honour: His Lordship the Hon'ble Mr. Justice B. N. Srikrishna (Retd.), Supreme Court of India and International Arbitrator Mr. Sarosh Zaiwalla (from UK) have greatly contributed their views and suggestions along with the Expert Panelists.

*Mr. B. N. Krishnan*

*Mr. Sarosh Zaiwalla*

Questions came pertaining to varied legal topics i.e. Arbitration, FEMA, Negotiable Instruments, Real Estate and even Mental Health with diverse backgrounds such as start-ups, law firms, investors and dispute resolution seekers. Viewers and querist were from India, Australia, Belgium, Nigeria, Singapore and even Poland.

## Webinar on Business Excellence through LEAN Boards — *12th May, 2020*

IMC Chamber of Commerce and Industry in association with MentorMyBoard as Knowledge Partner conducted the Webinar on Business Excellence through LEAN Boards on 12th May, 2020.

Mr. Ajit Mangrulkar-Director General of IMC welcomed all the participants and expressed that during these difficult times everyone has to think out of the box and specially the leadership at the top has to be more effective, efficient and productive and will have to adopt better techniques of leadership to grow their businesses in this new India Story.

CS Divya Momaya conducted the first session on board effectiveness through various board strategies.

The eminent speaker for the day was Mr. Jayant Shrikhande, Mechanical Engineer with Post Graduation in SQC & OR from Indian Statistical Institute, has 53 years of industry experience, worked as Head as MD, CEO, President in leading Companies in India & abroad. In the webinar he explained to the participants about LEAN and its techniques. He highlighted the importance of how the Boards and the top management can implement the Lean thinking in the entire organization. He also shared ways of identifying hidden wastes in any organization and how Boards can play important role in reducing wastes and optimising the resources of the company for faster and multiplier growth.

With the clarion call of Atmanirbhar Bharat by the Indian Govrnment, Indian corporate will have to adopt LEAN thinking in their processes, leader-ship and in overall culture of the organization.

*Mr. Jayant Shrikhande*

Hence, IMC with MentorMyBoard as Knowledge Partner has designed a detailed Course on LEAN Thinking to Business Excellence to help Indian Corporate Sector especially corpo-rates with huge potential to become World Class Companies.

Interested members can enrol for the course by contacting Dr Ila Pathak Jha at *ila.pathakjha@imc.net.org*.

KNOWLEDE SERIES

# Covid-19 and Market outlook of Agricultural Commodities

***16th May, 2020***



The outbreak of Covid-19 and the subsequent lockdown globally and in India have sparked a huge economic crisis which threatens to induce a recessionary environment worldwide.

The lockdown's impact on the agriculture sector is complex and varied across diverse segments that form the agricultural value chain internationally and in India.

The extended lockdown across India continues to create challenges in the availability of labour and transportation even in the agricultural sector.

At the same time, it is gratifying to note that the Centre and the state governments have taken various measures to ensure that the crop harvesting, logistics and warehousing activities are not unduly impacted in the current season.

In this current scenario IMC organised an Online Seminar on; Covid-19 and Market outlook of Agricultural Commodities'.

Mr. Ajit Mangrulkar, Director General, IMC, welcomed the speakers and the participants, spoke about the importance of Agriculture which is an important aspect of Indian Economy.

He also gave a brief introduction of the IMC Chamber of Commerce and Industry as well as its multiple activities.

Opening the discussion, Mr. G Chandrasekhar, Economic Advisor, IMC and Director, IMC-ERTF, said that the pandemic has come at a crucial juncture for agriculture.

The reason being that March and April are critical months for the harvest of Rabi crops and thereafter the planting of Kharif crops. The lockdown has immobilised all related activities including harvest and post-harvest activities, logistic, transportation, etc.

After multiple representations from chambers of commerce including the IMC, the government has slowly opened the market, he pointed out, adding that absence of labour continues to be a problem. He assured that while enough food stocks are available in the country, the lifting of the lockdown will substantially normalise the food supply chain.

The Indian Meteorological Department (IMD) has forecast a normal Southwest monsoon for the upcoming Kharif planting season, he added.

Mr. Pravin Dongre, Founder President of India Pulses and Grains Association (IPGA) and veteran agribusiness specialist, pointed out that during the crop year 2019-20, India has harvested record rice (118 million tons) and wheat (107 million tons) crops.

Currently, India is the world's second large producer of rice and wheat, in addition to being the world's largest producer of pulses.

Food gets the first attention during a pandemic and the Indian Government has given enough support for food to be available on the store shelves. However, because of record production, government agencies are not able to procure and maintain the Minimum Support Price. But a greater challenge lies in advancing the nutrition security of the people. India has the lowest consumption of protein in the world. Poor people need to be adequately provided with nutritious food, he asserted.

Mr. Girish Brahmbhatt, Hon' Chairman, Indian Spice & Food Stuff Exporters Association said that businessmen and industrialist come in the second line of Covid Warriors.

He emphasised that the business fraternity should put in their best efforts to help in fighting this pandemic and this is an opportunity for India to again become the world leader in the Agricultural products.

He said the government is rendering all help, support and guidance for promoting agricultural products export. Agricultural Ministry has been proactive by setting up a helpline for transportation for exports products to the port.

Similarly, Phyto-sanitary authorities have been receptive and have opened a centre at APMC market for issuing Phyto-sanitary certificate.

He also pointed out that due to the change in the MSME structure, some of the industries in the spice sector have faced the issue of interest subvention. He also pointed out that forward contracts in foreign currency has also resulted in cancellation of export orders.

The session ended with a very interesting Q & A session with active participation of attendees from across India.

Mr. Sanjay Mehta, Deputy Director General, IMC proposed the Vote of Thanks.

# Valuing People, The Invaluable Assets of every Organization

***15th May, 2020***

IMC Ramkrishna Bajaj National Quality Award (IMC RBNQA) Trust conducted its 4th Webinar in its series on Performance Excellence on 15 May, 2020. The topic for this webinar was on Valuing People and conducted by Ms. Suman Pai , Communications Facilitator, IMC RBNQA Examiner and Faculty, Ex Associate Vice President Datamatics Technologies Limited

The most valued asset that an organization possesses are their employees. Unlike other assets this only appreciates with time. It's the knowledge, value and expertise that employees contribute to build on the reputation of the organization

During unprecedented circumstances such as the one the world is witnessing, it is even more essential to keep the workforce engaged and motivated to continue with their work. Ms. Pai shared various examples with the audience on the practices a few organizations are following to engage with their workforce and ensure that their employees are motivated.

Ms. Pai also took participants through important aspects such as building trust, transparency, communication, commitment to workforce success, adopting the role of a coach, mentor, guide, putting in place process for prompt reward & recognition.

***Ms. Suman Pai***

The session was then opened up for questions from the audience aptly responded to by Ms. Pai.

The detailed recording of this webinar is available on our Youtube channel : *https://www.youtube.com/watch?v=GB_4XzbDJOc&feature=youtu.be*



# Interactive discussion with Mr. David Ranz, Consul General of US in Mumbai

***21st May, 2020***

The first online trade dialogue with the diplomatic missions was launched on 21st May, wherein the Consul General of US, Mr. David Ranz, shared his views on Indo – US trade relations. He welcomed the IMC's initiative in fostering fruitful and warm bilateral economic relationships through such dialogues and complimented the Chamber to use the acronym of Innovate Motivate and Consolidate to reflect the new IMC. He felt that while Covid-19 has a grave economic impact globally, it also offers an opportunity to rebuild cooperation between the two countries.

Mr. Ranz appreciated that many Indian states have realized the need of greater foreign investment for their accelerated growth and have initiated structural reforms in land, labor, dispute resolution and IPR. He said US investors look for transparency and competitiveness while making investment decisions. He emphasized the need for continuous dialogues when changing the tax rates to enable the industry to be informed, well in advance on the changes. He said in the current scenario when the global economies are looking beyond China for accelerated supply chains, Vietnam has been able to get 50% of the companies moving out of China, while India's share has just been 15%, which calls for more market access for foreign companies and lowering of tariff which is about 20% compared to US tariffs of about 3%. He said that multi-lateral funding agencies in US and the government is also looking to India as a natural ally in South Asia and are investing $ 1bn in Indian infrastructure. US also is keen to cooperate further in areas of health, defense cooperation and other critical areas.

***Mr. David Ranz***

He suggested India invest more in skilling and upskilling to attract foreign investment and work towards more women empowerment as the US would be happy to see more Indian women as business leaders.

# Unlock the Covid-19 - Impact on the Trade and Commerce Industry

***22nd May, 2020***

IMC Chamber of Commerce and Industry in Association with Federation of Associations of Maharashtra (FAM) organized the Zoom Meeting - Unlock the Covid-19 impact on the Trade and Commerce Industry with the Members of FAM to discuss the issues faced by them during the Pandemic of Covid-19.

**Mr. Ashish Vaid,** President - IMC Chamber of Commerce and Industry in his welcome address emphasied that IMC has brought together the members of the Industry under one roof for a common agenda to deliberate and understand the impact of the coronavirus pandemic Covid-19 lockdown on their trades and what are their expectations from the state and central governments to help their trades overcome difficulties.

President opined about the current Covid-19 lockdown which has substantially disrupted the operations of Trade and Commerce industry leading to supply disruptions, fall in consumption demand, and stress on the banking and financial sectors. Also, Mr. Vaid addressed on Economic package, Protectionism, how India could be an Alternative to those companies looking to move out of China and way forward: implications for companies.

**Mr. Vinesh Mehta,** President - Federation of Associations of Maharashtra (FAM) in his welcome remarks congratulated and acknowledged IMC's efforts in initiating such meeting which would lead to a positive outcome. Further Mr. Mehta also highlighted on the current scenario that will have substantial ramifications throughout the economy and therefore, a robust policy response is essential.

**Mr. Suresh Kotak,** Chairman IMC - Forum of Affiliated Associations Committee shared that the 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. Also, Mr. Kotak emphasized 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. Rasesh Doshi*

*Mr. Vinesh Mehta*

During the interactive sessions, many suggestions which can be taken up at the state government level, central government level and the RBI, for solutions were discussed in detail. They are stated as under:

**RBI Level**

1. The validity of the cheque instruments should be extended from the current 3 months to 6 months, in view of the lockdown conditions which has made the movement to the banks difficult. In such financially difficult time, it would be difficult to get fresh cheques issued in lieu of cheque's past the 3 months validity.

2. Collateral free loans up to 40 to 50 lakhs should be made available to traders for their cash flow requirement and there should be a separate mechanism to ensure that the banks lend to the traders. Because even though repo rates have been reduced and several others liquidity measures introduced by the RBI, it of no use to the traders because banks are still not lending to them. The transmission of lower rates, affected through the reduction in repo rate, should be implemented expeditiously.

**Central Government Level**

1. Traders from all sectors, including transporters, strongly recommended that they should be classified as MSMEs as they too are vital component of supply chain. In this times of unprecedented crisis, while large corporates and MSMEs got some relief measures from the government, the traders are largely ignored. They are not eligible for collateral free loans nor can they avail loans under MUDRA scheme.

2. In absence of any handholding in terms of collateral and interest free or lower interest rate loans, a large number of traders are under financial stress that could lead to massive unemployment as they give employment to a large number of workers. The government of India should consider some kind of relief package to traders.

3. The value of exports undertaken by MSMEs should be excluded from the total turnover, while judging the MSMEs under the

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IMC Chamber of Commerce and Industry

new definition. This would add to the growth momentum of the industry.

4. Upon the removal of DDT, the maximum rate of income tax, which is pegged at 25.17% for corporates should be made applicable for the traders also instead of about 30% currently applicable to them. This will ensure a level playing field for the traders.

5. Auto component manufacturers and traders contribute significantly to the supply chains of the auto industry which is facing crisis because of the slump in demand. In order to generate demand, the government should consider reducing GST rate to 12% from current 28%. The similar reduction in excise and VAT during the 2008 financial crisis had shown positive result in generating overall demand.

6. Special IRDA insurance cover for Yarn manufacturers in cluster like Bhiwandi and Malegaon should be considered. Likewise, ECGC should extend liberalized cover for export / exporters.

7. Filing of GST returns should be extended from June 30 to July 31, 2020 as there is still uncertainty over lifting of nation wide lockdown and zone wise relaxation being considered.

8. All tax related filing, compliances, etc, be given a blanket extension till Oct 2020.

9. Refund due against IT and GST outstanding should be made immediately.

**State Government Level**

1. APMC traders have to pay 1% market cess. This needs to be done away with. This is in addition to 5% GST (on an average) they have to pay, though at times the GST on food grains charged is as high as 12% and is susceptible to double taxation when dealing in two different APMC. It is suggested the rate be brought down uniformly to 5% and all GST should be deferred for one year. The state finance minister should put this up to GST council with strong recommendation to implement it.

2. Bhiwandi and Malegaon are the main clusters for yarn manufacturing and weaving. To help them on their various issues a Single Window Clearance system should be started. State government should help in upgrading skills of the local labor considering the migrant issue griping the state.

3. The transportation of both essential and non-essential goods, including plying of empty trucks, is allowed under the new guidelines. However, at the ground level, transporters are facing problems from local police who are stopping them. This is affecting the supply of goods to the industry. This results in a chain reaction of disruption in supply chain as well as delayed payments which the sector can ill afford. The state government should issue clear instructions to all ground level agencies implementing the guidelines.

4. The State Government should also grant permission to operate godowns, so that necessary raw materials like steel and metal could be transported to the manufacturing units. This should not be any problem as godowns are located in remote places and don't need many staff to operate it. This allowance will ensure smooth operation of supply chain.

5. The State Government should set up fast track courts to settle trade disputes arising in the current Covid period.

6. Labor law changes are required to spur growth in the post Covid period.

7. Special efforts be made for a coordinated effort by BMC and police with regard to the restarting of business. Conflicting guidelines makes it difficult for the units to operate. Thus, BMC notification form should be made simpler.

8. Government should open up the Red zone, with the units giving assurance to adhere to all compliances requirements.

9. Traders in general felt reduction in GST rates and removing of the 28% slab will help pick up demand. A similar reduction in excise and VAT after the 2008 crisis showed positive result in reviving the economy.

10. Confidence building measures for traders in all sectors through frequent dialogues with them.

Mr. Uday Ved, Partner KNAV & Co. made a presentation on 'Unlock the Covid-19 impact on Trade and Commerce Industry' where he explained about the ₹20 lakh crore economic package, Relief measures adopted by Government of India (GOI), Points of action for GOI, and Way Forward for MSMEs. Later, Mr. Ved interacted with the Members and the issues of the participants were addressed appropriately.

The program was well attended and the Meeting was interactive and interesting. This thought-provoking meeting ended with Concluding Remarks from Mr. Atul Joshi, IMC - Managing Committee Member, CEO - Oyster Capital Management & Advisory and the vote of thanks was presented by Mr. Rasesh Doshi, Vice President, Federation of Associations of Maharashtra (FAM).

Almost 20 Traders attended and expressed their view and suggestions pertaining to the industrial climate of their sectors.

It was decided to consolidate the suggestions for representation to the concerned authorities.

# Online Training on Digital Tools for Business

***27th May, 2020***

In the digital world it is essential to be equipped with proper tools to make businesses dynamic in this space. Keeping this in mind, IMC Chamber of Commerce and Industry organised a session on "Digital Tools for Business" in association with Online Trouble Shooters as the knowledge partner.

Mr. Sanjay Mehta, DDG, IMC, in his welcome speech said that given the increasing prominence of digital tools and technologies across the business and consumer landscape, improving the digital engagement of businesses may be an important driver of future growth for both businesses and the entire economy.

In his address, Mr. Himanshu Singla gave valuable insights on digital tools. He gave the example of the current lockdown to illustrate how the world is now changing in terms of branding and marketing, post Covid-19. He highlighted the importance of choosing the right tools for high security and how social platforms like LinkedIn can be used for creating a positive network. He spoke about free and freemium tools for people to navigate around the digital space profitably for brands. Lastly, he said that technology is all around us but focusing on the correct ones should now be the aim of businesses.

***Mr. Himanshu Singla***

# Online interaction with Hon'ble Shri Subhash Desai, Industry Minister of Maharashtra

***28th May, 2020***

IMC organized an online interaction with Hon'ble Shri Subhash Desai, Industry Minister of Maharashtra to discuss the issues faced by industry leaders during the Covid-19 pandemic and apprise about the steps taken by the Government of Maharashtra to restart industries and strategies to accelerate growth in the State.

Hon'ble Minister stated that the government is working on various initiatives to maintain Maharashtra's lead as the most industrialized state in India.

He said the state is offering 40,000 acres of land to attract new investments in Mumbai, Pune, Nashik, Nagpur and Aurangabad. These fully developed land parcels front loaded with power, water and road connectivity will bring in regional development through decentralization of decision making and grant of permissions. The government will issue the Maha Parvana (Master License) so that the investor will not require any other permission or no objection certificate or approval, with other permissions being given in due course. He also spoke about "Udyog Mitra" with relationship officers assigned to assist new company's entering the state. He added that over 51,500 units have been permitted to start operation in the non-red zones since April but other zones will depend on the spread of the virus.

***Mr. Subhash Desai***


***Mr. Ashish Vaid***

In view of the current labour shortage, Mr. Desai also announced setting up of the Industrial Employment Bureau which would compile and grade available workers as per their skills and will also be trained so that industries could directly employ them.

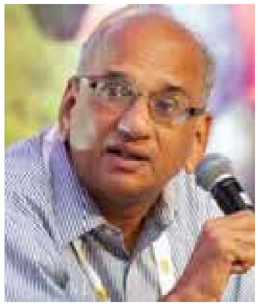
Later at the interactive session with the members of the Chamber IMC, the Minister stated that the state government was in talk for the ESIC funds being released to workers who have been quarantined at home.

Mr. Ashish Vaid, President IMC, while welcoming the Minister, complimented him for the various steps that his ministry has taken to showcase the state as the most industrialized states. The state with $ 400 Bn of GDP (and contributing to 14.8% to national GDP), has the first rank amongst all states. Nearly one third of total FDI of the country, flows into Maharashtra, making it the most attractive destination for industrial growth.

# Online Seminar on "Decoding Govt. Stimulus Package for MSME's"

***28th May, 2020***

*Mr. Bipin Shah*



*Mr. G. Chandrasekhar*

*Mr. R. K. Jain*

*Mr. R. Kannan*

*Mr. Suresh*

IMC organised the Online Seminar on "Decoding Govt. Stimulus package for MSME's" in view of the Finance Minister announced stimulus package for the Covid-19 battered economy aimed at bringing lockdown-hit India's MSME sector back to life through the enormous Covid-19 financial package.

Mr. G Chandrasekhar, Director, IMC ERTF, Economist, Senior Journalist and Policy Commentator moderated the seminar and shared his views on the subject.

Mr. R K Jain, Chairman, IMC Navi Mumbai committee in his welcome address highlighted the issues faced by the MSME sectors with reference to the Cash liquidity, Labours migration, Raw material availability, Logistics challenges, etc.

He welcomed the stimulus package announced by the Finance Minister and wished the Banks and financial institutions should disperse the collateral-free automatic loans to the MSME sector to help its revival. Mr. R Kannan, Vice President, Hinduja Group gave a brief presentation on the Stimulus package announced by the Finance Minister.

Mr. Bipin Shah, President, Thane Belapur Industry Association informed that for the last two month there has been no business in most of the industries, the revised definition of the MSME may also deprive some of the benefits which the MSME were enjoying which will adversely affect them.

He welcomed the announcement of tenders below Rs 200 crores to be participated by domestic companies, extension of Interest subsidy upto 31st March, etc.

He was of the opinion that the survival of MSME depends upon the patience of the entrepreneurs and will be further on Industry and product specific

Mr. Suresh, Branch Manager, The National Small Industries Corporation Limited spoke about the various initiate offered by NSIC.

He informed that 25% of Govt. procurement are mandated to be from MSME. He further emphasised that those MSME registered with NSIC are exempted from paying Earnest Money deposit.

Under the new definition, manufacturing and service MSMEs will be defined under a common metric that will be a mix of investment in plants and machinery or equipment and turnover. He highlighted about GeM portal which is dynamic, self sustaining and user friendly portal for making procurement by Government officers.

It aim is to transform the way in which procurement of goods and services is done by the Government Ministries and Departments, Public Sector Undertakings and other apex autonomous bodies of the Central Government.

The panellist also shared their views how to tackle post-lockdown challenges in terms of inventory, labour, receivables, debt etc, measures to boost liquidity, exploring the benefit of the government schemes for MSME's, etc.

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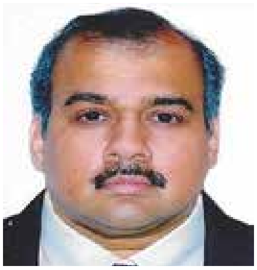
# Online Panel Discussion on Rebooting the Workplace: Post Lockdown

***29th May, 2020***

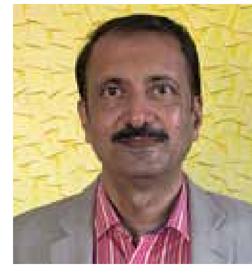


*Mr. Mark Fernandes*

*Mr. Mehul Shah*

*Mr. Mukesh Kripalani*

*Mr. Sandeep Menon*



*Dr. Pradeep Pendse*



IMC has been trying to keep its members engaged and informed during the Lockdown days through various informative, educative and interactive online events. Continuing in this endeavour, as we are nearing the Unlock 1.0 stage, IMC's Digital Technology committee initiated to conduct an interactive and need of the hour panel discussion on Rebooting the Workplace: Post Lockdown.

This panel discussion focussed on unravelling the concerns, anxieties and reservations of members regarding precautions or safety measures to be taken in their respective work-places post the lifting of lockdown. It was an attempt by IMC to hand-hold members not only through lockdown, but also post lockdown. All of us know that the purpose of lockdown was to check the spread or rather break the chain of the deadly pandemic Covid-19. But this has adversely effected trade and industry, highly draining us of our resources. So as we move forward, maintaining a healthy but economically fit society is of utmost significance. Hence, some stringent strategy at a corporate level had to be actioned. This necessitated this panel discussion. The discussion comprised of speakers from different spheres of industry who had practically implemented measures in their respective organisations as they had to function during lockdown. The esteemed panel of speakers included :

Mr. Mark Fernandes, Owner, Sylvester & Co. & Sylvester Forwarders Pvt Ltd, who specialised in shipping and logistics industry

Mr. Mehul Shah, Managing Director, Encube Ethicals Pvt. Ltd., who was an ace from the pharmaceutical industry

Mr. Mukesh Kripalani, CEO, Parekhplast India Ltd., an expert from the consumer packaging industry and

Mr. Sandeep Menon, Founder Managing Director and CEO, Vastu Housing Finance Corporation Ltd, a leader from the finance industry;

The session was moderated by Dr. Pradeep Pendse, Dean Academics, Part Time Master Programmes & Chief Technology Officer, WeSchool or rather Welingkar Education and Member of IMC Digital Technology Committee.

The panel discussion categorically and systematically addressed the following major issues that industry had:

1. Preparations needed before opening the office/factory/warehouse etc.

2. Post opening best practices which have to be followed for managing on day to day basis.

3. Responsibilities which are common and anchored against employer, employee and support staff such as security, cleaning, food services etc.

4. Behavioural changes needed to be adapted to the new NORMAL in case of flat organization with no hierarchy, structured and subsidiary setups.

5. Balancing government regulations, office rules and individual behaviour while functional.

6. Handling emergency situations.

In short the discussion elucidated on:

- How we are going to begin and still maintain a healthy, safe, happy and fit office environment, when employees start travelling and interacting with strangers for office initiatives, post lockdown?

- How we should continue being safe with social distancing norms in place and processes to be followed to march to a safe, healthy, physically and economically fit India?

These industry stalwarts had paved their way through experimenting and implementing safe, social distancing norms during the times of lockdown as they belonged to the essentials industry and hence, had to work even during lockdown, maintaining the rules and regulations of social distancing. They shared their insights on how they tried, tested and had come up with some excellent, intuitive solutions which could be imbibed by our members when they were ready to resume operations.

The panel discussion was a huge draw and was highly appreciated for being interactive, enriched and full of information on practical implementation and practising of social distancing and safety norms to maintain a conducive work environment.

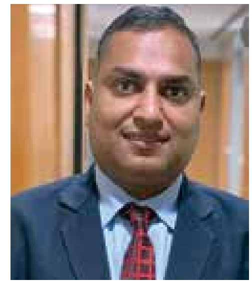
# Online Seminar on Monsoon 2020 and Kharif Crop Prospects

***29th May, 2020***

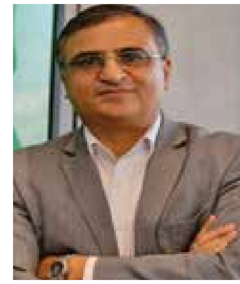


*Mr. G. Chandrashekhar*

*Mr. S Nagarajan*



*Mr. Ajai Rana*



*Mr. Amith Agarwal*

The onset and progress of Southwest monsoon impacts agriculture crop prospects in our country. It exerts an effect on rural life, rural incomes and food inflation. In order to crystal-gaze into the emerging scenario, IMC Chamber of Commerce and Industry organized an online seminar on Monsoon 2020 and Kharif Crop Prospects.

IMC President Mr. Ashish Vaid presided over the meeting. Mr. G. Chandrashekhar, Economic

Advisor, IMC and Director, IMC-ERTF moderated the panel discussion. The following speaker participated; Mr. Nagarajan S, Chief Operating Officer, Rallis India Ltd; Mr. Ajai Rana, CEO, Savannah Seeds Pvt. Ltd. and Mr. Amith Agarwal, Co. Founder and ED, StarAgri Warehousing and Collateral Management Ltd.

In his welcome address Mr. Ashish Vaid, President, IMC, stated, "The market sentiments keep changing with the change in the monsoon progress and change in the sown area figures.

If weather conditions continue to be conducive as per the latest IMD's predictions, a higher harvest can be expected in the coming season.

The government should be ready to deal with a situation of the abundance if the Covid-19 crisis continues"

**Mr. G. Chandrashekhar,** Economic Advisor, IMC and Director, IMC-ERTF highlighted the current scenario of agricultural economy and prospects in the coming months.

**Mr. S Nagarajan,** Chief Operating Officer, Rallis India Ltd stated that higher Rabi production has boosted annual crop production in 2019-20. In key crops except pulses, commodity prices are same as last year.

He explained Impact of Covid-19 on sales, logistics, raw material and labour. On government efforts to contain Covid impact and Atmanirbhar Bharat Package on agriculture, he saw positive long term impact if the policies are well executed.

He said that there are high chances of crop shift and agri input companies directly reaching farmers through agri e-commerce companies.

**Mr. Ajai Rana**,CEO, Savannah Seeds Pvt. Ltd. highlighted the impact of Covid-19 induced lockdown on Indian agriculture and farmers. He was of the view that agriculture input availability is facing challenges of supply chain disruption. Stimulus package by the government would have neutral impact on agriculture sector in short term, he opined. Government thrust on doubling of farmer's income has also led to increase MSP by 16% in past 3 years and 33% in past 5 years. But still achieving crop acreages targets is critical to manage supplies and containing inflation.

**Mr. Amith Agarwal,** Co Founder and ED, StarAgri Warehousing explained the importance of digitization of agriculture markets. Farmers have immensely benefited from electronic marketing platforms such as eNAM and Agribazaar during lock down when physical mandis were not fully operational. AgriBazaar provides farmers a market where they trade their produce at competitive prices without visiting mandis. This is fulfilling government's objective of "one nation one market", he added.

The interactive seminar ended with a vote of thanks by Mr. Aashish Barwale, Chairman, IMC Committee on Agribusiness and Food Processing.

# Online Seminar on Communication with Clarity and Conviction

***30th May, 2020***

IMC's Young Leaders' Forum organized an online seminar on "Communication with Clarity and Conviction" mentored by Ms. Leena Gupta, Certified Life Coach (USA), Corporate Wellness Coach and TEDx Speaker on 30th May, 2020. Mr. Ashish Vaid welcomed everyone and expressed that communication skills are one of the keys to personal and professional success but how to communicate effectively whether in professional life or in personal life and especially in the digital age to convey effectively and receive messages in person or via phone, email, or on social media platforms. Ms. Gupta in her fully engaging power packed session focussed on clarity and conviction while communicating. She offered guided meditation and breathing techniques to all the participants and made them feel relaxed.

***Ms. Leena Gupta***

# Interactive Session with Mr. Deepak Bagla MD & CEO, Invest India

***02nd June, 2020***



At an interactive session with the members of the Managing Committee of the IMC, Mr. Deepak Bagla, MD & CEO of Invest India exuded confidence of India continuing its spree of being the most attractive investment destination for FDI despite global meltdown. He said India has seen unprecedented inflows over the past few years and cumulatively it has got $620 Bn. since 2000 and, is seeing increasing trends due to the its investor friendly regime, strong leadership, good governance in execution and a real time monitoring system for investors. He said global investors are looking to India as the most trusted and reliable partner for their investments and this has been re-iterated by leading economic leaders at the annual Davos summits. He said even the states have now geared themselves and improved their administration and governance standards to attract investments. He said slew of structural reforms in land, labor, time bound clearances and bold policy initiatives have been helping in showcasing the opportunities to attract investors in their states.

He said in the Covid period, while there were challenges, India continued to serve 70% of the world through the back office support systems which were based in India for global companies. In the post Covid era, he said MSMEs, both in manufacturing and services, would be playing a decisive role in India's bounce back into main stream development. He said the MSMEs have a huge potential in increasing the efficiency of capital through quicker turnarounds of their production cycle and in creating huge employment opportunities for skilled and unskilled workers. He said the bank funding for this sector is also seeing encouraging trends as the concept of taking collaterals is being replaced by cash flows. He complimented the Fintechs for aiding the increased funding and using the IT for improving the operations and compliance standards of the MSMEs.

He appreciated the start-ups for moving from the metro and big cities to small cities across India, which would help in employment generation and also aid in all round regional development. Informing that India is rated globally number 3 in creation of Unicorns and having a ranking of number 2 in start-ups, reflecting the emergence of a new India.

***Mr. Deepak Bagla***

About Invest India forum, he proudly mentioned it being ranked as the number 1 agency globally for its innovativeness and handholding with multi-level agencies for help in implementing the ease of doing business for new investments. On the prospects of Vietnam and Indonesia giving India a challenge in attracting shift of new investments from China, he opined that because of its vast domestic market many new investments are looking to India and with a new favorable investment climate, the country would be the most preferred international investment destination.

Earlier welcoming Mr. Bagla, the President of IMC, Mr. Ashish Vaid mentioned of the country's stride as the most favored emerging market for investments in FDI and FII segment in view of the vast structural reforms which have been launched in all spheres across India.

There being no other matter, the meeting ended with a vote of thanks to the Chair.

# Interactive Meeting with Shri Nitin Gadkari Hon'ble Union Minister for MSME & Road Transport and Highways

***04th June, 2020***

IMC organized an online interactive meeting with Shri Nitin Gadkari, Hon'ble Union Minister for MSME & Road Transport and Highways, to brief IMC's MSME members and its affiliated associations about relevant packages and initiatives taken by the government to facilitate growth of MSMEs.

Shri Gadkari said the Government wants MSMEs to access capital markets and is mulling a separate section for MSMEs on the stock exchanges. Government may also contribute 15% initial capital of companies looking to list on the stock exchange. He also exhorted the MSMEs to get themselves rated through the rating agencies.

He said new financial and credit initiatives for the sector will benefit about 2 lakh stressed MSMEs by Rs. 50,000 crores, via the subordinated debt fund and the funds of fund created by the government.

He said that there could be a separate section in the MSME definition dedicated to the agriculture and agro processing industries which would help increase exports.

***Mr. Nitin Gadkari***

***Mr. Ashish Vaid***

Later, Shri Gadkariji interacted with the members and the issues of the participants were addressed appropriately.



# First E-Diplomacy Dialogue with Dr. Manoj Kumar Mohapatra, Minister (Commerce) Indian Embassy, Washington

***05th June, 2020***

At the first e-diplomacy dialogue, through video conferencing, a novel initiative of the IMC to connect with the economic attaches of the Indian missions abroad, Dr. Manoj Kumar Mohapatra, Minister (Commerce) Indian Embassy Washington DC, assured IMC of his full support to get the MSMEs connected with state Chambers in US for e-B2B meets.

The MSME set up in the US is looked after by the state Chambers and they can be a single point of contact for Indian SMEs and said his office would be happy to organize such meets. Currently, he said that Indian SMEs have opportunity for growth in pharmaceutical and health care sector and that US companies engaged in drug and vaccine manufacturing have recently signed seven MoUs with Indian pharma companies and suggested that they outsource said orders to the MSMEs, which would offer them diversification and growth.

He said IT was another high growth opportunity sector with nearly 70% of the H1B Visas for India comprising of this sector and that research in health care sector also offered such scope for job and career for Indian professionals in US.

In order to promote quality Indian exports as per US norms, he suggested IMC to start sensitization programmes for exports, in close association with the export promotion councils and the DGFT. He said his desk would help the Chamber in this connect.

***Mr. Manoj Kumar Mohapatra***

He said that majority of US companies grant a high reliability status to Indian companies. The recent case of HCQ being sent to US further fortified the reliability factor. Many sectors such as apparels, textiles, automobile components, machine tools, minerals, chemicals, gems and jewellery, and services in insurance sector offers enhanced scope for Indo US trade.

# Second E-Diplomacy Dialogue with Mr. Sanjay Verma, Indian Ambassador to Spain, Madrid

***12th June, 2020***

In continuation with the novel initiative, the IMC Chamber of Commerce organized the 2nd e-diplomacy dialogue with the Indian embassy in Spain.

Mr. Sanjay Verma, Indian Ambassador to Spain assured IMC of his full support to get the Indian companies and MSMEs find markets in Spain. He suggested a quarterly dialogue with similar interest groups for Spain as well as Latin American countries due to business commonalities. He opined that currently Indian SMEs have opportunity for growth in pharmaceutical and health care sector but that learning the Spanish language would help find new business opportunities.

Similar to India, Spain has strong gastronomy and tourist related activities, which Mr. Verma opined would help Indians in similar industry find new business opportunities Spain could also help promote reciprocal food festivals and tourism related activities in India for Spain. He said that Indian SMEs operating in the areas of infra, IT and digital offerings, pharma, auto components, textiles, machine tools, logistics, chemicals, water treatments, conservation, renewal energy, could find Spain markets favourable for expansion. He mentioned that India could make use of the Spain's strength in air navigation systems, railways, infrastructure engineering and in planning for smart cities for cooperation.

***Mr. Sanjay Verma***

The Ambassador felt the need of presence of Indian chambers in Spain to help grow bi-lateral trade. In the present Brexit developments, he felt that Indian companies could find niche markets. He also suggested IMC to connect to various Spanish trade promotion agencies and think tanks operating in Mumbai and Delhi.

Earlier, welcoming the Ambassador, IMC President Mr. Ashish Vaid, spoke of the governments' help to the MSME sector and the scope it would offer for trade between the two countries in the post Covid scenario.



# Online Seminar on 'Conversational Intelligence in challenging times'

***12th June, 2020***

In the current climate we need to discover ways of staying connected and motivated towards productivity, innovation and ultimately positive organizational results. Hence, IMC organized an online seminar on 'Conversational Intelligence in challenging times' by Ms. Sarit Vandegraaff, Head of Coaching, Organizational and Executive Coach TranExec., Australia.

Ms. Sarit is an ICF credentialed PCC coach and is certified in Conversational Intelligence® continuing the work of the late Judith E. Glaser, helping organizations flourish through resonant conversations.

In his welcome note, Mr. Ajit Mangrulkar, Director General, IMC, said that by understanding the Neuroscience of Conversations, we can bring about cultural improvement, enhance team engagement and navigate change within our organizations.

Conversational Intelligence (C-IQ) is based on neuroscience research, specifically the Neuroscience of Conversations® that elevates oxytocin, the hormone of connection, and lowers cortisol, the hormone of fear and distrust.

Understanding and applying this in organizations transforms individuals, teams, and companies and opens up new pathways for mutual success. Introduction to C-IQ, Neuroscience of conversations®, Conversational Intelligence Dashboard, Common Conversational Blind spots, Conversational essentials, C-IQ during challenging times were covered during the session.

***Ms. Sarit Vandegraaff***

The session provided participants with understanding of how every conversation has an impact, and as they learnt about conversational patterns, they were able to understand how to construct, deconstruct, and shape their conversations with others.

# Employee Engagement and Productivity in WFH Times

***16th June, 2020***

IMC has been striving during these Covid pandemic times to cater to the concerns of its members and associated bodies in guiding and supporting them towards managing various issues related to lockdown. In these Covid-19 pandemic times, what is important today as an EMPLOYER? The foremost concern that is contesting in all minds!!! Yes! Exactly it is boosting the employee morale, productivity increase, performance quotient, employee interaction. In short, how to get the best out of employees with a positive and satisfying attitude in a **Work from Home** (WFH) scenario which is here to stay for a little long inning?

Considering these new times and scenario, IMC's Digital Technology Committee conducted an online event on **Employee Engagement and Productivity in WFH Times.**

This talk by well-known HR expert Ms. Anita Ramachandran, focused on catering these new times employee issues or atleast opened the doors to new thinking on issues that have risen during pandemic days to organisations, HR departments and employers.

The talk catered to the following topics:

1. How to **manage employee productivity** given the macro challenges – this covered
   a. **Goal Setting,**
   b. **Performance Management,**
   c. Managing **Employee Insecurities,**
   d. **WFH challenges** often resulting in lower productivity
2. **Getting teams together** in a WFH environment and keeping people aligned and engaged
3. **Handling sharper difference** between those who can think of traditional careers and those who have to think more of jobs/skills.

All in all it explained on **how to ultimately achieve employee engagement through smart and ethical business activities** and thus satisfy and give back to the society and contribute in the economic development of the country by well-designed restructuring in an employee friendly manner. It also explained that ultimately, it all boiled down to how happy and engaged employees are? As successful business and society structuring begins at the doorstep of satisfied and happy employees, which has to be designed and planned giving impetus to the long run of the business.

***Ms. Anita Ramachandran***

The talk highlighted on few aspects like

- how to **align organisation into a people friendly place** even in WFH situation,
- to **upsurge employee engagement** in WFH scenario,
- to **increase productivity** and motivate employees, and
- to **help employees** cope with the current situation.

Our expert speaker Ms. Anita Ramachandran, Founder & CEO, Cerebrus Consultants Pvt Ltd., a well-known HR expert in the country with over 35 years' experience as a management consultant is one of the first generation of women professionals to become an entrepreneur and run a highly successful HR consulting and services organization addressing the audience on the Employee Engagement and WFH scenario.

# The Capital Structure Series - Online Equity Funding For Family Owned Businesses

***18th June, 2020***



India, today is facing the impact of Covid-19, with major **import and export destinations impacted** as well as the stock market which has taken a hit in recent months. In these tough times financing has a major role to play for organisations as funding is the only way to move forward, since income from trade and economy is almost at a standstill.

A majority of investors expect the fundraising environment to be more challenging in the next 12 months, driven by record-setting fabulous performances in the previous years. Cautiousness due to a slow economy and limited partnerships is being selective, with the increasing competition.

Hence IMC's Startup Committee felt the need to have an event on the Capital Structure Series and this session concentrated on the **Equity Funding for Family Owned Businesses.**

We all are aware that equity financing is the process of raising capital through the sale of shares. Companies raise money because they might have a short-term need to pay bills or they might have a long-term goal and require funds to invest for their business growth and expansion. The recent and the most noted and talked about such funding was Reliance Jio Platforms being infused with capital funding from Facebook, Silver Lake, Vista Equity Partners, KKR, General Atlantic, Mubadala etc within a span of few weeks.

Now if there is funding, it has to have a reciprocal return also in order to attract more funds and keep the cartwheel moving.

Do you know Indian family-owned companies have delivered an average **13.9 per cent annual return since 2006** compared with 6 per cent returns generated by their non-family-owned peers? Yes! India ranks third in terms of the number of family-owned businesses, according to the Credit Suisse Family 1000 study with **111 companies of $839 billion total market capitalisation.** Hence, this impetus given to family owned businesses as they are the significant contributors in the economy of the country. In India, family businesses contribute around **79 percent of national GDP annually.**

*Mr. Jayesh Juris*

*Ms. Paula Mariwala*

*Mr. Utkarsha Sinha*

On the basis of current tough economic situation of the capital markets, this event was designed to cover the topics on the lack of debt funding for most family owned MSMEs, restructuring and retiring existing debt, exploring the equity funding landscape and examining the advantages or disadvantages of various capital structures, particularly equity in family owned businesses along with the legal aspects involved in these transactions.

The event focused on the below subjects:

- **Restructuring:** preparing and avoiding pitfalls
- **Legal considerations** in evaluating an equity infusion
- **Safeguarding family** interests and control
- **Key concerns** specific to family owned businesses
- The **advantages** of professional v/s family management
- **PE as a means to scale** and sustain family run businesses
- **Fundamentals** of raising private equity
- **Case studies** of successful & challenging PE experiences
- **An overview** of the Indian private equity landscape

The eminent speakers covering the topics were:

- **Mr. Utkarsh Sinha,** Managing Director, Bexley Advisors who gave the introduction to Private Equity and the general practices in the funding arena concentrating on the types of funding, processes and what investors look for?
- **Mr. Jayesh H,** Co-Founder & Partner, Juris Corp explained the nuances of the legal considerations that are involved in an entire funding transaction from start to end.
- **Ms. Paula Mariwala,** Founder & Co-President, Stanford Angels and the Chairperson of IMC Startup Committee shared her in-depth knowledge of family & investor perspective involved in funding of business.

# MQH Best Practices Competition 2.0

(Re-engineered MQH 2020)

23-26 June 2020

Mr. Ashish Vaid

Mr. Niraj Bajaj

Mr. Suresh Lulla

Ms. Maya Desai

The MQH Best Practices Competition 2020 organized by IMC Ramkrishna Bajaj National Quality Award (RBNQA) Trust was scheduled for March 19 & 20, 2020. However keeping in mind the pandemic situation the competition was postponed.

The Competition was re-engineered to an online format. The MQH Best Practices Competition 2.0 was organized from 23 - 26 June 2020.

This was a huge success with 41 organizations participating with their final presentations. There were no dropouts of organizations from the pre-lockdown number of 41.

This was the outcome of constant perseverance from the IMC RBNQA team and the commitment of the organizations to the RBNQA process.

The online version was presented seamlessly by the IMC RBNQA team.

The presentations submitted by organizations were good. They need to be complimented for showcasing their Best Practices with all the relevant data despite being in the WFH environment which had its own constraints.

The Competition showcased resident Best Practices of organizations across sectors of Manufacturing, Service, Overseas, NGO, Education and Health Care. Members from the IMC Quality Improvement & Technology Committee and IMC RBNQA examiners reviewed the submissions for final presentation during the Competition.

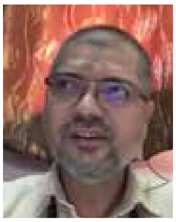
MQH 2.0 received good feedback from delegates, participating organizations and the Jury members. It was termed as flawless, interactive and enriching. A feedback also indicates this online Competition as a benchmark event.

The four days of the MQH Competition saw some outstanding practices. Recognitions were presented as follows.

| | |
|---|---|
| **Session 1** | **: Manufacturing Category** |
| *MQH Trophy* | JSW Steel Ltd., Salem Works, Salem |
| *1st Runner Up* | Bharat Petroleum Corporation Ltd., Mumbai Refinery, Mumbai |
| *2nd Runner Up* | Grasim Industries Ltd., Chemical Division, Renukoot |
| **Session 2** | **: Education Category** |
| *MQH Trophy* | Bunts Sangha's S M Shetty Educational Institutions, Powai |
| *1st Runner Up* | Sri Vishnu Education Society, Hyderabad |
| *2nd Runner Up* | Global Indian International School, Tokyo |
| **Session 3** | **: NGO Category** |
| *MQH Trophy* | Samta Purushottam Agarwal Memorial Foundation, Mumbai |
| *1st Runner Up* | Mahatma Gandhi Global Indian Eklavya School, Vadodara |
| **Session 4** | **: Health Care Sector** |
| *MQH Trophy* | Amrita Institute of Medical Science, Kochi |
| *1st Runner Up* | Sankara Eye Foundation, India |
| *2nd Runner Up* | Ganga Medical Centre & Hospitals Pvt Ltd, Coimbatore |
| **Session 5** | **: Service Category** |
| *MQH Trophy* | HDFC Life Insurance Company Ltd, Mumbai |
| *1st Runner Up* | Aditya Birla Insurance Brokers Ltd, Mumbai |
| *2nd Runner Up* | Sahabhaav, Mumbai |
| **Session 6** | **: Education Category** |
| *MQH Trophy* | Global Indian International School, LLC, Abu Dhabi |
| *1st Runner Up* | Hansraj Public School, Panchkula |
| *2nd Runner Up* | Hindi Vidya Prachar Samiti's Ramniranjan Jhunjhunwala Arts, Science and Commerce College, Mumbai |
| **Session 7** | **: Service Category** |
| *MQH Trophy* | Writer Business Services Pvt Ltd, Mumbai |
| *1st Runner Up* | BSES Yamuna Power Ltd, Delhi |
| *2nd Runner Up* | Aditya Birla Finance Ltd, Mumbai |
| **Session 8** | **: Education Sector** |
| *MQH Trophy* | Vishwakarma Institute of Technology, Pune |
| *1st Runner Up* | Global Indian International School, PG Smart Campus, Singapore |
| *2nd Runner Up* | Global Indian International School, Ahmedabad Campus |
| **Session 9** | **: Manufacturing Sector** |
| *MQH Trophy* | Vedanta Ltd, Sesa Goa Iron Ore |
| *1st Runner Up* | Gujarat Fluorochemicals Ltd, Bharuch |
| *2nd Runner Up* | Larsen and Toubro - Metering & Protection System, Mysore |

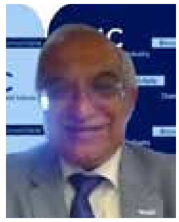
# Reshaping Agriculture Market through Reforms

***23rd June, 2020***

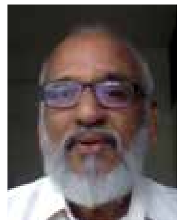


*Mr. Aliasgar Mithwani*

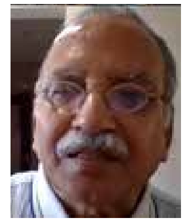
*Mr. Amith Agarwal*



*Mr. Ashish Vaid*

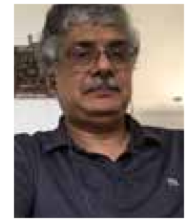


*Mr. G. Chandrashekhar*



*Mr. S. K. Goel*

*Mr. Sunil Kumar*



*Mr. Vijay Kumar*

The government has announced a series of major reforms for the agri-markets. Hence, IMC in association with NCDEX (India's leading agri derivatives exchange) organised an online seminar on "Reshaping Agriculture Market through Reforms" on June 23, 2020.

In his welcome address IMC President Mr. Ashish Vaid stated that the pandemic's impact on agriculture is complex but the recent government reforms will help revive agriculture, dairy, fisheries, & allied sectors leading to Prime Minister's vision of Aatmnirbhar Bharat or 'self-reliant' country.

Mr. Aliasgar Mithwani, CGM, SEBI, inaugurated the event. He said that these reforms will promote multiple marketing channels for farmers to sell their produce at locations of their choice, within or outside the APMC yards. They will create farm level infrastructure, in terms of village level procurement centres, warehouses, quality maintenance, standardization, aggregation, processing and packing etc. It will bring the desired competition in the Agri Marketing Ecosystem, including the physical and electronic markets, while also increasing competition for purchase of farmer's produce at the time of harvest. He felt that it would encourage contract farming and increase investment resulting in increased employment opportunities. He said that SEBI will take steps to increase the level of participation in the commodity derivatives market and saw a bright future for the futures industry in the years ahead.

Mr. G. Chandrashekhar, Economic Advisor, IMC and Director, IMC-ERTF, moderated the event and highlighted the current scenario of agricultural economy and how the reforms are expected to benefit growers if implemented. He cautioned that agri-marketing reforms were necessary; but by themselves not sufficient for sustained farm resurgence and that structural issues of agriculture deserved to be addressed for sustained farm resurgence and farmers welfare.

Mr. S.K. Goel, former Addl. Chief Secretary, Agriculture and Marketing, Government of Maharashtra, stated that the focus on social and ecological sustainability is important for agricultural sustainability. In the short-term, the polices would have an immediate intervention in market extension and reduction in supply chain disruptions while incentivising corporates for developmental activities in rural areas.

Mr. S. K. Singh, Addl. MD, NAFED, explained objectives of Agriculture Reforms, challenges faced and solutions provided by NAFED in this Covid situation. A combination of reforms, investment and knowledge sharing can lead to a reliable market for farmers and buyers in close vicinity, adding that institutional credit availability to remove farmers' distress and knowledge about sowing to maximise produce is required.

Mr. Vijay Kumar, MD and CEO, NCDEX, stated that recent reforms can bring a paradigm shift in agriculture marketing supply chain. In the past, the government's focus on production led to India becoming a large producer of milk, rice, wheat, pulses and so on. These reforms would bring modernity to the selling side and once this shift happens agriculture growth would be more rapid. During lock down when physical mandis were not fully operational, NCDEX provided farmers a market where they traded their produce at competitive prices without visiting mandis, thus fulfilling government's objective of "one nation one market,", he stated.

Mr. Amith Agarwal, Co. Founder and ED, Staragri Warehousing Ltd said that reforms will contribute towards mitigating post-harvest losses and wastage by giving a fillip to scientific storage facilities and help the small farmers earn additional income by way of value-added agri-produce. In the immediate term, it will provide an impetus for the agri sector to come out of the Covid shock, while in the long run it will secure India's food security and supply chain in a self-sufficient manner. He also explained the importance of digitization of agriculture and that with the provision of launch of multi e-Portals, Government expects competitive trading environment for the farmers.




IMC Chamber of Commerce and Industry

# Third E-Diplomacy Dialogue with Mrs. Suchitra Durai, India's Ambassador to Thailand — *23rd June, 2020*

The Ambassador Ms. Suchitra Durai, complimented the Chamber for having initiated diplomacy dialogues which would help appreciate the Chambers' and the Missions' view point in promoting trade and commerce. She assured all help to the industry in the current pandemic. Thailand with the Act West policy and being a major economy in the ASEAN offering encouraging scope to India to increase trade volumes.

The signing of various FTA agreements and in moving closely under the BIMSTEC and Mekong Ganga Cooperation trade treaty, offers low, preferential tariff and competitive costing, to make trade relations beneficial for both the countries.

She mentioned areas of new and upcoming sectors of digital technology, IT enabled services, products in cyber security, AI, robotics and machine learning, agro and food processing, bio fuels, oil and natural gas, and renewal energy which can offer huge scope for Indian companies. She said Thailand looks for increased Indian cooperation in the field of railway locomotives, carriages and aviation and cited the example of Tech Mahindra IT systems which are being used at the Swarnbhoomi - Thailand's main airport in Bangkok.

She said the traditional sectors like motor vehicles, automobiles and spare parts, gear boxes and components, tractor parts, chemicals can also be looked from Indian side as sectors for trade cooperation with Thailand. In the current pandemic era, she hoped that Thailand would look at Indian pharma sector in formulations and drug processing, professionals in health care sector and telemedicine which can help Indian SMEs and professionals find newer markets in Thailand. She opined that Indian medical education and diagnostics can complement the Thailand's growth of medical tourism. She also mentioned the huge scope for the teaching community in the subjects of IT, English, Science and Mathematics. Among other areas that can be explored for trade could be the wellness and SPA services, textile and gems and jewelry.

*Ms. Suchitra Durai*

She offered to get the Indian companies connected to the Chamber of SMEs and the Indo-Thai Business Council for exploring bilateral trade opportunities. She also offered the Embassy's assistance for Indian enterprises to get connected to the Board of Investment which is welcoming investment into Thailand, and, offering one-stop-shop services and other related cooperation.

Mrs. Durai also spoke of the increase in opportunities of trade once the India – Myanmar – Thailand (IMT) highway project opens up in 2021 which will reduce travel time and add flexibility to logistics.

KNOWLEDE SERIES

# Interactive joint Session of IMC and IEEMA with Mr. Sanjeev Sanyal, Principal Economic Advisor, Ministry of Finance — *24th June, 2020*

At an interactive joint session of IMC and IEEMA, Mr. Sanjeev Sanyal, Principal Economic Advisor, Ministry of Finance, Government of India said that the Government has taken a 'cushioning stand ' in the current pandemic, with steps taken to hedge the nation against 'worst case' medical scenario and at the same time keeping the economic activity going on. The government, he said was fully aware of this trade off and has tried to mitigate the pain of the marginalized sections, through direct money transfers, food transfers, enhanced employment opportunities under MNREGA and the implementation of social security insurance schemes.

He mentioned the lowering of the interest rates, increasing the moratorium periods, offering sovereign guarantee to the enhanced loans to the SMEs, creation of SPV for the NBFC financing, and the creation of funds of funds, were the steps to reduce the pain for the industrial sector. He said the lockdown was an exercise in suppressing demand and slowly as the situation will improve, the calibrated demand creation would be undertaken.

Mr. Sanyal informed that the re-building phase of the economy has started with increased public investments, making flexible and adaptable labour laws, reforming the agriculture marketing for an equitable pricing set up, and such other measures to bring resilience in the economy. He invited suggestions from the industry to bring about big structural reforms. He opined that to attract investments, especially in infrastructure segment, there was a need to reduce the cost of capital in the economy and with current low inflation, good forex reserves and a strong rupee, there was a scope of reducing the interest rates further. He further said government would also be bringing reforms in the judicial space.

The economic advisor, welcomed the suggestion of the President of IMC to ramp up the health care sector, giving a big push to the online education, undertaking restructuring of the NBFCs and bank loans, and, fast tracking of the infrastructure projects under the PPP mode. The President also suggested measures at centre and state level for for enabling foreign investments into India, in light of the global antagonism against China.

*Mr. R. K. Chugh*

*Mr. Sanjeev Sanyal*

Later, Mr. Shailesh Haribhakti, the past president of the Chamber, suggested measures for a common and uniform policy framework for center and states on various economic and industrial initiatives, consideration of privatization of the PSBs, one time restructuring of the stressed loans by the banks, developing low cost internet services to support education and health services and introducing the judicial sector reforms.

Earlier the President IEEMA Mr. R K Chugh welcomed the Economic Advisor and requested for a directive to the states to clear the Rs 10000 crore outstanding dues to the electrical suppliers and contractors.

The meeting ended with a vote of thanks for the speaker.



# Second Online Event of the Series Mediating (And Arbitrating) Online

***25th June, 2020***

In response to the need of the hour, where our physical movements are restricted, it is imperative to find new ways to support the commercial endeavors of the IMC's members as also the society at large. With this in mind the **IMC's Mediation and Conciliation Committee** in collaboration with **IMC International ADR Centre (IIAC)** has announced and started off a new series of **online events** to showcase several **online platforms** which people / organizations may want to consider using for seeking an early resolution of their disputes without the need to leave their office (or home).

The second online event in this series was held on Thursday, 25th June, 2020, wherein **SAMA** gave a brief introduction of their Online Dispute Resolution (ODR) platform. SAMA recognized by Ministry of Law and Justice, Government of India, is an ODR platform which aims to resolve disputes using sophisticated technology and a network of skilled professionals.

While apprising the participants about the said ODR platform; **Mr. Pranjal Sinha, Co-founder - SAMA** gave a brief demonstration of their platform breaking it into different components and stages, viz.

*Mr. Prathamesh D. Popat*

*Mr. Pranjal Sinha*

filing of complaint, communication modules, document uploading, settlement builder and e-signing.

Participants raised several queries after demonstration which were addressed by Mr. Pranjal Sinha and Mr. Prathamesh D. Popat, Chairman - IMC Mediation and Conciliation

Committee. Mr. Sinha also shared anecdotes on how different cases - loan defaults, consumer matters, payments issues are being resolved on the platform through online mediation / arbitration process.

While concluding the demonstration he informed that **SAMA** has started to tackle with the pendency of cases and improve access to justice in India based on their motto **"Suljhao, Magar Pyaar Se".**

Event concluded with vote of thanks to Mr. Sinha, Mr. Popat and to IMC for organizing such informative event in the present scenario of pandemic.

# E-Diplomacy Dialogue address by Mr. P. Harish, Additional Secretary (Economic & States)

***27th June, 2020***

The 4th e-diplomacy dialogue was arranged with Mr. Harish P, Additional Secretary Ministry of External Affairs (Economic and States) on 27th June. He assured of his Ministry making all efforts in advising to the MSME find new global markets for their products.

He gave a detailed overview of the MSME sector and the various relief measures being offered by the Government of India in enabling them to play an all important role in the Atmanirbhar call of the PM, wherein the Vocal for Local Global outreach was the mantra. He said his ministry is focusing on supporting MSME through the facilitation in exports, engaging them in finding overseas partners for collaborations and encouraging inbound FDI for this sector. He said Indian mission abroad have been arranging for B2B meetings, on a wide scale, which translates into signing of letter of intent for collaborations. In the current Covid crisis, the missions have undertaken assessments on sectors which can encouraged be promoted aboard. He said significant market exists for food, agri products, food processing, automobiles ( incl 2 and 3 wheelers) especially for developing markets. He said textiles, garments, consumer durables have immense opportunities as many countries are looking to diversify their sources of supply. List of product lines where Indian exporters can fill the supply gaps with the world, have been identified and the trading houses, export promotion councils and chambers are being encouraged for close contact with the missions to get B2B meetings arranged. Missions also identify businesses looking to shift manufacturing abroad , for achieving economies of scale and to help local employment . He opined the pharma and health care sector would achieve the most upon opening of the foreign trade. The manufacturing and supply of PPE kits, pharmaceuticals and generic drugs and APIs, would be areas of great opportunity. He said manufacture of health care products to global standards, and the training of health care workers as conformed to international standards, clinical research, and biologics, would be another areas of vast opportunities for Indian MSMEs to catch on. He further said that digital innovation in health ( research, diagnostics, monitoring and epidemiology and health care insurance) would be new opportunities for Indian companies.

*Mr. P. Harish*

Mr. Harish encouraged chambers, to be proactive in establishing contact with the in and out bound trade delegations which gives a contemporary insight into the opportunities.

Earlier, the DG of the Chamber spoke of the need to have such dialogues to help the members find newer markets and innovation of new product lines, abroad, He thanked Mr. Harish for rendering all possible help to the Chamber in this quest. The President of the Chamber spoke of the need for handholding of the MSME sectors in finance, marketing and technologies for exploring greater opportunities abroad. He said the current Covid is providing both challenges and opportunities to the beleaguered sector.

The meeting ended with a vote of thanks being proposed by the vice president to the dignitary.

KNOWLEDE SERIES

VIT | Vidyalankar Institute of Technology

ACCREDITED A+ BY NAAC

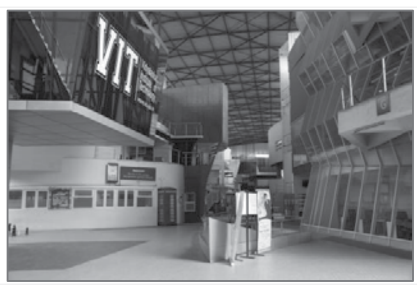
# Vidyalankar Institute of Technology

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

| | |
|---|---|
| Computer Engineering | 120 |
| Electronics Engineering | 120 |
| Information Technology | 120 |
| Electronics & Telecommunication Engineering | 120 |
| Bio-Medical Engineering | 60 |

### Post-graduate Courses

| | |
|---|---|
| Computer Engineering | 18 |
| Information Technology | 18 |
| Electronics & Telecom Engineering | 18 |
| 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