IMC
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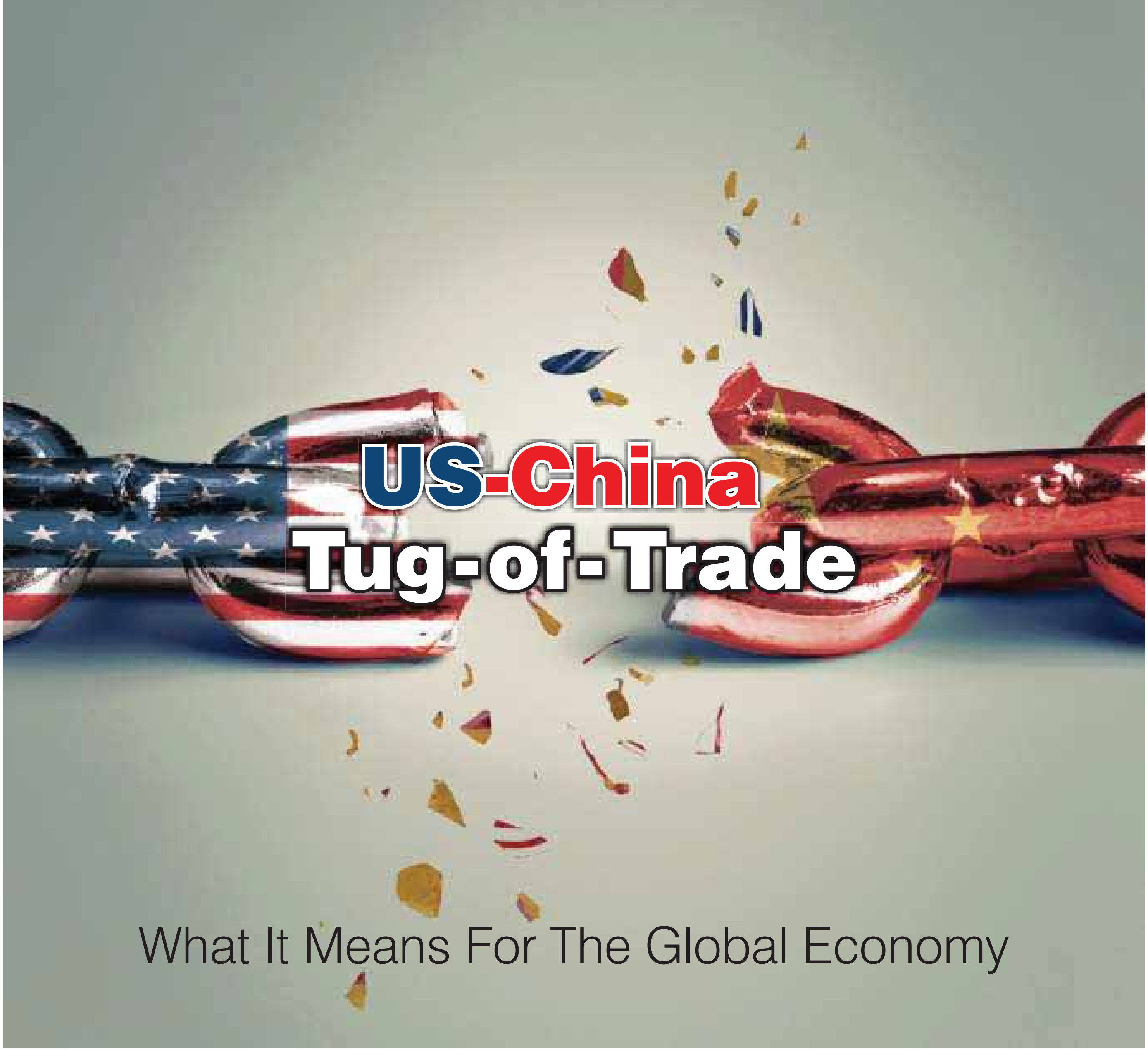
IMC JOURNAL

VOLUME 112 I ISSUE 1 I JULY-AUGUST 2019



US-China Tug-of-Trade

What It Means For The Global Economy

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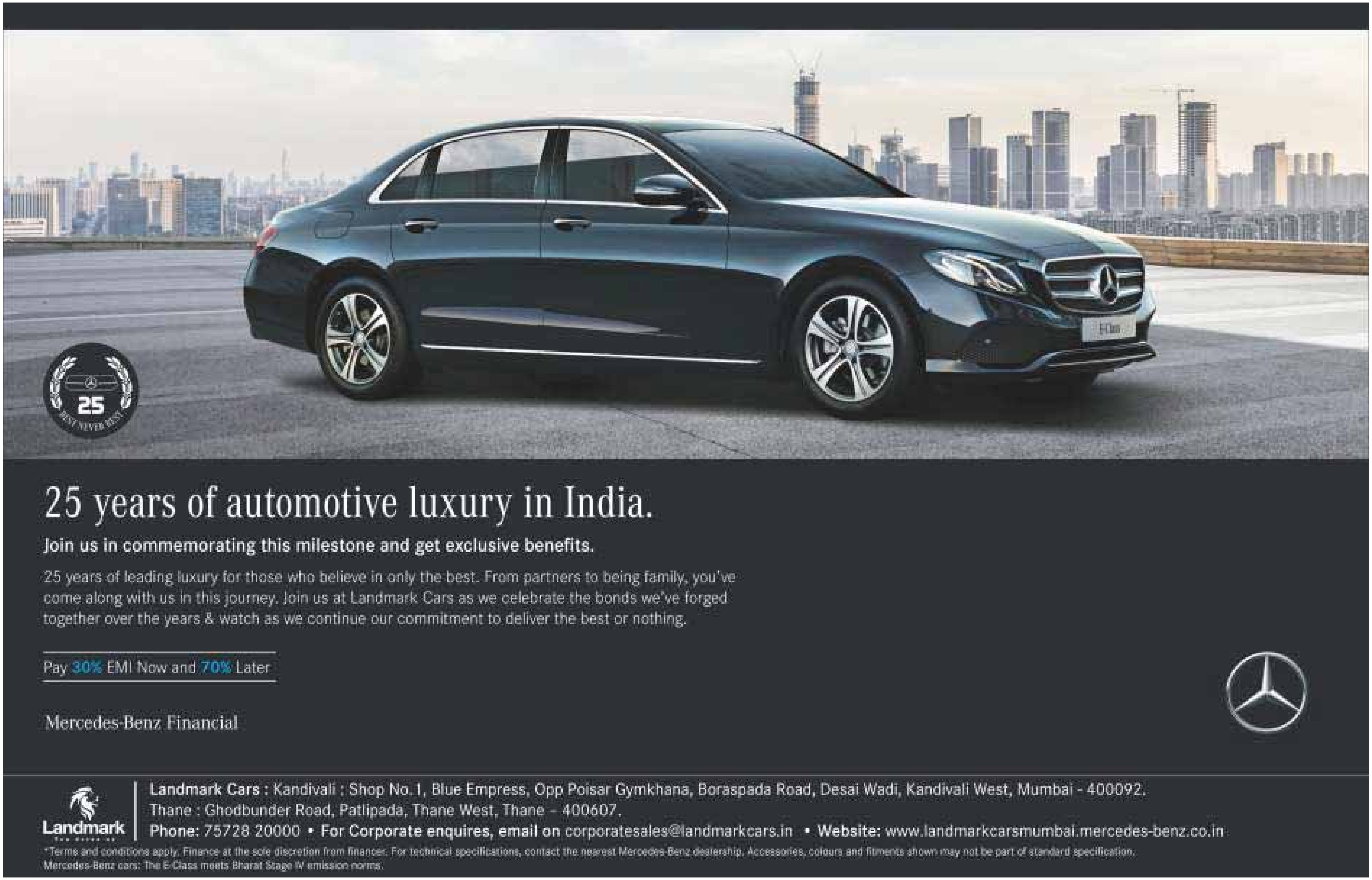
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Single Copy Price
₹ 50/-

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

Design & Printing
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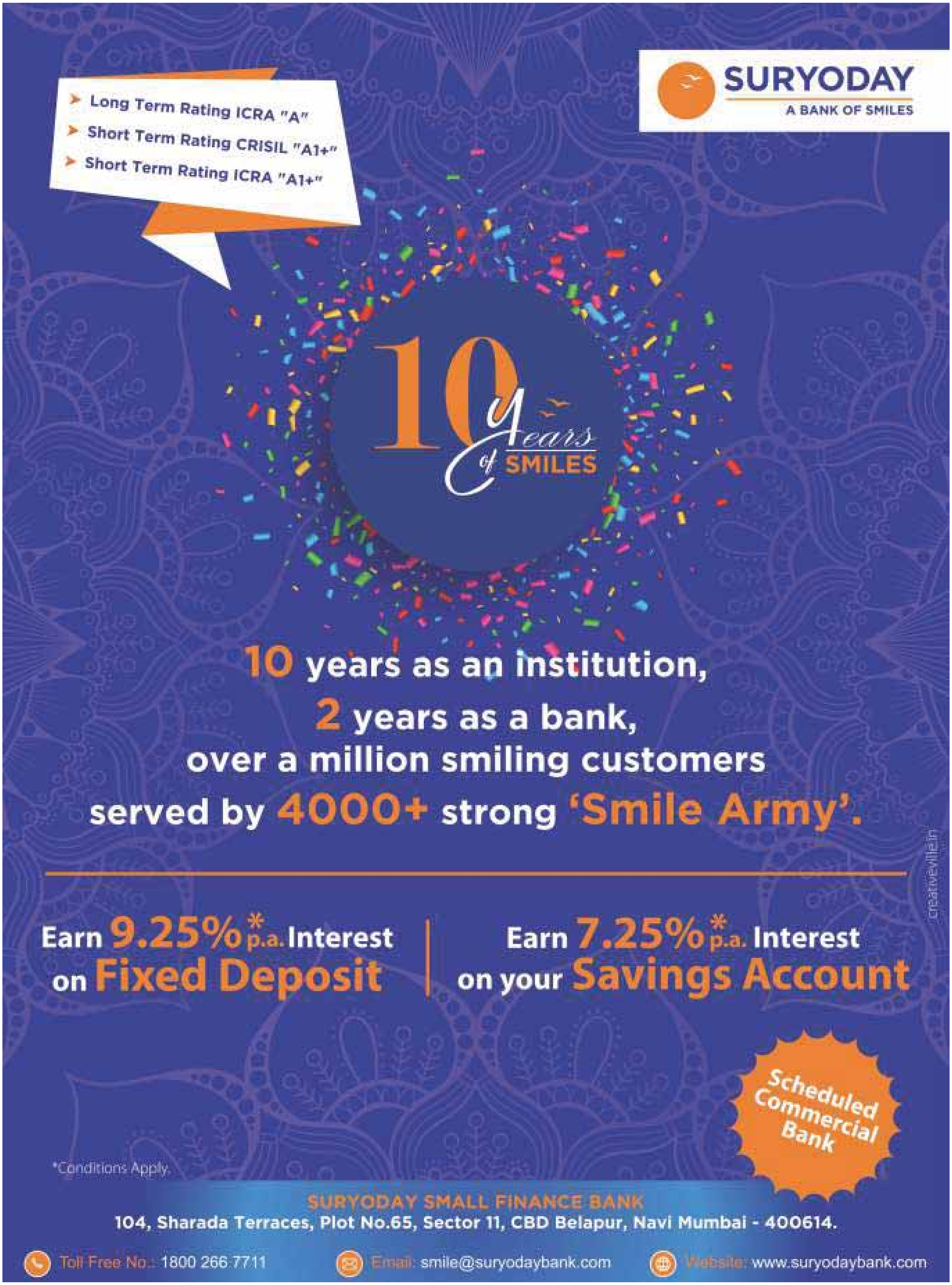

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From the President's Desk

Mr. Ashish Vaid

I want to begin by thanking the Lord, my Parents, our Governors, our Past Presidents and all my dear IMC members for bestowing this honour on me to lead this esteemed 112 years' young Institution. I thank past President Mr. Raj Nair for all his guidance, support and advice, and yes, I will do my best to keep the IMC flag flying high always. The theme I have chosen for the year is 'Innovate, Motivate and Consolidate' which I feel totally encompasses today's way of how business profession, trade and industry need to shape up. Innovate with embracing new ideas and technology, Motivate to encourage and progress with enthusiasm, and Consolidate on our rich heritage, values and ethics to be one of the leading economies of the world.

On 5th July we were presented the Union Budget by Hon'ble FM Smt. Nirmala Sitharamanji and as the Hon. PM Narendra Modiji summed it up saying it was more a budget to give India the right direction, for the coming 5 years, and also to make the Governments job "more Government and less Governance". The budget was very well received except for the surcharge on the super rich (over Rs. 5 crore tax bracket) and the FPI who have also been subjected to this tax. The best part is that our Government is receptive, and soon the FM met with the representatives of FPIs and captains of industry and sure enough the FM saw merit and reversed the surcharge on FPI.

Soon to follow, all eyes were on the RBI monetary policy slated for 7th August with all the economic indicators looking good, inflation well under control and growth numbers looking strong the stage was set for a bold rate cut. Your Chamber also put in its representation for a bold rate cut. The RBI Governor walked the talk and moved the needle by proposing a 35 basis cut in the repo rate to 5.40. What we now feel is important is for the RBI to ensure transmission of the lower rates to the consumer in the same hawkish manner it is going after stressed assets of banks. This also got done recently with the RBI making it mandatory for banks to link their interest rates to their repo rates

The US has again been warning China of trade barriers and threatening with a 10% duty. Will it , won't it, but the threats have the capital markets and the debt markets dancing to the tune of the threat. India, most believe has an opportunity here to become a major player in place of China. But for that we need to think long term, build capacities and meet the highest exacting quality standards.

Every crisis can be a God sent opportunity to rise to the occasion, and India must take this as a wake-up call to align itself as a high quality mass scale exporter at the most competitive prices to meet the world's demands.

The slow start monsoon picked up strength but also created massive destruction due to floods in our very own Maharashtra. We lost several lives in Pune, Sangli, Solapur, Satara, Kolhapur and Solapur Districts. 4.74 lac people were rescued from 584 villages.

As I write to you, massive flood relief operations are in progress. IMC has collected funds from its members and from its Natural Disaster Relief Fund earmarked a substantial donation to the Chief Minister's Relief Fund. Let's pray for those who lost their lives, and for a speedy recovery to normalcy in all these affected areas.

Our Hon. CM Mr. Devendra Fadnavis has been appointed as the Chairman of the Committee to oversee the reforms in Agriculture by the Hon. PM. We need to look at new methods of farming, better economies of scale as farmers are suffering due to fragmented holdings, better infrastructure so that farmers can get value added price for their products and the time period for farm to fork is reduced to a minimum. We also need our farmers to grow more exotic products to increase the value of their products.

The budget has promised a big boost of Rs. 100,000 crores to infrastructure over the next 5 years. This will be a game changer. This will provide not only employment but also will improve productivity and ensure smooth flow of goods and material. A strong infrastructure can also boost our tourism industry as India has everything to offer from mountains to beaches & from forests to spiritual sanctuaries.

At IMC we've been organizing multiple activities including lectures, meetings, events, foreign delegations, Ambassadors and Consular visits. These are detailed in the ensuing pages. There is never a dull day at the Chamber with our 32 expert committees continuously working towards organizing great events and constructive suggestions and representations to the Government.

Your Chamber was part of the Vice President of India delegation to the Baltic countries and soon in September, we will also be a part of the President of India's delegation to Iceland, Switzerland & Slovenia.

We had the Hon. Minister of MSME and Infrastructure, Mr. Nitin Gadkariji visit us on 27th August to a packed audience at the Taj Palace Hotel. He addressed several issues on MSMEs and had the audience spellbound. More on this event is covered in this issue.

No Winners in a Global Trade War !!

G. Chandrashekhar,
Economic Advsior,
IMC Chamber of
Commerce and Industry

We live in a VUCA world. Currently, the world - especially its economic landscape - is characterized by Volatility, Uncertainty, Complexity and Ambiguity. Markets are haunted by a plethora of uncertainties - Geopolitical instabilities, Protectionism, Sanctions, Trade friction and event risks.

The year 2018 faced several risks including the yo-yo movement of crude oil prices, divergent monetary policies of different central banks, strengthening of the US dollar amid gyrations of emerging market and other currencies, weather uncertainties and outbreak of a tariff war between two of world's largest economies – USA ($ 18 Trillion) and China ($ 12 Trillion).

It all started with the U.S. imposing customs duty on steel and aluminium imported from China. The US President vowed to set right the huge trade deficit with the Asian major. Soon, China imposed retaliatory tariffs on a range of US origin goods including soybean and cotton.

To be sure, the US is the world's largest exporter of soybean and cotton both while China is the largest buyer of these commodities to meet its growing domestic needs. Despite rounds of discussions, not much headway has been made in resolving the tariff stand-off.

If anything, in 2019 so far, these uncertainties seem to be worsening rather than waning. Geopolitics continues to simmer, crude oil market is buffeted by supply side and demand side factors, global value chains (GVC) are undergoing changes and worse, growth concerns are fast emerging.

It must be emphasized that the global policy context is becoming increasingly complex. Countries ride on the horns of a dilemma. What's the dilemma? Every country – the mighty USA included – faces certain domestic socio-economic and political compulsions; and every country also has international obligations (say under WTO or trade agreements).

Often, there is conflict between domestic compulsions and international obligations. The challenge for governments and administrators is how best to harmoniously or judiciously reconcile the conflict between domestic socio-economic and political compulsions on the one hand, and international obligations on the other. Interestingly, one often finds domestic compulsions override everything else.

Such a position is sure to make countries increasingly inward looking, and gradually neutralize the benefits of globalization and liberalization.

Be that as it may, the effects of a full blown global trade war can be devastating. There is evidence of rise in economic nationalism and resource nationalism. If this nationalistic fervor is fanned further, economies are bound to suffer. Indeed, more open economies will suffer more.

A trade war has the potential to inflict lasting damage on global growth, the evidence of which we are beginning to see now. It will cause loss of output, loss of jobs and loss of incomes. GVCs will be disturbed. There is also an outside chance, trade war can morph into military action too. **Clearly, there will be No Winners in a global trade war.**

We have evidence of how global supply chains are undergoing rapid changes following the outbreak of tariff war between the US and China. Whether steel, cotton or soybean, direction of trade flows is changing, especially with changes in origin of goods. Some countries benefit and some others suffer.

At this point in time, it is unclear whether these changes signify a structural shift in the direction of trade flow or whether there will be reversion to status quo ante when the political situation stabilizes. Time alone will tell.

Now, adding to the negative fallout of the trade conflict, global economic growth is seen taking a beating. Already, growth print in Europe and Japan is tepid. There is clear evidence that the Chinese economy is slowing, albeit from its high base. Indian economy is slowing too. There are now incipient signals that the US may begin to slowdown in the coming quarters.

Because major economies are set to record slower growth, global growth risks falling below the forecast 3 percent. There will be concomitant impact on jobs, incomes and investment.

The correlation between economic growth and commodity consumption is well recognized. As demand growth is feeble, commodity markets – crude oil, industrial metals, agriculture - are enervated. There is little incentive for investment in new productive capacities.

Escalating trade war is seen spawning a currency war. To fight growth pangs, central banks of countries are becoming increasingly accommodative. Interest rates are falling and in some cases, are even negative. There is also competitive devaluation of currency. The currency factor further distorts the already fragile economic picture.

India cannot remain insulated from these global headwinds. At the same time, India cannot cite global headwinds to justify its own slowing growth. India is a major consuming economy. Our growth is substantially consumption driven. Slowing consumption drags growth down. We need to clearly identify causes for consumption growth slowdown and take corrective action.

India should also attempt to take advantage of the ongoing trade conflict between USA and China. We have to be obsessed with capturing trade opportunities that present themselves, but unfortunately we are not. There are opportunities to at least partially correct the sharp trade imbalance with China. There are also opportunities to enhance bilateral trade with USA.

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New Tariffs Will Increase Headwinds To Global Growth

By Fitch Solutions Macro Research

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Key View

- President Trump's announcement of 10% import tariffs on USD300bn worth of Chinese goods is likely to put a comprehensive deal further out of reach. The tariffs are slated to take effect from September 1.
- This comes as both sides are taking increasingly harder lines on the issue, with Beijing appearing to want to lengthen the process and extract greater concessions as electoral pressures mount in Washington ahead of the elections in 2020.
- This poses downside risks to global growth as well as interest rates in the US and we will likely be revisiting our forecasts over the coming weeks.
- Market sentiment has taken a hit and risks of a more pronounced correction in equities are mounting.

President Donald Trump has announced that the US will impose a 10% tariff on USD300bn worth of Chinese imports, to come into effect on September 1. With the US having already imposed a 25% tariff on USD250bn worth of Chinese goods, the latest announcements mean that, effectively, all Chinese goods coming into the US will be subject to tariffs.

According to Trump, the new tariffs are a response to China failing to live up to its promises of buying more American agricultural goods, or stopping the export of fentanyl.

Near-Term Prospects Of Deal Receding Further

The latest announcement by Trump further reinforces our view that trade tensions are likely to remain high between the US and China over the coming quarters. While periods of de-escalation are still likely, we have long stressed that structural disagreements over China's industrial subsidies, cyber security and intellectual property rights regime would limit scope for a sustainable deal between the two countries. With Trump looking to appear tough on China ahead of the US presidential elections in 2020 and increasing bipartisan consensus that China has been a 'bad actor' on trade, there is little room for the US to take a more conciliatory stance. Indeed, Trump has already threatened to raise the latest round of tariffs from 10% to 25% if there is not more rapid progress in negotiations, and has received rare bipartisan support for his tough stance on China.

Prospects of a comprehensive deal are further reduced by the visibly tougher Chinese stance on this issue. Indeed, we have seen increased willingness by Chinese policymakers to 'slow play' negotiations in an attempt to force greater concessions. Chinese President Xi Jinping has followed up his tough rhetoric on trade negotiations, in which he invoked memories of the Long March, with the addition in early July of Commerce Minister Zhong Shan - viewed by many as a hardliner - to China's negotiating team. This suggests Beijing is prepared for a protracted trade war. Furthermore, a meeting of China's Politburo on July 30 concluded that China needs to rely on domestic demand to weather the downside economic pressures it is facing.

US Consumers Likely To Feel The Impact Of New Tariffs

US - Imports From China Not Targeted By Section 301 Tariffs Imposed In 2018, % of Import Category

Source: PIIE

Yet More Headwinds To Growth...

If the tariffs go into effect, it will pose additional headwinds to US and Chinese economies, further weighing on already- slowing global real GDP growth. We are currently anticipating growth of 2.8% in 2019, weakening from an estimated 3.2% in 2018, but a deepening of the trade war suggests downside risks to this forecast.

In the US, growth has been relatively strong in H119 (3.1% in Q1 and 2.1% in Q2), but we have already started to see the impact of trade tensions feeding through to weaker fixed investment and exports. The expansion of tariffs will result in a further

dampening of business confidence and trade flows. Moreover, while private consumption has held up well thus far, benefiting from a tight labour market and rising real wages, the latest round of tariffs is likely to be more noticeable for the US consumer. The Trump administration had previously largely targeted intermediate inputs, such that importing firms absorbed some of the additional costs through lower profit margins. However, with the expansion of tariffs, this is likely to hit final consumer goods such as toys, clothing and footwear, and basic consumer electronics.

Similarly, we expect significant downward pressure on Chinese industrial activity due to the ongoing trade war. However, we believe that the authorities have space to continue ramping up fiscal and monetary stimulus, and the recent focus on boosting domestic demand at the July Politburo meeting strengthens our view that Beijing will likely implement demand-side stimulus to stabilise the economy. This incoming support underpins our slightly-above-consensus real GDP growth forecast of 6.3% for 2019, though the latest announcement suggests downside risks to our forecast.

The evolution of US-China trade tensions in the coming weeks will likely see us revisiting our economic forecasts for the two countries. Aside from the downward risks to growth posed by Trump's trade threats, we will be closely examining our monetary policy forecasts. We have been forecasting only one 25bps cut by the Fed this year, but a further ramping up of the trade war would increase the likelihood of additional easing.

US Equities Weakening Again, But 2,950 Area Key Support

US - S&P 500 Equity Index

Source: Fitch Solutions

... And To Financial Markets

From a markets perspective, Trump's announcement resulted in a shift in risk sentiment, which saw equities decline and fixed income rally. While the dollar also softened, this was likely on the back of possible expectations that increased trade tensions would force the US Federal Reserve (Fed) to ease monetary policy further – which is actually what Trump would like the Fed to do. For now, the S&P 500 is still trading around the 2,950 area, but any break below this key area of support over the coming days could see a more pronounced correction for US and global equities, which would in turn likely weigh on business confidence, further adding downside pressure on growth.

Bond Markets Rallying Further

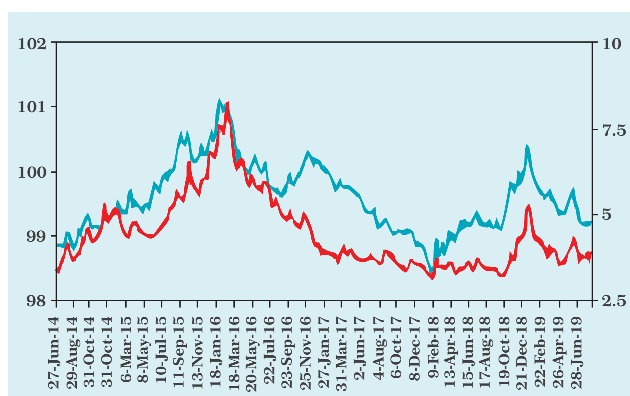
US -10 Year Bond Yield, %

Source: Bloomberg, Fitch Solutions

Moreover, while financial conditions in the US have been easing since the May sell-off, they could tighten suddenly in the event of a sharp change in risk sentiment, which would weigh on business and investor sentiment, despite falling bond yields. Indeed, riskier segments such as US high yield markets could sell off further on rising risk aversion and weaker oil prices, which could signal a more pronounced and enduring shift in risk sentiment, placing downside pressure on US and global growth.

Potential For Financial Conditions To Tighten

US - Financial Conditions & High Yield Corporate Debt, Spread, %



– *GS US Financial Conditions Index (LHS)*
– *Bloomberg Barclays US Corporate High Yield Average OAS (RHS)*

Source: GS, Bloomberg, Fitch Solutions

Chinese Still Have Room To Retaliate

In the coming days, we will be closely watching China's response. Beijing has somewhat limited room to impose new tariffs; Chinese policymakers have already implemented tariffs on USD110bn of US goods and China only imports USD179bn, according to data from the Office of the US Trade Representative. However, we will likely see China raise tariffs or increase non-tariff barriers.

For instance, China could ramp up pressure on American companies through a more aggressive implementation of its list of 'unreliable entities' and subject them to ever tougher sanctions.

While not our core view, there is some risk that, as the trade war deepens, Beijing will be tempted to respond more aggressively, including using its near-monopoly in the global supply of strategic rare earths as leverage.

China has 'weaponised' the supply of earth metals for political and economic objectives before.

In 2006, the Chinese government decided to impose export quotas and duties for rare earth exports globally, while in 2010, Chinese authorities decided to reduce the country's rare earth export quota by 40%, which saw prices for rare earths soar globally.

This could put further upward pressure on the prices of US medical devices and electronic goods.

Related Research

- Rare Earths: Implications Of Possible Chinese Restrictions, June 25
- Trade Crib Sheet: Trade Agreement Not In Sight Despite De-Escalation Of US/China Tensions, July 3
- China To Roll Out Demand Side Stimulus To Stabilise Growth, July 15
- Quick View: Solid Q2 Growth, But US Economy Increasingly Bifurcated
- What Our Clients Want to Know: Key Global & US Questions, July 27

Quick View: Currency Dispute A New Front In The US-China Trade War

The Latest: China's State Administration of Foreign Exchange (SAFE) on August 5 set the mid-point guidance level of the CNY6.92/USD, 0.3% weaker than CNY6.90/USD on August 2. SAFE weakened its guidance further by 0.7% on August 6, setting the midpoint at CNY6.97/USD.

However, this was stronger than consensus estimate of the midpoint being at CNY6.98/USD according to a survey conducted by Bloomberg.

The softer guidance came shortly after US President Donald Trump's announcement on August 2 that a 10% tariff would be imposed on another USD300bn worth of Chinese goods, slated to take effect from September 1.

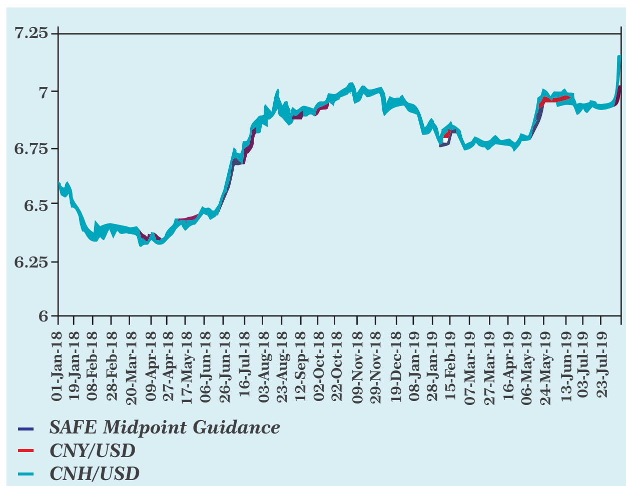
Following China's weaker guidance, both the CNH and CNY depreciated beyond the key psychological level of 7 against the greenback on August 5 reaching CNH7.10/USD and CNY7.05/USD.

This prompted Washington to label Beijing a currency manipulator.

In response, Beijing said that it will no longer purchase agricultural products from the US, and threatened additional tariffs on those products.

Beijing To Limit Further Yuan Depreciation

China - SAFE Guidance, CNY/USD & Onshore/Offshore Spot Exchange Rates



Source: Bloomberg, Fitch Solutions

Implications: We had previously highlighted that subsequent re-escalations in the US-China trade war after the spike in tensions in May would likely involve increasingly harsher policies and this view appears to be playing out. These moves mark a clear deterioration of the already strained ties between the US and China, opening a new currency front in the trade war and reducing the prospects an agreement further. The CNY weakness was likely intended by China as a response to the latest round of US tariffs, given the size and timing of the move and The People's Bank of China's (PBoC) statement explicitly linking pressures on the yuan to increased 'unilateralism' and 'protectionism'.

While China has been on the US Treasury's enhanced watchlist for currency manipulation, the swift American response to the yuan's weakening suggests that Washington expected this move from China and was waiting to label it a manipulator. We view this as an indication of the heightened distrust between the two sides. The same goes for China's quick retaliation in ending agricultural purchases from the US.

What's Next: We will be revisiting our average 2019 yuan forecast, which currently stands at CNY6.85/USD, over the coming weeks. That said, we do not believe the Chinese authorities are looking to weaken the yuan much further than current levels, due to the risk of sparking a crisis of confidence in the unit, as was the case after the devaluation in 2015. Such a crisis would likely tighten monetary conditions at a time when Beijing is trying to stimulate the economy by easing monetary policy. Investor and depositor concerns of a prolonged period of yuan depreciation would likely result in capital flight and could force Beijing' to tighten monetary conditions in an effort to halt outflows.

Furthermore, there are diminishing returns to using the currency as a tool to improve external competitiveness in the face of US tariffs, as successive devaluations would be from a weaker base. Indeed, the PBoC's statement on the yuan's movements on August 5 mentioned that it would 'take necessary and targeted measures against the positive feedback [behaviour] that may occur in the foreign exchange market', suggesting that it will limit the extent of yuan weakness. Setting the midpoint for the yuan at a stronger level than market expectations indicates that limiting depreciation is indeed their policy.

Following the decision to label China a currency manipulator, the US treasury is required to conduct 'enhanced' bilateral negotiations with China in a bid to resolve the issue. Failure of negotiations after a year to resolve the issue would oblige the US President to adopt one or more of the following actions

1. Deny financing insurance on new investment to China through the Overseas Private Investment Corporation;
2. Deny Chinese firms access to US government procurement contracts;
3. Seek additional IMF surveillance of Chinese foreign exchange practices; and
4. Take into account Chinese foreign exchange practices in negotiating new agreements.

Despite these criteria set out in the 2015 Trade Facilitation and Trade Enforcement Act, it is unlikely in our view that Washington would wait a year for negotiations on this issue before applying further pressure on China. For instance, President Trump could carry out his threat to implement tariffs higher than 10% on the USD300bn tranche of Chinese goods. **In addition, Washington could weaken the dollar to offset the yuan devaluation, which could mark the beginning of a potentially destabilising bout of competitive devaluations.**

Related Research

- New Tariffs Will Increase Headwinds To Global Growth, August 2
- Quick View: Long Process Ahead After G20 Trade War Truce, July 1

Cover Story

US-China Trade Tension: India, an alternative destination for American Investment

Nimish Shah
Vice President, North America Sales and Marketing
&
Manoj Gidwani
Vice President Global Marketing

The USA and China are two of the world's leading economies and have been the largest trading partners globally.

The two countries have complementary strengths – while the USA has significant technological prowess, China is a manufacturing behemoth. For the past few years, the US government has raised concerns about China's protectionist practices. However, recently there has been a palpable tension in the USA regarding the trade deficit with China, and there is aggressive push questioning these practices.

The trade deficit with China is nearly 50% of the USA's total trade deficit[1]. The USA's announcement of an increase in tariff to 25% on goods manufactured in China, which account for

1. *International Trade Administration, May 2019*

nearly 40% of their total imports from China, could significantly impact China's plans to move into high-value manufacturing. China has responded by levying tariffs on goods manufactured in the USA worth USD 110 billion, which account for 92% of the USA's exports to China.

Both countries have several critical issues to discuss, which will require a shared dialogue. However, after several talks, both countries have still not been able to reach a mutual understanding.

Implications

In today's globalized trade, businesses are more interdependent than ever before. The supply chain is tightly integrated to ensure the play in the global markets. The current differences between China and the USA, have resulted in fear of a global economic slowdown. Inflation has also started inching upwards[2] due to the demand-supply imbalance.

While large multinationals have spread their manufacturing bases across multiple countries, a lot of mid-sized companies have substantial investments locked into China.

Additionally, global organizations, including American MNCs, are facing pressure due to the rising cost of importing from China. Manufacturing in China is not as lucrative as before. Considering these scenarios, it is advisable for firms to diversify their manufacturing and structure them in such a way that they do not become hostage to such trade wars.

Exploring alternatives

The current scenario presents an opportunity for global companies to explore other countries to base their manufacturing operations.

The South East Asian, African, and Latin American markets are possible prospects for US-based companies. In particular, developing and transitioning economies such as India not only provide a stable manufacturing base but also introduce a growing captive consumption market for goods, due to the population size and mix.

In May 2019, the US-India Strategic and Partnership Forum (USISPF) said that 200 American companies are in a quest to move their manufacturing base from China to India following the general elections in India[3]. These firms are looking to hedge their investments in China by diversifying their manufacturing base to India.

India as an investment destination

As the world's largest democracy, India presents a favorable business environment with a robust financial and legal system to support any business setup. Several policy reforms and incentives have been introduced in the country recently.

India has witnessed a jump of 78 places in the World Bank's Ease of Doing Business ranking to 77th place, from the 155th place, from FY 16 to FY 18[4].

In addition to attractive FDI norms, the Indian government is encouraging foreign investment through incentives such as capital subsidies, tariff reductions, etc. for new setups.

These benefits are amplified by a significant skill development of the Indian workforce, coupled with reductions in manufacturing costs driven by the Make in India initiative. Additionally, India has a large English- speaking populace, providing a base of competent professionals and labor.

In terms of infrastructure, India has 12 major ports and 200 intermediate ports[5] that facilitate trade throughout the country and globally by providing inroads to South-East Asian markets. Furthermore, India presents the next pool of unserved and under- served customers due to which it is increasingly becoming an investment hub for global companies.

These factors, coupled with a young population, rising per capita income, and a consumption-driven economy, present an attractive destination.

India is progressively reforming its tax environment by globalizing its tax structure. With the introduction of the Goods and Services Tax (GST), the center standardized indirect taxation, with a uniform, nation-wide structure. This was a significant step towards simplifying tax requirements and compliances for businesses.

Further, the Ministry of Corporate Affairs has introduced a new SPICe (single day – single stage) company registration. This has brought down the processing time for incorporating a new company to 4-5 working days[6].

The government is continually striving to reshape the current tax structure to make the environment business friendly, smooth, and seamless.

There are several factors that make India an attractive destination for global investment. The recent re-election of the incumbent government provides both – stability and potential for policy evolution and reform.

In the current global landscape, India's young and progressive business environment provides an effective springboard into the South-East Asian market. As a stable fast-growing economy with a significant resource pool as well as captive market, India has the edge over other developing nations.

SKP nexdigm

2. Trading Economics, Bureau of Economic and Business Affairs, May 2019
3. USISPF news article, April 2019
4. World Bank Ease of Doing Business Rankings, October 2018
5. InvestIndia.org, December 2018
6. Central Board of Indirect Taxes and Customs, October 2018

Living Bridge

(Expressed opinions are personal) (Do you have a story or suggestion for this column? Email me at : livingbridgeasianvoice@gmail.com)

Rohit Vadhwana
IFS Officer

Celebrating the legacy of Swami Vivekananda

"India is immortal if she persists in her search for God. But if she goes in for politics and social conflict, she will die." - Swami Vivekananda. I recently attended a celebration of the 25th anniversary of Vivekananda Human Centre at Logan Hall, University College of London. For those of you who are not aware of Swami Vivekananda, he was one of the greatest spiritual leaders from India. One of the chief disciples of the 19th century Indian mystic Ramakrishna, Swami Vivekananda was instrumental in placing Hinduism on the global scale. It was his speech at the World's Parliament of Religions in 1893 in Chicago that made him popular as "Messenger of Indian wisdom to the western world".

Today, his anniversary was organized by Shri Ram Chandra Saha, and graced by MP Virendra Sharma among other dignitaries. Several performances by children ricocheted Vivekananda's messages while Swami Sarvasthananda and Swami Sarvapriyananda delivered remarks on teachings of Vedanta. It is indeed a matter of pride for India that after nearly 125 years of his first visit to the UK, Swami Vivekananda is inspiring lives of millions. As is said, 'that fellow is greater whose shadow is longer on the future', and certainly, Narendra (his childhood name) has created quite a long shadow-with the umbra and penumbra of his spiritual wisdom serving as a guiding light today. Born in 1863 in Bengal, he first met Ramkrishna Paramhansha in 1881 at Dakshineshwar. But it was only in 1886 when Narendra became 'Swami Vivekananda', a monk who had renounced worldly attachments forever. Then after, there was no looking back in his mission of spreading the message of Vedanta to the world. He considered himself for the West what Buddha was for the East.

Parliament of World's Religions in Chicago was only beginning for his acceptance and popularity in the western world. His famous speech that began with 'Brothers and Sisters' received a standing ovation for two minutes on his style of address. His intelligence, aura and oratory created an impact on the minds of people in Europe and America. During his world tours, Swami visited and stayed in the United Kingdom thrice, in 1895, 1896 and finally in 1899, spending a total of 197 days. It was during the first visit in 1895 when he met Margaret Elizabeth Nobel an Irish lady who became his disciple and is now known as Sister Nivedita. She bid her goodbye to the human world in October 1911 in Darjeeling from where her ashes were brought to the UK by famous Indian scientist Sir Jagdish Chandra Bose. On her 150th birth anniversary, Sister Nivedita's statue was unveiled on 27 July at her family cemetery in Great Torrington by Swami Sarvasthananda, Head of Ramkrishna Vedanta Centre in Bourne End. Notably, the Centre has been active in London since 1948 and has shifted to a large ashram having more than ten acres of land near Bourne End, Buckinghamshire in 1978. Sister Nivedita devoted her life to Ramkrishna Mission's cause and played an important role in connecting the West to the East and thus became a living bridge.

Tale of two cities: Indian diaspora in the UK

Indian diaspora in the world is making their presence felt through positive contributions in the econonies of the host countries. Their ability to adapt to the local culture and customs is appreciated everywhere. It is particularly because of this reputation that they are welcomed everywhere and their number is increasing steadily. As of December 2018, the number of people of the Indian diaspora in the world has reached close to 31 million.

The maximum number of Indians are in the USA (4.5 million), UAE (3.1 million), Malaysia (2.9 million), Saudi Arabia (2.8 million), Myanmar (2 million) followed by the UK with an impressive number of 1.8 million Indians or people of Indian origin settled here. While some of the countries have Indians working as blue collar workers, especially in Gulf region, USA and other western countries have our fellow brothers and sisters working in white collar jobs in growing numbers. Many of them have settled overseas for decades while others go as professional workers for a specific number of years. Whatever places they have made their home, Indianness is retained in their family, with a flavour of the local customs. Although later generations might adopt more of newer practices then the earlier ones in a gradual process, it is observed that fascination for India's rich culture and heritage has not vanished from the successive generations. Their knowledge about India's history and personal association with the country might be limited. But it is bound to happen with anyone, unless a conscious effort is made otherwise.

Indians in the UK who are settled here for over three generations, have retained the customs and cultures of the time when they had first left India. This persistent preservation of the positive practices in diaspora works like a conservatory of culture of the time they last belonged to. In that sense, Indians in Mauritius might have preserved influence of two hundred years old India in their succesive memory. Their Indian language and vocabulary might not have undergone the same transformation as has happened in India. There are individual stories of those shifting, settling, struggling and ultimately achieving prosperity among the diaspora. Every individual who goes on years of struggle does not necessarily end up winning a kingdom. But his/her own satisfaction and achievement in life is worth narrating. Someone who sailed from India to Africa and then migrated to UK. Someone who had to do two jobs a day to feed the family, in the initial years of struggle and now feels happy to see the young generation growing in prosperity.

Growth prescriptions: RBI initiatives can reverse slowdown in growth

Pradip Shah
Author was founding Managing Director, CRISIL

The central bank's current monetary policy, having evolved from focusing solely on controlling inflation and emphasising independence, is aimed at supporting economic growth.

In an interview reported on July 22, 2019, Governor Shaktikanta Das was quoted as saying that the Reserve Bank of India (RBI) was doing everything at its disposal to be in sync with the government's efforts to accelerate economic expansion, be it interest rate cuts, ensuring sufficient liquidity or enabling more bank lending.

From the time of Das's appointment as Governor, RBI in December 2018, there has been a noticeable change in RBI philosophy. Under the leadership of the two immediately previous governors, RBI had an unwavering focus only on controlling inflation and, emphasising its independence; it ignored other government objectives, such as increasing economic growth or employment.

The objective of the Bank of England's monetary policy is to deliver price stability and, subject to that, to support the government's economic objectives, including those for growth and employment. The US Congress established the objectives for monetary policy by statute, the Federal Reserve Act, not leaving it to the independent thinking of the Fed—maximum employment, stable prices, and moderate long-term interest rates. The Law of the People's Bank of China explicitly stipulates that the ultimate goal of China's monetary policy is to maintain currency stability, and thereby facilitate economic growth—clearly, economic growth is the ultimate objective.

The evolution of RBI's monetary policy objective from solely controlling inflation to supporting the government's objective of economic expansion is a refreshing and much-needed change. RBI has sought to lower interest rates, but seems frustrated that there is a long lag between the time it lowers its repo rate—the rate at which banks can borrow from RBI in case of shortage of funds—and when the banks lower their lending rates. To speed up transmission, RBI should dramatically decrease the reverse repo rate—the rate earned by banks on deposits with RBI—so as to discourage banks from lazy banking. Public Sector Banks (PSBs) are blessed with huge inflows into savings and current accounts, notwithstanding their financial performance because of the customer perception of safety and trust that the Government of India is behind these PSBs; they get a decent return (5.15% even after the reduction on August 7) on such inflows without taking any risk by merely depositing them with RBI.

Indeed, the reverse repo amounts totalled over Rs 2 lakh crore at the end of the first week of August, up from Rs 1 lakh crore in mid-July. This has occurred at a time when MSMEs, NBFCs, and potential borrowers are complaining of lack of availability of finance.

Since RBI has expressed its intention to enable more bank lending, reducing the reverse repo rate to a level where it is no longer attractive for banks to put deposits with RBI is a desirable and necessary step.

One-third of sovereign bonds globally carry a negative rate of return, i.e., investors will get back less than what they paid at the time of issue, paying a price for safekeeping of their funds. Banks must likewise pay a price if they want the safety of deploying funds with RBI; otherwise, the banks must play their role as intermediaries between savers and borrowers, and seek out borrowers.

The private sector banks have shown that there is no dearth of such customers at this time. If the reduction in repo rates leads to a reduction in deposit rates, it is only fair given the low-inflation scenario prevailing currently; the government must then act with alacrity to reduce administered interest rates, such as the unconscionable tax-free rate of return on provident funds and small deposit schemes.

The US Fed, Bank of England, Bank of Japan have been forward-looking in employing the tools of monetary policy at their disposal. In developing its monetary policy, Bank of Japan employs the Tankan survey, a quarterly poll of thousands of companies that have linkages with economic conditions. The companies are asked about current trends and conditions in the business place and their respective industries as well as their expected business activities for the next quarter and year.

For example, firms are asked about domestic demand and supply, inventory levels, projections for inflation, and the number of new graduates they hired in the last year. A rear-view mirror of "hard data", which comes with a lag, results in dated inputs for monetary policy decisions. RBI must develop an efficient system of assessing every quarter forward-looking economic sentiments of rural and urban consumers and businesses as inputs for its monetary initiatives.

In the developed world, monetary policy is proactive and fiscal policy lags in response to developing economic situations. In India, monetary policy has hitherto been reactive while fiscal initiatives are more proactive—for instance, RBI, in its Monthly

Monetary Policy Statement 2015-16, dated August 4, 2015, acknowledged the "Government's current pro-active supply management to contain shocks to food prices, especially of vegetables, alongside its decision to keep increases in minimum support prices moderate"; the central government is trying to pace out capital expenditure evenly over the fiscal year instead of having it bunched towards the end, as was the practice in earlier times.

Where the central government has miserably failed is in its own objective of ease of doing business, and in gross inefficiency in administration—witness the initiatives of the Ministry of Corporate Affairs, such as striking off companies which only hurts lakhs of innocent employees, directors and creditors while protecting the crooked cronies from tax claims, the poor implementation of the GST and the IBC, the tax initiatives introduced without homework, such as the tax on FPIs. If the central government wishes to slow down the slide in the economy and improve the growth rate, it must recognise that the enemy is within—and it is the bureaucracy.

RBI can also play its part in ease of doing business—for instance, avoiding classifying bank accounts as "dormant or inactive", which entails hassles for small depositors, avoiding paperwork for foreign receipts and payments, which even exporters have to comply with, removing the requirement of filling a KYC repeatedly for a bank customer transferring amounts to mutual funds or opening broker accounts or demat accounts, encouraging speedier adoption of technology to serve customers better.

Too much was being made of the "independence" of RBI in the recent past. No one ever advocated reducing RBI's role in controlling money supply. Monetary policy objectives must be dovetailed with fiscal policy objectives, and Governor Shaktikanta Das' endorsement of this is a refreshing recent change at RBI.

Along with economic growth, RBI may explicitly aim to facilitate employment, and less-explicitly, to prevent currency volatility; work with SEBI and others to facilitate foreign inflows to augment foreign exchange reserves, and to reduce the onerous form-filling requirements, thereby facilitating the less-privileged to put financial savings into financial instruments rather than land or gold; develop a framework in association with SEBI and the government for managing the possible systemic risk from large finance companies and from debt mutual funds, which do not enjoy lender-of-the-last-resort support or an inter-institutional market like the inter-bank market.

Talk by Mr. Nitin Gadkari on: MSMEs – Roadmap for Growth

27th August, 2019

Scan the QR Code for YouTube Video

Lighting of the lamp by dignitaries

During his talk on MSMEs – Roadmap for Growth, Mr. Nitin Gadkari said that MSMEs are being given all support in their operations and financial requirements and the Government of India has signed MoUs with KfW capital, ADB and the World Bank to draw credit lines to offer credit to MSMEs sector at a cheaper rate of about 6%. He said Khadi Gram Udyog, which scaled its revenue from Rs. 1000 crore to Rs. 3200 crore within past 5 years has been given a target to reach Rs. 10,000 crore by 2024.

The sector has a potential to maximise employment in rural areas and also in the 115 specially identified tribal districts of the country. He said raw material is being made available at rural sector and in innovative use of honey cultivation, solar charkhas, and bamboo cultivation, for which Government has launched Bamboo Mission. He said Blue Economy – in the form of high speed trawlers is also being pushed to help fisherman catch better yielding fish and sea food. He said to complement these efforts a "Bharat Craft Portal" is being planned to market quality products by rural artisans and rural SMEs which have the potential to generate Rs. 10 lakh crore of revenue.

He further declared that 6 districts of Vidharbha will be made diesel free within the next two years. He said adoption of bio CNG, which is made out of waste water of the municipal corporation of Nagpur and being currently sold to the power plants nearby, will be used to drive municipal corporation buses and other vehicles. He said bio fuel made out of rice straw, baggasse, sugar ethanol and the use of methane based fuel will help control vehicular pollution. This experiment is also being launched in NE to drive Volvo buses. If successful, this would reduce the dependence of the nation on oil to a large extent. He said the example of blending bio fuel to aviation fuel has been successfully tested in a Dehradun to Delhi flight.

He asked the industry to send their suggestions to his Ministry which would like to promote working relationship for effective dialogue for the benefit of the MSME sector. He appealed to IMC to set up a Centre in its Chamber, to aid, advise and handhold the MSME sector in meeting the financial and marketing requirements in a professional manner.

Mr. Ashish Vaid addressing the audience

(L-R): Mr. Ajit Mangrulkar, Mr. Ram Gandhi, Mr. Nanik Rupani, Shri Nitin Gadkari, Mr. Ashish Vaid, Mr. Suresh Kotak and Mr. Rajiv Podar

The Minister promised full help to the MSMEs and appealed to them to list with the NSE's MSME Platform which would open A lot of opportunities for availing credit.

On the issue of delayed payments to the MSME suppliers, he said a legistation is being worked out for ensuring timely payments within 45 days.

Earlier, Mr. Ashish Vaid, President, IMC Chamber of Commerce and Industry, welcomed the Minister and appreciated the efforts of the Minister in developing and connecting road and road transport sector through high speed and high quality national highways. He made special mention of the Bharat Mala initiative under which 28 kms. of roads are being built daily.

He requested the Minisiter to look into the problems of MSMEs in raising finance, marketing of their products and in, EODB so that the MSME sector could contribute to the nations economy in a big manner. Mr. Nanik Rupani, Past President, IMC, also spoke of the various initiatives of the Minister and thanked him for the efforts in development undertaken by him.

Mr. Ashish Vaid felicitating Shri Nitin Gadkari

Mr. Suresh Kotak, Past President, IMC, proposed the Vote of Thanks in honour of the Minister.

Audience at the event

Roundtable Meeting on Partnering Growth with Farmers

23rd August, 2019

Mr. Ashish Vaid felicitating Shri Subhash Desai. (Others L-R): Mr. Rajiv Podar & Mr. Ajit Mangrulkar

At an interactive meeting with the three farmer producer companies and IMC, Cabinet Minister Industries, Mr. Subhash Desai said that in addition to the 3 mega food parks at Paithan, Satara and Wardha which were set up in partnership with Central State Government and entrepreneurs, the State Government is planning to start 50 more food parks, which would help the horticulturists to get better returns on their produce.

These food parks will also help develop local ecosystem, such as logistics, warehousing, employment etc. He also informed that horticulture clusters are also being developed and gave the example of a Khoya cluster in Osmanabad. He said many incentives for the agro based industries are being given by the State Government and the industry should make full use of them.

He said the State Government is giving incentive for agro based industries with MIDC offering plots at concessional rates. He said to help farmers get remunerative prices of their products, the Government has amended the APMC Act wherein farmers are allowed to sell produce to merchants, or companies directly instead to the APMC traders.

Farmer producer companies are also being encouraged to develop system and competencies in marketing, and producing quality output for the export markets.

He further informed that about 1000+ companies have registered themselves under the Companies Act to become Farmers Producers Companies (FPC).

There were presentations by three FPC, namely Sahayadri Farm Producers Company which had membership of 6000 small and medium farmers growing grapes and other fruits, vegetables and processed foods.

He informed of the various IT enabled initiatives, such as App based information sharing on the prevailing prices in the nearby mandis, digital tagging to the produce, grading and certification for better chances of raising finance through organized markets and getting insurance cover.

It was also informed that training workshops in skill development and marketing initiatives are being organsied through a tie up with Tata Strive - the training wing of the Tata Sons.

Similar sharing of experiences by another FPC – M/s. Goda Farms which has operations in 6 districts of Marathwada and Vidharbha region and which was in cultivation of horticulture and food grains.

This FPC was also using extensive IT intervention in price discovery and information gathering on climatic and soil conditions for its 12000 members. The current turnover of Rs. 100 crores is being targeted to be doubled in the next three years.

Earlier welcoming the Chief Guest, Mr. Subhash Desai, IMC President said the state is a leading producer of fruits and vegetables and is at the forefront of developing agri business.

He said Government initiatives in agri reforms, such as amending the state APMC Act to allow farmers to sell outside APMC, the physical and financial incentives for setting up food processing units and creating a climate for investment by corporates is creating huge value proposition for the farming community.

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

July 21, 2019

Smt. Nirmala Sitharaman
Hon'ble Union Minister for Corporate Affairs
A Wing, Shastri Bhawan
Rajendra Prasad Road
New Delhi 110 001

Respected Madam,
Legacy Dispute Resolution Scheme,2019
Representation
Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 – Suggestions/Recommendations
References to Clauses in the representation are to the Finance Bill (No. 2), 2019 – Clauses 119 to 134

1. Meaning assigned to the term "tax dues" - Clause 122(a)

1.1 Matters in appeals

Background

The Scheme applies to disputed matters pending in appeals as on 30 June, 2019. However, the proviso to Section 122(a) states that if the appeal is heard finally on or before 30 June, 2019, the duty amount disputed in the appeal will not be regarded as **"tax dues"** for the purpose of the scheme.

Issue

It is very difficult to state as to when the appeal can be said to be heard finally as currently, there is no system of specific communication by the appellate authority hearing the matter to state that the appeal has been heard finally.

In any case, the scheme envisages giving the benefit of settlement of disputes of any amount that is in ar rear and therefore, this restriction does not appear to be logical and would frustrate the scheme since very often matters are heard and orders are not passed for fairly long period of time especially at the level of Commissioner (Appeals).

Suggestion

Remove the proviso which will have the effect of removing ineligibility of duty amount being treated as "tax dues" if the appeal is heard whether finally or otherwise. This will enable settlement of disputes which are pending in appeals. Even where appeal orders are received on or before 30 June 2019 unless, these are of Hon'ble Supreme Court, when the matter could be said to be decided finally, other Clauses of the Scheme make tax payer eligible to avail the benefit of the Scheme.

This will facilitate meeting the objective of the Scheme to enable as many pending disputes as can be settled.

1.2 Matters where audit, investigation or inquiry is initiated

Background

Any amount of duty proposed to be demanded in a show cause notice issued on or before 30 June, 2019 constitutes "tax dues". Further, even where an inquiry investigation or audit is initiated against a declarant, amount of duty payable quantified on or before 30 June, 2019 is eligible for the benefit of the scheme.

Issue

In case of inquiry, investigation or audit the requirement is that the duty is **quantified** on or before 30 June, 2019. Here again, there is no set system of quantifying the amount of duty in all cases especially, in cases where an inquiry or investigation or audit has commenced and is pending, the process of recording statements and so on is going on. At that stage, the duty amount is not quantified.

Further, while the benefit of the Scheme is available in cases where duty amount is quantified as per Clause 123(d), Clause 124(1)(f) states that a person making disclosure voluntarily after being subjected to any inquiry or investigation or audit is not eligible to make declaration under the Scheme. There appears to be contradiction. Also, it is a position taken by the Department that where an inquiry, investigation or audit has commenced, the Department has knowledge of the matter and any action by the tax payer cannot be considered to be voluntary. There could be interpretation issues which is, very often the case, and enabling a tax payer to avail of the benefit of the Scheme will facilitate settlement of such issues as well as the tax payer, may, considering the cost of litigation, time and efforts involved, prefer to settle the potential dispute under the Scheme. That will meet the objective of the Scheme too.

Suggestion

The requirement of quantification of duty amount on or before 30 June, 2019 be deleted so as to make benefit of the Scheme available in all cases where a declarant wishes to settle possible duty demand which relates to the inquiry, investigation or audit.

Appropriate amendment be also made in Clause 124 relating to eligibility to make declaration.

2. Relief available under the Scheme - Clause 123

2.1 Interest and penalty

Background

As we understand from the documents attached to the speech of the Finance Minister in the Parliament introducing The Finance (No. 2) Bill 2019, the Scheme envisages payment of specified percentage of tax dues and thereupon interest and penalty will be waived (Refer Serial No. 1 of table in Point 6 of Annexure to Part B of Finance Minister's speech).

Issue

However, when we read the Scheme, we find that the relief available under the Scheme is set out in Clause 123. This Clause does not specifically state that interest and/or penalty will be waived on payment of tax dues. The reference of late fee and penalty is, though, made in Clause 123(1)(d) where it states that in case of tax dues relatable to a show cause notice for late fee or penalty only and where the amount of duty in the said notice has been paid or is nil, then the entire amount of late fee or penalty will be waived. This Clause is, as you would notice, applies to specific situation only.

An indirect reference to interest or penalty with respect to the matters covered in the declaration is found in Clause 128(1)(a). However, this Clause refers to only issue of discharge certificate and states that the declarant shall not be liable to pay any **further** duty, interest or penalty with respect to the matter and time period covered in the declaration. This would mean that, once the disputed matter is settled under the Scheme, no further action in relation to that issue and the period to which that issue relates will not be taken. It does not apply to situations of disputed matter and its period which is settled under the Scheme.

Suggestion

Specific reference to the waiver of interest and penalty be inserted in Clause 123.

2.2 Differential in the benefits – cut-off of Rs 50 Lakhs and timing aspect

Background

The Scheme makes a distinction between cases where the disputed amount of duty is Rs. 50 lakhs or less and where it is more than Rs. 50 lakhs.

If duty disputed duty amount is Rs. 50 lakhs or less, the relief is 70/60 per cent of the tax dues and in other cases, it is 50/40 per cent of tax dues.

The amount relates to per SCN as per Clause 123.

Issue

It is not clear as to the reason for making such distinction. In fact it could so happen that a large tax payer has several pending matters each one being less than Rs. 50 lakhs and there could be a small tax payer where there could be a show cause notice for a larger amount invoking extended period of limitation which could exceed Rs. 50 lakhs. This could also lead to further disputes as to determination of the amount of tax dues as in some cases different matters could be clubbed in one SCN/appeal and in some cases each one may be different.

One more aspect that could create challenge is the time period between the date on which the adjudication order or appeal order is received and the time for filing appeal has not expired as on 30 June, 2019. In such cases, the demand so confirmed would become amount in arrear as per Clause 123(1)(c) and the benefit of the Scheme will be restricted to 60/40 per cent, as the case may be. On the other hand, if the appeal is filed before 30 June, 2019, the relief available under the Scheme will be 70%/50 per cent, as per applicable slab as the case would be covered under Clause 123((1)(a). Here again, an unfair distinction is arising between cases where a tax payer has filed appeal and a tax payer who is in the process of filing the appeal.

Suggestion

The distinction based on the amount be done away with and one common percentage of relief be considered in all cases. That will address the issues including that of time period.

2.3 Adjustment of pre-deposit - Clause 123(2)

Background

Clause 123 relating to "relief available under the Scheme", in sub-clause (2), states that if any amount is paid as pre-deposit at any stage of appellate proceedings or hearing, inquiry, investigation or audit, the same shall be deducted while arriving at the amount payable by the declarant. This is welcome and a fair adjustment.

However, proviso to this sub-clause states that if the amount of pre-deposit/deposit so paid exceeds the amount payable by the declarant, declarant shall not be entitled to any refund.

Issue

The provision of not allowing refund is unfair, unjust and is inequitable; it discriminates between those who deposited the amount and those who withstood the pressure and did not make deposit or pre-deposit.

Suggestion

Fairness and justice requires that entire pre-deposit amount which is actually held in trust by the Government, be adjusted against the amount determined payable by the declarant and refund of excess, if any, be granted.

3. Eligibility - Clause 124

3.1 Is the eligibility with reference to a SCN, etc ?

Background

Clause 124 captioned "Declaration under the Scheme" starts with the words "all persons shall be ….". Thereafter it refers to several situations and just to take one example "who have been issued a show cause notice…".

Issue

In applying this Clause, it could be interpreted to mean that if a person has ever filed appeal or has ever been issued a show cause notice, etc. that person will not be eligible for benefit of the Scheme.

As we understand, the scheme envisages settlement of disputes involved in specific cases be it show cause notice, appeal, etc. The benefit of the Scheme is qua a SCN or inquiry, audit, investigation and not qua a person.

Suggestion

Clause 124 be appropriately drafted to make it clear that eligibility to make declaration is qua an SCN or qua a specific investigation, inquiry or audit and qua the specific period covered in the SCN.

1.2 Ineligibility – stage of matter

Background

In cases where the matters are heard finally or quantification is pending are made ineligible for the benefit of the Scheme. This aspect is also covered under "tax dues" and we reiterate that the issues as stated under caption "tax dues" arising on account of the usage of the term "heard finally" and like would arise here too.

Issue

As stated above, in relation to tax dues, there is no set system to specify when the matter is heard finally by the appellate forum or by the assistant commissioner or commissioner as also for quantification of demand.

Suggestion

It is therefore, suggested that all pending disputes at whichever stage they are whether at the stage of inquiry, investigation, audit, SCN or appeal as on 30 June 2019 be all made eligible for benefit of the scheme irrespective of whether they are heard, etc. If our suggestion made with regard to "tax dues" is accepted, these sub-clauses will not be required and will need to be deleted or appropriately modified.

1.3 Ineligibility – sub-clause (f)

Background

Clause 124(1)(f) makes a person making voluntarily disclosure ineligible for the benefit of the Scheme in following two situations:

i. After being subjected to any inquiry or investigation or audit or

ii. Having filed the return under the direct tax where he has indicated an amount of duty as payable, but has not been paid.

Issue

This Clause is directly in conflict with the other provisions of the Scheme. Clause 123(1)(c)(iii) in fact, refers to the relief available under the Scheme where declarant has in its return indicated an amount of duty as payable but has not paid it. Similarly, "tax dues" due to inquiry, investigation or audit is entitled to relief under the Scheme in terms of Clause 123(1)(d).

Suggestion

The conflict be removed. On an overall reading of the Scheme, we find that this entire Clause 124 needs to be dropped.

With regards,

Ashish Vaid
President, IMC

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

August 12, 2019

Shri Shaktikanta Das
Governor
Reserve Bank of India
Central Office Building
Shahid Bhagat Singh Marg
Fort, Mumbai – 400 001

Respected Sir,

Change in Control and Management –

Practical difficulties faced by well run NBFCs –

Request for rationalization and clarifications

We are grateful to RBI for providing additional liquidity facility of Rs.1.34 trillion to banks for purchasing assets from NBFCs and to GoI offering credit guarantees on the first 10% losses of highly rated, pooled assets worth Rs.1 trillion of financially sound NBFCs, in their recent measures to give relief to already stressed well run NBFCs.

We are constrained to bring to your kind attention that **present RBI norms applicable to change in control and management (Annexure) which entail prior approval are considered to be time-consuming and confusing. We seek your clarification on:**

A. Change in shareholding –

(i) Meaning of progressive increase over time – whether during the current financial year or over past one year or over past two years,

(ii) Whether the ceiling of 26% on fresh infusion of capital applicable to one person or one entity or one group of persons/entities acting in concert (PAC) as per SEBI norms,

(iii) Whether this limit of 26% is applicable on pre-money or post-money basis.

(iv) Whether FDI from institutional investors as permitted under FEMA/ Regulations under automatic route also required prior approval.

(v) Whether capital raising beyond 26% by non-financial parent company having 100% ownership of a registered NBFC also requires prior approval.

B. Change in management

(i) Objective of stipulating prior approval of RBI for any change in management beyond 30%, as induction or substitution of even one non-executive non-independent director in an NBFC (normally having not more than 2 or 3 directors) would invariably require prior approval.

(ii) Each appointment of an employee as ex-officio director or substitution by another employee also needs prior approval.

The aforesaid anomalies are leading to requirement of prior approval from RBI in almost every case, which we believe may not the intended objectives of RBI. Besides, the applications by many NBFCs are adding to avoidable burden on otherwise scarce supervisory resources of RBI and cause unwarranted delay in granting approvals to the applicants.

It is likely that the above norms were contemplated to prevent wrong doers from their entry into NBFC sector. However, these very norms are coming in the way of even well run NBFCs raising capital even from marquee investors (regulated by RBI or SEBI or IRDA) and induction of finance professionals (CA, CS, MBA, ex-bankers, etc.).

We are of the view that Statutory Provisions and Regulations for NBFCs have come a long way in weeding out weak and non-serious players and non-compliant NBFCs by drastic reduction in the number of NBFCs (both deposit taking as well as non-deposit taking). The NBFC Regulations have been periodically tightened to bring them on almost at par with those applicable to banks (particularly with the recent wide ranging powers granted to RBI under the Finance Act, 2019).

We urge upon RBI to kindly take a pragmatic view and consider the following suggestions for obviating the need for prior approval (subject to reporting to RBI, as hitherto, for post-facto due diligence):

Innovate, Motivate, Consolidate
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(i) Investment/shareholding by any standalone entity (other than those Persons Acting in Concert – PACs as defined under SEBI Regulations) presently regulated by RBI/SEBI/Insurance Companies in an NBFC or its 100% holding company may be exempt from the ceiling of 26%.

(ii) Listed NBFC may be exempt from the ceiling of 26% and may effect change in its control in favour of shareholders of any regulated entity, subject to SEBI approval, open offer etc.

(iii) FDI from institutional investors as permissible under FEMA Regulations under automatic route may be exempted.

(iv) While any person being inducted into the board of an NBFC as an independent director does not require prior approval of RBI, induction of professionally qualified persons as non-independent directors, having experience in the financial system (like CA, CS, MBA, ex-banker, experienced NBFC personnel, etc.) may be exempt from the ceiling of 30% of change in management.

Needless to add that if RBI so desires, a Certificate from its Statutory Auditor, who is otherwise enjoined upon under RBI Act to report any violation of NBFC Regulations, may be prescribed by RBI, as a quasi regulator.

The requested clarifications in the short term would facilitate the growth of well-run NBFCs on sound lines, without in any manner compromising the avowed objectives of RBI to prevent the entry of undesirable elements into NBFC sector.

May we urge upon you to arrange for a rationalization and review followed by requisite clarifications at your earliest.

Warm regards,

Yours sincerely,

Ashish Vaid

President, IMC

Mahesh Thakkar

Chairman, NBFC Committee, IMC

Ashish Vaid
President

IMC
Chamber of Commerce and Industry

August 27, 2019

Shri Nitin Gadkari
Hon'ble Union Minister of Road, Transport and Highways, MSMEs
Room No.501, Transport Bhawan
Sansad Marg
New Delhi – 110 001

Respected Shri Gadkariji

MSME CHALLENGES

We would like to highlight some of the challenges and possible solutions for MSME's which will help to a large extent in making India a $ 5 trillion-economy:-

1. **Finance:** Given the importance of MSME's, the banking system must seek to treat this sector differentially. The differential treatment can be in the form of softer interest rate and quicker dispersal of loan after accelerated evaluation. The RBI can suitably advise commercial banks to ensure timely and adequate credit for MSME sector. RBI and Government should work closely to understand MSME cash flows management and provide easier loans to expand production.
   Action : Banks must be encouraged to fund up 1.0 Cr on security of land/building having equivalent Market value.
2. **Capacity Building:** It is necessary to establish Enterprise Development Centre's (EDC) to enhance technical know-how and managerial skill amongst the MSME's.
   Action: We can tie up with local IIT for this.
3. **Bargaining Power:** MSME by their very nature are small. They are usually suppliers to large corporates. But MSME have weak bargaining power to enforce legal provisions. It is necessary to have an appropriate legal framework to overcome the weak bargaining power of MSME.
   Action: We can form co-operatives of allied industries so that there is no undercutting.
4. **Registrations:** MSME are subject to multiple registrations and that process is cumbersome - UDYOG ADHAR; GSTN; NSIC etc. The registration process needs to be simplified.
   Action: One stop approval process wherein all the forms can be combined – Company Law, PAN, Adhaar, GST, NSIC, etc.
5. **Logistics:** In India the logistic costs are very high. Because of their small size MSME's face disproportionately higher logistic cost. This needs to be addressed.
   Action: If we can allot MIDC plots industry wise based, the logistic costs can be clubbed together.
6. **Startups:** They essentially start as a micro organization. They usually are the hubs of innovation. Therefore they deserve much softer financing and tax treatment.
   Action: Finance upto 1.0 Cr on security of land/building and tax at a reduced 10% for 3 years and GST holiday for 3 years.
7. **Risk Management:** Global and Indian commodity markets are highly volatile. Those MSME's which have direct exposure to commodities (metals, agriculture, and energy) face huge price volatility which often affects their top-line and bottom-line. To address this critical issue it is necessary to educate and train MSME's to hedge their price risk on commodity futures exchange. IMC will be happy to undertake awareness training and education programs amongst MSME's t help them hedge their commodity price risk.
   Action: IMC can be the advisors to startups for hedging commodity risks.
8. **Marketing:** It is important to help SME's to outgrow small and medium status. We need to incentivize this process to encourage SME's to blossom into large corporates.
   Action: Government can release ads on behalf of groups of MSME's for Marketing periodically in Print and Digital media.

IMC Chamber of Commerce and Industry will be pleased to be a catalyst in mentoring and advising MSME's to grow.

With Warm Regards,

Ashish Vaid

President, IMC

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Ashish Vaid
President

IMC
Chamber of Commerce and Industry

September 5, 2019

Shri Piyush Goyal
Hon'ble Union Minister
for Commerce & Industry
& Union Minister for Railways
Udyog Bhavan
New Delhi 110011

Respected Hon'ble Union Minister Shri Piyush Goyal ji,

Policy Inputs and suggestions for Promotion of Trade & Commerce

On behalf of IMC Chamber of Commerce and Industry, I wish to put on record our appreciation for your efforts to maintain a continuing dialogue with the Chamber, and with industry and business community to facilitate conducive milieu for growth of trade and industry. We also appreciate your willingness to invite suggestions from stakeholders deliberate on them and consider implementing them.

Sir, for your kind consideration, we enclose herewith the compilation of Chamber's suggestions on policy reforms and promotion of trade and commerce that we have put together from inputs received from our members on promotion of commerce and industry, and boosting exports and international trade.

We believe that these recommendations have potential to be the catalyst for growth in trade, both domestic and international, that could in turn stimulate the Indian economy.

We once again thank you for your continuing support and look forward to your comments on our recommendations.

With kind regards,

Ashish Vaid

President, IMC

(1) Inputs for Immediate Reforms

a) GST Administration

GST administration needs urgent attention and reforms. GST filing process should be streamlined as in its current form, filing returns are a cumbersome process, with high compliance costs, and with the obligation falling on businesses to check and see if vendors have filed their returns, for claiming input credits. Many businesses have started delaying payments or holding back payments to vendors, if their returns are not showing in the GST portal. For MSME sector, this impacts working capital needs of the business, as money gets locked into the system. Additionally, amendments are not allowed once returns have been filed, except at the end of the period; when all amendments are needed to be filed at one go.

This increases the load, particularly on the MSME segment, as they are the least equipped, in terms of manpower & specialized knowledge, to handle such increased compliance loads and have to hire specialists, which increases costs of doing business. The process should be simplified, with automatic matching of invoices, rolling GST returns filing process, which will go a long way in alleviating the GST filing process.

b) MSME Issues in Accessing Capital

MSME face issues in accessing capital, because banks and lenders are unsure of the credit worthiness of the MSME segment. To mitigate the risk, GST returns filing could be used as a pseudo credit rating tool, based on which banks can provide capital to MSME sector, as information related to the health of the business would be available with the GST authorities. The information could be made available to banks & lending institutions, through developing suitable API's and can function similar to CIBIL.

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c) Sunrise Sectors

Suitable policy measures should be formulated to encourage sunrise sectors of the economy with focus on manufacturing sector like electronics manufacturing, Solar Panels manufacturing, energy storage equipment & devices manufacturing and allied industries.

(2) Inputs for Export Promotion

a) High Costs

Exporters in India suffer from high transaction costs in terms of transportation cost due to poor infrastructure and port connectivity. In addition, interest rate, bank charges and port charges are all significantly higher in India. Therefore, export infrastructure, particularly ports-related infrastructure, which affects trade, needs immediate attention as well as rationalization of interest rates and port charges

b) FTAs

Bilateral and Regional Free Trade Agreements entered by India with partner countries have not served their purpose. Looking at export numbers with countries and regions with which India has signed bilateral agreements, it is clear that these agreements have not resulted in any benefit to India. There is, therefore, need to do an analysis of all FTAs and overall export ecosystem and develop negotiating strategies accordingly.

- There is lack of awareness about FTAs, particularly among MSMEs. The Government should organize or fund organization of outreach programs to create awareness amongst exporters. ™
- It is also incumbent upon our manufacturing sector to raise the level of efficiency and quality in order to compete and realize full potential of the FTAs.

c) Strategies and Policy Reforms

The focus of exports strategy and policy push should be for items based on demand rather than supply based. Shifting the focus of incentives and schemes to items for which there is demand in the world and diversifying export basket accordingly will give a big boost to exports

Simplify procedures, reduce documentation and ease excessive Government control and restrictions on trade. The process is very lengthy and complex. Innumerable documentation makes the process time and money consuming, adding to cost.

- There is need to improve digital infrastructure to facilitate e-Commerce and e-payments. It will also help traditional sectors like textiles and leather to become more competitive and qualitative.
- There should be greater involvement and participation of States
- Indian Missions abroad should play more proactive role to promote Indian exports
- Funds provided under Market Development Assistance and Market Access Initiative Scheme is not sufficient for the medium scale enterprises to participate in the exhibitions. The Government should consider raising such funds allowing greater participation by SMEs. They should also be made available to all chambers of commerce and industry rather than just select chambers and export promotion councils to widen the reach and enhance scope for exports.

d) Financing for Exports

For financing exports following are the key suggestions

- Sector-specific financing schemes need to be factored into our Foreign Trade Policy as different sectors have varying gestation periods and production time. For example, rice versus gold is going to have a very different cycle of achieving the full circle of export from production to manufacturing to growing to harvesting
- Consider setting up Export Promotion Zones closer to ports for multiple industries, manufacturing or services. These zones should have entire eco-system required for exports with appropriate banking channels with status of offshore banking unit with certain dispensations from regulations requirements such as CRR, SLR in order to allow them to extend credit at lower rates.
- Need to create awareness among the exporters for various products that they have onshore and offshore, credit guarantee trust being one of them, ECGC being another one.
- Buyers' insurance is another work to be done between IRDA and RBI – question is why banks can't buy insurance on behalf of their customers.

e) Reduce Regulation and Bureaucracy

They stifle growth. Many opine that I.T. grew because there were no licenses, permissions and controls and Indian entrepreneurs were free to compete worldwide.

f) Promote SEZs

Overseas investors who set up units in SEZs bring in Capital, technology and equipment. They create employment. They bring customers. They generate foreign exchange.

In China such zones are spread over hundreds of sq. kms. Our SEZs are competing with other countries such as Sri Lanka, Bangladesh, Vietnam and China.

g) Exempt Exporters from GST

Devise procedures where exporters do not pay GST. Today they pay GST & apply for a refund. This takes several months, severely affecting their cash flow.

As an example, if a foreign tourist shops in the UK he pays VAT. However, this VAT is refunded at the airport itself, when he leaves, on his producing his passport and the invoices.

Encourage sectors where we have comparative advantage: There are several sectors where India enjoys comparative advantage. These need encouragement. Let us give 4 such examples

h) Textiles

India has been famous for its textiles for centuries. The world export of fabric and garments at present is $1 trillion. Of this China enjoys 33% market share i.e. $330 billion India has 6% market share viz. $65 billion (2016-17).

This sector is labor intensive.

Chinese wages now are about ₹ 75,000 pm.

Indian wages are about ₹ 15,000 pm. It is obvious, given the right environment and incentives on fabric and garment, our exports can increase by $100 billion.

i) Milk Products

India has the largest population of cows in the world. We are also the largest producer of milk in the world, with an annual produce of 160 million tons. We consume 0.35 litres of milk per person per day.

However, our cows produce only 10% of the milk of an Israeli cow. If we apply modern technologies, we can flood the world with milk products such as powder milk, (though we may not be able to export milk itself).

3) International Tourism

Tourism is the largest industry in the world and also the largest employer. About 11% of world employment is in tourism.

Last year only about 9 million international tourists came to India. Contrast this to USA (75 million) and China (60 million). Even cities such as Singapore (13 million), Macau (10 million) and Dubai (15 million) receive more tourists that India!

USA is targeting 100 million tourists by 2021. International tourists to USA generated $ 940 billion in 2016.

India has the Himalayas in the North, 7,500 km of shoreline, some of the finest beaches, and innumerable historical and religious sites.

We should target generating over $100 billion from international tourists, from the present $ 23 billion.

A tourist only needs a clean room, garbage free environment, and safety. India has demonstrated that we can clean our cities e.g. Surat and Indore. The Metro in Kolkata is spotlessly clean. Surely we can do this, at least for our tourist spots.

Another sub-set is Medical Tourism, which generated $3 billion last year. Our doctors and medical facilities are excellent. Our medical costs are 15% to 50% of the developed countries. Hence, revenue from Medical Tourism can grow 10 fold.

4) Others

Similarly other segments that can and should be encouraged are labor intensive manufacture such as electronic assembly and chemicals. We should apply the principle of Marginal Analysis. We should look at exports marginally. We did this for the software sector earlier. We exempted profit from software exports from income tax for 10 years. This did a miracle. Surely we can do the same for sectors that you determine have potential, for a limited period of time such as solar, EV or any other new technologies.

5) Conclusion

IMC wishes that the above suggestion and policy inputs shall be given due consideration and deliberation and clear policy directives shall emanate from the same.

Union Budget 2019-20

5th July, 2019

Discussion on Budget 2019-20 by the Managing Committee members

The 2019-20 Union Budget presented by Hon'ble Finance Minister Smt. Nirmala Sitharaman in the Parliament is a non-populist no-frills yet matter-of-fact budget with emphasis on strengthening policy framework and system-based governance. The budget is on the direction of the vision set by the 10 point agenda of the government and the Hon'ble PM, Narendra Modiji for a bright, stable, new India.

We welcome the balanced focus of the budget as a blue print to making India an economic powerhouse. The pump priming of Agriculture and Infrastructure and boosting the Industry, the three sectors with potential for job creation and raising the consumption levels.

Structural reforms in rural India have received specific attention.

In addition to increased focus on women in SHGs through overdraft facilities and of Rs. 1 lakh under Mudra loans for rural startups, and lifting rural economy, the thrust on rural FPOs, drinking water availability, water conservation, providing rural housing with sanitation, electricity and gas (Ujjwala) to each rural household is a positive intent. Benefit to farmers by expanding e-NAM and the zero based budgeting to help doubling farmer's income by 2022. The tax incentives for affordable housing are welcome.

The proposed humungous investments (Rs. 100 lakh crore over next 5 years) for infrastructure development – railways, rural and other roads, airports, water, multi-modal transport and tariff restructuring package for power and 'One Nation One Grid concept' – is sure to be a shot-in-the-arm for the infrastructure sector that finds itself inadequate to meet the growing demands of the economy. It will have several spin-off benefits.

A huge thrust being made towards the digitization of the payment mechanism and the digital technology initiatives in robotic, AI, IoT, etc., in the economy is the need of the hour.

The proposal for developing corporate bond market, setting up of a long term funding institution, norms to be eased for FDI, FPI, angel investors, single brand retail sector, is a positive development, addressing the issue in liquidity by raising foreign borrowing, guarantee by PSB banks to quality NBFCs, the new concept of **Study in India** and the grants of Rs. 400 crores to higher education will move the economy into a forward trajectory.

The policy initiatives in rental housing , initiatives in labour laws while keeping the labourers protected, the tax incentives for EVs to arrest climate deterioration and the interest subvention in GST for MSMEs is a welcome step.



(L-R): Mr. Sanjay Mehta, Mr. Niranjan Hiranandani and Mr. Ashish Vaid addressing the press

The expansion of corporate tax rate of 25% to include companies upto Rs. 400 crore turnover is a good move.

Overall, the Chamber welcomes the budget as an excellent intent document towards further strengthening the reform process, bringing about more transparency and laying a solid foundation for GDP growth rates of 8.0% for a $5 tn. economy.

Implications of Union Budget for 2019-20

8th July, 2019

(L-R): Mr. Ajit Mangrulkar, Mr. Vikram Nankani, Mr. Ashish Vaid, Mr. Sanjay Mehta, Mr. Sougata Ghosh & Mr. Upendra Shah

IMC discussed the implications of the Union Budget 2019-20 at a meeting held in the Chamber.

Mr. Ashish Vaid, President welcomed the audience and the speakers, Mr. Ketan Dalal, Managing Partner, Katalyst Advisors, LLP and Chairman, Direct Taxation Committee, IMC and Mr. Vikram Nankani, Co-chairman, Indirect Tax Committee, and other dignitaries in the audience. He thanked Mr. Homi C. H. Bhabha for sparing his valuable time to attend this meeting.

Mr. Ashish Vaid in his speech mentioned three general observations on the Budget mainly generation of employment, agriculture and capitalization of banks. He informed that infrastructure development and housing would generate more employment. Agriculture is in a bad shape and there is a need to promote a lot of co-operatives instead of fragment holdings, irrigation facilities needs to be improved.

He further mentioned that the FM had addressed the issue of doubtful loans of NBFC's which will be taken over by the banks.

Mr. Ketan Dalal made the following observations:

- On the direct tax front, there are some changes, but a critical one is a significant increase in surcharge for individuals (which the Government believes applies to AOPs such as FPIs also). This will significantly add to the tax burden for incomes above Rs. 2 crores.
- There is a laudable increase in the limit for concessional tax on corporate from a turnover of Rs. 250 crores to Rs. 400 crores. However, this should have been extended to all corporate, given that exemptions have been done away with, or lapsed.
- There are some good incentives for affordable housing and electric vehicles, but there is also a significant increase in compliance in various forms, including TDS provisions.
- There is no reference to the likely introduction to the Direct Tax Code, the draft of which is supposed to be tabled by July 31, 2019.

Mr. Vikram Nankani made the following observations

These are the following amendments in Customs Requirement of Authentication as may be requested

- Power to screen or search a person if the officer believes goods liable to confiscation are secreted in his or her body
- Restriction of arresting only in India done away with, can be arrested even on foreign soil
- Penalty for wrongfully or fraudulently obtaining FTP license or instrument on the transferor of license
- Appeal to CESTAT against order of determination or review in relation to Safeguard Duty

In CGST following amendments are made

- Alternative Composition Scheme for supplier of services or mixed supplies (not covered under earlier scheme) at the rate not exceeding 3% as may be prescribed for turnover up to Rs. 50 lakhs
- Threshold for registration can be increased to Rs. 40 lakhs on request by State and on recommendation of Council
- A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for integrated tax, Central tax, State tax, Union territory tax or cess
- Interest on delayed payment of tax only on net tax liability after taking into account available credit balance during the impugned period

Introduction of Sabka Vishwas Legacy Dispute Resolution Scheme

IMC Marg at Navi Mumbai — Naming Ceremony

11th July, 2019

In recognition of IMC's contribution to the growth of trade, industry and society in Navi Mumbai for more than two decades, Navi Mumbai Municipal Corporation (NMMC) through the efforts of Ms. Shubhangi Patil, Corporator, decided to name the road opposite the Commodity Exchange Bldg, from Mathadi Bhavan junction to Punit Corner, Sector 26 as 'IMC MARG'.

Hon'ble Shri Jaywant D. Sutar, Mayor, Navi Mumbai Municipal Corporation (NMMC) & Ms. Shubhangi Patil, Corporator did the honour of unveiling the road sign IMC MARG erected at the Mathadi Bhavan junction near APMC market.

Hon'ble Shri Jaywant D. Sutar unveiling the road sign IMC MARG

Mr. Ashish Vaid, President, Mr. Rajiv Podar, Vice-President, Mr. R. K. Jain, Chairman, IMC Navi Mumbai Committee, Director General, Mr. Ajit Mangrulkar, Deputy Director Generals, Mr. Sanjay Mehta and Mr. Sougata Ghosh and members from the trade, industry, and professionals were present to witness this historic event honoring this prestigious Chamber.

Hon'ble Shri Jaywant D Sutar, Mayor, NMMC, in his remarks said that the naming of the road after IMC was an appropriate recognition of services that IMC has been providing to promote interest and welfare of trade, industry and society of Navi Mumbai.

Indonesian Parliamentary Delegation

18th July, 2019

The International Business Committee of the Chamber organized a meeting with the Aceh Province in Indonesia, led by Mr. Azhari, Chairman of Commission I of Aceh Parliament.

This Indonesian delegation comprised of approximately 25 delegates.

Mr. Ashish Vaid, President, IMC, welcomed Mr. Azhari, and the other delegates from Aceh Province along with the members who attended the meeting. He informed the visiting guests that IMC was very keen to associate with them.

(Seated L-R): Mr. Rajiv Podar, Mr. Ashish Vaid, Mr. Teungku Azhari, Mr. Ade Sukendar & Mr. Ajit Mangrulkar along with invitees

Mr. Dinesh Joshi, Chairman of International Business Committee informed the visiting delegation on how IMC can help them to promote their business interests in India.

The purpose of the meeting was to interact with members, to understand about the business opportunities in India and also to promote the existing trade and investment opportunities in the Aceh Province of the Republic of Indonesia.

Mr. Azhari gave a presentation on the Aceh Province, which is also called as the West gate of Indonesia. He informed that Aceh has a SEZ which is also open to Indian investments. There are many incentives to the companies who are willing to invest in Aceh. He informed that any foreign company can use the land in Aceh for 25 to 50 years for doing business.

Mr. Ade Sukendar, Consul General of Republic of Indonesia, introduced the delegation to IMC members. He informed the members about an exhibition "Trade Expo" which is going to take place in Jakarta, Indonesia from 6-20 October, 2019.

He requested IMC to take a delegation of its members to the exhibition. He also suggested that after participating in the Trade Expo, the Indian delegation can also visit Aceh and see the business opportunities existing there. He informed that the Income Tax in Indonesia was between9%-35%, which is less than in India.

Mr. Azhari, Mr. Sukendar and the visiting delegation then answered the queries raised by the members.

Right to Public Services

18th July, 2019

Shri Swadheen Kshatriya addressing the audience

An interactive session on Right to Public Services was organized by the IMC Chamber on 18th July 2019. The Chief Commissioner of the Maharashtra State Commission, Mr. Swadheen S. Kshatriya, the Chief Guest at the function, outlined the salient features of this state Act, which is applicable to designated and notified services provided by the state. He said, services of all India nature are excluded from the ambit of the Act. He said the Act has a preamble which says that eligible citizenry will be provided services by the state government in a transparent, efficient and time bound manner. Services which come under the ambit of the Act have been notified. He said that a total of 482 services have been notified of which 403 services are available online. He further added that these services include 45 services related to trade and industry. He further informed that the tag line and the logo for the State Commission were finalized through active interaction of the prominent citizens of the state. He said that the citizens can get complete information by accessing the mobile app RTS Maharashtra or the Aple Sarkar web portal, or by applying online for the desired services, by paying nominal fees. He said all the three modes of obtaining services, have been made extremely user friendly. He said that as of now there are 22 lakhs citizens who have registered online adding that the registration process is simple and to be done only once. He said the Right to Services Act mandates that citizens should get services in a transparent, accountable and time-bound manner.

Since the information to services sought is primarily IT enabled, huge effort has been made to increase the efficiency of the IT, its vast usage base and the geographical spread. The information can be sought at the designated counters of the Commission or through the 26,000 outsourced entities which have been chosen after careful due diligence. In case of delay in providing the services or denial without adequate justification, a well-documented system and process has been put in place. A three tier system of appeals - at primary, follow up and at final levels, has been set up at the Commission.

To further tone up the administrative set up in providing services, sensitization of the concerned officers of their role and responsibility, and a system of cash incentivisation for timely provision of services etc., has been introduced. Likewise, a system of penalties and disciplinary action has also been introduced.

Mr Kshatriya further informed that a system of self-declaration has been introduced to do away with the costly and time consuming affidavit system. Submission or uploading of documents on the portal for obtaining services is under self-attestation format. This does away with the usual gazette officer's authentication, which itself was fraught with delays and operational issues.

He called upon the Chambers, like IMC, to organize awareness campaigns and capacity building programmes to make citizens of Maharashtra aware about this Act and their Rights to Services.

He also requested IMC to give feedback on the online process for further simplification and efficiency, particularly for 45 industry-related services.

Skilling Architecture – Education for Employability

19th July, 2019

IMC Chamber of Commerce and Industry in association with Mumbai Management Academy and Research (MMAR) organized a panel discussion on Skilling Architecture – Education and Employability as there is an urgent need for upscaling the skilling initiatives and also employment solutions require self-recognition and handholding for improvement. Employee's personality traits comprise 30% of skills earned and 70% attitudinal traits and these get complemented if the candidate has requisite skills.

Eminent speakers at the Panel Discussion

Chairman-MMAR, Dr. S. K. Nanda, IAS (retd), appreciated the initiative taken by IMC and MMAR in order to prepare the students to be industry ready and called up to continuously review the requirements which the students may desire from such programmes.

Mr. Ashish Vaid, President, IMC, said the Chamber is striving to align itself with the clarion call of the PM of a 'Kaushal Bharat Kushal Bharat' in developing skills for the youth across sectors.

He gave an example of Chambers' delegation to Germany as part of the **India Calling** event, wherein the German Government has offered to train Indian youth free of cost in various sectoral segments. This would help build a quality assured process for taking the country to the next level. This would also help in an industry connect and make youth industry ready with a suitable placement matrix.

There was a panel discussion on the aspect of Skilling Architecture – Education for Employability with panelists from cross section of the industry sharing their views on the topic and suggesting ways and means to make this partnership work effectively.

This event was followed by the first batch of Data Science And Advanced Machine Learning on 29th July 2019 at Pillai College of Arts, Commerce and Science at Navi Mumbai

A Credit Policy to Spur Growth

22nd July, 2019

With a view to providing inputs to RBI for the upcoming Credit Policy, IMC Chamber of Commerce and Industry organized a panel discussion on the theme 'A Credit Policy to Spur Growth' to understand the inflation outlook for the Indian economy.

IMC President, Mr. Ashish Vaid presided over the meeting. The panelists included Mr. Madan Sabnavis, Chief Economist, CARE Ratings, Mr. Pradeep Ramnath, former Chairman, Corporation Bank, Mr. Atul Joshi, Founder & CEO, Oyster Capital Management and Mr. G. Chandrashekhar, Economic Advisor, IMC and Director ERTF.

In the context of headwinds facing the Indian economy in the form of slowing growth, tepid investment and job creation as well as lack of stimulus in the Union Budget 2019-20, the panelists were of the strong view that there was an urgent need for the Monetary Policy Committee (MPC) to consider lowering the repo rate by at least 50 basis points to spur investment and consumption.

In fact, a bold 100 basis point reduction would exert a greater positive impact on the economy given the transmission issues with banks, it was felt, especially given the benign inflation situation. Crude oil market is turning softer and adequate stocks of rice, wheat and pulses within the country provide relief.

A suitable representation has been sent to the RBI.

The session was interactive with audience participation.

(L-R): Mr. Madan Sabnavis, Mr. Pradeep Ramnath, Mr. Ashish Vaid, Mr. Atul Joshi, Mr. Tanil Kilachand & Mr. G. Chandrashekhar

Management Development Program (MDP) on GST - Compliance and Case Studies

27th July, 2019

Participants from different organizations at the event

IMC Chamber of Commerce and Aditya Institute of Management Studies & Research jointly organised an intensive day long Management Development Program on the topic "GST – Compliance and Case Studies" on 27th July, 2019.

The program was well attended by participants from different organisations including ACG Capsules, Exodus Chemtank Pvt. Ltd., Guarniflon India Pvt. Ltd., Hindustan Motor Mfg. Co., ICA Pidilite, Jeena & Co., Meyer Organic, Soujanya Color Pvt. Ltd., etc.

The eminent speakers at the session were CA Rupesh Shah, CA Mandar Telang, Adv. Subramania Nathan.

The session covered the topics like genesis of GST, challenges faced by businesses, GST on CHS, benefits of composition scheme, GST on education sector, GST on Trust, Ineligible ITC and its impact on profitability, GST Returns, New Return Filing System announced by Government of India, overall intricacies of Input Tax Credit, Case studies on important topics of supply, place of supply, registration, filing of returns, reverse charge mechanism, e-commerce, advance ruling, SEZ, Zero rated supplies, etc.

Awareness Program on Commodity Hedging and Price Risk Management

31st July, 2019

(L-R): Mr. Parth Ganatra, Mrs. Komal Kanzaria, Mr. V. P. Vaishnav, Mr. G. Chandrashekhar, Mr. Kishor Rupapara & Ms. Anita Naik

IMC Chamber of Commerce and Industry with the support of MCX Investor Protection Fund organized an Awareness Program on Commodity Market and Price Risk Management on July 31, 2019 for the members of Rajkot Chamber of Commerce and Industry at Rajkot premises. This program focus was to educate stakeholders in the commodity value chain including companies with exposure to commodities about the dynamics of the market. It also covers commodity market and need for managing price risks.

Expert speakers were Mr. G. Chandrashekhar, Economic Advisor, IMC and Director IMC ERTF and Mrs. Komal Kanzaria, AVP- Regional Head, MCX. The topics covered included Commodity intensity of India's growth; drivers of commodity markets and price volatility; Need for price risk management through hedging; Commodity Futures and Options, and their benefits.

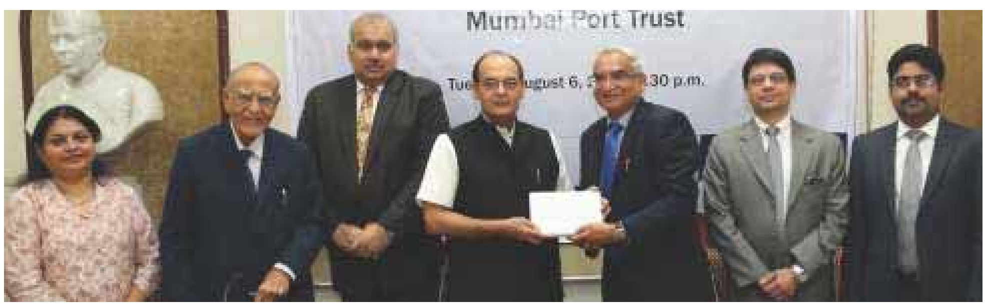
The session was interactive. The participants raised queries on hedging which were satisfactorily answered by the speakers. The program was well attended.

Mr. V. P. Vaishnav, President, Rajkot Chamber of Commerce & Industry introduced the speakers. He said that relationship between IMC and Rajkot Chamber can be further cemented with organizing more such training program on Markets.

Overall, the sessions were interactive and speakers made it interesting by conducting it in a dialogue format. The program was very well attended. Feedback from several participants was positive.

Special Session on Mumbai Port Trust

6th August, 2019



(L-R): Ms. Anupama Karanam, Mr. V. B. Haribhakti, Mr. Mark Fernandes, Mr. Sanjay Bhatia, Mr. Ashish Vaid, Mr. Ajit Mangrulkar and Mr. Sougata Ghosh

Addressing the special session following the IMC Managing Committee meeting on 6th August, Chairman, Mumbai Port Trust, Mr. Sanjay Bhatia spoke of the various developmental initiatives at the Mumbai port. He informed that Mumbai port is the second oldest port in India and it caters to the 10% of the country's port/sea related trade and about 20% of all petro oil trade.

The port has elaborate container handling and cargo handling facilities. The port has capacities for handling dry cargo, has marine oil terminals for handling crude oil and petro products, has a number of bunders and open wharves where traffic carried by barges/sailing vessels are handled. The dock area has transit sheds and warehouses for uncleared cargo for pre-shipment storage of export cargo. Among the latest development he said the port has taken inspiration from other global ports and has initiated development of the port area with a long term perspective.

The Portland area has about 900 acres of land which offers a unique opportunity for the city to rejuvenate and transform the city to compete with the global ports which have marinas, cruise terminals, water sports and gardens, and multi-utility land use. This vision was strengthened by the Rani Jadhav's Committee report which suggested the development of the non-operational land on which derelict factories, empty warehouses and deserted railway sidings are located.

Mr. Bhatia said the Mumbai Port trust area has been brought under the SPA for the entire 256 hectares of land for an integrated and better planning. He said that as a first major development, an International Cruise Terminal has started operations which connects Mumbai to the rest of the world.

While in 2017-18, 40 ships shored, 18-19 saw 106 cruise ships moving out of Mumbai. It is expected in 2019-20, 256 ships will sail, which would be a new business line for the city. He further said that the world's most famous cruise liner 'Costa Shipping' has shown keen interest to operate cruise liners from Mumbai.

He further informed, that the task force which was formed has initiated work on an 11 km. long waterfront promenade, development of domestic cruise area and a water transport hub from where water taxis are being launched from November. He said that already theme streets, water front entertainment zones, cruise tourism, 12 country gardens in the central district, shopping malls, CG and scores of floating restaurants are being set up. He further informed that plans for Central and State Government. Housing colonies, and a state of the art financial services centre – to reinforce the status of Mumbai as the financial hub of the country are being finalized. He said Ropex terminal would be operationalized by March next year for ease in vehicular traffic to the nearest port towns across Mumbai. An 8 km. long ropeway – the longest in the world-is also being built to ferry travelers from the current location to Elephanta Caves to boost tourism. He further informed that the ship breaking activity in the dockyard area has been stopped completely and the freed area is being developed as a multi-utility space. To avoid container traffic on Mumbai roads, the port has allotted free space and godown areas for the containers which would take the sea route for going to JNPT port for loading or unloading cargo.

Towards the conclusion he invited the IMC members to undertake a visit to the Eastern Sea Front and witness the unprecedented development taking place of sea and land facilities. Mr. Bhatia was accompanied by his senior colleagues of the Planning & Development Dept. of the MbPT.

Bilateral Trade, Commerce and Investment Opportunities in Vietnam

9th August, 2019

Vietnam

(Seated L-R): Mr. Rajiv Podar, H.E. Mr. Pham Sanh Chau, Mr. Juzar Khorakiwala, Mr. Ajoykaant Ruia
(Standing L-R): Ms. Ho Van, Mr. Tran Xuan Thuy, Mr. Dinesh Joshi, Mr. Bui Trung Thuong, Mr. Sanjay Mehta & Mr. Sougata Ghosh

SEBI supported Awareness Program on Commodity Derivatives

12th August, 2019

IMC conducted a successful awareness and training program on Monday, 12th August, 2019 at IMC premises. Over 40 participants representing traders, trade associations, finance professionals, investors and B school students participated.

Mr. G Chandrashekhar, Director IMC ERTF, Economic Advisor-IMC, spoke about India's macro-economic indicators, importance of commodity markets, volatility in prices and management of commodity price risk through hedging. He also highlighted investor opportunity in commodity derivatives.

Mr. Debojyoti Dey, AVP- Research, MCX made a presentation on the specifics of hedging, the role of commodity exchange and its functions, futures and options contract and so on. The session was interactive. Many participants were keen to learn about helping farmers to hedge their price risk.

The meeting was presided over by Mr. Tanil Kilachand, Co-Chairman, IMC ERTF and Past President, IMC Chamber of Commerce and Industry.

(L-R): Ms. Anita Naik, Mr G Chandrashekhar & Mr. Debojyoti Dey

**** IMC is a SEBI accredited Training Institution for Commodity Derivatives Market***

Meeting with Mr. Demeke Atanafu Ambulo, Consul General of Ethiopia

16th August, 2019

Ethiopia

Interaction of Indian Business Delegation with Hon'ble Vice President of India in Lithuania

18th August, 2019

Lithuania

Case Study and an Interactive Session on AI

19th August, 2019

IMC President, Mr. Ashish Vaid, welcomed Dr. Karsten Wendland, Professor and AI Consultant, who gave an insight into the AI initiatives being undertaken globally which has the potential to work across sectors to take our future to higher levels of efficiency and economic growth. He mentioned example of AI in the horticulture industry – of M/s. Kressburgo of Paraguay which has been engaging AI for farmers benefit and higher and better qy=quality fruit yield. A video of a programmed plucking machine was shown which was plucking strawberries only of a particular specification from the strawberry farm. The AI used a farm management system to detect inconsistencies and better forecasting in fruit plucking which was previously a manual activity.

The use of AI helped Kressburgo to get connected to banks in a better and efficient manner with regard to the near accurate produce for financing needs.

Dr. Wendland also spoke of the need of research at the University level for validation of the basic tenets.

During the interaction with the attendees, he agreed to a suggestion that AI needs to be customized as per Indian requirements and the interlinkages it has with the participants of the economic and social ecosystem which would help labour flexibility, picking up desired quality of produce. He also agreed to an observation that though AI is linked to technology advancement and has machine components, it may soon have responses in consciousness and empathy.

Dr. Karsten Wendland along with participants at the session

He spoke about the student exchange programme in computer science at the University of Karlsruhe.

He was receptive to the idea of an exchange programme between Indian industry interns and students of Indian Universities who would be interested in the further studies / research on AI.

The talk was arranged under the auspices of the Industry Committee, led by Mr. Anant Singhania.

Insurance and Claims by Mr. B. N. Mishra on General Insurance

20th August, 2019

Mr. B N Mishra an expert in General Insurance specifically at risk assessment, policy wordings, premium decision and claims gave a brief insight on Insurance and Claim.

There are basically three type of Marine Insurance: Single Consignment; Open Policy; STOP (Sales Turn Over Policy).

While buying an insurance policy one must ensure that the Policy Wordings, Benefits and Conditions; Warranties and Exclusions are properly spelled out in policy which is in accordance with the Incoterms & proposal form / RFQ.

The Insurance Company should be chosen based on the Claim Settlement Ratio

There are 2 types of cover afforded under this class of insurance:

ITC A Inland Transit (All Risk) Clause Covering against all risks of loss or damage to the insured goods whilst in transit by road/rail.

ITC B Inland Transit Clause (Basic Cover) Covering against loss or damage to the insured goods whilst in transit by road/rail caused by fire, lightning, breakdown of bridges, collision, overturning or derailment. Loss as a result of theft, pilferage or non-delivery known as TPND in insurance parlance can be covered by paying extra premium.

Parameters governing admissibility of the claim

PERSON-	Are they having Insurable Interest (viz Terms of Sale Ex-works; FOB etc)
PROPERTY-	Is the affected material covered under the policy issued (Demo/Return goods)
PERIOD-	Is it within the policy period.
PERIL-	Is the cause of loss covered? What is proximate cause
PREMIUM-	Is premium/declaration received or balance available as on date of loss.

PLACE- Is the loss location covered?

Parameters governing Quantum of Claim settlement

Claim must be admissible, Value Declared, Underinsurance if applicable, Depreciation (used materials/Demo Goods/Return Goods), Salvage, Excess as applicable, Allowance deductions (Recovery Rights Prejudiced), Basis of Valuation

Factors that contribute to smooth settlement

Timely intimation, Protecting rights of recovery, Take loss minimization steps, Cooperate/Build trust with the surveyor, Seek template from surveyor for information submission, Seek guidance on how the information is to be submitted, Keep insurance company informed on restoration work progress, Facilitate salvage disposal. In general, the following documents would be required in Marine Claims:

In case of Inland Transit

Claim Form duly filled and signed, Original Invoice, Original goods consignment note, Notice of claim on carrier with postal acknowledgement, Original Damage/Non-Delivery/Shortage Certificate from Carrier, Claim Bill quantifying the loss claimed with documents supporting the value of damages, Letter of Subrogation on Rs 100/- Stamp Paper. (Notarization is required if claim is exceeding Rs 5.00 Lacs), Police Report (in case of accident to carrying vehicle), Photographs of damages, Any other document if required later on (Breakup of Container Charges, Inland Freight, CHA Charges, etc.)

In case of Marine Claims IMPORTS

Claim Form duly filled and signed, Original Invoice, Packing List, Original Bill of Lading , Copy of Bill of Entry, Landing, Remarks Certificate, Customs Examination Report, Copy of TR-6 Challan for actual duty paid, Copy of RG23 Part II Schedule for confirmation of Customs Duty Credit/remission etc, Notice of Claim on Carrier with postal acknowledgement, Original Damage/Non-Delivery/Shortage Certificate from Carrier

21st August, 2019

Business Session – Estonia – India Business Forum in Tallinn, Estonia with Shri M. Venkaiah Naidu, Hon'ble Vice President of India

Estonia

Meeting with Hon'ble Shri Mansukh L. Mandaviya, Minister of State for Shipping (Independent Charge) and Chemicals & Fertilizers, Government of India at New Delhi

21st August, 2019

New Delhi

21st August, 2019

New Delhi

Meeting with
Shri Hardeep Singh Puri,
Minister of State (Independent Charge) of the Ministry of Housing and Urban Affairs, Civil Aviation; and Ministry of Commerce and Industry at New Delhi

22nd August, 2019

Turkey

Meeting with Turkish Delegates from Electrical and Electronics Exporters Association and officials of the Consulate General of Turkey

Industry Associations and SMEs

22nd August, 2019

IMC Chamber of Commerce and Industry through its Forum of Affiliated Associations (FAA) Committee organized an interactive seminar for Industry Associations and SMEs.

Mr. Suresh Kotak, Chairman, IMC FAA Committee welcomed Ms. Vanshita Bhagtani, Solution Specialist, Tata Tele Business Services and Mr. Shailendra Singh, Assistant Director, MSME Development Institute, Mumbai, and briefed them about the objective of the Seminar.

Mr. Kotak shared his thoughts on SMEs "the engines of growth" for India, he also accentuated that SMEs contribute around 45% of India's total GDP and this sector employs almost 35% of India's population; and it is growing at 11.5% annually which will aid Indian economy becoming $5 trillion by the year 2025.

Ms. Vanshita Bhagtani, in her crisp presentation pointed out that technological evolution is the result of our own desire to lead a better life and products need to evolve in order to meet the arising needs of the market.

Further, in her presentation she explained that the SmartOffice is an innovative single box solution designed to meet all Information and Communication Technology (ICT) demands of businesses.

It is an innovative and powerful combination that compiles voice, data, storage and applications. SmartOffice is affordable, reliable, easy to deploy, and is a perfect choice for enterprises looking to start a new office.

Mr. Ashish Vaid & Ms. Vanshita Bhagtani

Ms. Bhagtani fielded and explained various initiatives which Tata Tele Business Services (TTBS) is offering as a bouquet of services for the participants of the SME sector and TTBS is constantly endeavouring to design and offer cost-effective and innovative ICT solutions to SMEs, which is an all-in-one box telecom solutions. Later, Ms. Bhagtani had an interactive session with the participants.

Mr. Shailendra Singh, Assistant Director, MSME Development

Institute, Mumbai, spoke about MSME-DI, Mumbai and how it provides various types of extension services and assistance in setting up of units, promoting and developing products and Services for the MSMEs.

Mr. Singh also briefed that the Institute provides support/ services to State Government as well as co-ordinates various activities for the prospective and existing entrepreneurs at the state level for promotion and development of small-scale industries.

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

1. Credit Linked Capital Subsidy & Technology Up-gradation Scheme (CLCS-TUS)
2. Financial Support to MSMEs in ZED Certification Scheme
3. Lean Manufacturing Competitiveness
4. Design Expertise for Manufacturing in MSME Sector
5. Digital MSME Scheme
6. Intellectual Property Rights (IPR) For MSME
7. Support for entrepreneurial and managerial development of MSMEs through incubators
8. Public Procurement Policy
9. Entrepreneurship Skill Development Programme (ESDP)
10. International Cooperation Scheme
11. Micro and Small Enterprises – Cluster Development Programme

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

The program was well attended and the seminar was interactive and interesting.

This thought-provoking event ended with a Vote of Thanks by Mr. Sougata Ghosh, Deputy Director General, IMC Chamber of Commerce and Industry.

Over 100 participants representing SMEs from manufacturing, services and agro, corporate, logistics and related industries attended and benefited from the seminar.

Awareness Program on Commodity Hedging and Price Risk Management

22nd August, 2019

IMC in association with Thane Belapur Industries Association (TBIA) conducted an awareness and training program on commodity market price risk management.

TBIA has over 600 members drawn from different sectors of the economy including manufacturing, trade and services.

(L-R): Mr. Koustubh Gokhale, Mr. R. M. Kedia, Mr. G. Chandrashekhar, Ms. Rashmi Nihalani, Mr. G. S. Bora & Mr. Mangesh Brahme

The program was powered by MCX, India's leading commodity derivatives exchange.

Over 70 participants including businessmen from MSME sector, professionals and students participated.

Mr. G. Chandrashekhar, Economic Advisor, IMC, discussed India's macro-economy, commodity intensity of India's growth, risks associated with the physical market and price risk management through hedging.

Ms Rashmi Nihalani, AVP Metals- PMT, MCX, explained the role and functions of an exchange, hedging and settlement process as well as benefits of hedging. She highlighted the Price Risk Management using MCX Metal Deliverable Contract.

The proceedings were interactive. IMC believes, there is now a huge economic interest in commodities.

Given the huge uncertainties in the marketplace, there is keen desire among commodity value chain participants to learn more about price risk management through hedging.

**** IMC is a SEBI accredited Training Institution for Commodity Derivatives Market***

Important Aspects on Insolvency and Bankruptcy Code (IBC)

23rd August, 2019

(L-R): CA Snehal Kamdar, Mr. Sanjeev Pandey and Mr. Ananday Mishra

IMC Chamber of Commerce and Industry and IP Foundation jointly organized a half day workshop on various aspects of IBC. Expert speakers Mr. Ananday Mishra, AMLEGAL, Mr. Sanjeev Pandey DGM- NCLT, SBI and CA Snehal Kamdar, Managing Trustee, IP Foundation shared their views on technical and practical aspects of Resolution Plan, Request for Resolution Plan (RFRP) and Evaluation Matrix (EM).

CA Snehal Kamdar, announced the launch of a technical initiative of IP foundation which will assist IP in their compliance work. He highlighted the do's and don'ts in preparing of Resolution plan RFRP & EM. He shared his personal experience in drafting of the Resolution plan and also posed questions on COC acceptance on EM.

To these, Mr Sanjeev Pandey shared his grievances on resolution plan that are being presented to bankers and bankers' insistence on early recovery of their dues than resolution of the corporate debtor. He said that the committee of creditors while validating the plan should put emphasis on how the corporate debtor would turnaround, and how much the resolution applicant has assessed the technical and financial viability of the corporate debtor. What are the sources of funds that the resolution applicant has? He provided good insight on what bankers should look for when finalizing the EM and RFRP.

Mr. Ananday Mishra, shared the legal perspective to resolution plan, RFRP & EM. He said that preparing RFRP requires lots of legal input; the document fails to serve the purpose if not drafted properly. The meeting was presided over by Mr. Tanil Kilachand, Co Chairman, IMC ERTF and Past President, IMC Chamber of Commerce and Industry.

The session was highly interactive and all panelists were able to satisfy the queries of the participant.

The workshop ended with the felicitation to the speakers by Mr. Ajit Mangrulkar, DG, IMC .

Presentation on "Social Responsibility"

25th-26th August, 2019

IMC Chamber of Commerce and Industry supported the two days event of Presentation Club of K.P.B.Hinduja College of Commerce-an initiative of the BMS Department on "Social Responsibility" in order to build self-confidence of the students and enhance their hidden talents, to shape their thought process to an intellectual level and to instill in them a sense of social responsible citizens by inculcating ethical values. The events took place at ICFAI IBS Powai. The participants were from colleges across the Mumbai city as well as from Ratnagiri. Totally 25 colleges participated in the event.

28th August, 2019

Israel

An Interactive Session with Mr. Uri Schor, spokesman of the Israel Water Authority

Risk Management Conclave 2019 | 30th August, 2019

(L-R): Mr. Amit Tandon, Ms. Neeta Mukerji, Mr. Dhanpal Jhaveri, Ms. Carolyn Williams, Mr. Sudhir Valia and Mr. Shailesh Haribhakti

A Risk Management Conclave was organized by IMC in association with The Institute of Risk Management, UK, along with its India Partner – ITI EdVest.

The conclave was supported by industry stalwarts who came together as panelists to discuss and deliberate on the increasing importance of risk management and its education in India. With the challenges being faced by Indian businesses, rise in corporate governance issues, disruption in traditional business models and volatility in the Indian economy, risk management has gained a lot of traction.

The Panelists were Mr. Amit Tandon, Founder, IiAS, Ms. Neeta Mukerji, Chief Credit Officer, RBL Bank, Mr. Dhanpal Jhaveri, Managing Partner, Everstone Capital & Chairman – Corporate Governance & Sustainability Committee at IMC Chamber of Commerce & Industry, Mr. Sudhir Valia, largest shareholder, The Investment Trust of India Limited and Mr. Shailesh Haribhakti, Non-Executive Chairman, L&T Financial Services)

India is home to the third largest family businesses in the world but 43% do not have a succession plan in place. We have advanced significantly in terms of technology using AI, machine learning, big data but over 76% of Indian businesses are vulnerable to cyber-attacks.

According to a professor from Yale School of Management, the average life span of an S&P company has dropped from 67 years in 1920 to 15 years today and even predicted that 75% of the S&P 500 firms will be replaced by new firms in 2027.

"India is perhaps the only country in the world that has mandated a Risk Management Committee of the Board, apart from Audit Committee and Compliance Committee and these 3 committees are very distinctly managed for keeping an organisation safe and sustainable" said Mr. Shailesh Haribhakti.

"Focus on the risk management process is of paramount importance", said Mr. Amit Tandon. Recently, regulators in India have emphasized on the need of a well-defined risk management structure to ensure more transparency from corporate governance point of view and also prudent decision making for smooth functioning of businesses.

Mr. Sudhir Valia added "Risks emanate from the shop floor and they should be resolved by the risk owners itself, because once these risks travel to the board room, the impact cannot be reduced to a desired level."

It was discussed, that risk management is not only about managing financial risks or compliance risks but also taking a holistic approach towards enterprise wide risk management. "Good risk managers should be good at history because those who don't learn from history will be doomed to repeat it" said Ms. Neeta Mukerji.

Today's initiative by IMC is to apprise all professionals on how to identify risks and manage them even before they affect the business functioning.

This will strengthen companies and enable them to take future business decisions effectively. Their knowledge of identifying risks on time, will help plan out their options to deal with risks on a timely and effective way, thus helping in achieving its primary objective while keeping all other risks under control said Mr. Ashish Vaid, President, IMC.

One key message that was driven from the conclave was that Risk Management will be the driving force behind tackling business failures, improving stakeholder confidence and most importantly, creating a culture of risk based decision making across organisations.

From an investment risk perspective, Mr. Dhanpal Jhaveri said, "Investing is like a two faced coin – there is always a return on one side and risk on, the other side and as investors we are also custodians of others capital so asking the right questions before investing is very crucial."

China-India Business Culture Exchanges

26th June to 9th July, 2019

IMC Chamber of Commerce and Industry was invited by the Academy for International Business Officials (AIBO) to participate in the "2019 Seminar on China-India Business Culture Exchanges" from 26th June to 9th July 2019 in China.

Ms. Ila Pathak Jha, Mr. Vipul Srivastava and Mr. Nitin Bhapkar from IMC Secretariat were nominated to attend the programme which was sponsored by the Ministry of Commerce of the People's Republic of China. Mr. Lei Hao, Vice President of AIBO welcomed the Indian delegation comprising of total 17 representatives of different Indian organizations and inaugurated the seminar on 26th June 2019.

The first phase of the seminar which was held in Beijing, was informative sessions on the topics like - China's Foreign Trade Development and Promotion of Foreign Trade, China's Foreign Trade Development over 40 Years of Reform and Opening up, Overview of China's Overseas Investment and Integration of Business Culture, A Comparative Study of Economic

Development Patterns between China and India, Overview of China's overseas investment, A Study on Sino-India Economic Relation, Reform, Opening Up, Economic Development: China's Experience and Lessons, China's Trade Promotion Organizations, Influence of Industry Associations and Chambers of Commerce on Trade Promotion.

The delegation was also taken for a guided tour of prominent places in and around Beijing such as the Tiananmen Square, Forbidden City, The Great Wall of China and Pearl Market.

The second phase of the seminar covered cities such as Shanghai, Wuhu and Nanjing. In Wuhu, industrial visits to companies like E-commerce enterprise - aikucun.com; automobile co. - Cherry and Aldoc; electrical appliance manufacturer — Midea and e-commerce retailer of snacks - 3 Squirrels.

The delegate also visited the Shanghai University of Electric Power and had a cultural trip to Bund and Nanjing Road in Shanghai. Meetings with Shanghai Federation of Industrial Economics (SFIE), Wuhu Municipal Bureau of Commerce and China Council for the Promotion of International Trade and China Chamber of International Commerce were organised where the delegate briefed the audience about their respective organisations.

At the last leg of the tour, China-India Border Trade Exchange Conference 2019 was held in Beijing where IMC was invited to address professionals from Chinese corporate world.

This was followed by B2B meetings with a large number of Chinese companies.

The Seminar concluded with a closing ceremony on 9th July 2019.

IMC Presentation through IMC Movie at China Council for the Promotion of International Trade

CEQM Training Programs

July - August, 2019

The IMC Ramkrishna Bajaj National Quality Award Trust conducted the 2 Nos of Certified Examiner for Quality Management (CEQM) Training program at IMC & 5 Nos of In-house CEQM. Also, conducted 3 Nos of training program for Returning Examiner at IMC. Few glimpses of the training program

CEQM Batch 1

CEQM Batch 2

Refresher Batch 1

Refresher Batch 2

Refresher Batch 3

Screening of the movie– "Daughters of the Polo God"

11th July, 2019

(L-R): Ms. Anuja Mittal, Ms. Lin Laishram, Ms. Diana Rajkumari, Ms. Roopa Barua and Ms. Vanita Bhandari

The movie – Daughters of the Polo God was an unique story about saving an endangered breed of Horse and empowering women in the sport of polo at the same time.

The film was homage to the effort of Manipuri women to save the pony by playing polo.

The screening was graced by Ms. Roopa Barua, Director and Producer and by Ms. Lin Laishram, an international model; actress and entrepreneur from Manipur.

Trends in Retail

24th July, 2019

(L-R): Ms. Anuja Mittal, Ms. Nisha Khiani, Ms. Avni Biyani, Ms. Tina Tahiliani Parikh, Ms. Megha Shah, Ms. Rushmika Banerjee, Ms. Gopi Vaid, Ms. Deepika Gehani, Ms. Vanita Bhandari and Ms. Anuradha Mahindra

IMC Ladies' Wing hosted a panel discussion on 'New Trends in Retail' wherein renowned retail industry experts, Ms. Tina Tahiliani Parikh, Ms. Gopi Vaid, Ms. Deepika Gehani, Ms. Avni Biyani and Ms. Nisha Khiani shared their success stories, personal experiences and prophecies on new trends that will shape the growth of the retail industry in the years to come.

The panel discussion was conceptualised specifically to encourage the bank of young women entrepreneurs who want to grow in the retail industry, as the Indian Retail Industry has emerged as one of the most dynamic and fast-paced in the country.

With the industry's sudden transformation due to several new players, the retailers should adapt to new shifts in demographics, attitudes and consumer preferences.

Diamond Masterclass by Forevermark

7th August, 2019

(L-R): Ms. Vanita Bhandari, Ms. Leena Amin, Ms. Anuja Mittal & Mr. Sachin Jain

Forevermark, the diamond brand from the De Beers Group, presented a unique diamond masterclass for members of IMC Ladies' Wing. Mr. Sachin Jain President, Forevermark India and Ms. Leena Amin, Forevermark's diamond expert and Consumer Connect Specialist, took members through the journey of a Forevermark diamond.

The exclusively curated program provided an understanding into the world of dazzling diamonds. This interactive session highlighted the meaning of the 4Cs, what to look for when buying diamonds and gave easy tips on how to select the perfect diamond. The beautiful Forevermark jewellery collection was also on display and on sale for attendees of the masterclass.

Screening of the Iranian Drama Film – A Separation

12th August, 2019

IMC Ladies' Wing invites oraganised the screening of the Iranian Drama Film – A Separation - a powerful art cinema that challenges political and social unity in Iran. The film transcends beyond its celluloid shelf life, and lives on, way past its closing credits, putting up a mirror in front of ourselves, that we see similar values and intrinsic human behaviour that transcends country, language and race, to show how basic and common we humans behave no matter where we are.

Women Entrepreneurs' Exhibition of IMC Ladies' Wing

21st-22nd August, 2019

A wide and varied canvas of products including fashion, jewellery, gourmet, lifestyle and home décor was on display at the IMC Ladies' Wing Women Entrepreneurs' Exhibition to the delight of thousands of Mumbaikars who made their way to Dome NSCI for this much awaited event on the city's social calendar.

Inaugural Ceremony of WE Exhibition WE Exhibition 2019

Chief Guest Kajol joined the IMC Committee and leading ladies of industry at the opening ceremony, of the very successful exhibition, sharing an inspiring message for the entrepreneurs, as did the committees advisory board, Kokilaben Ambani, Zarin Daruwalla, Rashmi Uday Singh and Avni Biyani.

A beautiful rendition of the anthem by the children of Salaam Bombay directed by Raell Padamsee's Create Foundation evoked patriotism while the audience sung along too. Fifteen NGOs were given guidance and expert advice by the Ladies' Wing to help them become best in class. An exciting addition this year was

The IMC Wedding Lounge which showcased everything you need, want or dream about for a wedding. The lovely Chitrangada Singh inaugurated this new segment drawing attention and support to the stunning display of products and wonderful decor. A Wedding Charity Registry was introduced, empowering couples who are passionate about "donating to a cause" to choose from a range of NGO's, non-profit organisations and causes to create their own Charity Registry.

Inaugural Ceremony of the IMC Wedding Lounge by Ms. Chitrangada Singh

WE 2019 Tree of Life

Children from Salaam Bombay reciting National Anthem

Ms. Vanita Bhandari with Mr. Parthip Thyagarajan

The 240 strong participant's list included society names like Ramola Bachchan and Rhea Pillai while others like Zarine Khan, Niraj Bajaj, Nina Kothari, Joy Kapur, Daboo Ratnani stopped by to encourage friends.

Film Retreat at Vadodara

28th - 30th August, 2019

The three day film retreat included screening of documentary and short films as well as feature films, some of which were critically acclaimed and thought provoking while others were entertaining and amusing. Sightseeing included visit to Laxmi Vilas Palace, Statue of Unity and Agrawal Farms.

IMC Ladies' Wing Members at the Statue of Unity

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BUSINESS DATA ANALYTICS WITH PYTHON

1st & 2nd November 2019 – 9:00 to 17:00 Hrs.

At

IMC Navi Mumbai Centre, Vashi, Navi Mumbai

Schedule & Contents

			Highlights
Day 1	Session 1	Study of Python (Part 1)	* Comprehensive Training
	Session 2	Study of Python (Part 2)	* Full Practical Sessions
	Session 3	Data Visualization - NumPy	* Qualified Faculty
	Session 4	Data Visualization - MatPlotLib	* Study Kit Included
Day 2	Session 5	Data Analytics – Pandas (Part 1)	* Lunch & Tea Included
	Session 6	Data Analytics – Pandas (Part 2)	
	Session 7	Data Analytics – Case Study-1	
	Session 8	Data Analytics – Case Study-2	

For Complete Details & Registrations, visit our websites

www.imcnet.org || www.vidyalankar.org

Coming up Next ....

IMC and VCS Jointly Organizes Skill Development Courses

for Professionals, Engineering & Science Students

Fresh Batches Starting on 11th November, 2nd December & 16th December 2019

Check on the Websites in October 2019

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- Free and Unlimited Outward/Inward Remittance through Digital Channels
- Monthly Statement of Accounts by e-mail

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