

interConnect

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STAY HOME. STAY SAFE.





STAY HOME.
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President's Address

Manasi Saha
President, ISODA

Dear Fellow Isodians,

At this very moment that you are reading this newsletter we are riding the crest of a calamity that is unprecedented in our lifetime, though not in human history. However, each time the human race has come out of the situation only to emerge stronger and continue its dominance! And so, it shall be this time as well.

Courage, fortitude and never die attitude will get us to our vision and mission. This situation reminds me of our great poet Rabindranath Tagore:

Bipade more rokkha karo e nohe mor praarthana

Bipade aami naa jeno kori bhoy.

Dukkhotaape byathito chite naai baa dile santanaa,

Dukkhey jeno korite paari joy.

loosely translated it means:

In the midst of crisis, I crave not for your protection O Lord

Instead, in the midst of calamity, let me not experience fear

When I am ravaged by misery, you don't need to offer me comfort

All I seek is to conquer sorrow itself!

contd..

Even in these times we can already see the changing contours of future business opportunities like enhanced Digital Marketing, more Video Conferencing, Webinars Remote Sessions and WFH (Work from Home) – concepts that will now possibly take the centre stage of business operations. As companies rapidly – and in some cases also permanently – move towards remote working, the market for digital collaboration tools will open up. So will digital media and entertainment including social media, gaming, news, video streaming and books as people seek to relieve boredom and fill the time previously taken up with travelling and socializing face-to-face.

Meanwhile, your ISODA Management Committee is standing shoulder to shoulder with the ISODA members and has written to the Hon'ble Finance Minister Ms Nirmala Sitharaman about exemption of taxes. The MC has also written to the TDAI, OEM, Distributors and Value-Added Distributors for the following help in view of current COVID- 19 crisis:

- 1. “No questions asked” return policy along with distributors, with full refunds to us**
- 2. Advise distributors to defer the present due payments by few months and review as the situation progresses**
- 3. Provide extended credit period for all orders during the lockdown period**
- 4. Provide additional rebates on orders processed this financial year in India as a financial support to help us pass through this crisis**
- 5. Extension of renewals of existing licenses / live subscriptions**

As assured by the Hon'ble Prime Minister, there is every possibility that our industry will be amongst the first to be freed from the lockdown and we are keeping our fingers crossed.

Hope you and your family members are safe and managing well amidst this growing challenge. I am confident that our spirit of unity will very soon ensure that we overcome this pandemic at the earliest.

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COVID – 19 New Horizon

L. Ashok
Futurenet

COVID – 19 has brought the world to stand still. With over 14.5 Lacs infected and over 60,000 dead, this is very unprecedented. It is a pandemic and all the eyes are on the Corona Dashboard and now everybody talks about “flattening the curve”. 21 days of lockdown has been implemented for now and uncertainty is the only certain thing, our businesses have all taken a heavy hit and none of us are sure of what will be around the corner. Citizens and business houses are turning to the Government for solutions and support to tide over this situation.

Having said that COVID-19 has brought upon a lot of new possibilities and opportunities. All of us have been pushed to the wall to close our offices during this sudden lockdown. Even though this seemed to happen all of a sudden for India, but it was written on the wall well before a month.

Along with some of our customers, we started planning for business continuity. We formed a task force that came up with what can be done and what can't be done by working from home. The initial percentages were about 60% of the work would possible to be done from home. After several discussions, we found that over 95% of the work can be done from home including our 24x7 customer support except few engineers to manage our hosting facility. Operations like purchase, material receipt have been moved to work from home and on demand availability to office.

We put security systems in place. Everyone shifted to work through Citrix. A virtual war room was set up over WhatsApp with key people from all departments to manage the situation. Metric and measurements and reporting systems put in place to measure daily productivity. From 21st March we moved everyone to work from home. So far this model has been working well for us and is making us wonder why this can't be new normal.

Apart from the working model, COVID-19 brought a lot of changes in my life. This is the first time in my business career that I've spent so much time with my family. I am sure this must be true for every entrepreneur. This has taught us what is needed to just live happily. It is wonderful to see birds happily flying without any disturbances in the air, and animals on the road. We as humans have now understood that other beings have an equal share in the world.

In conclusion, COVID-19 going to leave behind a big change in our personal and professional lives for good.



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During and After **C** **VID – 19**

Sudhir Kothari

Director

EMBEE SOFTWARE

COVID 19 is the biggest crisis the world has ever seen. Never in history has the whole world come to a halt. COVID 19 is something which is beyond the control of the super powers of this world.

Immediate need

However, what we as entrepreneurs can do in our businesses is control our cost and ensure Business continuity. It's now the time to survive first and not look for net profits or growth. It's the time to co-operate with one another and not be selfish. A crisis brings out the best in an individual / organization because survival instinct start to work and fin turn force them to think differently. Embee is currently a 500+ people organisation with 650+ crore turnover. We have given priority to current times based on 3 principles:

1. Ensure that the livelihood of all people working at Embee is protected
2. Ensure business continuity
3. Ensuring client support 24x7

10 pointers to meet the grow above this pandemic

1. In this time of crisis the fight has to come from all quarters. Our people are kind enough to accept salary cut which will help us optimise the cost. I have decided to cut my personal salary by 90%. We are doing away with leave and conveyance cost completely till the lockdown period.
2. WFH has become a new normal for today and for the future. Our Tech systems were in place to shift to secured WFH mode overnight.
3. We are re-negotiating with all our vendor partners who provide different services like banking, rent, housekeeping, maintenance etc to cut substantial cost. Overall we expect to optimise expenses to the extent of 25-30%.
4. Ensure that all our annuity contracts of product and services are protected by staying focussed on the clients. Ensure healthy cash flows by relentless but polite follow up on payments with the debtors and also by renegotiating vendor payment terms. At the same time, we are ensuring that vendor payments are not missed on the extended due date.
5. Focus on proving more services remotely to the existing and new clients - whether it is solution for WFH, managed services, cloud services and application services. Our 250 plus trained manpower in cloud solutions, software development and infrastructure & cloud managed services are our biggest asset.



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contd..

6. Reaching new prospects to win new business in above area through digital marketing.
7. Conducting webinars and product POCs online for new prospects.
Providing cost and payment support to eligible clients wherever possible.
Ensuring that the statutory compliances are not compromised
Ensuring that the balance sheet is maintained and analysed regularly
8. Future costs like travel have to be monitored. Mini ban would be imposed to ensure people travel least and work is done remotely as this constitutes large overhead in our business (almost 5% of the total cost).
9. Evaluate existing contract. If the client is from an industry which is affected more by COVID 19, then one has to work with principal to get the contract remodelled. Using NBFCs to provide long/short term payment options to clients can be a good idea. This is so that our own cash flow is not impacted.
10. Conserve cash. Ensure not to default with Banks so as to sustain good credit ratings.

Bottom line is that we need to survive. Our overheads have to be lower or equal to the Gross Margins of the overall contracts and we have to ensure that happens.

We are sure that post COVID 19 we will emerge a stronger, resilient and a more empathetic organization. There is no reason why you and your organization should not be able to as well!

Best wishes to all of us!

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Work “safely” from home

Sandeep Sengupta

*CISA, CEH, ISO 27001 LA, BS 10012 GDPR Lead
Auditor, ISO 22301 Business Continuity Lead Auditor*

- You are not under the protection of the OFFICE FIREWALL
- There is no perimeter security
- There is no IT guy to help you with your IT issues
- Your staff is using personal laptop which may not have the same level of security that is present in office infra
- Staff might be living in hostels, sharing rooms at apartments, part of big families – and information can be stolen or data can be lost by mistake
- Data is backed up locally in external HDD which is not encrypted. What if the data is lost, stolen or replicated?
- Software developers may download the entire code on which they are working
- The home WiFi password may never never been changed. Even if the Hacker has hacked (brute forced) into the network and sniffing all data, no one will be aware
- If the software developers upload code using FTP (not sFTP), the FTP passwords are highly vulnerable
- Is there a VPN while connecting to the office server while working from home? Or they are using remote access tools like AnyDesk.
- What type of Devices are being used to perform office work – Mobile, Tab, Laptop, Home Desktop
- Is there a “Hardening Policy” to define minimum SECURITY Settings for a machine, mobile, video conferencing, etc.
- Are the devices patched with latest anti-virus (company-approved)?
- Is the device loaded with any software which is not listed in “approved list of softwares”? Think of finance team doing an office payment from a device which has malware or a rouge app (eg: astrology or game app).
- How are you ensuring that there is no key logger or trojan in the device before it is allowed for office use?
- Which video conferencing tool are you using?

These are a sure invitation of Ransomware attacks.



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Few steps one needs to take immediately:

- Enable BYOD, CYOD, Teleworking policy
- Awareness should be given to employees as they are on their own. Now only self-awareness can keep them secure.
- Remind staff NOT to lend their machines to their children or other members of the family
- Disable email forwarding for all accounts OR set up an alert if email forwarding is switched on
- Support staff MUST be on high alert and challenge password resets or 'strange' requests
- Do Remind staff that you will NOT call them about password resets (to help avoid being scammed)
- Make 2 factor authentication (2FA) mandatory for all remote workers
- If you are using rented laptops/desktop, please ensure that you WIPE the hard disks to ensure no residual data is left behind when they are returned
- Remind staff NOT to open links or documents with Coronavirus information. Ask them to report these.
- Remind staff that using corporate devices to entice hatred, research terrorist related activities are illegal
- Remind staff NOT to have confidential calls and business discussions near SMART SPEAKERS like Amazon's Alexa, Apple's Homepod and Google's Home
- Remind staff to MUTE their microphone when they are not speaking in a conference call
- Educate all staff to ensure webcams are blocked by default (physically and by the conference app you use)
- Enable Auto Lock in laptops and desktops
- Ask staff to ensure their meetings are NOT being recorded. If you are recording, please inform all participants so that no confidential information is discussed.
- Ask them not to visit fake Covid Sites. Here are the best sites that have all information.
 - o <https://www.mygov.in/covid-19>
 - o <https://www.mohfw.gov.in/>

Tax & Legal Snippets

A 'novel economic challenge' : Estimating the impact on the economy

No points for guessing the subject matter of this article, there is no matter, more pressing than the emergence of novel Coronavirus (COVID) and the scale of the disease itself begets that all consultants unite and figure out ways to minimize the suffering of business. Incidentally, the reason we prefix the word 'novel' in front of the COVID is because it's a new virus / new strain which has not been previously identified in humans. In the same vein, the economic challenge being posed by COVID is in itself novel.

In the first part of a three part series, we explore the impact on the economy:

If the economy were to be defined as a 'human body', then the COVID is literally and metaphorically a 'new disease' which has infected it. Already reeling under a slowdown exacerbated by the twin shocks of demonetization and introduction of GST, COVID could not have come at a worse time.

In your truly's opinion, we will initially witness a demand shock which can be described as a massive dip in the consumption of 'non essential items'. This will have negative network effects and consequential impact will be seen, firstly in rise in unemployment in the informal sector (add to that the stress of reverse migration of labour) considering the fact that 37% of the regular / salaried employees in urban areas are employed in 'non agricultural' industries.

And secondly, the severe disruption in demand will lead to a cash flow and working capital issues in corporations, impacting the ability of such enterprises to service their debt on time. Firms which have optimized their leverage in spite of low rate of borrowing will find themselves patting on their back. Over leveraged organizations will have to get back to the drawing board and restructure their debt for the present and future.

When it comes to supply side issues, India having a low dependency on imports will be insulated from the global supply shock to a large extent. From a domestic point of view, there doesn't seem to be any evidence supporting the view that in case demand does pick up, supply will not be able to keep up. The supply side shock does not seem particularly plausible.

Not everything is negative however, China's image as a manufacturing hub is dented and this seems to be the right opportunity for India to incentivize large manufacturing units to shift base in India. This is an opportune time and increase in manufacturing growth will counter the rising unemployment.

The RBI has taken the right steps by resorting to appropriate monetary incentives whilst the government has come out with its own (limited) fiscal incentives. In the next part we will delve further into the nature of such incentives and how effective they will be.

Stay safe and stay home.

The following article is a brief summary on the question of payment of wages/salaries to employees during the lockdown period.

"COVID-19 is a severe acute respiratory disease caused due to infection from the novel coronavirus which originated from Wuhan province in China and has now turned into a global pandemic. Within three months from its first instance, COVID-19 has spread across the globe and has already started causing severe economic repercussions. Indian businesses have also been severely affected due to the COVID-19.

In furtherance to the same, an advisory note was issued by the Ministry of Labour and Employment dated March 20, 2020 advising all public and private employers to support their employees and workers by not terminating their employees and reducing/deducting their wages. However, it is pertinent to mention here that this note was issued as an advisory only and was not issued as a direction or order thereby having no legally binding effect on private institutions and establishments. In addition to the same the government has been issuing various advisories, directions to the various businesses affected due to the COVID-19.

Out of all the directions issued by MHA, what gained the most attention was the direction given to the governments and authorities to ensure that all the employers make payment of wages to their workers. It is pertinent to mention here that the word "employer" as used herein is irrespective of it being an industry or shops & commercial establishments thereby bringing all employers across India under its ambit. Such payment of wages has to be done on the due date and shall under no circumstances be deducted. Further, this payment of wages has to be for the period the establishment/industry/shops are under the closure during the lockdown as decided by the government.

This Order saw an immediate implementation in West Bengal wherein an order by the Government of West Bengal was issued on March 29, 2020, reciprocating the above said directions and also directing the district administrations to ensure strict compliance with the aforementioned directions at their respective districts. And the Haryana government also has issued an advisory to the said effect. While other State/UT Governments are still expected to issue an order in compliance with the above Order, the same is yet to happen.

However, as regards reduction of pay cut during the lockdown period is not regulated and as such there is no specific provision which deals with reduction of pay. This has to be agreed mutually between the employer and employees. Taking into account the situation arising because of COVID-19 in certain industries (like Aviation and Tourism) the employer and employees have agreed on a standardised pay cut across the board. In this regard if the employer is looking at implementing pay-cuts the same should be applied universally, without any discrimination and specially not in form of a punishment to any specific employee.

In conclusion, by the above stated order, the Government of India has as on date clearly restricted any deduction or delay in payment of salaries to any employee on account of work from home or leave due to lockdown. However, there is still no order or direction on the restriction on the employers for lay-off and retrenchment of its employees, which is anticipated to follow post completion of this lockdown period. We recommend the employers to keep a watch on the orders/circulars/notifications being issued by the relevant authorities from time to time before taking any decision on salary and retrenchment/layoff of their employees to avoid the contravention."