

Business Impact- COVID-19

INTRODUCTION

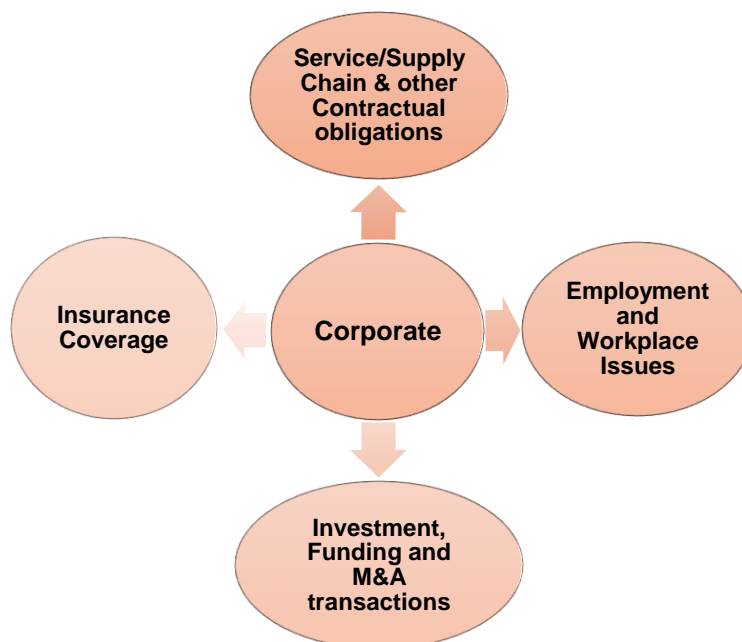
If your business is affected or there is an apprehension of facing issues due to COVID 19, this note is for you. This note is prepared with the objective of highlighting certain legal issues arising out of COVID-19 which are impacting corporates. It covers some real-life instances shared by some of our clients with us.

As the COVID-19 outbreak spreads, the world's biggest companies have begun describing a bleak picture of broken supply chains, disrupted manufacturing, poor service, empty stores, flagging demand for their wares and numerous legal issues.

Several businesses are now addressing the impact of COVID 19 from different perspectives like employee productivity, consumer behaviour and business sentiment. The stock market has shown the steepest fall since the financial crisis of 2008, which suggest that investors are bracing for a lot more bad news going forward.

COVID-19 MAJOR IMPACTS

The key areas of corporates which are impacted are: (1) Employment and workplace issues; (2) Service/ Supply chain and other contractual obligations; (3) Investment, Funding and M&A transactions; and (4) Insurance coverage.



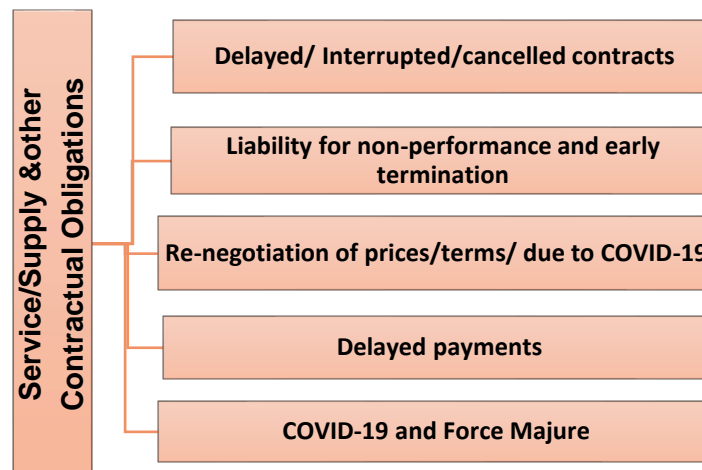
1) Employee safety vis-à-vis business continuity



Employee safety is the foremost concern for the corporates. However, it cannot be denied that business continuity comes along. Currently most of the corporates have started working from home policy to the extent it is possible. Business requires on road delivery, client facing, visiting sites etc. cannot be done from home. Some of the issues that corporates should ponder at this stage are as follows:

- (a) **Obligation of corporate employers:**
As a responsible employer, corporates should issue necessary internal advisory for their employees on handling Covid- 19 issue depending upon the nature of their work.
- (b) **Work from Home:**
Corporates should consider modifying their internal policies to ensure work productivity.
- (c) **Leaves:**
The concerns relating to layoffs and termination should be dealt at Human Resource Management level with proper internal communications.
- (d) **Work from home:**
Work from home of has resulted in employees accessing client or third-party data from remote locations which has its own complications. The employees and data principles are required to be sensitised about these issues.

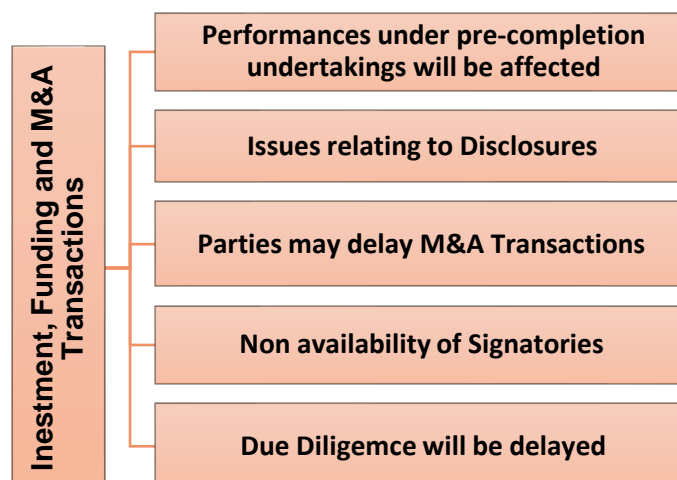
2) Impact on performance of contract



Due to corporates high dependency on goods and supply from China many contractual complications with clients or third parties may arise. Some corporates are on the verge of losing material contracts, which may upset their investors. In all such events it is important to take timely actions such as:

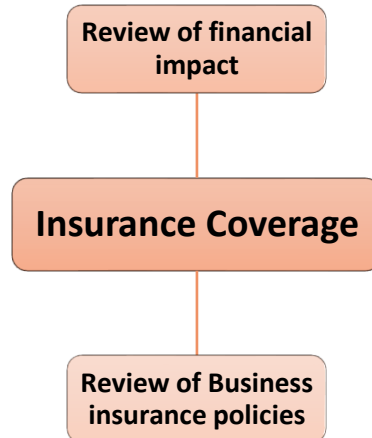
- (a) Allocating correspondences.
- (b) Renegotiations.
- (c) Assess payment related issues.
- (d) Assessment of liability arising out of cancellation or suspension.
- (e) Take legal advice.

3) COVID-19 Impact on Transactions



Parties to investment, Funding and M&A transactions must immediately review and examine the terms of transactions. The implications of delay in logistics, non-availability of signatories, disrupted travel will affect potential and existing financial transactions. These are a few challenges that investors, borrowers, lenders and financial sponsors going through a transaction of fund raise, M&A or strategic alliance must keep in mind.

4) Insurance coverage and adverse financial consequences due to COVID-19



The key of managing any crisis is preparation. Corporate entities are therefore advised to proactively manage the various legal risks in order to mitigate the financial losses. Major risks highlighted in reviews to be consulted with their insurance brokers. It would be advisable to revise the insurance clauses, given few clarifications are provided by the Insurance Regulatory and Development Authority of India.

HOW JURIS CORP CAN HELP?

Corporate entities must also understand the scope and extent of their statutory and fiduciary duties in relation to COVID-19. It seems that the impact of this outbreak is likely to continue for a long time. It is advisable for corporates to take prompt actions to address the challenges brought by COVID-19.

Juris Corp is known for its pro-business advisory. We consist of team of lawyers who are trained in handling issues relating legal-commercial aspect. We can assist you in the following ways:

- (a) Advising on various scenarios by conducting a risk analysis which will help our clients in proper decision making;
- (b) Putting a strategy into place with short, medium and long term goals;
- (c) Preparing, drafting and standardizing internal processes, policies and documents according to the need of your business operation; and
- (d) Assisting in litigation strategies and representing our client at various forums.

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About Juris Corp

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Firms' Objective

Provide unbiased and unmatched legal services in our areas of practice. Be the Preferred Law Firm for our clients and take that relationship forward by becoming more than a legal advisor: Being their business advisors.

Accolades And Recognition

Juris Corp has been consistently ranked in the top tiers over the years in Banking & Finance, Capital Markets, Corporate M&A, Dispute Resolution, Foreign Direct Investment, Real Estate, Private Equity, Securitisation & Structured Finance and Taxation by several institutions.

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