



Gateway

Volume 1 Issue 1

April-May 2015

President's Message

Dear Friends,

I am very happy to speak to you through the columns of the first issue of our newsletter **GATEWAY**.



The Indo-Japan Chamber of Commerce and Industry has completed its Silver Jubilee in December 2014 and we have drawn up a number of plans for the future. A bilateral Chamber like ours must strike new paths and new directions to make itself more effective and more useful to members. Personally I feel, the Chamber should become a Knowledge Bank for furthering the relations between India and Japan in a bigger and bolder way.

Together we must strive to increase the membership and should make earnest efforts to strike roots in different parts of India. In fact our aim will be to facilitate any Indian businessman who looks up to Japan to turn to IJCCI for guidance and help.

The diplomatic relations between India and Japan today is at its historic high. However, there is an information gap in both the countries about the potentials and opportunities. This newsletter will give news and views about India and Japan, business potentials of different Prefectures of Japan and States of India, economic updates, trade fairs and exhibitions in both the countries, etc., from time-to-time.

The 21st century is going to be the Century of India and Japan. Asia is fast becoming a distinct economic power and Japan and India are going to lead Asia economically, culturally and intellectually. Let IJCCI be the torchbearer of this new era.

N Kumar
President, IJCCI

About Us

Indo-Japan Chamber of Commerce and Industry

IJCCI (established in 1989) is involved in the promotion of educational, cultural and economic activities between Japan and India. Over the last 25 years, IJCCI has emerged as an all-India bilateral chamber between the two countries, with members comprising big, medium and small enterprises.

IJCCI Language School offers Japanese learning, both classroom learning and distance education, as well as need-based programmes for corporates on request.

IJCCI acts as a bridge between artistes and art lovers of the two countries and organises several Japanese and Indian cultural programmes.

On the economic front, IJCCI has been interacting closely with various Prefectural Governments, Chambers of Commerce and Industry and economic organisations in Japan. IJCCI has been receiving a number of business delegations from Japan and is also organising business delegations to Japan.

The Chamber is fast emerging as a Think Tank to strengthen the economic cooperation between Japan and India. It has set up special cells within the organisation:

- A Japan Round Table to facilitate discussions among intellectuals;
- A Japan Forum to stimulate interest in Japan among students;
- A Study Centre for Japanese Management Techniques for the benefit of students, shop-floor workers, business executives; and
- Special cells on energy, IT & ITES, IPR, legal and corporate issues.

IJCCI has received a Scroll of Commendation from the Foreign Minister of Japan in 2010 in recognition of its contribution to further the bilateral relations between India and Japan.

Meet the new Consul-General Hon'ble Mr Seiji Baba



Mr Seiji Baba addressing the gathering during the Welcome Reception organised by IJCCI

Mr Seiji Baba joined the Ministry of Foreign Affairs, Government of Japan in 1980. A veteran diplomat with over three decades of experience, he has held several distinguished positions in Japan

and overseas. In the Foreign Ministry he has worked in such important divisions as Protocol Division, Intelligence and Analysis Bureau, Overseas Public Relations Division and Diplomacy Planning Division. Before assuming office as Consul-General in Chennai he was Director, International Relations

Division in the House of Councillors, the DIET.

A Welcome Reception was organised for Hon'ble Mr Seiji Baba and Ms Atsuko Baba on 05.05.2015 by IJCCI. The meeting was attended by around 200 invitees, including diplomats from other countries. Mr N Kumar, President, IJCCI, welcomed Mr Baba and outlined his ambitions to make IJCCI a role model for bilateral chambers.

Mr Baba in his address said that India and Japan share fundamental values and strategic interests and play an important role in promoting peace in the Indo-Pacific region. A strong socio-economic complementarity and liberal economic reforms in India have resulted in the flow of more Japanese investments to India, Mr Baba said.



Mr Baba praised IJCCI for successfully contributing to the promotion of relations between India and Japan for the last 25 years. He expressed happiness to be associated with IJCCI and assured that he would work closely with it for furtherance of educational, cultural and economic activities between India and Japan.



A cross-section of the audience

Culture

India & Japan: Cultural Connect

There are many similarities in culture between Japan and India and yet there are significant differences as well. Like Japan, we are an ancient culture with a rich history and tradition. There are many societal commonalities like respect for elders and many Indian zaibatus still nurture loyalty within the organisation in return for security. Human relationships continue to be of paramount importance and we continue to be a value-based society.

The differences stem from the fact that we are a diverse ethnic group while Japan is more of a homogeneous society. Every state in India has different language (including script), dress, food habits, emotions, tastes & preferences that make us as different as Europe is. Every major religion in the world is present in India and although largely Hindu, our absolute number of Christians and Muslims are for example more than countries where the same religions comprise the majority of the population. Buddhists, Jains, Zoroastrians and even Jews are part of the Indian diaspora.

Further, India is the world's largest democracy with the promise of an economic potential. Last, but not the least, India has influences from all her past colonisers and invaders that range from the British, Dutch, French, Portuguese to the Moghuls (from Persia). All this and more makes doing business in India a very complex, interesting and challenging activity unlike in any other part of the world.

While Japan has been a major world power for long, for most Japanese, India is still mostly a mystery, an esoteric land understood through books, documentaries, photographs, spreadsheets, maps and a host of peripheral accessories.

The essence of India lies in her people, their aspirations, their beliefs and their feelings/emotions. It must be understood for being more than a great economic opportunity or a great market. To ensure that our destinies entwine for generations to come, it is this aspect perhaps that we have to pay the most attention.



Boys' Festival

In Japan, May 5th is celebrated as **Boys' Festival (Kodomo no hi)** in Japanese language). It's been celebrated for over a millennium. Originally it was celebrated in the houses of warriors. Warrior dolls and helmets, armour and swords are also displayed in houses. It's supposed to be a day to celebrate the health and happiness of all children. Large carp windsocks, called *koinobori*, are displayed outside houses of families with boys. There's one windsock for each boy in the house. The largest windsock is for the oldest son of the house.

The carp is considered for strength and determination and it is able to swim upstream against the flow of the water. This is a day for families to celebrate their sons' strength and character. The symbolic flower is a type of iris called *shobu*. The *shobu* has long leaves that resemble swords. Boys traditionally take *shobu* leaf baths on this day. The *shobu* is so important on this day that sometimes the festival is called Iris Festival.

One traditional food eaten on this day is *kashiwa mochi*. It's a rice cake steamed with sweet beans and wrapped in an oak leaf. Another traditional food is *chimaki*, which is rice wrapped in bamboo leaves.

History

Know Japan from a Historical Perspective

Japanese society for centuries was largely characterised as a feudal society with a lot of warring kingdoms. Several dynasties ruled over Japan for centuries with varying accomplishments in uniting the country. Between the mid 17th century and the mid 19th century Japan closed its doors to all forms of foreign influence and became an insular society, yet successful in preserving her traditions and way of life. It was in 1854 that Col. Mathew Perry, an American, opened Japan to the outside world with the 'Convention of Kanagawa'. After a period of great strife and tribulations a centralised state was established and unified under the Meiji Emperor. Thus began a glorious period of modernisation which is called the Meiji Restoration era.

During World War I, Japan aligned herself with the victorious 'Allies' and began a period of ambitious imperial militarisation and territorial expansionism, thus expanding their sphere of influence. The choices she made during World War II, led to great destruction and restrictions by the Allied Forces. Subsequent relaxations and support from the Americans and British provided a platform for recovery and reconstruction. It is from this point that Japan's meteoric rise from the rubbles can be traced...a clear tribute to the resilience of her people.

Japan today stands as the third largest developed economy in the world and for decades since World War II, she has emerged to become one with the comity of great nations. The past few decades have witnessed an economic slump in the nation, but history has shown that time and again she rebounds, albeit with external help to hold her rightful place under the sun.

Some legal tips and pointers

Organisations doing business in India should take cognizance of various provisions of the Indian Company Law and comply with the requirements. While this is not an exhaustive list, the points below represent some new and important legal requirements applicable to all companies, whether through a branch or a subsidiary and are often checked during regulatory inspection visits. It would be prudent to set in motion processes to ensure compliance at the earliest.

Details on letterhead:

Ensure that the Company name, registered office address, Corporate Identity number, telephone, fax, email and website are printed on all business letters, bills, notices and official publications.

Resident Director:

Every Company is required to have a Resident Director (i.e. a director residing in India for at least 183 days in the financial year).

Woman Director:

Every listed Company (i.e. a Company that has any debt or equity listed on a recognised stock exchange of India), is required to have at least one woman director on its board of directors.

In relation to CSR requirement under the Companies Act:

If a Company has a net worth of Rs 500 crore or more, or a turnover of Rs 1,000 crore or more or a net profit of Rs 5 crore or more during any financial year, it needs to have in place a written Corporate Social Responsibility (CSR) policy, form a CSR Committee from amongst the Board of Directors, ensuring that 2% of its average net profits for the last three years are spent on CSR initiatives (as specified in the Companies Act and Rules). The spending should have been completed by the end of the current financial year.

Fast Track Mergers & Amalgamations not yet in force:

Any merger or acquisition continues to be governed by the provisions of the Companies Act 1956. Companies proposing to enter into a merger or acquisition in India should therefore factor in lengthier timelines for closure.

Increased Director Liabilities & Corporate Governance:

The new Companies Act defines an Officer in Default to include a Whole-time Director, key managerial personnel and every director in respect of a contravention, **who is aware** of the contravention by:

- the **receipt** by him of any proceedings of the Board or
- **participation** in such proceedings without objecting to the same, or
- where such contravention had taken place with his **consent or connivance**

If a director is aware (through the details in the agenda of a board meeting) of any contravention, his absence from the board meeting will not absolve him of his liabilities in respect of such a contravention, unless he specifically objected to the contravention.

It is pertinent for all directors (whether executive or non-executive or independent directors) to be vigilant and ensure the Company is in compliance with relevant laws and regulations and where they see contraventions, to speak up and have their objections recorded. This is intended to ensure better corporate governance of Companies.

Employment law issues:

In addition to other employee policies, the Company should also have in place the anti-sexual harassment policy, an Internal Complaints Committee and should conduct the requisite training for employees under this law. Contraventions of these provisions may lead to fine and cancellation of registration / licence of the Company.

EDITORIAL BOARD: N Kumar, President, IJCCI; N Krishnaswami, Chairman, IJCCI; Krishna Prasad, Managing Director, Mot Juste Communication Services Pvt. Ltd.; P S Suman, Partner, A K Mysamy & Associates LLP; Hufriez Wadia, Partner, Kochhar & Co.; Arjun Balakrishnan, Founder, Dharmic Solutions; Suguna Ramamoorthy, Secretary-General, IJCCI.

Editor: Suguna Ramamoorthy; Publisher: IJCCI; Designing & Printing: Mot Juste Communication Services Private Limited., 98410 15081. For Private Circulation Only.

This first issue of the Newsletter is sponsored by Mr N Kumar, President, IJCCI.

Indo-Japan Chamber of Commerce & Industry (IJCCI): No. 21, Kavignar Bharathidasan Road, Teynampet, Chennai 600 018.
Phone: 044-24352010 / 044-24354779. Email: indo-japan@ijcci.com. Web: ijcci.com