



## Journal Report on: Webinar on “Force Majeure and Its Applicability”

### Organized by:

National Centre for Export Promotion (NCEP), IIF

**Speakers:** Mr. Arpit Bhargav, *CEO of SBA Group*; Ms. Radhika Sharma, *COO of SBA Group*; Mr. Rishab Jain, *Partner of SBA Group*.

**Date & Time:** 14<sup>th</sup> April, 2026 from 05:00 pm virtually on Zoom Platform.

### Introduction

The Institute of Indian Foundrymen, through its National Centre for Export Promotion (NCEP), successfully organised a Webinar on **“Force Majeure and Its Applicability”**, bringing together industry professionals to examine contractual safeguards in the face of ongoing global uncertainties.

The session featured expert speakers from SBA Group, including: **Mr. Arpit Bhargav**, *CEO of SBA Group*; **Ms. Radhika Sharma**, *COO of SBA Group*; **Mr. Rishab Jain**, *Partner of SBA Group* who provided comprehensive insights into the legal, operational, and strategic dimensions of force majeure clauses in contracts.

### Understanding Force Majeure in a Volatile Global Context

The webinar addressed the growing relevance of force majeure provisions amid disruptions such as the ongoing Middle East crisis, which has significantly impacted global supply chains, freight routes, and raw material availability. The speakers emphasised that force majeure is

not a blanket safeguard but must satisfy three essential conditions: the event must be beyond the control of the parties, unforeseeable at the time of contract execution, and unavoidable despite reasonable efforts.

Importantly, it was clarified that cost escalations alone do not qualify as force majeure. However, events such as war, government sanctions, port closures, and shipping disruptions may constitute valid grounds, provided contractual obligations become genuinely impossible to perform.

### **Legal Framework and Contractual Implications**

A key segment of the session focused on the Indian legal framework governing force majeure, with detailed reference to Sections 32 and 56 of the Indian Contract Act, 1872. The speakers highlighted that the enforceability of force majeure depends largely on explicit contractual inclusion, as courts do not automatically infer such provisions.

The discussion underscored the importance of drafting well-defined and comprehensive force majeure clauses. Broadly worded clauses offer greater flexibility, while narrowly defined clauses may restrict the ability to invoke relief during unforeseen disruptions.

### **Practical Guidance for Industry**

The session offered actionable recommendations for industry stakeholders navigating uncertain business environments. These included:

- Conducting regular reviews of contracts to identify force majeure and hardship clauses
- Issuing timely legal notices when performance becomes impracticable
- Maintaining thorough documentation to substantiate claims
- Evaluating insurance coverage, including export risk mitigation mechanisms
- Exploring alternative sourcing and supply chain diversification strategies

Additionally, insights were shared on government support measures introduced during the COVID-19 pandemic, including collateral-free loans and MSME-focused financial assistance, which may serve as reference frameworks for future crisis response.

### **Emerging Concerns and Industry Representation**

During the interactive Q&A session, participants raised concerns regarding increased logistics costs, particularly in cases of container re-routing and shipment disruptions. Issues related to interest on drawback refunds and coverage under schemes such as ECGC and logistics intervention mechanisms were also discussed.

The SBA team acknowledged these concerns and indicated further examination, including the possibility of formal industry representation to relevant authorities such as the Directorate General of Foreign Trade (DGFT).

**Conclusion: Strengthening Contractual Preparedness**

The webinar concluded with a strong emphasis on proactive risk management and legal preparedness. As global trade continues to face geopolitical and logistical challenges, the ability of industries to effectively interpret and implement force majeure provisions will be critical to sustaining operations and mitigating risks.

By equipping participants with both legal clarity and practical strategies, the session reinforced the importance of informed contract management in an increasingly uncertain global environment.