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IMPACT OF UNION BUDGET 2022-23 on Trade & Industry on Stakeholders

WESTERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)

Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.
Tel. : +91 93720 71120 | +91 88280 61444 +91 93720 36890
E-mail : wirc.admin@icmai.in
Website : www.icmai-wirc.in

Inside Bulletin

FROM THE DESK OF CHAIRMAN

Dear Professional Colleagues,

Namaste !!

"We are born without talent. We learn. We practice. We win. We lead. Talent is never born. It is accomplished." – Premchand Shetty

India is celebrating the 75th year of the Independence as the "Azadi ka Amrit Mahotsav" and the Economic Survey 2022 has highlighted the silver line with a robust recovery at 9.2% in India's economy after the pandemic lock down of 2020-21, which is higher than any developed economy. The main cause of the economic revival is substantial increase in Government Capital Expenditure and good collection of revenues manly Indirect Taxes - GST. During January 2022, GST Collection has crossed Rs. One Lakh Forty Thousand Crores, which is highest ever collection since its implementation.

Various positive factors highlighted in the economic survey suggest that it is a beginning of "Amrit Kaal" a 25 year long lead upto India @100 for economic development government. Finance Minister has presented this budget on 1st February, 2022 to make the foundation pillars with the vision and strategy for the next 25 years. The goals for "Amrit Kaal" includes;

1) Focus on growth and all-inclusive welfare
2) Promoting technology enabled development, energy transition and climate action
3) Virtuous cycle starting from private investment, crowded in by public capital investment

To achieve the above Goal of Amrit Kaal, The Union Budget presented in the Parliament have tried to create the four pillars - (1) PM Gatishakti, (2) Inclusive Development (3) Productivity Enhancement & Investment, sunrise opportunities, Energy Transactions and Climate Action and (4) Financing & Investment through which India will achieve the new heights during this period.

Shortest speech of FM had ensured the sustained growth in the coming future through digitization, infrastructure, green and clean technology and other reforms. The ramped-up allocation of Rs 10 trillion in Capital Expenditure will give a boost to Infrastructure and improve the sentiments leading to increased private sector investments. Government policies are continuing to be supported by the spearhead technology so that the benefit of all policies will be passed across the country. To promote digitalization and reduce the cash transactions, the introduction of Indian Digital Rupee is a step, which would boost innovation and digitization. MSME sector has again been given booster through extension of ECGLS and fund allocation of Rs. 5 trillion. FM had also tried to transform the Backbone of India - rural life through the use of drones in agriculture, organic farming, and wasteland development.

On the taxation front direct/indirect, there have been numerous procedural changes which would provide clarity and pave the way for ease of compliance. On Direct Tax front, transaction in Cryptocurrencies to be taxed at 30%, concept of updated returns on payment of additional tax has been introduced to rectify the omissions or mistakes in their return with few changes to rationalize the various provisions of the Income Tax.

On the Indirect tax front, in GST, certain provisions are proposed to amend to give legal backing to certain rules and notifications. The ITC conditions have been made more stringent. A complete overhaul of custom rates has been done by withdrawing the exemptions without effecting the rate of duty.

With good collection of taxes, FM has not imposed any new tax, which was expected by the public due to Covid. Moreover, many proposals were made in the Income Tax to clarify various ambiguity to reduce the tax litigations and made public tax compliant, which is a welcome step. However, the Budget has failed to give benefits or relief to the Middle Taxpayers in terms of personal taxation given to for the salaried and business classes, i.e., "AAM Aadmi", which was awaited for a long time and leaving them disappointed.

In overall, the Budget 2022-2023 is within the expectation and would be a Booster Doze for the Indian Economy by way of ramped up capital expenditure, which majorly turns out to be a blueprint to steer the economy over the Amrit Kaal for next 25 years from India @ 75 to India @ 100.

I would like to update on P.D. activities at WIRC during the month of January :

- Webinar on Strategies for transitioning Finance & Accounting Services from Cost Centre to Profit Centre on 15th January 2022. CMA Murali Raman, Management Consultant was the speaker.
- Webinar on Alpha generation strategy for markets on 20th January 2022. Mr. Viraj Gandhi (Co-Founder & Chief Business Officer), Samco Mutual Fund was the speaker.
- Webinar on Enterprise Risk Management – Core Focus Areas & a Strategic Approach to Organizational Sustainability on 29th January 2022. CMA Delzad D. Jivaasha, Deputy Vice President – Risk Management, ICICI Lombard General Insurance Company Limited is the speaker.
- Continuing Education Programme (CEP) on Discussion on Union Budget 2022 (Physical Programme) on 5th February 2022 at Thane SMFC. CMA Prashant Murkar, Tax advisor CMA Unmesh Narvekar. Tax Consultant were the speakers.
- Maharashtra State Power Generation Company Ltd. (MAHAGENCO) approached WIRC for recruiting our students for the post of Finance Trainees.
- WIRC Organised Career Awareness Guidance lecture on 3rd February, 2022 for the students of Guru Nanak College of Arts, Science and Commerce, GTB Nagar, Mumbai. CMA Shriniwas Bala guided the students.

We have rescheduled our mega event i.e. Regional Cost Conference on 26th & 27th March, 2022 subject to applicable covid protocols at Narayani Heights, Gandhinagar (Gujarat) on theme of EMERGING TRENDS IN STRATEGIC COST MANAGEMENT IN GLOBAL ECONOMIC ERA.

I would request all of you to participate in large numbers & make this event a huge success.

Looking forward to your suggestions .

I wish happy Basant Panchmi and Maha Shivratri to all the Members, Students and their families.

Third wave of Covid has arrived in India, and I request all of you to take due care & precautions.

Stay safe, Stay healthy.

With Best Wishes,

CMA Dinesh Kumar Birla
Chairman, ICAI-WIRC

FROM DESK OF CHIEF EDITOR

My Dear CMAs'

The water in a vessel is sparkling; the water in the sea is dark. The small truth has words which are clear; the great truth has great silence.

— Rabindranath Tagore

The Budget presented by Hon`ble Finance Minister, Nirmala Sitharaman builds on the excellent Budget last year, continuing the trend towards more productive expenditure, says N. Chandrasekharan, Chairman, Tata Sons"

The Union Budget 2022-23 not only prioritising the revival of MSMEs but also giving the sector a much-needed boost. As a sector that is responsible for around 45 percent of the country's total manufacturing output, 40 percent exports, and almost 30 percent of the national GDP, there's no doubt the MSME sector deserves to be a top priority.

Over the next five years, the government intends to roll out a Rs 6,000-crore-worth programme to rate MSMEs. As part of this rollout, the Emergency Credit Line Guarantee Scheme (ECLGS), will be extended up to March 2023. Additionally, the guaranteed cover amount will be expanded by Rs 50,000 crores right up to a total cover of Rs 5 lakh crore. Aside from facilitating faster recovery of the sector, these moves will be instrumental to ensure MSMEs are provided with the time and funding they need to establish their ground.

Credit guarantee trust for MSMEs are set to see a revamp and will ensure the allocation of Rs 2 lakh crore more to the growth of the sector.

To help finance start-ups in agricultural and rural enterprises, a fund with blended capital raised under the co-investment model will be facilitated through NABARD.

Further to this, Raising and Accelerating MSME Performance (RAMP), an initiative to resuscitate the MSME sector and help it recover from the impact of the pandemic has also been announced as part of the Union Budget. In continuation of their attempts to help the MSME sector revive and come up to speed, the government has decided to extend custom duty exemption on the import of steel scrap by a year.

Reform on customs administration to support the SEZs' and other manufacturers, Rs.23,875 crore allocation for Metro projects, emphasis on Healthcare and infrastructure, immense investment for the expansion of roadways and logistics networks, decrease in corporate tax rate, massive hike in public investment are the major boost to strengthen the corporates, industries.

In this Bulletin, we have published the Journey and experience of Miss Yuvika Panwar, ICoAS, Assistant Director, National Pharmaceuticals Pricing Authority (Department of Pharmaceuticals) to guide the aspirants of future ICoAS for upcoming UPSC Examination. I believe her inputs will be pathfinder for future ICoAS.

The support of resource persons, team WIRC and the effort of my Regional Council colleagues to release this monthly Bulletin is praise worthy.

Lastly, I wish you and your family a safe stay with good health.

Stay Healthy & Stay Safe!

CMA Arindam Goswami
Chairman, Editorial Board

Union Budget 2022 - Indirect Tax Amendments and their impact on industry

CMA Amit Sarker
E-mail: asarker@deloitte.com

The Union Budget proposals for FY 23 presented during the 75th year of India's independence are forward-looking and based on the fundamental principle of making India a self-reliant and developed economy in the mid to long-term.

Against this backdrop, while it is pertinent to mention that indirect taxes do not typically form part of Budget proposals, specially after the introduction of the Goods and Services Tax (GST) in July, 2017, a significant number of amendments have been proposed in the GST provisions.

GST has been a pathbreaking tax reform and has seen the highest collection in the month of January, 2022 since its introduction. The total indirect tax collections also surpassed direct tax collections during FY 21. The growth in total indirect tax collections is not only due to a revival of the economy, which was under stress due to the pandemic, but also by the various measures taken from time to time by tax authorities to enforce discipline in tax compliances.

Policy decisions on GST is a prerogative of the GST Council and the Union Budget is not expected to announce any major policy announcements on GST. However, on reading the Finance Bill, one could find significant amendments proposed, some in the nature of statutory recognition of the decisions made in the previous GST Council meetings (specifically 43rd to 45th), either by way of amendment / substitution of the existing provisions or by introduction of new provisions. howeveHhowever, there are some proposals which are new and could have far reaching implications.

A synopsis of the proposed amendments is covered below.

A. Amendments in GST provisions

i. Restrictions in availment of ITC:

The Finance Bill has proposed to amend various sections of the CGST Act which deal with ITC. The emphasis on GSTR 2B, an auto generated credit statement, as the only basis for determining eligible ITC for a tax period is expected to impact the credit availment process. In addition, the statement would contain details of ineligible credit which in other words could lead to additional steps in reconciliation and determination of the eligible tax credit for a tax period. The factors which could render transactions ineligible from ITC perspective are all related to the suppliers' GST compliances and thus outline the need for deriving a method to constantly monitor the compliance status of suppliers by the recipient of supplies. It will be important and interesting to evaluate the rules which would need to be prescribed for implementation of the proposed amendments and which would also have a bearing on the overall ITC availment process. Therefore, the ITC availment process is expected to undergo an overhaul to adapt to the amended provisions. Further, taxpayers may need to explore more options to bring in automation for the purpose of recording, tracking and accounting of ITC in addition to the tracking of suppliers' compliance status as part of the accounts payable process.

ii. Other amendments in GST ITC provisions

a. **Interest on availment of ineligible ITC:** In addition to introduction of restrictions in determining eligible ITC, one of the proposed amendments require reversal of ineligible ITC along with interest in case of default in tax payment by the supplier. However, the recipient would be able to reclaim such credit once the tax is paid by the supplier to the government. It is important to mention that, while another provision of the CGST Act envisages penal interest only on utilization of ineligible ITC availed, the introduction of the above provision requiring payment of interest on availment of ineligible ITC due to supplier's default could lead to significant hardship for the recipient taxpayer. Further, reclaiming such credit could pose challenges in tracking such transactions, maintain and retain appropriate accounting and tax records.

b. **Increase in timeline for availment of previous year's ITC:** A trade facilitation measure in the form of increase in timeline for availing ITC of previous year until 30th November, in place of return filing date of September of the next financial year, is a welcome amendment. Taxpayers would get additional time to claim credit of ITC of the previous year. However, as the amendment specifies the date of November 30th as the cut-off date for such availment, it would be important to ascertain whether the extension would get locked only till the filing of October month's return which would only be due to be filed by November 30th.

c. **Issue of credit notes for previous financial year:** Another welcome move is the extension of timeline for issue of GST credit notes till November 30th (from the present September 30th) for transactions of the previous financial year. This would provide reprieve from loss of GST to taxpayers to a certain extent from as they would have more time to issue credit notes in case of transactions locked in dispute or even in case of sales returns.

d. **Transfer of electronic cash ledger balance:**

Taxpayers with multiple GST registrations would be able to transfer unutilized cash balance of one state to another. This is expected to provide flexibility in operations and also overcome freed-up working capital and notional or actual financial interest burden of the taxpayer.

e. **Cancellation of registration for non-filing of returns:** As mentioned in the initial paragraphs, the government has taken significant steps to enforce discipline in GST compliances. A further step in this direction is the power given to tax authorities to cancel registrations in case of continuous non filing of returns for a specified period which would be prescribed in due course. The GST registration status is particularly important for the purpose of procurement transactions to deal with compliant suppliers and to also ensure that tax invoices are issued by suppliers only with active GST registration status.

f. **Filing of GST returns:** The GST portal would allow filing of GST returns only on a sequential basis. Accordingly, returns due from previous period(s) would need to be filed first before attempting to file returns of the current period. Furthermore, outward supply return (GSTR1) would need to precede the summary return (GSTR 3B) of a particular period. Hence, taxpayers would need to monitor return filing status on a continuous basis.

B. Amendments in Customs rates

i. Changes in Customs duty rates

The government's initiatives to promote Make in India by introduction of Production Linked Incentives (PLI) schemes for multiple sectors is expected to leapfrog the identified sectors by a significant manner. While the PLI scheme bestows financial incentives on identified sectors, the government has also taken measures to reduce exemptions and concessions on import duty to promote domestic manufacturing, enable import of essential inputs and capital goods at concessional rate for manufacture of goods from identified and priority sectors. Thus, the tariff changes made in Customs reflect the broad intention of the government to promote domestic manufacturing, phase out redundant exemptions/concessions and rationalize Customs duties wherever required. In addition, the tariff changes also bring in a sunset for various import related concessions with specified dates for identified items. The changes need to be tracked by the importers and the impact of withdrawal of the concessions would need to be factored not only for financial purposes but also in the Customs filing processes.

Another significant announcement is the discontinuance of reduced Customs duty incidence on Project Import beyond September 30, 2022. While projects registered till this date would enjoy the applicable reduced duty till September 30, 2023, however, projects registered after September 30, 2022 would suffer a basic duty rate of 7.5%. This could potentially increase the cost of infrastructure projects and setting up of new projects, which have seen higher outlay in the Budget estimates of the government. However, project import would still retain the advantage of simplified classification.

Automation in Customs compliances

During the last one year, the government has made conscious efforts to reduce manual efforts and automate Customs compliances, first by introduction of faceless assessments for Customs clearances and also by introduction of digital filings in Customs matters. One more step in this direction is to introduce electronic filing of all documents and intimations required under the Import of Goods at Concessional Rate Rules (IGCR), 2017. This would help overcome inefficiencies of manual filing process and also bring in transparency in the complete process.

C. New Special Economic Zone (SEZ) legislation

The government announced the introduction of a new legislation which would replace the existing SEZ regulations. Over a period of time, the present SEZ legislation seems to have outlived its existence on account of evolving business and economic requirements. In addition, the infrastructure bottlenecks of SEZs have also had an impact on growth of the SEZ units. Furthermore, the SEZ Act was also challenged in the WTO. The new legislation is also expected to involve the states in the overall scheme of things to foster an inclusive growth environment. The proposed SEZ law can augment the Make in India initiative, establish India as an export hub and help develop the much-needed infrastructure for the Indian manufacturing sector.

D. SEZ compliances

The government announced that all compliances of SEZ units would be integrated with the national Customs portal from September, 2022. This is an important step in increasing efficiency of Customs processes of SEZ units and reduce manual intervention and processes of all SEZ compliances.

Conclusion:

The Indirect Tax proposals in the Union Budget 2022 do re-emphasize the government's ongoing endeavor to digitize tax compliances which would help in bringing down non-compliance, broaden the tax base and enable appropriate revenue collection. Further, the proposals also support the broader economic agenda of making India self-reliant and maintain the tax buoyancy observed in recent times. However, a directional clarity towards bringing down GST rate slabs and the tax rates on a majority of items could have helped understand the government's thought process in this direction.

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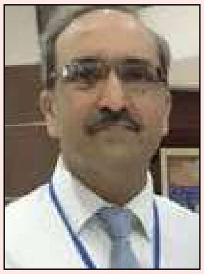


Budget-2022 : beacon of hope

CMA Anil Sharma
Mob.: 98720 73456
E-mail: anil_sharma01us@yahoo.com

Mrs. Vandna
Associate Professor (Economics),
PGGC-46, Chandigarh

COVID-19 has ruined the economy of every country and still it is continuing. Indian economy touched its lowest ever point at (-)23.9 last year. At one side economy was at its death bed and on the other side people. Year 2020-21 was tough for each one emotionally as well as economically. In such a scenario, it was also difficult for the governments to run the show and keep their people safe and healthy. But for every solution you need resources and resources were declining day by day. In such an uncertainty governments were forced to take some harsh steps to revive the economy and complete the economic circle. As there was no base or authentic information, decisions were taken on hit and trial basis and some of them got back fired. After a struggle of one year or so, situation improved and people are back on track with some doubts in mind.

Government of India under the leadership of Sh. Narendra Modi also faced tough time during this pandemic and tried their level best to revive the economy of the country which had already been at back foot. During FY 2020-21 Modi government took some major steps against the norms and were in a position where government could serve the poor with food, medicines and could provide economic stimulus to the industry especially MSMEs.

Now, in Feb. 2022 we will have 2nd COVID-19 affected Budget-2022. But this time general public expects some magic, so that they may come out from the stress of loss of their family members and also loss of their jobs. It will be very difficult for Mrs Nirmala Sitharaman, Hon'ble Finance Minister to cope up with emotions of the people.

Being an Indian citizen, everyone has to play its role and should come forward to ease out the situation. As Budget -2022, which is a document for future road map, we hereby have following practical suggestions and expectations that government should consider in the Budget-2022.

A. Rise in rate of Excise Duty on petroleum products :

Government of INDIA has increased excise duty on petrol drastically from 19.98 per litre in Oct. 2018 to 32.90 per litre in Feb,2, 2021 within a span of less than three years. Similarly excise duty on diesel enhanced to Rs. 31.83 per litres in Feb 2021 from Rs. 19.48 per litres in Oct 2018.

On the contrary, in international market crude oil prices were slashed like anything and were ranging between Rs. 28/- per litre to Rs. 38/- per litre between FY 2018 to FY 2022. Refinery charges, freight and dealer commission were 15/- per ltr.

By having such a sharp rise in rate of duties government collected record revenue as under:

Sr.No.	Years	Revenue (Rs. In Crore)
1	2017-18	2,58,000/-
2	2018-19	2,30,000/-
3	2019-20	2,39,000/-
4	2020-21	3,89,000/-
5	2021-22*	1,71,000/- (for 1st six months)

*Source: CAG Report. * provisional figure.*

As a result, during 2020-21 Indirect Tax collection (Rs. 10.71 lakh Cr) crosses the figure of Direct Tax (Rs. 9.45 lakh Cr) collection in country.

The above figures may be good for government treasury but has affected the common man and industry badly. Petrol and Deiseal prices hit the pocket of every individual directly and indirectly. In FY 2021-22 every two wheeler and four wheeler occupant spent 35-50% more from his pocket for fuel. Rise in prices of fuel has cumulative effect on each and every item. On other side due to increase in freight, people spent more on their livelihood. On income side people did not get much as compared to they spent.

So we expect that in Budget-2022, government should reduce excise duty on petroleum products to the level at least people should not spend from their savings if any.

B. Income Tax Reforms:

Present government no doubt is concerned with unnecessary litigation and compliances. So, has taken many steps to simplify the procedures and compliances. The process is still going on. In a process of tax reforms, government also took initiatives to bring reforms in direct taxes also. In its budgets government brings many changes especially for individual assesses. In last budget we have seen that government has given option to individual assesses to choose one of the two options if you have savings or not having savings. It definitely gives assesse another option and pay less tax. It gives more purchasing power in the hands of assesse and will help the economy to grow.

In Income Tax Act, 1961 which need over all change, having so many sections, clauses rules etc. which made it one of the most complicated law. Even for an individual assesses who just have income from salary and Interests from FDRs and saving accounts need to go through many provisions. As per existing law an individual has so many deductions as listed below available resulting creating lot of confusion and one is unable to understand the provisions so avoid to file returns. If it can be made simple and short, definitely people will come forward to file the returns.

Deducts available for an individual:

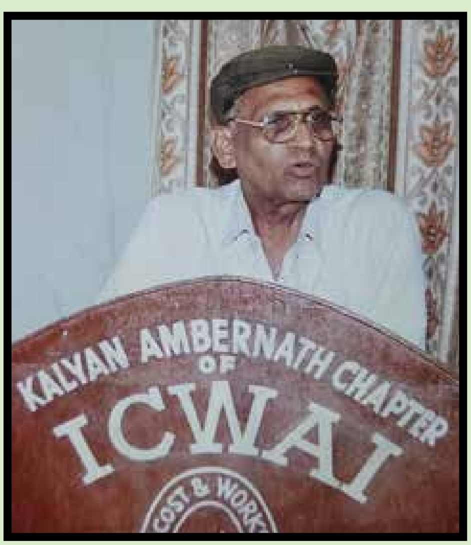
- **Section 80C** (MAX LIMIT RS.1,50,000) LIC, PPF,GPF, NSC and so on
- **SECTION 80 CCC** (MAX LIMIT RS150000) -CONTRIBUTION TO NATIONAL PENSION FUND
- **SECTION 80 CCD** (1B) (IN RESPECT OF PENSION SCHEME)-Rs. 50,000/-
- **SECTION 80 CCE** (80C + 80CCC + 80CCD LIMITED TO RS. 1.5LAC + RS 50000 U/S 80CCD (1B) + EMPLOYER CONTRIBUTION MAX TO 10%/14% as the case may be.)
- **80CCG** (Section 80CCG provides incentives to those who invest in the equity market and is popularly called the Rajiv Gandhi Equity Saving Scheme) subject to a maximum investment of Rs 50,000.
- **SECTION 80D** (MEDICAL INSURANCE PREMIUM) (MAX Rs. 1,00,000)
- **SECTION 80DD** (DEPENDENT DISABLE RELATIVE) (MAX Rs75000 for <80% disability & 1.00 lacs for >80% disability)
- **SECTION 80 DDB** (MEDICAL EXPENDITURE ON SELF OR DEPENDENT) :
  - FOR INDIVIDUAL BELOW 60 YEARS-Rs. 40,000/-
  - FOR SENIOR AND SUPER SENIOR CITIZENS – Rs. 1,00,000/-
- **SECTION 80E** (interest in education loan) : no restriction on the amount that can be claimed upto 8 AYs.
- **SECTION 80 EE/EEA** (deduction on home loan interest for first time home owners) –up to Rs. 50,000/- and Rs. 1,50,000/- as the case may be.
- **SECTION 80G** (DONATIONS)
- **80GG** – Deduction in respect of rent paid if HRA is not paid or received

  Quantum of deduction shall be the least of the following:
  - Actual Rent paid minus 10 percent the adjusted total income.
  - 5,000/- per month.
  - 25% of Adjusted Total Income.
- **80 GGC** (CONTRIBUTION TO POLITICAL PARTIES) : deduction is allowed to an individual taxpayer for any amount contributed to a political party or an electoral trust.
- **80 RRB** (ROYALTY OF A PATENT): Deduction for any income by way of royalty for a patent, shall be available for up to Rs.3 lakh or the income received, whichever is less.
- **80RRQ** (ROTALTY INCOME OF AUTHOR)- Deduction for any income by way of royalty for a patent, shall be available for up to Rs.3 lakh or the income received, whichever is less.
- **SECTION 80TTA** (Interest on deposit in saving account) (max limit Rs. 10,000)
- **SECTION 80TTB** (interest on deposit in case of senior citizen) (max limit Rs. 50000)
- **Section 80U** (PERSON WITH DISABILITY) (Max limit Rs. 75,000/- or Rs. 1,25,000/- as the case may be)

Though above deductions are keeping in view the socialist state of India but for individuals it may not be easy to understand and avail the benefits. Also, these deductions are being amended from time to time.

It is suggested that considering the average annual income of majority of Individuals from Salary and Interests from FDRs/Saving Accounts is less than Rs. 10.00 lakh a year, deductions on account of Food, Clothe, Housing Loan, Education, Medicals, Donations, Rent, Conveyance and other such expenses necessary to cater family needs must be given as standard deduction in one section only. In other words, all above mentioned deductions must be subsumed in one section only.

It will help many assesses to understand the Income Tax in better way and also simplify the laws. On other side It will reduce administrative Cost of exchequer especially in the cases where there is no tax collection.



OBITUARY

CMA P. B. Patange (M4952) Founder Member of Kalyan -Ambernath Chapter passed away on 4th February 2022. He was Chairman of the Chapter for years 1987-88 to 1990-91 and Secretary for years 1994-95 to 1997-98 and 2003-04 to 2009-10.

May the departed soul rest in peace.

Budget Proposal 2022 – Retrospective Amendments and Disallowbility of "Sucrcharge" and "Cess" in Computation of Income From Business and Profession: Impact on Industry & Trade

CMA Niranjan Swain
Mob.: 9437190060 / 9338715432
E-mail: nswain2008@ymail.com

1. Background:

According to section 29 of Income Tax Act, 1961, the profits and gains of a profession are to be computed in accordance with the provisions contained in sections 30 to 43 D of the said act. It must, however, be noted that in addition to the specific allowances and deductions stated in sections 30 to 36, the Act further permits allowance of items of expenses under the residuary section 37(1), which extends the allowance to items of expenditure not covered by sections 30 to 36, where these are allowable according to accepted commercial practices. The computation of income from business and profession and allowability of expenses may be categorized as follows.

Admissible deductions (Sections 30 to 37)	Inadmissible deductions (Section 40)	Expenses or payments not deductible in certain circumstances (Section 40A)	Profits chargeable to tax (Section 41)	Other provisions

Section 37(1) is a specific provision where deduction is provided for any expenditure laid out or expended wholly and exclusively for the purpose of the profession. On the other hand, a general provision has been made in section 28(i) read with section 29 for determination of "profits and gains of any profession" carried on by the assessee "in accordance with the provisions contained in sections 30 to 43D".

2. Provisions prior to Budget Proposal 2022: Disallowance of Expenses under section 40:

Section 40 of the Act specifies the amounts which shall not be deducted in computing the income chargeable under the head "Profits and gains of business or profession". Sub-clause (ii) of clause (a) of section 40 of the Act provides that any sum paid on account of any rate or tax levied on the profits or gains of any business or profession or assessed at a proportion of, or otherwise on the basis of, any such profits or gains shall not be deducted in computing the income chargeable under the head "Profits and gains of business or profession".

3. Legal Disputes – Whether "Cess" or "Surcharge" would be equated as income tax and disallowable under section 40(a)(ii) of income tax act.

i) Since the provisions u/s 40(a)(ii) does not specifically mention about the "Cess" or "Surcharge" certain taxpayers are claiming deduction on account of 'cess' or 'surcharge' under section 40 of the Act while computing profits and gains from business and profession. Therefore, cess is an allowable expenditure under provisions of section 40(a)(ii). This view has been upheld by Courts in a few judgments. Further, Courts are also relying upon the CBDT Circular No. 91/58/66-ITJ(19) dated 18-05-1967.

ii) The assessees rely upon the decision of the Hon'ble Bombay High Court in the case of "Sesa Goa Limited Vs. JCIT" (2020) 117 taxmann.com and further on the decision of the Hon'ble Rajasthan High Court in the case of "Chambal Fertilizers & Chemicals Ltd Vs. JCIT": Divisional Bench Income-tax Appeal No. 52/2018 decided on 31-07-2018, wherein, the Hon'ble High Courts relied upon the aforesaid CBDT Circular Dt. 18-05- 1967 and in view of the interpretation made by the CBDT have held that 'education cess' can be claimed as an allowable deduction while computing the income chargeable under the heads "profits and gains of business or profession". Based on these decisions ITAT in various judgments have followed the same reasoning and have allowed deduction on account of payment of "Cess".

iii) However, one of the latest judgments of ITAT Kolkata has discussed the two High Court judgments as well as other judgments vide order dated 26-10-2021 in the case of M/s. Kanoria Chemicals & Industries Ltd ITA No. 2184/Kol/2018 (TS-1129- ITAT2021 Kol) and has held that the "Cess" is not to be allowed as deduction. The relevant portion of the judgment is produced below:

"19. However, with due respect to the decisions of the Hon'ble Bombay High Court and Hon'ble Rajasthan High Court and of co-ordinate Benches of this Tribunal, we find that the issue is squarely covered by the decision of the Hon'ble Apex Court of the country in the case of "CIT Vs. K. Srinivasan" (1972) 83 ITR 346, wherein the following questions came for adjudication before the Hon'ble Apex Court:- " Whether the words "Income tax" in the Finance Act of 1964 in sub- s (2) and sub-s.(2)(b) of s. 2 would include surcharge and additional surcharge."

20.The Hon'ble Supreme Court answered the question in favour of revenue observing as under:- "In our judgment it is unnecessary to express any opinion in the matter because the essential point for determination is whether surcharge is an additional mode or rate for charging income tax. The meaning of the word "surcharge" as given in the Webster's New International Dictionary includes among others "to charge (one) too much or in addition" also "additional tax". Thus the meaning of surcharge is to charge in addition or to subject to an additional or extra charge. If that meaning is applied to s. 2 of the Finance Act 1963 it would lead to the result that income tax and super tax were to be charged in four different ways or at four different rates which may be described as (i) the basic charge or rate (In part I of the First Schedule); (ii) Sur- charge; (iii) special surcharge and (iv) additional surcharge calculated in the manner provided in the Schedule. Read in this way the additional charges form a part of the income tax and super tax"

21.The Hon'ble Supreme Court, therefore, has decided the issue in favour of the revenue and held that surcharge and additional surcharge are part of the income- tax. At this stage, it is pertinent to mention here that 'education cess' was brought in for the first time by the Finance Act, 2004, wherein it was mentioned as under:- " An additional surcharge, to be called the Education Cess to finance the Government's commitment to universalise quality basic education, is proposed to be levied at the rate of two per cent on the amount of tax deducted or advance tax paid, inclusive of surcharge."

22.The provisions of the Finance Act 2011 relevant to the Assessment Year under consideration i.e. 2012-13 are also relevant. For the sake of ready reference, the same is reproduced hereunder: - 2(11) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by a surcharge for purposes of the Union calculated in the manner provided therein, shall be further increased by an additional surcharge for purposes of the Union, to be called the "Education Cess on income-tax", calculated at the rate of two per cent. of such income-tax and surcharge, so as to fulfil the commitment of the Government to provide and finance universalised quality basic education.

23.A perusal of the aforesaid provisions of the Finance Act 2004 and Finance Act 2011 would show that it has been specifically provided that 'education cess' is an additional surcharge levied on the income-tax. Therefore, in the light of the decision of the Hon'ble Supreme Court in the case of "CIT Vs. K. Srinivasan" (supra) the additional surcharge is part of the income-tax. The aforesaid decision of the Hon'ble Apex Court and the provisions of Finance Act, 2004 and the relevant provisions of section 2(11) & (12) of the subsequent Finance Acts have not been brought into the knowledge of the Hon'ble High Courts in the cases of "Sesa Goa Ltd" & "Chambal Fertilisers" (supra). Since the decision of the Hon'ble Supreme Court prevails over that of the Hon'ble High Courts, therefore, respectfully following the decision of the Hon'ble Supreme Court in the case of "CIT Vs. K. Srinivasan" (supra), this issue is decided against the assessee. The additional ground of assessee's appeal is accordingly dismissed."

iv) Rajasthan High Court has also relied upon the circular dated 18.05.1967 issued by CBDT, which is being reproduced as under:

"Interpretation of provision of s.40(a)(ii) of IT Act, 1961-Clarification regarding 18/05/1967 BUSINESS EXPENDITURE SECTION 40(a)(ii),

v) Recently a case has come to the notice of the Board where the ITO has disallowed the 'cess' paid by the assessee on the ground that there has been no material change in the provisions of section 10(4) of the old Act and section 40(a)(ii) of the new Act. The view of the ITO is not correct. Clause 40(a)(ii) of the IT Bill, 1961 as introduced in the Parliament stood as under:

"(ii) any sum paid on account of any cess, rate or tax levied on the profits or gains of any business or profession or assessed at a proportion of, or otherwise on the basis of, any such profits or gains".

When the matter came up before the Select Committee, it was decided to omit the word 'cess' from the clause. The effect of the omission of the word 'cess' is that only taxes paid are to be disallowed in the assessments for the year 1962- 63 and onwards.

The Board desire that the changed position may please be brought to the notice of all the ITOs so that further litigation on this account may be avoided."

vi) In the above referred Circular issued by CBDT, 'Cess' is to be allowed under sub-clause (ii) of clause (a) of section 40 of the Act. However, it is to be noted that 'Cess' is imposed not only by the Central Government through Finance Act for a financial year, but also by various State Governments. It is pertinent to mention that in the above referred Circular of CBDT, there is no reference to the 'Cess' imposed by the Central Government through Finance Act for a particular year. This CBDT circular needs to be seen from the perspective that "Education Cess" imposed by Finance Act 2004 and subsequent Acts and then designated as "Education and Health Cess" are actually tax in the form of additional surcharge, as stated clearly in each of the relevant Finance Act imposing such "Cess". It is only called "Cess" since they were imposed for a particular purpose of fulfilling the commitment of the Government to provide and finance quality health services and universalized quality basic education and secondary and higher education.

vii) This circular was in reference to "Cess" imposed by State Government which is actually of the nature of "Cess" and not of the nature of "Additional Surcharge" being termed as "Cess" in the relevant Finance Act. When an additional surcharge is imposed by the Central Government and it is named as "Cess", then its allowability needs to be examined whether an additional surcharge is allowed to be a deduction or not. Hon'ble Supreme Court in the case of K Srinivasan has held that "surcharge" and "additional surcharge" are tax. Hence, the additional surcharge named as "Cess"and imposed by the Central Government through the Finance Act is nothing but a tax and hence, needs to be disallowed under sub-clause (ii) of clause (a) of section 40 of the Act. The relevant part of Hon'ble Supreme Court judgment is as under:

viii) The above legislative history of the Finance Acts, as also the practice, would appear to indicate that the term "Income tax" as employed in Section 2 includes surcharge as also the special and the additional surcharge whenever provided which are also surcharges within the meaning of Article 271 of the Constitution. The phraseology employed in the Finance Acts of 1940 and 1941 showed that only the rates of income tax and supertax were to be increased by a surcharge for the purpose of the Central Government. In the Finance Act of 1958 the language used showed that income tax which was to be charged was to be increased by a surcharge for the purpose of the Union. The word "surcharge" has thus been used to either increase the rates of income tax and super tax or to increase these taxes. The scheme of the Finance Act of 1971 appears to leave no room for doubt that the term Income tax" as used in Section 2 includes surcharge."

ix) Since the judgments of Rajasthan High Court and Bombay High Court did not consider the judgment of Hon'ble Supreme Court discussed above, the judgments of these two High Courts appear to be per incuriam. It may be mentioned that in paragraph 578 at page 297 of Halsbury's Laws of England, Fourth Edition, the rule of per incuriam is stated as follows:

"A decision is given per incuriam when the court has acted in ignorance of a previous decision of its own or of a court of co-ordinate jurisdiction which covered the case before it, in which case it must be decided which case to follow; or when it has acted in ignorance of a House of Lords decision, in which case it must follow that decision; or when the decision is given in ignorance of the terms of a statute or rule having statutory force."

4. Amendment in Section Based upon above discussions and explanatory notes, it is stated that the interpretations of two High courts and various ITATs are against the intention of legislature and not in line with the judgment of Hon'ble Supreme Court. Hence, in order to make the intention of the legislation clear and to make it free from any misinterpretation, it is proposed to include an Explanation retrospectively in the Act itself to clarify that for the purposes of this sub-clause, the term "tax" includes and shall be deemed to have always included any surcharge or cess, by whatever name called, on such tax. Amendment is made retrospectively to make clear the position irrespective of the circular of the CBDT.

5. Retrospectively Amendment from AY 2005-06:

The amended provisions of section 40 as discussed above made at Clause -13 of the Finance Bill 2022 which is reproduced below.

In section 40 of the Income-tax Act, in clause (a), in sub- clause (ii), after Explanation 2, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2005, namely:—

'Explanation 3.— For the removal of doubts, it is hereby clarified that for the purposes of this sub-clause, the term "tax" shall include and shall be deemed to have always included any surcharge or cess, by whatever name called, on such tax.'.

This amendment will take effect retrospectively from 1st April, 2005 and will accordingly apply in relation to the assessment year 2005-06 and subsequent assessment years.

6. Retrospective Amendment – Impact on Industry and Trade:

i) It is a cardinal principle of tax law as propounded by the Courts that law to be applied which is in force in the relevant assessment year unless and otherwise provided expressly or by necessary implication a clarificatory amendment by insertion of an explanation can be read into the main provision. But if a change is brought in the existing law by insertion of a new provision then the same cannot be applied in the case when no such law was in force at the relevant point of time and, therefore, a new tax liability cannot be created by a subsequent amendment in respect of a transaction as well as the return of income filed when such law was not in the Statute book.

ii) Retrospective Tax due to amendment in Income Tax Act slapped on various companies in India. Cases such as Vodafone's transaction with Hutchison in 2007 or the internal reorganisation of the India business that Cairn Energy did in 2006-07 before listing it on local bourses came under the purview of Retrospective Tax. The same law was used by tax authorities in January 2013 to slap Vodafone with a tax demand of Rs 14,200 crore, including principal tax of Rs 7,990 crore and interest. This was in February 2016 updated to Rs 22,100 crore plus interest. They slapped an assessment of Rs 10,247 crore on Cairn Energy in January 2014, which after including penalities came to Rs 20,495 crore. A similar demand was also slapped on Vedanta Ltd, which bought Cairn's India business in 2011.

iii) However, Govt. of India subsequently introduced the Taxation Laws (Amendment) Bill, 2021 introduced by Finance Minister Nirmala Sitharaman sought to do away with the contentious retrospective tax provision, having impact retro tax cases of Cairn Energy and Vodafone. The Taxation Laws (Amendment) Bill, 2021 was introduced by the Finance Minister in Lok Sabha on August 5, 2021. The Bill was proposed to amend the Income Tax Act, 1961 to provide that no tax demand would be raised in future on the basis of the retrospective amendment for any indirect transfer of Indian assets if the transaction was undertaken before May 28, 2012. The Finance Bill, 2012 had received the assent of the President. The new bill proposed that the demand raised for indirect transfer of Indian assets made before May 28, 2012 would be nullified on fulfilment of specified conditions such as withdrawal or furnishing of undertaking for withdrawal of pending litigation and furnishing of an undertaking to the effect that no claim for cost, damages, interest would be filed.

(iv) However, a clarificatory amendment by insertion of an explanation as in section 40(a)(ii) will create not only additional tax liability but also interest liability on such tax if the matter is pending at different judiciary authorities. It is a well settled principle that interest is compensatory in nature and can be levied only if there is a loss to the revenue. The Hon'ble Supreme Court in Pratibha Processors Versus Union of India [1996 (10) TMI 88 – Supreme Court of India] held that interest is compensatory in character and is imposed when tax is due and payable and the same has been withheld. Relevant extract of the above judgement is re-produced below:

"13. In fiscal Statutes, the import of the words — "tax", "interest", "penalty", etc. are well known. They are different concepts. Tax is the amount payable as a result of the charging provision. It is a compulsory exaction of money by a public authority for public purposes, the payment of which is enforce by law. Penalty is ordinarily levied on an assessee for some contumacious conduct or for a deliberate violation of the provisions of the particular statute. Interest is compensatory in character and is imposed on an assessee who has withheld payment of any tax as and when it is due and payable. The levy of interest is geared to actual amount of tax withheld and the extent of the delay in paying the tax on the due date. Essentially, it is compensatory and different from penalty — which is penal in character."

(v) Retrospective amendment may lead to reopening of the cases of assessment wherever the time limit is available. This not only have additional tax, interest liability but also trigger to litigations.

7. **Conclusions:** Retrospective tax due to amendment in the provisions of income tax act is not so easily welcomed by taxpayers as it creates an additional levy on the transaction which is already concluded in assessment when the provisions of law were different. Taxpayer would have planned his finance and tax based on the law as it existed at that time and disturbing the same by way of unjust and unwarranted retrospective amendments is unreasonable. However, any unreasonable and unexpected tax levy / burden on a transaction which is closed in light of the then existing law would be unfair and cause disruption.

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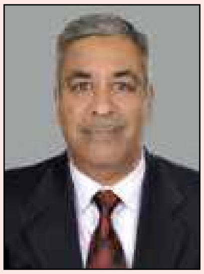
Viewing Union Budget 2022 through the Social Lens



CMA (Dr.) S. K. Gupta
Mob.: 98101 62341
E-mail: cbst.skgupta@gmail.com

Social Capital - The Perspective

Social capital is critically intertwined with economic growth, with education and health constituting its major components. Investment in education and health makes the labor force more productive, healthy, competitive and efficient, all of which taken together contribute to higher economic growth. In the backdrop of the global financial crisis, there is renewed focus on attaining social sustainability to achieve the objective of sustainable growth.

India continues to rank poorly in various global indices that reflect the quality of life, human capital or human development in the country, such as the Human Development Index (rank 131 out of 189 countries) and the Global Hunger Index (rank 101 out of 116 countries). It is well documented that the pandemic over the last two years has had a severe impact on the health, education and food security of the poor and informal sector workers. A number of recent reports, including the Oxfam's 'Inequality Kills' report and the ICE360 survey, well establish that the recovery in economic growth in India is K-shaped, meaning that the incomes of the poorer sections of the society are decreasing, while those of the richer sections are increasing. As many have argued, while this trend has been exacerbated by the pandemic, the country has been experiencing increasing inequality over the last couple of decades. Further, the period after 2016 has also seen stagnant real wages and increasing unemployment.

Throughout the history of Independent India, the Indian government has claimed that it works towards social development and the eradication of poverty. On the eve of Independence, Jawaharlal Nehru, addressing the Constituent Assembly, declared that Independence meant the redemption of a pledge. But he also stated that this achievement "is but a step, an opening of opportunity, to the great triumphs and achievements that await us (...) the ending of poverty and ignorance and disease and inequality of opportunity". A lot has been achieved in the past half century.

Union Budget 2022

The Finance Minister said, India is celebrating Azadi ka Amrit Mahotsav and it has entered into Amrit Kaal, the 25-year-long leadup to India@100, the government aims to attain the vision of Prime Minister outlined in his Independence Day address and they are:

- Complementing the macro-economic level growth focus with a micro-economic level all-inclusive welfare focus,
- Promoting digital economy & fintech, technology enabled development, energy transition, and climate action, and
- Relying on virtuous cycle starting from private investment with public capital investment helping to crowd-in private investment.

This paper examines the Union Budget 2022 from the perspective of the changing paradigm of development governance as acknowledged globally. This is exemplified by the paradigm shift from the traditional ways of looking at development through the lens of economic growth to the newer and more holistic ways of development thinking embodied in the UN Sustainable Development Goals (SDGs).

Seen from that perspective, the Union Budget 2022 becomes extremely important as the country witnesses the third wave of the pandemic, and the domestic economy being still on "recovery mode" from the pandemic-induced shocks over the last two years. The continuous lockdowns and other restrictions have impeded the market forces to function in an organic way and provide the benefits of income generation on one hand, and cushion to the poor and migrant laborers on the other, in a nation where social security is largely inadequate.

Focus on building Social Capital

What is noteworthy in this Budget is that the variety of welfare schemes for sustainable economic recovery tries to capture the various capitals (natural capital, physical capital, and human capital) enshrined in the Sustainable Development Goals (SDGs), aimed to be achieved by 2030. This government is not shy of using buzz words in its successive Union Budgets, and this time, the government's priorities are laid down in the context of 'Amrit Kaal' (Independent India's run up to turning 100 years). In fact, this Budget largely finds India's 'Amrit Kaal' in synchronization with the UN Sustainable Development Agenda 2030.

Given this background, the Finance Minister talked of addressing efficiency and equity in the same vein: focusing on economic growth at a macro level, and inclusive welfare schemes at the micro level. Budget 2022 attempts to recognize the pandemic-induced impact on poverty levels by emphasizing a variety of schemes for the poorer classes, such as access to electricity, cooking gas and direct benefit transfers amongst others.

Budget Proposals and Sustainable Development Goals

Since 2014, the government's focus has been on empowerment of citizens, especially the poor and the marginalized and measures have been taken to provided housing, electricity, cooking gas, and access to water. The government also have programs for ensuring financial inclusion and direct benefit transfers and a commitment to strengthen the abilities of poor to tap all opportunities. To enhance the human capital aspect of sustainable development, a variety of reforms are suggested in the agricultural sector in order to increase farmers' income, progressing towards SDG 1 (No Poverty). Additionally, this is probably the first time that mental health (SDG 3: Good Health and Well-being) is prominently highlighted in the Union Budget through the announcement of the program - that is expected to benefit India's huge working-age population continuously shifting gears between 'work-from-home' formats and in-person office setups, alongside a variety of mental stresses caused by the pandemic. Other schemes to boost the labor markets include an additional credit of INR 2 trillion for MSEs, focus on increasing skill levels, digitizing health and education, etc.

Social Sector and Budget 2022

The overall social sector spending, which includes education, well-being, housing, and social welfare, is also set to fall next fiscal after some spending boost in 2021-22. From 6.5% of total expenditure in the ongoing fiscal, it will decline to 6.1%. Despite this year's budget going big on capex, the increase in social capex (schools, hospitals, housing) is modest compared to core capex (roads, railways, power plants).

Primary and higher education

The total budget allocation for the two departments of the Ministry of Education -school and higher education is Rs 1,04,277.72 crore, a 11.85% increase. Total funds to "student financial aid" has been cut from Rs 2,482.32 crore in the budget estimates for 2021-22 to Rs 2,077.85 crore in the next financial year.

Digital University: The Finance Minister announced the establishment of a Digital University along with other initiatives to improve digital education in the country. A high quality e-content will be introduced in all spoken languages in the country. World class universities will be allowed to offer courses in financial management, financial technology, science, and technology, free of Indian regulations, Sitharaman further said.

The Social Justice and Empowerment Ministry: which caters to the welfare of the backward classes and those with disabilities, was allocated Rs 13,134 crore in the Union Budget 2022-23, a 12 percent increase from the last fiscal.

An amount of Rs 11,922 crore has been allocated for the Department of Social Justice and Empowerment and Rs.212 crore for the Department of Empowerment of Persons with Disabilities in the financial year 2022-23. The Budget for 2022-23 saw an allocation of Rs 56 crore for the three national commissions -- National Commission for Scheduled Castes, National Commission for Backward Classes and National Commission for Safai Karamcharis, as against the allocation of Rs 49 crore for 2021-22. However, certain crucial schemes of the ministry like the Support for Marginalized Individuals for Livelihood & Enterprise (SMILE, Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi (PM DAKSH) Yojana and Self Employment Scheme for Rehabilitation of Manual Scavengers saw a budget cut.

Autonomous bodies: National University of Rehabilitation Science Disability Studies, Rehabilitation Council of India and Indian Sign Language, Research and Training Centre, Centre for Disability Sports, National Institute for inclusive and Universal Design, National Institute of Mental Health Rehabilitation and Support to National institutes -- have been allocated Rs 431 crore for the next financial year. The National Program for the Welfare of Persons with Disabilities was allocated Rs 635 crore in 2022-23. In 2021-22, an allocation of Rs 584 crore was made.

Health and Nutrition: Under Ayushman Bharat Digital Mission, an open platform for National Digital Health Ecosystem will be established. It will consist of digital registries of health providers and health facilities, unique health identity, consent framework, and universal access to health facilities. A National Tele Mental Health Program will be launched to provide access to quality mental health counselling and care services.

Food subsidy: Allocation to food subsidy is estimated at Rs 2,06,831 crore in 2022-23, a 27.8% decrease over the revised estimate of 2021-22. A higher level of food subsidy was budgeted in 2020-21 and 2021-22 mainly on account of: (i) Pradhan Mantri Garib Kalyan Ann Yojana, which provides for free food grains to poor to mitigate the impact of COVID-19, and (ii) clearing loans of Food Corporation of India.

Water and sanitation : Clean water, sanitation and hygiene are recognized as key determinants of public health. The increased allocation and policy directives in the Budget reflect this. The department of drinking water and sanitation has received Rs. 60,030 crore, a 253 per cent increase over last year, with 86 per cent of this going to the Jal Jeevan Mission (JJM). The 335 per cent increase in the allocation to JJM appears to be appropriate for reaching the 2024 goal of universal rural household tap water connectivity. JJM (Urban) has received an outlay of Rs 287,000 crore over five years; however, the Budget is silent on implementation modalities.

Under the Swachh Bharat Mission-Gramin (SBM-G), the focus is on sustaining open-defecation-free behavior and managing waste. An increase of 150 per cent in the information, education, and communication (IEC) budget indicates the focus on promoting hygiene behavior and sustaining infrastructure development. The idea of engaging start-ups in rural areas to come up with innovative solutions for sludge management is a well-thought-out step towards eliminating manual cleaning of septic waste in the near future.

Skill development : There is a marginal 2 per cent increase in allocation to the ministry of skill development and entrepreneurship. The apprenticeship training component has received a 186 per cent increase in allocation, to provide apprenticeship opportunities to graduate engineers, diploma-holders and 12th vocational graduates. This attempt to smoothen the transition from "schools to jobs" is a positive move and has got a fillip from the announcements on realigning the existing National Apprenticeship Training Scheme (NATS) and amending the Apprenticeship Act.

The intent to boost entrepreneurship and start-ups is reflected in a four-fold increase in budgetary allocation. Despite this, the overall allocation of Rs 50 crore looks grossly inadequate for a country like India, if it is to be on a par with the start-up capitals of the world. The government's intent of making India reservoir of skilled manpower is reflected in its initiatives towards forging international collaborations. Overall, the Budget's impetus on promotion of apprenticeship and creation of job avenues is expected to accelerate the pace of transition of the informal workforce to the formal sector.

Food subsidy: The food subsidy has played a pivotal role in averting hunger and distress in both rural and urban areas during the pandemic. This is reflected in an all-time high spend of Rs 422,618 crore in FY20-21. It is estimated that the Pradhan Mantri Garib Kalyan Anna Yojana covered nearly 810 million beneficiaries and provided additional food grains above National Food Security Act (NFSA)-mandated requirements in the wake of the pandemic. Under the Atmanirbhar Bharat Package, approximately 80 million migrants, who were not covered under the NFSA or state ration cards, received benefits. The government proposes to continue the support to migrant workers through the "One Nation One Ration Card" scheme.

While the worst is over, livelihoods and jobs have not rebounded to pre-pandemic levels and continued dependence on food subsidy is expected in the initial few months of 2021-22. Given this, the allocation of Rs 242,836 crore may not be adequate and will need revision during the year. Further, it is noteworthy that the increased allocation includes the share of subsidy which was earlier in the books of the Food Corporation of India (FCI) as borrowings, which as a practice has been discontinued in the current Budget.

Tribal welfare: The allocation to the ministry of tribal affairs has increased by 37 per cent. A boost has been provided to Eklavya Model Residential Schools (EMRS) in tribal areas with an increase in the unit cost of such schools from Rs 20 crore to Rs 38 crore, and Rs 48 crore in hilly and difficult terrain. This will benefit about 400 EMRS, which are already sanctioned for construction till 2022 with improved infrastructure.

Mental Health: The Finance Minister said, as the pandemic has accentuated mental health problems in people of all ages, a 'National Tele Mental Health Program' will be launched for better access to quality mental health counselling and care services. This will include a network of 23 tele-mental health centres of excellence, with NIMHANS being the nodal centre and International Institute of Information Technology-Bangalore (IIITB) providing technology support.

Conclusion : Budget 2022 brings a sense of optimism and reflects the government's continued focus on social development Finally, there is an obvious need for a better utilization of the allocated money. Underutilization of funds, poor implementation, neglect of infrastructure, misuse of funds should be prevented for delivering the expected social outcomes from the Budget. ■

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51624	Rashmi Prasad	Bhilai
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51636	Harsh Anilbhai Shah	Ahmedabad
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51668	Yogeshwar Ramchandra Gokhale	Pune
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51677	Henal Maheshbhai Rathi	Vadodara
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51759	Payal Tikendra Gandhi	Vadodara
51764	Axit Anandbhai Sanghavi	Gandhinagar
51765	Nandkishor Hemraj Kulwal	Aurangabad
51772	Rajat Deepakbhai Shah	Ahmadabad
51774	Gayatri Sunil Shinde	Pune

Impact of Union Budget 22-23 on Stock Market and Business Sectors

CMA Jyoti Chaudhary

Mob.: 82944 47729

E-mail : jyotijhachaudhary@gmail.com, 37067jyoti@icmaim.in

1. What is Union Budget?

The Indian Constitution in Article 112 defines the Union Budget of a year, also referred to as the annual financial statement, as a statement of the estimated receipts and expenditure of the government for that particular year. [1] Union Budget keeps the account of the government's finances for the fiscal year that runs from 1st April to 31st March. Union Budget is classified into Revenue Budget and Capital Budget. [1] Revenue budget includes the government's revenue receipts and expenditure. There are two kinds of revenue receipts - tax and non-tax revenue. Revenue expenditure is the expenditure incurred on day to day functioning of the government and on various services offered to citizens. If revenue expenditure exceeds revenue receipts, the government incurs a revenue deficit.

Capital Budget includes capital receipts and payments of the government. Loans from public, foreign governments and RBI form a major part of the government's capital receipts. Capital expenditure is the expenditure on development of machinery, equipment, building, health facilities, education etc. Fiscal deficit is incurred when the government's total expenditure exceeds its total revenue.

2. How the Union Budget affects the stock market?

Stock market is directly proportionate to the residual income of a person and growth perspective of the industry. Union Budget brings revision, changes and modification of the financial policies that affects person's capability to invest. There are various aspects announced in budgets e.g. tax slabs, exemptions, rebates etc. Apart from these the industries the Government decides to promote is announced in the budget and this directs the decision of stakeholders who want to grow their money by investing in the market where the financial policies are favourable.

"Union Budget is one of the big events for capital markets. We expect policy incentives towards green energies, alternative energy sectors, electric vehicles and infra space. Some key announcements should be made for auto, tourism and hospitality sectors as they are most affected due to pandemic," Kranthi Bathini, equity strategist at WealthMills Securities told BusinessToday.in.[8]

2.1. Modification in exemption limit for taxpayers:

Modifications in income tax slabs or exemption limits, also affects the stock market. If the exemption limit is increased, it results in more money remaining in the hands of the taxpayer. In order to get more interest, the taxpayers invest the saved amount in stock markets. And, when more taxpayers start investing in the share market, the share market will be on the positive side.

In that aspect, current Union Budget is not that favourable as there is no extension in Income tax free slab and limit of section 80C is also not increased. This is definitely discouraging to the investors of stock market. Concession in tax on education loan relaxes the knowledge seekers in one hand and encourages higher education and skill development on the other hand.

2.2 Change in corporate tax:

Corporate tax is a duty paid by any company which meets the conditions mentioned under the Income Tax Act, 1961 and the Finance Rules. [1] The government's announcements related to corporate tax also have a significant impact on the stock market .[1] In turn, the change in corporate tax rates increases or decreases the taxation burden on the company. [1] If the Budget decreases corporate tax rate, the burden on the companies automatically decreases, resulting in a higher profit margin.[1] The companies can use the extra funds for expansion and growth, that will ultimately increase the company's market value and share prices.[1]

Finance Minister Nirmala Sitharaman on Tuesday kept the corporate tax rate unchanged in the Union Budget for 2022-23, but offered a concessional rate of 15 per cent for 1 more year till March 2024 for newly incorporated manufacturing companies. [2] Section 115BAB of the Income-tax Act provides for an option of concessional rate of taxation at the rate of 15 per cent for new domestic manufacturing companies, provided that they do not avail themselves of any specified incentives or deductions and fulfill certain other conditions. [2] The Act provides that the new domestic manufacturing company is required to be set up and registered on or after October 1, 2019 and is required to commence manufacturing or production of an article or thing on or before March 31, 2023, according to the Budget document.[2]

The Finance Minister also proposed to reduce the surcharge on co-operative societies from present 12 to 7 per cent for those having total income of more than Rs 1 crore and up to Rs 10 crores[3]. Sitharaman also offered sops for start-ups by extending the date of incorporation for eligible startups for exemption[2]. The existing provisions of the Section 80-IAC of the Act provide for a deduction of an amount equal to 100 per cent of the profits and gains derived from an eligible business by an eligible start-up for three consecutive assessment years out of 10 years, beginning from the year of incorporation, at the option of the assesses [2].

Due to the Covid pandemic, there have been delays in setting up such units. In order to factor in such delays and promote such eligible startups, the government has proposed to amend the provisions of Section 80-IAC of the Act to extend the period of incorporation of eligible start-ups to March 31, 2023, according to the Budget document. [2]

Concerns had been expressed by corporate taxpayers on the limited time available for revising tax returns, acknowledging a part of the concern the Finance Bill has proposed an extended timeline for an updated tax return. [2] The Central Government contributes 14 per cent of the salary of its employee to the National Pension System (NPS) Tier-I. This is allowed as a deduction in computing the income of the employee.[3] However, such deduction is allowed only to the extent of 10 per cent of the salary in case of employees of the State government.[3]

2.3. NPS of State Government Employees: The government has proposed to increase tax deduction from 10% to 14% on the contribution by state governments in National Pension Scheme for their employees[4]. On the other hand, it has proposed an increase in tax deduction limit on contribution in NPS by state government employees from 10% to 14%[4]. Sitharaman said that the changes have been proposed to help the social security benefits of state government employees to provide equal treatment at par with the central government employees. L4]

2.4. Digital Assets :Sitharaman said that the government has decided to levy 30% tax, the highest tax band in the country, on income arising out of the sale of digital assets. However, losses from the sale of digital assets will not be offset against other income, she added [4]. a digital asset is content that's stored digitally. That could mean images, photos, videos, files containing text, spreadsheets, or slide decks. We live in a digital world today, and that means digital assets are everywhere[5]. From the photos stored on their smartphones to the movies they stream from Netflix or Amazon Prime, the documents they store in the cloud, and more, most people are interacting with digital assets hundreds, if not thousands, of times throughout the day [5].

3. Sector-wise impact :

The Central government announces sector-related policies or rules every year through its annual budget. These announcements or new policies affect specific sectors in a positive or negative manner[1]. If the announcements are in favour of the sector, then it will perform well which ultimately reflects on the stock prices. If the announcements are not in the favour of the sector, it will lead to the stock prices declining. [1]

3.1. The New Public Sector Enterprise Policy: The new public sector enterprises policy envisages that the strategic sectors have limited number of players restricting it to maximum four public sector enterprises of a holding nature[7]. The remaining enterprises would be rationalised in terms of mergers, amalgamations and privatisation if feasible[7]. As part of the 'Aatmanirbhar Bharat Abhiyan', Finance Minister Nirmala Sitharaman had announced that there would be a maximum of four public sector companies in strategic sectors, and state-owned firms in other segments would eventually be privatised. [7]

"The New Public Sector Enterprise Policy and Asset Monetisation Strategy introduced by the Government reaffirm its commitment towards privatisation and strategic disinvestment of Public Sector Enterprises[6]. The privatisation of Air India has been particularly important, not only in terms of garnering disinvestment proceeds but also for boosting the privatisation drive," the Economic Survey tabled by Finance Minister Nirmala Sitharaman read.[6]

Atomic energy, space, defence, trans and telecom, power, petro, coal, other minerals, banking, insurance and financial services will be classified as strategic sectors. The remaining companies in strategic sectors will be considered for privatization/merger/closure and non-strategic sectors will be considered for privatization, where feasible or for closure. In strategic sectors, the minimum presence of existing companies at the holding level will be retained under government control. [7] In India, privatisation is not a default option; rather, it is resorted to only out of extreme necessity. This may explain the hesitation to privatise some of the largest loss-making PSEs like Air India, BSNL and MTNL[7].

The Government of India has hailed the privatisation of Air India as an important milestone in terms of not only generating disinvestment proceeds but also for boosting the Centre's privatisation drive, as mentioned in the Economic Survey for the fiscal 2021-22 [6]. It further said that The New Public Sector Enterprise Policy and Asset Monetisation Strategy reaffirm the government's commitment towards privatisation and strategic disinvestment of PSEs[6]. Disinvestment of Air India, however, is just one step that the Government of India has taken to boost the aviation sector[6]. Among other steps taken to boost aviation sector is the privatisation, modernisation and expansion of airports. The Aviation Ministry has planned to privatise six airports under Airports Authority of India (AAI) – Ahmedabad, Jaipur, Lucknow, Guwahati, Mangaluru and Thiruvananthapuram for privatisation, modernisation and expansion. [6]

4. Conclusion:

Union Budget has been a steering element of stock market. The market becomes unusually volatile during the week budget announcements. But this cannot be concluded as unhealthy sign as Union Budget is to keep the finance of the country revised, updated and on track. As stated by the Finance Minister, the Productivity Linked Incentive in 14 sectors for achieving the vision of Atma-Nirbhar Bharat has received excellent response, with potential to create 60 lakh new jobs, and an additional production of Rs 30 lakh crore during next 5 years. So stakeholders are mostly intended to grow their money and budget directs the investment opportunity considering welfare of society like employment, sustainability, education, self-reliance etc.

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Impact of Union Budget 2022-23 on Trade & Industry on Stakeholders

CMA N. Rajaraman
E-mail: rajaraman.chandra@gmail.com

Even after two years the pandemic is still not in the rear view. Coronavirus variant (Omicron) is ravening across the globe; governments are struggling to minimize supply chain disruptions and economic activity, and to support the social and health need of their country. Finding balance between life and livelihood is once again at top of the agenda.

In India, several sectors are still struggling and have not recovered to their pre-pandemic levels and signs of stress are evident across sectors, especially for small businesses. Localized lockdowns and strict restrictions are a possibility if cases continue to surge. Given that 3rd wave in India could see an exponential rise in the number of COVID-19 cases, additional spending from the government is warranted for managing the pandemic and to support growth. The Union Budget for 2022-23 would thus be framed at the backdrop of a very difficult situation as uncertainty remains high and balance sheets (governments, businesses, and households) remain stretched.

Derailing the fiscal consolidation plan: We expect the government to meet the fiscal deficit target of 6.8% and set the target for FY23 at a higher level of 6%. According to the 15th Finance Commission, the Central government should bring down fiscal deficit to 4% of GDP and states should bring it down to 3% by FY26 that would bring down the liabilities of the Centre and States to 32.5% by FY26. However, given that the pandemic has lingered much longer than anyone expected, targets will need to be revised to accommodate social and economic needs.

It is time to address white elephant in room (non-merit subsidies): It's time to relook at non-merit subsidies and re-allocate funds to schemes with multiplier effects given that government's debt burden and interest payments remain high. Around 45% of the revenue receipts were budgeted for interest payments in FY22 compared to pre-pandemic level of 36% (FY20 actuals).

This is likely to increase with expected increase in interest rates this year. As researchers estimate non-merit subsidies (Centre and State) add up to more than 5.5% of GDP, the government can consider reallocating a share of this finds towards other developmental schemes. Subsidies by the government can be categorized into merit which consist of food, education, health, water supply and sanitation and non-merit subsidies which includes fertilizers, energy (power), ports, roads, etc., the distinction based on externalities associated with the merit services.

Balancing social and economic needs: Given that general government debt level remains high (89.6% to GDP in FY21), and this constrains the government's ability to respond to future shocks, the government must aim to maintain a fine balance between social expenditure and capex, as both will need equitable thrust. Increased thrust on capital expenditure is required to uplift the potential output of the economy to fulfil the dreams of ever-growing population, while social spending and immediate stimulus measures are needed to support the battered not so well-off population.

Managing expectations for labour supply: We expect the government to introduce measures to facilitate the new hybrid work environment that would be the new normal across various sectors. Migration of labour is now no longer a once in a lifetime phenomenon. The COVID-19 waves had led to great uncertainty over availability of skilled labour and increased the cost of labour for businesses. Reverse migration, rur-urbanisation, could hold the key, at least for the services sector.

Spend, not just budget: Only 49% of the budgeted amount for capital expenditure has been spent by the government during the first eight months of the fiscal year. There is a large volume of appropriated but unspent expenditure by the Central government every year. CAG estimates that unspent expenditure was about 2.0% of GDP in FY20.

Sector wise Expectations from Upcoming Budget

MSME Sector

MSMEs continue to face several headwinds such as low consumption expenditure, high commodity prices, elevated freight costs and supply chain disruptions, in addition to the operational disruptions caused by new variants of the virus. Given this difficult operating environment and market condition, we expect government to provide considerable relief in the Union Budget for the MSME sector, specifically:

- **Address the issue of delayed payments:** Since the launch of MSME Samadhaan in Oct 2017, only 22% of the applications have been either disposed or mutually settled. While 21% of the applications have been rejected a whopping 57% of the applications are either currently under consideration or yet to be viewed by the council. A unified trade payment database, on patterns of credit bureau could be envisaged.
- **Alleviate working capital constraints:** More than

90% of the invoices uploaded on the Trade Receivables Discounting System (TReDS) get financed. The need of the hour is to expedite onboarding of all public sector enterprises and incentivizing all large corporates to use the TReDS platform actively.

Currently, the number of new COVID-19 cases are almost twice the level of new cases reported during the peak of the first wave in India. Data from the RBI shows signs of stress in the bank loans to MSMEs has emerged by September 2021 much before the outbreak of Omicron. A further deterioration in the situation and subsequent disruption to businesses will warrant the extension of the government backed Emergency Credit Line Guarantee Scheme. The government can also consider providing sub-ordinate debt to the MSMEs which are under the NPA stress. In 2020, the government allocated a sum of Rs 200 bn towards this as part of its fiscal stimulus measures.

- **Ease of access to capital:** Measures to operationalize the Fund of Funds scheme on a fast-track mode is expected. Disruptions to business resulting from strict lockdowns to control the third wave could revive the demand for restructuring of loans, including already restructured loans. MSMEs have already faced severe financial crisis during the previous two waves and thus would need special incentives, loan restructuring and moratorium.
- **Strengthen export infrastructure:** The existing network of Export Facilitation Centers and Enterprise Development Centers should be expanded to include more industrial clusters in the country. Difficulties associated with finding the right business partner is a major restricting factor for MSMEs not exporting to other markets. Exporters should be incentivized to use business information portal since the probability of a firm exporting to new markets increases by around 0.1% with each additional day of time spent on such portals. Further, the government needs to take measures towards creating an enabling ecosystem to export high-technology products.
- **Solidify the agenda of Aatmanirbhar Bharat:** Measures to bring down the cost of raw materials, which have soared in the recent past due to increasing commodity prices, will allow MSMEs to remain competitive and contribute to the agenda of Aatmanirbhar Bharat. While the government has been proactive in addressing this issue, we expect the reduction in customs duty and correction of inverted duty structure to be extended to other basic raw materials too.

Banking

- Given that stressed assets is expected to increase significantly, government should consider allowing financial institutions to claim 100% tax deduction for bad and doubtful debt provisions.
- Policy measures to address the governance, management, and operational issues faced by public-sector banks is expected. A roadmap to reduce the government's stake in public sector banks and consolidation is also expected.

Insurance

- Benefits and need of insurance (specially health insurance) was felt by every Indian during the pandemic. Government may aim for universal health insurance albeit through direct funding by incentivizing private insurance sector. Measures such an increase in the tax deduction limits and exemption from GST on insurance premiums, to improve social protection are expected.
- The Insurance industry has suffered huge blows during the pandemic, with increasing a long gestation period, the limit of eight years for carry forward and set-off of losses may be enhanced for insurance businesses.
- To encourage adoption of annuity and pension products, government may make annuity income tax free (up to a limit) or annuity products may be made tax free on purchase. As currently on buying a pension product, policyholder pays a tax on annuity and pays income tax on receiving the annuity. Further, the insurance premiums are taxed at a GST rate of 18% which increases the cost to purchase any non-investment insurance (term life, health, general insurance).
- **Infrastructure**
- While the private sector investment revival will take time, the economy needs to be supported by government investment. Hence, the thrust on investment and infrastructure is expected to continue. Government is likely to contribute a major part to the development of healthcare infrastructure. Investments towards improving education and healthcare infrastructure is expected.
- India aims to construct 60,000 km of world-class highways across the nation by 2024, at a rate of at least 40 km per day. Infrastructure development must encompass not only physical but also digital connectivity.
- Budget may include the development of major public roads, railways, highways, and expressways and digital infrastructure. Enhanced funding is envisaged with the idea of augmenting the transportation infrastructure and boost economic growth.

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40381	Srinivasan Narasimhan	Pimpri Chinchwad
41671	Jigar Dilip Ranawat	Mumbai

Union Budget 2022-23 Impact on Industries

CMA Shweta Shah
Mob.: 97252 46638
E-mail: shah_shweta89@yahoo.in

Recently Finance Minister Nirmala Sitaramanji has presented the Budget Proposal for the year 2022-23. There are many things to discuss but here we will see specifically the impacts on different industries of this budget with opinions of Companies like KPMG, PWC, Deloitt, EY, etc.:

1. Oil & Gas:

The budget has proposed an increase in capex outlay by 35.4%, expansion of national highways network by 15% and addition of 25,000 km of roads,, development of four multi-modal logistics parks in the coming year; focus on electric vehicle (EV) charging infra and a new battery swapping policy. It also proposed a gradual reduction in customs duty to 7.5% for all project capital goods imports and allocation of The budget has proposed an increase in capex outlay by 35.4%, expansion of national highways network by 15% and addition of 25,000 km of roads,, development of four multi-modal logistics parks in the coming year; focus on electric vehicle ₹19,500 crore for production-linked incentive (PLI) scheme for manufacturing of polysilicon solar modules.

Impact: Better infrastructure connectivity will provide significant boost to oil and gas projects, with refineries being set up in the south India, and pipelines and city gas projects across the country.

In addition, new highways and EV and battery swapping push will provide a great avenue for retail growth for oil marketing companies to increase retail outlets and offerings to customers. Differential duty on unblended fuel to incentivise bio-fuel blending will be a boost to oil and gas companies which are already transitioning to new energy areas, renewables and greener power to decarbonize their operations. This will open up additional avenues of financing and support for green projects taken up by oil companies in bio fuels and green hydrogen also.

2. Banking :

The government has proposed to introduce a digital rupee—using block chain and other technologies—issued by the Reserve Bank of India (RBI) starting 2022-23 for more efficient and cheaper currency management system. Further, to help micro, small and medium enterprises (MSMEs) impacted by the pandemic, the credit guarantee fund trust for micro and small enterprises (CGTMSE) will be revamped with additional credit of 2 trillion and thereby expand employment opportunities. Post office accounts will be brought under the coverage of core banking.

Impact : The budget proposals are aimed at boosting credit growth of both banks and non-banking financial companies (NBFCs), with schemes announced across various sectors including affordable housing, transportation and logistics, and electric vehicles (EVs), etc. With 1.5 lakh post offices coming under core banking, more than 35 crore post office deposit accounts will come into the mainline banking and payments system. The proposal for 75 digital banking units in 75 districts is a small step but a definite push towards digital banking. 'Digital Rupee' is another step towards the government's adoption of digital as means of transaction banking.

3. Healthcare:

The government has made a path breaking move with the introduction of Ayushman Bharat Digital Mission in Budget 2022 to ensure universal access to healthcare facilities to all Indian citizens in the longer run. However, there has been no policy amendment to facilitate private participation to provide an impetus in strengthening the overall healthcare infrastructure and accessibility to healthcare services.

Impact : The government has extended the benefit of concessional tax regime for manufacturing companies. The government has also considered pharmaceutical sector as one of the sunrise opportunity sectors that will benefit from future supportive policies, among other things.. The government, however, did not consider the long-standing demand/expectation of industry to incentivise research and development needed to enable India to move from being an incremental innovator to becoming a global player in innovative drugs.

4. Start-Ups:

The existing tax benefits for start-ups have been extended by one more year till 31 March 2023. Also, a fund, raised under the co-investment model, will be facilitated through National Bank for Agriculture and Rural Development (NABARD) to finance start-ups for agriculture and rural enterprise relevant for the farm produce value chain. Start-ups will be promoted to facilitate 'Drone Shakti' through varied applications and for Drone-As-A-Service (DrAAS).

Impact : Budget 2022 was high on the development and inclusiveness agenda of the government, with significant allocations on infrastructure, healthcare, education, fin-tech, agriculture, etc. Initiatives around tele-mental health, digital university set-up for supporting supplementary education, highways, cargo terminal, kisan drones, etc., would all go a long way in supporting employability and employment within India. Similarly, policies aimed at the faster adoption of electric vehicles and a committee set up for promoting private equity/venture capital ecosystem would be beneficial in the longer term.

5. Auto:

The finance minister has announced a new battery swap policy to encourage electric vehicle (EV) adoption. The government also proposed to open up defence research and development (R&D) to private players for auto component development.

Impact:

A policy for battery swapping will aid in reducing the upfront ownership cost of EVs, thereby driving customer preference towards such vehicles. This policy is also expected to encourage private sector to develop sustainable and innovative business models for 'Battery or Energy as a Service'. Further, interoperability standards will build efficiency in operation of charging infrastructure for EVs. The government will facilitate special mobility zones for EVs as well as push for clean tech and electric vehicles in public transport. These changes, along with recently announced production linked incentives (PLI) for EVs, would give the necessary fillip to EV revolution in India. The extension of concessional Income tax regime of 15% for new domestic manufacturing facility setup, up to 31 March 2024, is a welcome move and would help attract new investment in manufacturing of EVs and its components. The incentives announced for start-ups could also be a booster for EVs.

6. Retail:

Though there was no specific proposal for this sector, the thrust on employment, infrastructure and financial inclusion is expected to boost consumption over the medium term. The 1.5 lakh post offices into the core banking system is a positive particularly for rural India and a higher minimum support price (MSP) allocation will drive consumption of fast-moving consumer goods (FMCG) products in the hinterland.

7. Green Energy:

The government will launch sovereign bonds and increase the funding for solar equipment. It will also install 500 gig watts (GW) of non-fossil capacity by 2030, reduction in emission intensity of GDP by 45% over 2005 levels, source 50% of the electricity from non-fossil by 2030 and reduction in carbon emission by 1 billion tonnes till 2030 and achieving net-zero by 2070.

Impact: The budget is inclusive and focused on sustainable development of a climate-adaptive and resilient Indian economy. It aims at digitally integrating participative economic planning with support from and efforts of all stakeholders. It builds the base for a technology- and innovation-led economy – driving design-led manufacturing, renewable growth, improving logistics efficiency, clean mobility, storage and battery solutions for the transition to electric vehicles, developing Agri Tech solutions, transforming health and education sectors, and achieving financial inclusion. It supports the development of sunrise business areas and reduction of carbon intensity by supporting the emergence of technology and innovative financing ecosystems. It has a clear direction around stimulating a circular economy by developing a policy and regulatory framework, and facilitating innovation.

8. Telecom:

Spectrum auctions will be conducted to roll out 5G services and a scheme for design-led manufacturing in 5G will be launched. The national capital will also launch a scheme for design-led manufacturing to boost 5G. To enable affordable broadband and mobile service proliferation in rural and remote areas, 5% of annual collections under the universal service obligation (USO) fund will be allocated.

Auctions for 5G spectrum and roll-out will happen in the fiscal year 2022-23. The roll-out across the country will also happen much faster than other previous generation roll-outs with the completion of fibre network in all villages by 2025. Focus on digital education including digital universities will further push the need for high-speed broadband. While the details of the production linked incentive (PLI) for design-led manufacturing in the 5G space are awaited, it could be broadened beyond manufacturers to the telecommunication service providers (TSPs) and telecom infrastructure players. Also, the USO funds have historically been used for the rural infrastructure roll-out. A 5% allocation towards research and development and commercialization of the technology could help some of the indigenous niche players building up technologies around O-RAN and private networks.

9. Infrastructure:

The PM Gati Shakti National Master Plan announced with an aim to making logistics connectivity seamless. The national highways network will be expanded by 25,000 km, with an outlay of ₹20,000 crores via financing. A scheme for expressways will be formulated to facilitate faster movement of people and goods. Railways will develop new products and logistics services for small farmers, and small and medium enterprises.

Impact:

The Gati Shakti initiative highlights the importance of quality multi-modal transport in achieving overall cost competitiveness. With global studies pegging India's average logistics costs at around 14% of GDP as against 8-9% for advanced economies, this is clearly a factor which needs to be addressed for attracting quality anchor investors across sectors. Infrastructure financing has also been mainstreamed, with particular focus on environment and sustainability, as evident from the announcement around green bonds, focus of National Infrastructure and Investment Fund (NIIF) and National Small Industries Corporation (NSIC) Fund of funds on the renewables sector, etc. For the rural economy and social sector in particular, the budget refers to blended finance as an option. This would again be linked to the Social Stock Exchange, an initiative announced earlier.

10. IT:

Block chain-enabled digital currency will be issued by the Reserve Bank of India starting 2022-23. The government is promoting digital economy, digital health eco-system and e-passport, amongst others to drive India's growth.

Impact:

Nearly every sector is expected to receive digital impetus driving further growth in technology and related sectors. The number of digital initiatives planned (digital currency, PM Gati Shakti, e-passport, Kisan drone, etc) are not incremental but transformational and will require a build-up of a complete ecosystem creating significant direct and indirect opportunities for the Technology and business process management sector. Many of these proposals will have significant downstream opportunities for software, hardware, and services companies. The government plans to make financial services available to everyone with planned connectivity of 1.5 lakh post offices to core banking systems. Digitalization of financial services will not only reduce the cost of services but will also make it available to a larger base. This, along with the digitalization opportunities available across different industries, will likely give rise to entrepreneurship and start-ups ecosystem. ■

Union Budget 2022 – Decoding the Rationale behind GST Amendments

CMA Kanchan Agarwal
Mob.: 75067 56295
E-mail: kanchan16081990@yahoo.in

The Hon'ble Finance Minister Mrs. Nirmala Sitharaman presented the Union Budget for FY 2022-23 on 1 February 2022. Amidst much anticipation amongst the members of trade and industry as well as the individuals at large, the proposed budget seems to have set focus on all the crucial economic fronts, well in alignment with the long term objectives and needs of the nation.

The Hon'ble Finance Minister, in the introductory paras of her speech reinforced optimism regarding the country's economic growth while the battle with COVID pandemic continues. Carrying on to build upon the vision of Budget for FY 2021-22, the union budget for upcoming financial year lays down its four priorities as below:

Infrastructure Developmen
Inclusive Development, Productivity Enhancement and Investment
Sunrise Opportunities, Energy Transition and Climate Action
Financing of Investments

There have been several path-breaking schemes proposed in Union Budget 2022 with a conscious motive to promote enhanced transparency, ease of doing business, leverage upon widespread digitisation and boost export transactions.

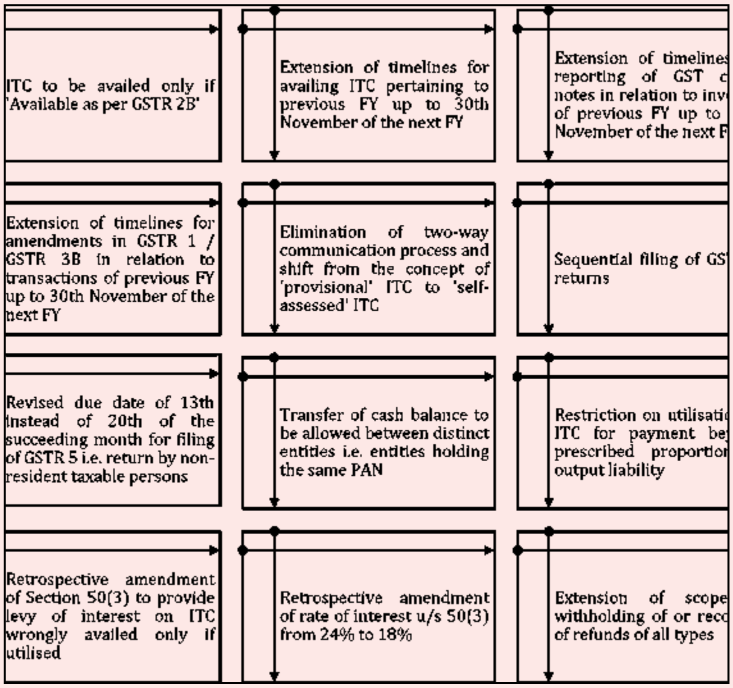
The Hon'ble Finance Minister, during her speech, has stated that, in recent years, over 25,000 compliances have been reduced and 1486 union laws repealed, attributing the feat to concept of 'minimum government & maximum governance', trust in the public, and ease of doing business.

In the discussion forward, let us have a glance on the key amendments under Goods and Services Tax (GST) by deliberating on the possible intent of legislature and the potential implication of the proposed changes on the tax paying community.

The Hon'ble Finance Minister, in her budget speech, made a mention of the remarkable success of the GST law and took pride in affirming that the cherished dream of 'One Market, One Nation' is fulfilled in the real sense of the term, not to mention the various challenges still faced by the businesses.

The taxpayers have been deservingly credited for the phenomenal GST collections, which would not have been achieved sans the industry adapting to the volatile law and strongly contributing to the cause by discharging taxes.

The significant amendments proposed under the GST Act by the Finance Bill, 2022 are summarized as under:



The GST amendments proposed under the Finance Bill, 2022 clearly aim towards the following aspects:

- **Better and automated compliances** – As also witnessed by the users, GST portal is now loaded with many value-added features, summaries, tables and insights – which was certainly not the case when the portal was launched. The GST portal seems to be more tax-payer friendly with an increased capacity to handle traffic and fewer downtimes.

- **Doing away with the two-way communication system** – GST law was originally introduced keeping in mind the implementation of a two-way communication system i.e. uploading of details by the suppliers in GSTR 1, corresponding actions like accept/modify/reject by recipients and filing of GSTR 2, and eventually a monthly return in GSTR 3. GSTR 2 remained in suspension since always and the taxpayers have been claiming input tax credit on provisional basis. Introduction of Rule 36(4) in October 2019 restricted the claim of credit by invoking mandatory reconciliation with GSTR 2A report and prescribing percentages of provisional claim over and above the matched ITC. Recent amendments in Section 16 and Rule 36(4) further tightened the grip on ITC availment by allowing the taxpayers to claim ITC only on input invoices appearing in GSTR 2B report. That is to say, in practicality, the two-way communication system has never seen the light of the day and has always been a matter of provisional claim of ITC. However, now since the taxpayer would be claiming only available credit by matching it completely with GSTR 2B, there is a blanket elimination of the 'two-way communication system' and filing of returns / claim of credit would not be linked to counterparty actions. There have been proposed suitable amendments in the GST Act to make these changes effective in the appropriate sense.

- **Claim of ITC only if 'Available as per GSTR 2B'** – As known to us, GSTR 2B is a static auto-compiled report basis GSTR 1 filings of the supplier and made available to the recipient by 14th of the next month. The said report also auto-classifies ITC into 'Available' and 'Not Available' basis in-built system checks of invoice date, place of supply, tax heads, etc. to name a few. As per the proposed amendment, ITC classified as 'Not Available' in GSTR 2B report cannot be claimed by the taxpayer. Although in favour of the matching concept, this seems to be a stringent approach, which may cause hardships to bonafide recipients and entail frequent supplier follow-ups for making corrections in their outward supply details, only post which ITC claim by the recipient would be valid in eyes of the law.
- **Extension of timelines for reporting of GST credit notes, availment of ITC, making amendments in GSTR 1/GSTR 3B up to 30th November of next FY** – These extended timelines would serve to be of substantial benefit to the taxpayers and provide the needed bandwidth in terms of timelines to reconcile their books alongside returns, GSTR 2B etc. and make necessary reportings, corrections in a smoother and more efficient manner. This is an appreciated step especially in the wake of recent ITC related amendments which necessitate complete matching with supplier filings thereby restricting credit claims and leading to increased cash outflows.
- **Levy of interest on wrongly availed ITC only if utilized** – There are two significant retrospective amendments in relation to Section 50(3) of CGST Act 2017 which deals with interest provisions in case of wrongful claim of ITC. The rate of interest notified under this section vide Central Tax Notification 13/2017 dated 28 June 2017 was 28% which is retrospectively amended to be 18%. Further, substitution of wordings of Section 50(3) is proposed which would then retrospectively provide for levy of interest on input tax wrongly availed as well as utilized for offset of any liabilities i.e. if the wrongly availed credit is lying in the electronic credit ledger of the registered person and reversed on identification at a later stage, there would be no interest payable. This has been a long-standing argued issue between the assesse and the departmental authorities with a barrage of advance rulings gathered on the subject. The clarity brought in by these amendments leaves no scope for any further ambiguity and thus would seek to end the tussle of trade with the tax department.
- **Sequential filing of GSTR 1 returns** – Mandating sequential filing of GSTR 1 is a smart and strict move towards more accurate and proper compliance system, also in lines with the sequential filing of GSTR 3B returns which is already in effect. Further, proposed amendment to Section 39 provides for filing of GSTR 1 for a tax period as a precondition in order to proceed with filing of GSTR 3B for that particular period. These changes in periodic GST compliances would definitely demand the taxpayer to exercise all the more caution and prudence while filing of their returns to avoid departmental notices and accompanied litigation.
- **Change in due date of GSTR 5 i.e. NRTP filers** – The GST Act provides for registration and compliances by a non-resident taxable person by filing monthly returns in Form GSTR 5. While the intent of GST council seems to be not so clear behind this particular change, the said amendment as proposed would amount to a sudden shift of settled due-date of 20th of succeeding month to 13th of the succeeding month for NRTP return filers. These taxpayers would thus have to plan and work upon the monthly GSTR 5 compliances as per the revised deadlines to avoid rush and delays particularly for the initial few months of implementation.
- **Permitting transfer of cash balance amongst distinct entities** – Allowing the transfer of cash balances amongst distinct entities would aid businesses having excess deposit of cash balances in a particular state from where there is no/less output liability to the revenue generating state where the major portion of liability gets accrued. This would let businesses in cases of multiple registrations to transfer cash balances by their own, mitigating the need for refund applications in such instances of erroneous cash deposits. The introduction of this mechanism furthers the seamless cash transfer and can be rightly considered as an extension to the earlier introduced Form GST PMT 09 which enabled the taxpayers to transfer cash balances from one tax head to another (within the same registration) in a very quick and easy manner. ■

Journey to ICoAS

– Yuvika Panwar *(ICoAS)*
Assistant Director,
National Pharmaceuticals Pricing Authority

It gives me immense pleasure to be part of Public Administration, and give my contribution to Nation's policy building mechanisms. My journey to become a part of bureaucracy started after having my professional qualification in May 2018, qualifying both groups in 1st attempt. CA/CMA itself being a one of the toughest courses in the country, path was not an easy one. After completing the same, quest to enter into Government Administration got stronger. At the same time Indian Cost Accounts Service (ICoAS) offered me the opportunity to reach to the desired destination.

ICoAS is the only accounting service which requires CA/ CMA as the mandatory qualification. It renders service to Central Government regarding financial matters and has various participating offices in Ministries/Departments such as Economic Affairs, Revenue, Commerce, Company Affairs, Defense, Chemicals & Fertilizers, Industry, Agriculture, Consumer Affairs and PD, National Pharmaceutical Pricing Authority, SFIO etc. Thus, this service is dynamic and versatile, providing vivid range of experiences in different sectors/field.

Scheme of Examination of ICoAS includes a Computer-Based Test (CBT) followed by an interview. All the exams are conducted by UPSC i.e., Union Public Service Commission. The CBT covers the topic like Cost Accounting Standards, Cost Audit, Financial Ratios etc. A comprehensive list of topics is provided by UPSC before the exam. Interview is also more or less of technical nature, which is conducted by a panel headed by UPSC member and including technical members also. The weight age of CBT/ interview is generally around 75:25.

Since there are limited number of seats, competition gets tougher. Requirements for both CBT and interview are different, a person needs to prepared for both the fronts. CBT demands accuracy and promptness in attempting the question. Interview is more of personality oriented, looking at the confidence, basics and general knowledge about the current situations, etc. of the interviewee.

After successfully qualifying to the service, a person is recruited directly to the level 10, as Assistant Director which is equivalent to ADM/Add.SP/Assistant commissioner in a state, and there are time bound promotions which are at par with other Group A services like IAS, IPS, IFS, IRS, etc. A person can reach to level 17 i.e. Chief Adviser rank which is equivalent to Special Secretary to Govt of India / Chief secretary in case of State government and advisor is equivalent to Joint secretary to Govt. of India / or secretary to state Govt.

My way to ICoAS was a little time taking, which is an exceptional case because of COVID situation at that time. It took almost 3 years for me to get into main stream i.e., from publication of notification in 2018 to joining the service in 2021. All these years were not easy going, but I was determined to get into the service. Looking at the competition level, the success percentage which is around 1%, I made continuous effort to keep myself at edge from others. Because of this determination only I was able to secure 2nd rank amongst the 8 candidates selected from all over the country against that year's recruitment.

Currently, I am posted as Assistant Director at National Pharmaceutical Pricing Authority, (NPPA) which is an independent Regulator for pricing of drugs and to ensure availability and accessibility of medicines at affordable prices. This office offers me a great platform where I can involve myself in public service, and strive to contribute towards the attainment of goals of a welfare state.

All the best to the readers for their future endeavors.

Stay fit, Stay healthy.

CMAs at Helm – As a Business Enhancer (Public Sector Undertaking - Govt. of India)

– CMA Baidyanath Maharana, *Director Finance,*
North Eastern Electric Power Corporation Limited (NEEPCO)
Interview by CMA Arindam Goswami

1) **Despite the current uncertain situation due to COVID-19, the NEEPCO Ltd. has been able to excel in Power Sector area. What more significant achievements that deserve to mention?**

- When the COVID situation actually started in early 2020, NEEPCO Ltd., was in a very bad shape. Our largest project till date which is the Kameng hydroelectric power project was not yet commissioned and we were facing multiple problems in that project. That project had cost us somewhere around 8,000 crores by then and it was not commissioned.
- The project was actually supposed to be commissioned in the year 2009 which was more or less a very stiff task for a hydra project of that magnitude was concerned and on top of that we were able to manage to bring up that project in 2018.
- In March 2018 the project was supposed to be commissioned but when we started to commission the project, there was a leakage in the pen stock. The pen stock is basically the high-pressure tunnel which carries water from the reservoir search shaft, through the search shaft to the power house, so that cracked and that is why lot of leakage of water was there and that caused lot of problem at the project site and we could not commission that.
- Despite the COVID 19 situation starting in March 2020, we were able to continue the work of that project and we commissioned the first unit of that project in June 2020. That was a very significant and noteworthy achievement in the entire power sector during that period and that is the largest part of it and on top of that because of this financial crunch had raised. We were borrowing money from everywhere to fund basically the little bit of construction work which was there and we had to pay almost 500 crores per annum as interest cost of that project. That amount was actually adding up to that as we were borrowing from left, right and the centre.
- In the month of April, we were in such a precarious condition that all the WCTL facilities were over, in fact we had drawn all the money whatever was available from the WCTL facilities and we virtually did not have any money to pay the salary.
- But, the State Bank of India came with a solution and they gave us a CCECL loan from that the extinguishing lamp of NEEPCO ltd., and we virtually started on the right footing.
- So, starting from there, we commissioned the project totally in 2021 and that was the most significant achievement during the COVID-19 period which NEEPCO Ltd. has achieved, and see the Kameng project is 600 MW project with huge design, energy of 3353 million units and corresponding to that the plant load factor is 62% which is top in the world.
- So, there is so much of water in the river that we can generate the machine for 24 hours a day, for almost 5 months. Normally, we have to run the hydro station for three hours a day, sometimes in the morning peak hours and evening peak hours we are supposed to run. But, in this station we can run for say 24 hours for five months and after that also in a staggering way by stopping and restarting in the peak hours.
- So, this is a game changer for NEEPCO and with that at the current rate this Kameng project is giving us revenue of close to 1300 crores in a year. Before that, the total revenue was 2,288 crores only. It was in the range of 1,700 crores with a little bit of Kameng project it came up to 2,288 crores. 2288 crores we had achieved in the last year we had achieved with a Kameng project but this year we are going to achieve 3,200 crores.
- You can see the magnitude of difference this project had brought in and that was during the period of COVID.
- My nine months profit during FY 2021, PBT was 182 crores against which this year we are having profit of 579 crores for nine months ending 31st December which is almost 220% increase.
- On top of that the fact the PAT was a negative of 114 crores during this period in the last fiscal which has come up to 302 crores in nine months itself which is a very significant improvement and during the last financial we had collected 2493 crores which has gone up to 2,925 cores by the end of last month January. In 10 months we had collected 2,925 crores. So we are expecting 450 crores more and it will touch 3,350 which are very significant and we had a long outstanding from Tripura Distribution Company, that was huge, that was like more than 650 crores, almost 700 crores.
- In fact, I will tell you one more thing which happened to NEEPCO. The regular Director (Finance) left the company on 2.4.2020 just around the time the COVID pandemic started. I was given the charge of CFO so that couldn't happen a tougher time for a person to take over as CFO when the company is in absolute doldrums. That was a tough for me; we worked day and night,

and put our foot and hands together for going ahead with whatever constraints which we are having. Like I said, the collections have reached the highest in this year of nine months and we are expecting 3,300 crores of collection this year. When I became the CFO around 2-3 months after they liquidated half of that through Atmanirbhar Bharat scheme. That was around 326 crores and after I took over as Director (Finance) in September, in October they cleared the rest, 326 crores more. So that has really brought our cash flow position to a point of respect. We have a working capital demand loan plus CC capacity of 1,400 crores. So, everything was full last year. Now on 31st December, the utilization was only 37 crores out of those 1,400 crores. Cash-wise, we have improved and in fact during this period we had a deposit of close to 200 crores excluding the deposit which is required for the redemption of NCDs. So, that is how the transformation of NEEPCO has happened, that too especially during the COVID period.

- And what has happened is as far as the rating of the company is concerned about NCDs and other loans, we were rated AA with a negative outlook. During this COVID period, we have improved two steps and we are a AA with positive outlook. Now we are going to improve one more step in next 7-8 days when the ratings from ICRA will be most probably AA+ company from the top with significant achievement which we have done, by showing the financial as well as technical aspects and all-around performance of the company.
- So, see the cost of borrowing was 8.77% two years back just before the Corona started. Now it has come down to 7.58% and that also is very significant. We were borrowing the working capital at around 9% which has come down closed to 5%. These are the improvements which we are showing as far as the financials are concerned, and we have powerachieved the generation of highest rating which is an excellent rating in the last fiscal and this year also we will be crossing the target which is close to excellent target. This is as far as the construction is concerned.
- We have one more construction project, Reconstruction & Modernization (R& M) modernization of power plant that also met with an accident and there also the work is in full swing and the work is more or less on target. We had a target to generate in the month of October end and that is getting shifted by a couple of months; by December we will be able to generate from the first two units and the other units will also come in the next fiscal itself. That is also on track and that work also happened during the COVID period.

2) a. **Which innovative projects are there in your pipeline for the next 2 to 3 years to promote Indian Power Sector?**

   b. **What is the future outlook for the Indian Power Sector for the next couple of years and NEEPCO's role behind it?**

   c. **Going forward, how do you envisage the growth of NEEPCO by 2030?**

- We have a portfolio of 525 MW from the thermal, which is basically gas based combined cycle projects. We have three combined cycle projects, gas based, totalling to capacity of 525 MW. Otherwise, the balance from 2057 minus 525 i.e. 1352. Predominantly, we are a hydro power company. As you know, the thermal companies are best load stations i.e. they have to run 24 hours a day, but normally the hydro stations have to run only in peak hours. So, these are peak load stations. Now what is happening is that lot of solar projects are coming up and as you also know, that the solar projects are not really dependable as far as our regions are concerned, it may be dependable in the regions of Gujarat, Rajasthan and may be some other places like Madhya Pradesh. But as far as we are concerned, north-eastern regions, western regions, west southern regions, solar power cannot be dependable because it might cloud up in half an hour time and when you are losing generation from the solar stations, the entire grid collapses. For that you have to have a backup so that the grid does not collapse due to lack of supplies to the grid. For that, the central government is vehemently pushing up for the PSP (pumped storage projects) which will be taking power from the solar stations in the day time and which will be generating in the night time when the solar stations are not working.
- This is the biggest initiative which is happening now and on top of that lot of hydro projects are discovered but not brought to the construction sites in the north-eastern regions especially in Arunachal Pradesh. About 15 years ago, Arunachal Pradesh had a MOU mela, they had given all the 86-87 projects for the Independent Power projects which are the private companies but these projects never took off.
- To have a hydro plant in place, you have to have a banner of the government of India or the state governments. Now the centre has allotted many projects in the north eastern regions, Himachal Pradesh, Uttarakhand, and Jammu & Kashmir to different Central PSUs. NEEPCO also has got 17 projects totally 4,988 crores individually and some more projects and joint venture. These are the new initiatives which are happening and in the next 2-3 years what we will be doing is whatever projects are allotted to us we will be having the MOUs with Governments of Arunachal Pradesh; Jammu & Kashmir and we will be doing the DPR for that.
- There are so many other projects also which were getting developed by other developers. We will have to take them over by paying whatever they have spent on DPR and we are on the verge of getting this huge multipurpose project in J&K on the tributary of Ravi River. We will be having a power component there which is close to 1,000 crores and 10,000 more crores on irrigation and other multi- purpose. This is not in the power sector, it is multipurpose project. This is in the ministry of Jan Shakti. They have already given the PC for this project and the financial clearance will also be coming shortly and we will be starting this in the next 2-3 years. We will be starting the solar projects in Ladakh, we have been allowed 5,000 MW solar project

and we have already set up our office there. We will be setting up our project there in next 2-3 years. These are basically the new thrust areas, we have two PSPs coming up, we have many new projects coming up, six projects are there in the first preference and 11 are in the second and third preference. So, six projects will be totalling to more than 3000 MW which we are planning. Hydro projects normally take 7-9 years to complete.

- By 2030, we are expecting that we will be a 4,000 MW company.
- Looking forward to AAA rating in next 2-3 years' time

3) **How Artificial Intelligence (AI) can improve resilience in Power Sector in the post-Covid era?**

- Artificial Intelligence does not have any direct link with any post-COVID, COVID or pre-COVID era.
- Artificial intelligence stands alone on its own strength to help the power sector in its all spheres. In fact, there are 3 stages of a power project is the preparatory stage, construction stage and operation stage. Artificial intelligence in fact we are using it through ISRO and NESAC, they are space research organisation. .They are giving us the hydrological , geological and geographical data. They are also using AI in a high magnitude and they are giving us the data as afar as the other service and investigation is concerned. In the construction stage also, the AI can be used for the inventory and input management as well like software prima vera.
- They are also based on AI. Once the project is already constructed there may be heavy rain on the upstream which many cause flood downstream for that AI can come into play by putting certain observatory on higher places so that the early warning system for floods come into place. You get reaction time of 2-3 hours before the flood actually takes place and take evasive actions so that the damage to manpower and property is minimised. So that is also done through ISRO and NESAC (North Eastern Space Applications Centre)
- AI can help us in forecasting demand in grid also. What could be the trend in next few days , months or so. that demand forecasting can also be done in that. That can also help us in trading in energy exchanges. We will come to know with AI which time the demand will be the highest so that we can schedule our power generation schedule accordingly and go with that. Sometimes AI can also help us in managing the feed stock which is gas for us and coal for some other companies.

4) **NEEPCO Ltd., contributed Rs 5 crores to PM Cares Fund to help in the fight against COVID-19, the biggest support by any GOI Undertaking to the PM Cares Fund. What other societal development do NEEPCO ltd is focussing on these days?**

- We have a CSR budget in accordance with section 135 of the companies act, so we spend as per requirement under this act . this time we have target of 5.45 cr , as we didn't have much gross profit in the last 3 years , so the target is not much.
- We have been spending as per the companies act. Last year the unspent money had to be deposited in the unspent balance of CSR fund. If you are not spending and its an ongoing project then you have to deposit necessarily that much of unspent money into an ESCROW account when you are actually spending it can be funded from the money saved in these accounts. In 3 years , if the money is not spent then it goes to the special account which is opened by the central govt for this purpose.
- We have been spending in CSR. We have hospitals, we have given place to banks, post offices and schools which allows wards of non NEEPCO people as well. 85% of students are from local villages and 15% are NEEPCO wards. We have schools and hospitals catering to the needs of local people. We have built stadiums. During COVID as well we have contributed and supported local administration for treating COVID patients and controlling COVID.

5) **Please share with us the highlights of NEEPCO Ltd.'s support towards Government initiatives?**

- As per PM ever village in thr country has to be electrified for which we have different yojanas like Deen Dayal Upadhyay Grameen yojana , UJALA yojana where we have chipped in and we have taken some districts and states and done work in that through RAC.
- We have supported GOI in digital India concept also by adopting to 100% e-payment. We didn't have cash payments for last 4 years. We are promoting e-trades.

6) **Give our readers, a sense of what is happening in the Power Sector industry since the pandemic coronavirus outbreak. What are the main areas of impact?**

- Power sector industry, demand went down immediately in march- April 2020. We were expecting that when it is jumping back the growth will be around 10% but actually what we see is that the growth is happening in 18-20% which wasn't expected. Why this happened is that during the pandemic time, government has thought that lot of manufacturing should happen in India as per the make in India concept including heavy equipment, they wanted 70% of the manufacturing of components should be from India. that has given lot of impact on heavy manufacturing sector. Heavy manufacturing sector also requires heave consumption of energy that has actually helped sector very well.
- Vocal for local- For lot of electronic gadgets, we were importing 90% of our needs from outside, now we manufacture 60% in India. Like decathlon which was imported 100% earlier is not being manufactured 40% in India and looking forward to 70 % in 2 years' time.

7) **How is your esteemed organization responding to these challenges during the COVID time and what are the timelines that they are looking at in terms of the current situation?**

- We are in essential sector and we have motivated our people to work in such a way that the power generation does not get hampered.

- We had our dedicated team who worked around the clock during the pandemic period to ensure not defaulting any of the Loan payments , tax p interest repayment and statutory compliance
- There are no timelines as its an ongoing work

8) **How the Infrastructure sector will benefit from push for 'Aatma Nirbhar Bharat'?**

- NEEPCO received all its old dues from Aatma Nirbhar Bharat scheme.
- We got benefitted from the loan given to us by PFC and RAC to Meghalaya govt which was paid back to the company. they paid advances also.

9) **What more eco-friendly and cost-effective measures are you planning to make our Nation proud?**

- We are hydro company so always eco-friendly and cost effective.
- With cost effectiveness, though the gestation period is very high, we are always been proved to be a cost-effective way of generating power. These are ingrained in the business in which we are in. Retaining and remastering the class 3 and 4 employees who will be out of work post ERP implementation and so what we are doing is reabsorb them for effective utilisation thus saving on manpower cost
- We will be using ERP in such a way that there will be less manpower dependence thus reducing the cost further.
- With AI, we can plan to reduce operation maintenance cost and other costs as well and we can benefit from there

10) **Please suggest As a CMA in what ways Cost & Management Accountants (CMAs) may offer their expertise more effectively to give NEEPCO Ltd. a competitive edge.**

- Restricting the job of CMA only to manufacturing is not the correct perspective. CMAs as present are many PSUs. CMAs have to look at manufacturing and other sectors as well. The best of the PSU's account manager as CMAs. Even Taxation is led by a CMA. So, we cannot segregate which is the work of the Cost accountant and which is not. Everything which is there in Finance becomes the job of a CMA.
- Cost is everywhere, ingredient to each and every activity of our life. A CMA has to be engrossed and involved everywhere in all fields of finance. Contract management is very imp in the construction period and post construction period. If the contract is managed constructively, it will reduce the cost by long margin.
- Decisions need to be made in an impactful manner. We need to be proactive, pragmatic and practical so that by spending we reap the benefits multi folds in future
- Young pass-outs CMAs are like uncut diamonds. They have to be chiselled, cut and shined to get a good value in the market. It is on middle and senior cost accountants like us to chisel and shine these young pass-outs.

11) **What are the various ways your organization can integrate with our Institute for the diverse avenues in professional development matters?**

- My organisation has many CMA with very rich experience and they have been effective in past
- We can always have sharing sessions where we can address to any specific questions students have by sharing real time experiences
- We have good expertise in power industry as well which also we can share

CMA Arindam Goswami, Regional Council Member and Editor WIRC Bulletin thanked CMA B Maharana, Director Finance (NEEPCO) Ltd. for sparing his valuable time for this interaction.

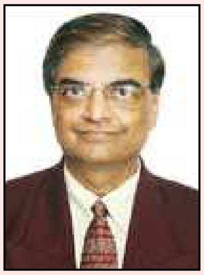
Dear CMA Colleagues,

WIRC is planning to send only E-copy of the WIRC Bulletin from January 2022 onwards. If any member requires the Hard Copy in future, please write to WIRC (wirc.admin@icmai.in) with Name, Membership Number and Address to enable us to send the same.

With regards,

CMA Arindam Goswami,
Chief Editor - WIRC Bulletin

Management Wisdom
Article 14: Fear



CMA (Dr.) Girish Jakhotiya
Mob.: +91 98200 62116
E-mail: girishjakhotiya@gmail.com

A well-known builder's company reached a top line of Rs. 500 crores in the year just before corona. He was quite happy with the business performance, brand image and a sustained rate of growth of his company. Yet he carried a fear about the next journey. He said to me, "Dr. Jakhotiya, we have reached the milestone of five hundred crore. Now my fear is, whether I and my team shall be able to manage the increasing size of business. Growth is welcome, but it makes me nervous." I have seen many rich people carrying "the fear of unknown" and hence conducting periodic events of expensive spiritual rituals. Another entrepreneur friend of mine carries the fear of "yesterday's financial manipulations" done, although he has been entertaining the "people from the system" regularly. These entrepreneurs are not happy. Fear occupies their mind most of the time.

"Fear" is a feeling of an adverse possibility. It is mostly a result of an anxiety which unsettles the mind and impacts the performance of the brain. Yet the brain can wipe out the 'feeling of fear' if it conditions the mind rationally. Fear can be a regular result of an obsession of anxiety or it may be only occasional. The obsession can be stopped through a deep, repeated exercise of disciplining the mind. It is also the engagement of mind through a productive application of the brain. Once we feel confident of overcoming the obsession, the fear goes away.

The easiest way to get rid of fear is to do a deep root cause analysis of it. This can be a simple, logical and analytical exercise of measuring the magnitude and reality of the cause of fear. If the diagnosis is done correctly, the disease can be cured. We do not need a psychiatrist to carry out this exercise as it is an application of common sense. We should use the 'essence of neutrality' while assessing a situation or cause of fear. First time when I was to deliver a speech in my school - festival, I accumulated a good quantum of fear about my performance. My father said, you just deliver without the "fear of failure" i.e. without any expectation. I did so and I was reasonably successful.

There are four important reasons of fear. The first is 'perceptional' i.e. treating a known risk as an unknown uncertainty. This often happens while handling a new market, launching a new product or experimenting a new ethos. The fear can be reduced or nullified by converting the uncertainty into risk. This may be done through three ways: (i) Go closer to uncertainty, study it (ii) Take a partner for whom it is a calculated risk & (iii) Develop a "replacement or combating strategy" for managing a few new unknown factors which may erupt. We should also rationally agree that certain 'external risks' like economic or fiscal are not under our control. Hence carrying a fear about them would be unwarranted. The second reason of fear is "undue aspirations" which cause an 'anxiety about fulfilment'. This anxiety creates a parallel fear. Aspirations are to be moderated from time to time, referring to the changing benchmarks.

The third reason of fear is when we are not fully prepared, either because of lack of competence or inadequate resources. This obviously is a basic result of lack of judgement and planning. The fourth reason of fear is behavioural or cultural. Our upbringing influences our thought about fear. Those who are not taught in their childhood about scientific temperament and rational thinking, often suffer from irrational fear. Interestingly, I have seen quite a few entrepreneurs defining themselves as "conservative", although they fear a lot about the outcome of every strategy. Hence these people do not dare to venture into new businesses. Instead, they remain happy with an average rate of growth and ROI. They forget that by not venturing into new opportunities, they would get stagnated and such stagnation would be more fearful.

'Fear' can be managed or eliminated or avoided using one or more of the following techniques or approaches:

- Avoid irrelevant benchmarks. For example, a frog can't fly or a fish can't climb.
- See a situation neutrally, to have a rational view of it.
- Balance between attachment and detachment.
- Develop the required competency and retry. Or change the approach.
- Do not bother about the judgement of others.
- Conduct deep root cause analysis of the anxiety.
- Always keep an alternate solution or idea ready.
- Develop an exit route of damage control. For example, as the last resort, declare bankruptcy and get ready for a new inning.
- Understand people and then transact.
- Transfer fear to your partner, without any hesitation or ego.

Let us honestly accept that a person being 100% fearless is a rarity. An innocent child is 100% fearless as long it doesn't understand the consequence of its action. A very powerful wrestler may become very fearful when he is advised to take an injection for a speedy recovery from sickness. He insists on tablets! A very powerful female leader may not be able to overcome her fear of cockroaches. The conclusion here is, 90% of the fear is perceptional which exists in the mind. Discipline the mind through the brain, so that you can correct the perception of fear. There is a nice proverb in Hindi - "Dar ke aage Jeet hai!"

Industry Knowledge Series-A

Sugar Industry–5 Cane Yard & Cane Prepration

CMA Lt. Dhananjay Kumar Vatsyayan (Ret.)

Mob.: 95455 51752, 89990 70378

E-mail: dvatsyayan@yahoo.com

A. PREAMBLE

Previous knowledge series has explained about and sugarcane cultivation, cane harvesting & cane transport systems being followed traditionally along with new developments, critical factors, important precaution and process bottlenecks. For detail information, you may refer those series.

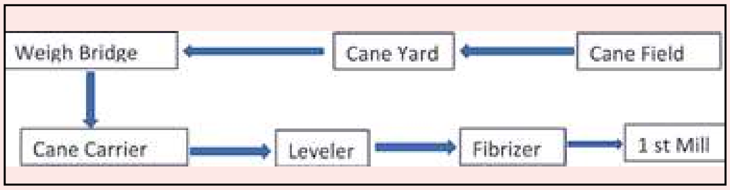
Now next process cane yard operations, cane unloading and cane preparation being followed at karkhana are being covered in this series. The process precaution, present status and new developments will also be discussed in this series.

B. INTRODUCTION

[Photo 1 – Typical sugar industry with Co-gen plant – Early morning view]

Vehicle, carrying the sugarcane first come to the cane yard. Cane yard is an open place near karkhana, where loaded vehicles are parked. It is having enough space for parking, vehicle movement, water arrangement for oxen, parking for empty vehicle etc.

Vehicle unloads the cane at cane carrier after weighing at weigh bridge. The sugar cane is prepared before crushing in order to improve milling efficiency and reduce crushing cost. A typical flow chart at karkhana end is depicted below for better understanding of process.



[Sketch 1 – Process flow chart]

C. CANE YARD

1. Cane Yard – Vehicle carrying sugarcane inform at designated center about arrival of the vehicle. The center assign token no to the vehicles and advise them to wait at cane yard. The center releases the vehicles as per term for unloading the sugarcane.
   a. While releasing the vehicle for unloading, a priority list is followed for this purpose. The PRIORITY list being generally followed are as under
   i. Vehicle carrying sugarcane billet of Mechanical Harvester.
   ii. Vehicle carrying burnt cane
   iii. Bullock cart / Tyre cart
   iv. Trailer / Jugad pulled by tractor
   v. Trucks
   b. Karkhana thus maintain a stock of minimum 12 hours consumption plus safety factor. The safety factor depends upon various factors, which are likely to affect the cane supply. As per E Hugot, (Cane Sugar Engineering) three hour of safety factor is sufficient. Thus 12+3= 15 hours consumption required to be kept waiting.

   S (Stock) = (12 (No cane arrival) + 3 (Safety factor)) X TCH (ton Crushing per Hour)
   c. Factory having 250 TCH (6000 TCD) crushing capacity needs to maintain minimum 250 X 15 = 3750 MT of sugar cane. So, minimum waiting time of 15 hours is quite common.

D. Cane deterioration

Cane deterioration depends mainly on Cut to crush time, atmospheric temperature, humidity, treatment of cut ends etc. The rate of deterioration increases drastically after 16 hrs of cut to crush time for manual harvesting and five hours for mechanical harvesting. The temperature & humidity factors mainly depend upon season (Nature) but cut to crush time (under management control) can be minimized to have better recovery.

a. Reduction in harvesting, rest & loading time will reduce the cut to crush time substantially.

b. The waiting should be minimized to avoid sugar loss due to cane staling.

1. Cleanliness & Development - Neat and clean cane yard will reduce staling of cane while waiting.

c. Installation of solar panel in cane yard will help in power generation and reducing sugar losses.

i. It is important that the location of solar panel should not obstruct vehicle movement in cane yard.

ii. Solar panel can be installation in other open area near yard as well.

E. Weigh Bridge

The weigh bridges are generally located near entry gate and around 50 Meters before cane carrier. The numbers of weigh bridges depend upon no of vehicles expected per hours loaded with sugarcane, expected no of vehicle loaded with other input material, expected movement of FG including biproducts etc.

Vehicle loaded with sugar cane is first weighed and then empty vehicle is weighed after unloading of sugarcane. The difference in two weight is recognized as weight of input material including cane.

Weigh bridge equipment is calibrated frequently to ensure error free weighment of inward and outward materials.

F. Unloading of Cane

The sugarcanes are unloaded on cane carrier after weighment. The cane carrier carries the sugarcane to cane preparatory equipment and then to Mill. Following arrangement are used for unloading vehicle.

a. Cantilever / Derrick – Derrick is a simplest form of crane. Having one fabricated structure called mast, which support a horizontal arm with track. The horizontal arm can swing complete circle around a pivot. The open end of horizontal arm is fitted with hook and motor for lifting the bundles of sugar cane. The three movements, radial movement, horizontal movement and vertical movement are controlled by three independent motors.

Derrick is cheap in cost and easy to maintain. However, it can be fitted in open space. These days derrick is not preferred in sugar factory for sugarcane unloading.

b. Transport Crane or Overhead Crane – Now a days, it is most popular crane in sugar factories. Three independent motors used for three axis movement. The bundles of sugarcanes are lifted with pre fixed two slings kept under the bed of sugar cane. The slings are first attached to the hook of crane for vertical movement. The slings are unhooked from one side to drop the sugarcane on cane carrier.

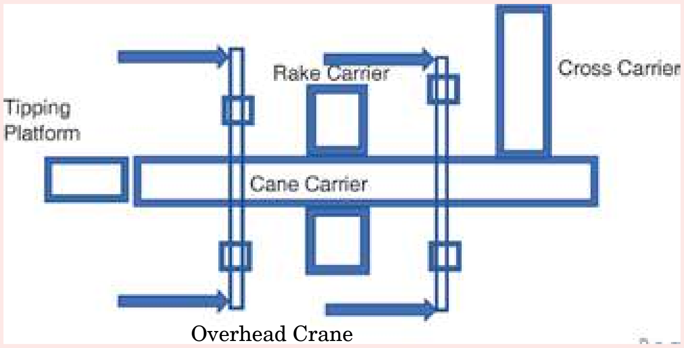
The lifting capacity of Overhead crane are of 3,5,7.5 & 10 MT. The 7.5 MT crane can unload 80 MT (Maximum) material per hour.

Other variation in crane capacity as per requirement are possible and available. One circle of operation takes around 4 to 5 minutes of time.

c. Tipping Truck / Trolley – The truck or Trolley is fitted with hydraulic arrangement to tilt the trolley and unload the cane under gravity. It is very simple, fast and independent system. Generally, it takes 3 to 4 minutes to unload the vehicle.

d. Tipping Platform – It is a platform which can be tilted to unload the material on cane carrier. The trailer / truck carrying the small billets (6 inches approx.) of sugarcane are unloaded with this arrangement. The vehicle first stationed on tipping platform. Then it is properly tied with tipping platform. Tipping platform are tilted with help of hydraulic arrangement fitted at one end and pivoted at another end.

The power requirement of tipping platform is low and it takes around 5 -6 minutes to complete the cycle. It is suitable for mechanical harvested sugarcane only.



[Sketch 2 – Cane unloading station in block diagram]

G. Cane Carriers

Cane carrier is consist of various type of carriers, which regulates the uniform supply of cane to mill.

a. Rake Carrier – The rake carriers are fitted in pairs along with main cane carrier. The axis of feeder table is at 900 to cane carrier. The cane carried by bullock cart are first unloaded on Rake Carrier and then to feeder carrier.

The table are either horizontal or 50 inclined in main and 150 inclined at the end. The height of table is around 2 Meters above ground.

5 M×7 M size is suitable for 50 TCH capacity. The no of rake carriers will increase for higher capacity. The speed is 3 to 6 Meters per minutes.

P - The power of Rake Carrier in KWH (Kilo Watt Hours)

A - Area of rake carrier in square meters

$P = 0.25\ A$

b. Cross Carrier – Cross carrier are fitted at right angle to feeder carrier. It supplies its cane to feeder carrier and work as regulator. The speed of cross carrier is 50 % of feeder carrier. The carrier is guided by two lateral steel plate, which protects the sugarcane during carrier movement.

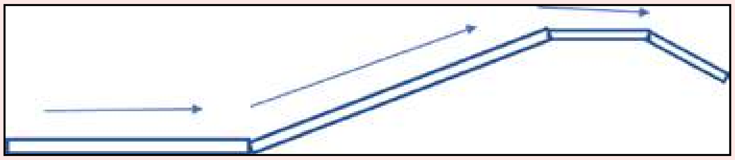
P – The power of cross carrier in KWH (Kilo Watt Hours)

A – Area of cane carrying surface of cross carrier in Square Meter

$P = 0.34\ A$

Cross carriers are not very popular in Indian Sugar Industries.

c. Feeder Carrier / Cane Carrier – Cane is transported to cane preparatory equipment and mill through cane carrier. It is having horizontal portion and inclined portion. At the end of inclined portion, it become almost flat and then drops down.



[Sketch 3 – Cane carrier profile]

d. The length of horizontal portion depends on space required for unloading the crane on cane carrier. Installed equipment for cane unloading are tipping platform, overhead bridge crane, cross carrier, rake carrier etc. The feeder carrier starts in a pit and continue in pit till inclined portion starts. The inclined portion starts from the pit and it slowly goes above ground.

The length of inclined portion depends on desired lift required before cane preparation equipment. Generally, an angle of 170 is maintained for inclined portion. The height from ground level approximately 6.5 meter for 2 roller crusher and approximately 5 meters for 3 roller crusher are maintained.

The width of cane carrier is equal to the length of the roller of mills. Wider or short carrier will not feed the mill properly. The wider carrier will have more feed on the edge and less on center. The narrow carrier will have more feed at center and less at the edge.

The speed of cane carrier will be approximately 50% of peripheral speed of mill roller.

e. Magnetic / Tramp Iron Separator – In mechanical harvesting loose parts of harvester falls on cane billets and carried to the mill. In addition to loosen steel piece from harvester, some iron or steel piece like knife blades, sling etc. also gets carried along with cane. Such material cause damage to equipment it passes through. It is expensive, time consuming and cumbersome to identify the iron / steel piece being carried on with canes.

Magnetic separator is installed in the bottom of feed chute of first mill or in a rectangular box at the end of rubber cane carrier. It covers the complete width of conveyer. The Tramp Iron Separator are fitted 250 – 400 mm above the conveyer. It consumes around 9 KW power and 80-90% effective for small piece and 100% effective for large piece.

This equipment is not much popular in Indian sugar Industries because of manual harvesting. However, it may be required in future with increase in mechanical harvesting.

H. Cane Preparation

Sucrose along with water are trapped in cells of sponge like soft part of sugarcane. The object of cane preparation is to rupture the cells without extracting juice. Cane Preparation Index is very important for mill extraction, throughput and efficient milling. Fine prepared cane result in higher power for cane preparation but lower power in milling process. In India, cane preparation power is 40-50% of mill power, where as some of the countries like Australia, it goes up to 90 %.

[Photo 1: Cane preparatory equipment under maintenance]

Cane preparations is executed in two or three steps before milling and it is very important for the economy of sugar manufacturing process. Various types of equipment in different combinations are employed for this purpose. However, some of the equipment are not popular or absolute these days. The important among them are

1. Cane Chopper – It is required when cane is received in stalk form. When sugarcane is mechanically harvested and received in small pieces, Cane chopper is not required.
    a. It is installed on the horizontal portion of the cane carrier before leveller..
    b. Cane chopper are driven at 300 RPM by synchronous motor of 15% slip coupled with starter and load balancer. Gear box of 1:2 ratio with input RPM 600 is coupled between equipment and motor.
    c. The knife sets are totally enclosed by suitably reinforced hood of 10 mm thick and mild steel plate attached to the cane carrier frame work and provided with suitable swing flaps and bolted doors at top of the hood to suit reverse rotation.
2. Leveler – It is a set of knives, which evens out cane layer while cutting the sugarcane. The material of construction of Leveler is same as Cane Chopper. Capacity wise various factors are as under.

Sr. No.	Crushing Capacity (TCH)	No. of Knifes	Drive Power (BHP)
1	2,500	48	250
2	3,500	52	250
3	5,000	60	500

[Table 1 – Leveller capacity & Power required]

3. **Equalizer** – Equalizer is used after knives, when canes are tangled. It evens out the distribution of sugarcane on cane carrier and levels the layer of sugarcane. It consists of curved arms fitted on a shaft, passing across the cane carrier. The direction of rotation of equalizer is

opposite to cane carrier movement. So, it throughs the sugarcanes backward.

The speed of equalizer is 40 – 50 RPM and clearance is slightly less than the thickness of cane layer

4. **Fibrizer** – Fibrizer is very popular unique cane preparatory equipment in Indian Sugar Industries. It is fitted at the end of cane carrier and combines the function of knives and shredder. Knives and hammer both are fitted on two different rotors of equipment.
   a. The sharp edge knives and hammer perform duel function of cutting and shredding the cane coming from leveler.
   b. It first cut the canes in small piece. The cut canes accumulate in chute. Here shredding action by hammer fitted on rotor, takes place and cane is converted in bagasse form.
   c. The rotor of Fibrizer revolves in opposite direction to cane flow.
   d. The speed of rotor is around 1,000 RPM and power 35-40 KWH / TFH (Ton Fiber Hour).
5. **Knife** – The knives cut the cane in small peace, which is compact and easier to fill the feed hopper of Crusher. It breaks the rind of cane and support better extraction of Juice and improve the mill capacity. The knife is not required when canes are mechanically harvested and received in small pieces.

   Generally, the direction of rotation of knife are in the flow of cane direction. However, opposite to cane flow is also available. The density of cane generally increases from 125-150 Kg / M3 to 250-300 Kg / M3 after passing through the knives.

   It contains heavy shaft with hexagonal or octagonal section. Each arm containing two blades, which are symmetrically placed opposite. Generally, Induction Motor with slip ring is used to power the knife. Belt drive or flexible coupling is recommended to transmit the motor power to the knife. Turbine can be used to power the knife but not recommended because of higher cost and requirement of an attendant.

   Generally, the power of knife depends on various factors like
   a. Fiber content of cane
   b. RPM of knife (Speed)
   c. No. of blades
   d. Clearance
   e. Cutting circle
   f. Friction, Lubrication etc.
6. Shredder – Cane cell tissues try hard to retain juice, even under high pressure of Mill Rollers. The shredder disintegrate, ruptures the cell tissue and shred the cane in long fine pieces in order to extract juice easily. The shredder consists of rotating hammer fitted on circular disc. The hammer hits the cane against anvil fitted in bar form. The clearance between hammer path and anvil is very less.

   The shredder is installed
   - Between knife and 1 st mill – The Shredder between Knife and Mill does not disturb the continuity,
   - Crusher & 1 st Mill. – When Shredder is installed between Crusher & Mill. One level of extraction is completed in Crusher i.e. before Shredder and thus less load on shredder. The power consumed by Shredder is lower and it is more effective. However, it breaks the continuity and supervision adversely.
7. Auto Cane Feed Control System – This system is installed on cane carrier and sensor on cane preparatory equipment / 1st mill. It is basically a safety device to protect the equipment from overload so that breakdown of plant can be avoided. The plant breakdown leads to Plant Shutdown and repair to damaged equipment. Thus, it supports the operational safety of plant. Generally, it is of two types
   a. Visual display – Lights on panel as warning to operator and operator will take necessary action.
   b. On Off Type – It will cut off the electrical power supply of cane carrier, when equipment is overloaded

   When the equipment is loaded more than 80% of load, it reduces the speed of the cane carrier according to the load on carrier. When the equipment is loaded more than 100 % (Overload), it cutoff the power supply to cane carrier and thus cane supply to equipment is stopped temporarily. It restores the supply, when equipment load is normal.

   The overload settings are adjustable from the panel. The speed of can carrier can be regulated from zero to full speed. Thus, balancing of feed are achieved, when various equipment is running in series. The load on system will be decided by lowest capacity equipment in series.
8. Index of Preparation / Disintegration Index (IP or DI) – It is a ratio between POL obtained by cold extraction of cane vs POL extracted by hot extraction (Diffuser system) or POL extracted by disintegration of cane in cold. The prime object of Juice extraction is to obtain POL (sucrose) and not Brix. Hence it is recommended to measure PI or DI in POL terms only.

   Indicative cane preparatory Index rage of various equipment and its combination are as under. Cane preparatory Index above 85% is generally recommended for best result at Mill.
   a. Two set of Knife rotating in direction of cane flow - 50% to 60 %
   b. Two set of Knife rotating in opposite to cane flow direction – 65% to 70%
   c. Fibrizor - 75% - 80%
   d. Combination of Cane Knife and Fibrizor – 83% - 85%
   e. Conventional Shredder – 78% - 85%
   f. Heavy duty Shredder – 86% - 92%
   g. Combination of Knife and Conventional Shredder – 85%-90%

I. Conclusion

Cane preparation is one of the most important operation to optimise sugar cost. Adequate control at cane yard is likely to improve the sugar recovery and reduce staling of cane.

Jay Hind

IT's Impact on Power Discom (MSEDCL) on Its Efficiency, Transparency and Cost Reduction

CMA Santosh S. Korade
Mob.: 97305 77016, 93569 56185
E-mail : santoshkorde77@gmail.com

Abstract

When we hear the word "Information technology" for the first instance it brings to our mind is about the latest development of science and technology that is happening around the world. We can use this latest techniques and science to build up four corners of our world or a country, evidence shows that from our ancient ancestor's was using different kinds of methods and technique's to convey information to its receiver, such as fire to produced smoke signals, others uses pens and paper to transport data to different places. Information Technology before was limited in every sector of banking industry, engineering business and computer society. It's been a long time since we are challenged by the important of Information Technology, the only difference was how advance it is now a days everything that we have around us purely product of high advancement technology and scientific techniques, this high advancement of technology and science provides the how important the information technology in to a greater value. Talking about the present situation all over the world information technology is the vital element for the trade, defence, commerce and culture in a country. Today advancement of information technology is very important to our day to day lives. It has shown many things to the present Society.

MSEDCL is one the biggest DISCOM operational in Maharashtra having huge consumer base like as Industrial, residential, commercial etc. MSEDCL has adopted new techniques and tools of IT to increase its efficiency and transparency like as OCCS, DMS, HRMS, real time ERP, Mobile app etc. How power DISCOM (MSEDCL) has increase their efficacy and transparency also reduce their cost with the help of IT, will study and anylise through this article.

What is information technology?

Information technology (IT) is the use of any computers, storage, networking and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data. Typically, IT is used in the context of business operations, as opposed to technology used for personal or entertainment purposes. The commercial use of IT encompasses both computer technology and telecommunications.

IT and Power DISCOM-

Indian electricity sector has witnessed tremendous growth in its energy demand, generation capacity, and transmission and distribution networks. Electrical power systems would appear poised for a revolution. Yet, the pathway to transformation is highly sensitive to each local situation and its technical, economic, and political factors. While rapid cost reductions have changed the economic landscape for what is feasible, established asset bases and their supporting business models and regulatory frameworks generate significant inertia in the most power systems.

Keeping pace with the recent technological advancements, it is deploying new types of devices and Information Technology (IT) infrastructure, adopting new monitoring, control and energy management tools, and aiming at fast deployment of smart grid concepts at distribution as well as transmission level. Electricity, being a concurrent subject in India, both central government and state governments are responsible for its growth, operation and control. The Central Government frames overall regulations whereas each state government formulates their policies within the overall regulatory framework. There are separate utilities owning generation, transmission and distribution. Ministry of Power, Government of India deals with perspective planning, policy formulation, processing of projects for investment decisions, monitoring and implementation of power projects, training and manpower development, administration and enactment of legislation in regard to the power generation, transmission and distribution. In most advanced countries, power utilities have made major gains in term of productivity, efficiency, reliability and commercial management through the modern use of IT tools. IT should be utilized to minimize human interface in commercial processes to minimize human errors and wilful mistakes.

IT applications in Power DISCOM

Online Cash Collections Centre

Manual cash collection system was adopted in cash collection centre before implementation of OCCS. Manual Money receipt (MR) was recorded when consumer paid money at cash centre, Manual data entry of this MR was punch by third party agency, hence there was number of issue regarding MR missing, cash fraud by collection centre, Bank reconciliation due to manual system. DISCOM was not getting accurate collection data until all MR punched and loaded into billing system also sometimes credit of bills paid was not credited on time due to delay in punching.

OCCS is one of the best applications introduced by DISCOM to bring transparency, accuracy in collection system. DISCOM has provided OCCS application to all cash collection centre, all cash collection entries are to be made into that application, it is to be approved by concern authority as per approval matrix by verifying cash collected and entries done. OCCS has number of advantages for point of view of DISCOM and consumer like as consumers are getting credit of bill on their ledger on time without failing which was sometimes not possible before implementation of OCCS due to manual data entry system, Bank reconciliation is become effortless, getting accurate collection data for fund management etc.

Reduction of Cost and increasing transparency due to OCCS-

DISCOM has awarded contract to agency for manual data entry which is not required for OCCS system which resulted into cost reduction. Consumer complaints has reduced due to OCCS regarding credit of energy bill payment. Billing Officers time has saved and so officers get time to focus on valuable task to increase efficiency. OCCS has limited human intervention and it helps to prevent fraud also DISCOM getting collection information quickly, so fund management has become easy. Transparency is one of the greatest advantages of this application. Travelling and transport expenses for collection of MR from cash centre and submission for data entry agency is not required in OCCS, MR Printing cost as well as storing cost also stopped to incurred. So we can say that DISCOM has entered into IT world from Manual system in case of energy bill collection.

Meter reading through Mobile Application

Each meter photo was taken and meter reading entry was manually done by third party agency. There was lack of accuracy in meter reading. DISCOM's revenue is totally depends on meter reading and if lack of accuracy in reading has huge impact on revenue generation. To avoid manual entry of meter reading and bring accuracy in meter reading MSEDCL has introduced multi purposed mobile application. Meter reading agencies are bound to take reading through mobile app hence it has increased accuracy in meter reading. Accurate meter status is come to know from meter reading like as faulty meter, so DISCOM can take appropriate action on the basis of report and it helps in proper estimation of meter requirement for replacement . "Reading not taken" has reduced due to mobile app. Now a days DISCOM has mirror to control meter reading agency which was not taking reading honestly before mobile app. DISCOM can be taken appropriate action on those agency by imposing fines and penalty also. Accuracy in billing of meter reading agency is cause to reduction in cost on basis of actual reading taken. Reading data entry cost is also not incurred in Mobile app reading. Centralise energy billing is become possible due to mobile app reading.

DISCOM Wallet

MSEDCL supplied electricity to staggering 2.60 Crs consumers spared all over Maharashtra. Out of which 60% consumers are in rural area and 40% consumers are in Urban area. It is constant end over of MSEDCL to encourage consumers for energy bill payment by providing payment facility in their vicinity. In this process of consumer facilitation MSEDCL introduced the new collection Channel 'MSEDCL Wallet'. It is DISCOM's own wallet based collection system to engage small entrepreneurs like grocery shop, General store, Medical stores and existing agencies services to facilities consumers to pay their energy bills in their locality itself.

Our Hon. PM Modiji has already promoted "Digital India" platform, accordingly MSEDCL DISCOM has taken steep accordingly to collect energy bills in digital currency through wallet. Funds are flowing smoothly to meet working capital requirement due to collection through wallet. Off course its reduced interest cost of working capital somehow.

Consumers Mobile App-

The Official App for Consumer by MSEDCL Consumer App enables consumers to avail Mahavitaran services at his/her fingertips. The app is simple and easy to use. It provides transparency in delivering services to consumers. Consumers can view or pay their energy bills through this app. Number of facilities added in this mobile app like as consumer can see their billing and payments history, consumer can file online complaints also can check status of complaint, reporting of transformer failure, consumers can report power theft. If reading not taken by agency due to any reason for any month then consumers can submit their reading through this app. If any doubt regarding bill calculation then they can check correctness of their bill through bill calculator of app. Apart from above option, this app has included current scheme benefits available to consumers like as AG shcme-2020. So consumers need not required to visit any office, they can check their details online on real time basis, its bring transparency in mind of consumers by clearing their doubts without wasting time to visit the office. Also consumers are using this app to pay their bills hence no need to wait in long queue to pay bills. MSEDCL is promoting "GO GREEN", Its possible in near future to send all bills through online mode instead of hard copy of energy bills.

HRMS System & Employee Portal-

More than 90,000 employees have working with MSEDCL. Salary calculations, PF, PT, Income Tax calculations & saving, leave records, leave encashment etc are employee related tasks completed through Human resource management system. Every employee has assigned unique identity number. Employees can login through Id Password and can submit their leave application online, can submit income tax saving declaration proposed and actual, also telephone claim, traveling claims, LTC etc. These claims processed online without requirement of hard copy. So these claims get settled on time. System is allowed to submit claims, applications as per provision of service regulation. Manual tasks have totally avoided due to both system, which have advantage of reduction in cost and increasing accuracy and transparency.

E-Tendering Portal-

E-Tendering portal has developed to invite application for various tender. This portal has increased competition among the bidders. Number bidders are submitting their bid online from anywhere. Bidder need not to visit any office. Bidders need to submit all documents as attachments with bid. So all documents easily available for verification. E-Tendering portal has made tending process more and more transparent. MSEDCL getting lower quote rate for tenders due to increase in competition among the bidder. E-tendering becomes possible even for small value work order also. We may conclude that threat of monopoly of agency/contractor has reduced and healthy competition between agency has established which in favour of DISCOM.

SCADA (Supervisory Control and Data Acquisition System)

The major problem in power sector is poor visibility of network operations, lack of network analysis, inadequate information of consumers, absence of real time and historical data. So to overcome these problems SCADA is used as a real time system to control and supervise power system network. It can run on-site to monitor and control equipment to achieve data acquisition, equipment control, measurement, parameter adjustment and a variety of functions such as alarm signals. It also provides complete information to improve efficiency, speed up decision-making, quickly diagnose of system failures, and improve the operation of its power grid reliability, safety and economic efficiency, to reduce the burden on dispatchers to achieve automation and modernization of power dispatching.

Employee Mitra App-

Theft cases reporting, Meter checking, abnormal reading checking and so many field offices tasks ware reported manually in earlier system but Employee Mitra app has developed to report all these through this app. Feeder reading , Disconnection Monitoring, Consumer complaint resolutions, Exceptional and check reading, Theft reporting and verifications, spot inspection, HT Sub meter reading , Equipment and Line fault, High Bill Monitoring, Rooftop consumer data uploading, Bills distribution update are the task completed through mobile app. Apart from this field staff getting employee related services like as leave application, salary details from this app.

Real Time ERP-SAP

MSEDCL has implemented SAP ERP FICO module, PS module, MM module, PM module to monitor its routine work. Impact of SAP on MSEDCL has already analysed through article. Centralised payment system, centralises billing system, Project monitoring and paper less billing & auditing of project claims through PS, Materials management, monitoring taxation centrally through ERP is become possible due to real time ERP. Budgetary controls established through ERP has certainly controls expenses. Small controls also saving crores in huge organisation, it's become possible due to ERP. Of course SAP enhances operating efficiency.

GO GREEN Facility-

MSEDCL has offered discount to consumers who apply for GO Green facility. Applied consumers will get their energy bills through mail. Paper cost, printing cost , distribution cost are saving due to this facility. MSEDCL has taken one step towards environment protection by avoiding used of papers.

Document Management System-

Every task/approval in government entity is proposed/ approved through office Note. New DMS system has developed in Covid-19 situation. Before this system, all office notes ware moved from physically with hard copies. It was difficult to trace pendency of the office note. Also each department was keeping copy of all documents including notes so it was wastage of paper for record keeping. Printing cost, paper cost, Printer maintenance, records storing cost , office assistance salary cost, postage and courier cost ware incurred before adoption of this new system. New DMS system has developed and it's facilitate to initiate Office note online from anywhere, user can digitally signed its, user can attached all required documents to notes. Each office note has unique DMS forward number to trace it, also it's become easy for officers to take appropriate action on it by login into DMS account from any place. This is main reason that official task of MSEDCL is not hampered due to lockdown in Covid-19 situation. MSEDCL has broad geographical area, If any office note required approval from regional office or Head office then that time office note required to submit either physically or through courier. It was taking so much time, but now a days approval notes moving very speedily from any remote office of DISCOM through DMS system on real time basis, so it helps to get note approved on time, decision making become speedy also no requirement to keep records in hard copy because all records available online. Hence its not only saved cost but also saved time.

Awards to MSEDCL for Innovation

The 3rd Indian Energy Summit organized by the Union Ministry of Energy and the Indian Chamber of Commerce awarded MSEDCL for The third highest number of Affiliate Operations (Network Efficiency, DSM) awards at the national level for effective performance in the energy sector & for the effective network of power systems and effective management of electricity demand. MSEDCL has also been awarded with Third green energy (RE initiative, RPO, solar rooftop, EV, energy storage) award for effective contribution to green energy sector & with Prestigious third-largest impact for new initiatives Innovation with Impact (General States) award.

MSEDCL has also been awarded with SKOCH Order-of-Merit 2018 Awards for MSEDCL Consumer Service Initiatives, such as Centralized Customer Care Centers for all its. Consumers, sending various Meter Reading & Billing alerts through SMS to over 2 Crores registered Consumers and resolution of consumers' complaints through social media like Twitter & Facebook.

- SKOCH Order of Merit Award -2017 for Mobile Apps & Dashboard.
- Champion of Change Award- 2017 by Ministry of Skill Development and Entrepreneurship, Govt of India.
- Most Innovative Discom for the year 2017 at 5th Innovation with Impact Awards for Discoms by Indian Chamber of Commerce.

Conclusion

MSEDCL is big DISCOM having wide scope of operation all over Maharashtra state having huge consumer base. Increasing efficiency and transparency with limited man power is only possible due to Information technology. "To be the best power distribution utility of India by delivering reliable and quality service at competitive price to the consumers and contribute to the sustainable development of our State and Nation" is vision of MSEDCL and its dong best according to vision with helps of IT in this computer oriented era. Consumer satisfaction is one of objective of each organisation and MSEDCL is also not exception for this. Smart metering, prepaid metering will be future target of all DISCOM including MSEDCl to bring more accuracy in meter reading to avoid manual interfere. Definitely we can concluded that IT brings more efficiency, transparency also in addition to this cost is reduced for MSEDCL.

Students Glossary

1. **Adaptive expectations** – Adaptive expectations is an economic theory which gives importance to past events in predicting future outcomes. A common example is for predicting inflation. Adaptive expectations state that if inflation increased in the past year, people will expect a higher rate of inflation in the next year.
2. **Agricultural Economics** – Study of the allocation, distribution, and utilization of the resources used, along with the commodities produced, by farming. Agricultural economics plays a role in the economics of development, for a continuous level of farm surplus is one of the wellsprings of technological and commercial growth.
3. **Economic Efficiency** – Economic efficiency is when all goods and factors of production in an economy are distributed or allocated to their most valuable uses and waste is eliminated or minimized. Economic efficiency implies an economic state in which every resource is optimally allocated to serve each individual or entity in the best way while minimizing waste and inefficiency.
4. **Applied economics** – Applied economics is the application of economic theory to determine the likely outcomes associated with various possible courses of action in the real world. By better understanding the likely consequences of choices made by individuals, businesses, and policy makers, we can help them make better choices.
5. **Balance of Payment** – Balance of Payment (BOP) is a statement which records all the monetary transactions made between residents of a country and the rest of the world during any given period. This statement includes all the transactions made by/to individuals, corporates and the government and helps in monitoring the flow of funds to develop the economy.
6. **Balance of Trade** – The difference between a country's value of exports and value of imports over a certain period of time is called the balance of trade or BOT.
7. **Bankruptcy** – When an organisation is unable to honour its financial obligations or make payment to its creditors, it files for bankruptcy. A petition is filed in the court for the same where all the outstanding debts of the company are measured and paid out if not in full from the company's assets.
8. **Behavioural economics** – Behavioural economics incorporates the study of psychology into the analysis of the decision-making behind an economic outcome, such as the factors leading up to a consumer buying one product instead of another.
9. **Capacity utilization** – Capacity utilization refers to the manufacturing and production capabilities that are being utilized by a nation or enterprise at any given time. It is the relationship between the output produced with the given resources and the potential output that can be produced if capacity was fully used.
10. **Classical economics** – Classical economics is widely regarded as the first modern school of economic thought. The term "classical" refers to work done by a group of economists in the eighteenth and nineteenth centuries. Its major developers include Adam Smith, David Ricardo, Thomas Malthus and John Stuart Mill. Much of their work was developing theories about the way markets and market economies work. Coming at a time when Mercantilism held sway, emphasizing the maximizing of exports and minimizing imports, classical economists promoted a radically different approach. They essentially regarded the economy as able to maintain its own equilibrium through market forces, and that government intervention in the form of artificial tariffs or other barriers that disrupted the free flow of goods and services were harmful to the economy.
11. **Contract Curve** – In microeconomics, the contract curve or Pareto set is the set of points representing final allocations of two goods between two people that could occur as a result of mutually beneficial trading between those people given their initial allocations of the goods. All the points on this locus are Pareto efficient allocations, meaning that from any one of these points there is no reallocation that could make one of the people more satisfied with his or her allocation without making the other person less satisfied. The contract curve is the subset of the Pareto efficient points that could be reached by trading from the people's initial holdings of the two goods.
12. **Cost Curve** – In economics, a cost curve is a graph of the costs of production as a function of total quantity produced. In a free market economy, productively efficient firms optimize their production process by minimizing cost consistent with each possible level of production, and the result is a cost curve.
13. **Cost of living** – Cost of living is the cost of maintaining a certain standard of living which includes basic expenses such as housing, food, taxes, and healthcare in a certain place and time period. The cost of living is often used to compare how expensive it is to live in one city versus another.
14. **Cost overrun** – Cost overrun is an unexpected change in the project budget that ends up increasing the total project cost. It can happen due to reasons such as: economic factors that occur due to inaccuracies in project budget or scope; technical reasons including erroneous estimates or incorrect data gathering and psychological causes including the presence of scope creep or any decrease in project commitment levels.
15. **Credit Bureau** – A credit bureau is an organization that collects and researches individual credit information and sells it to creditors for a fee, so they

can make decisions about extending credit or granting loans.

16. **Credit Rating** – The term credit rating refers to a quantified assessment of a borrower's creditworthiness in general terms or with respect to a particular debt or financial obligation. A credit rating can be assigned to any entity that seeks to borrow money be it an individual, a corporation, a state or a sovereign government.

17. **Economic Profit** – An economic profit or loss is the difference between the revenue received from the sale of an output and the costs of all inputs used, as well as any opportunity costs. In calculating economic profit, opportunity costs and explicit costs are deducted from revenues earned.

18. **Economic Shortage** – Economic shortage is a situation where demand for a product or service exceeds the available supply. When this occurs, the market is said to be in a state of disequilibrium and price of the relevant product or service increase.

19. **Economic Surplus** – Economic surplus is a situation where supply for a product or service exceeds the market demand. When this occurs, the market is said to be in a state of disequilibrium and price of the relevant product or service decrease.

20. **Economise of Scope** – An economy of scope means that the production of one good reduces the cost of producing another related good. Economies of scope occur when producing a wider variety of goods or services in tandem is more cost effective for a firm than producing less of a variety, or producing each good independently.

21. **Elastic demand** - Elastic demand occurs when the price of a good or service changes, consumer demand changes at a higher rate. If the price goes down just a little, consumers will buy a lot more. If prices rise just a bit, they'll stop buying as much and wait for prices to return to normal.

22. **Engineering Economy** – Engineering economy is a subset of economics concerned with the use and application of economic principles in the analysis of engineering decisions. Engineering economy deals with the evaluation of systems, products, and services in relationship to their costs.

23. **Factors of Production** – In economics, factors of production are the resources that firms use to produce goods and services. They are the building blocks of the economy. Economists divide the factors of production into four categories: land, labour, capital, and entrepreneurship.

24. **Financial Markets** – Financial markets refer broadly to any marketplace where the trading of securities occurs, including the stock market, bond market, forex market, and derivatives market, among others. Financial markets are vital to the smooth operation of capitalist economies.

25. **Fiscal Policy** – Fiscal policies are the measures employed by governments to stabilize the economy, specifically by manipulating the levels and allocations of taxes and government expenditures. Fiscal measures are frequently used in tandem with monetary policy to achieve certain goals.

26. **Free Trade** – Free trade, also called laissez-faire, a policy by which a government does not discriminate against imports or interfere with exports by applying tariffs (to imports) or subsidies (to exports). A free-trade policy does not necessarily imply however, that a country abandons all control and taxation of imports and exports.

27. **Frictional Unemployment** – Frictional unemployment occurs when people leave one job to search for another in a healthy economy. Economists use this term to reference both voluntary and involuntary unemployment. Unlike other types of unemployment, frictional unemployment is a component of the natural labour turnover rate and not a sign of an unhealthy economy.

28. **Growth Recession** – Growth Recession is a term in economics that refers to a situation where economic growth is slow, but not low enough to be a technical recession, yet unemployment still increases. A growth recession is often associated with minimal price inflation because many people are out of work and may have to curtail discretionary spending, and as a result, inflation will remain low. However, people who are fortunate enough to have jobs in a growth recession may find that their real incomes and spending power increase. For borrowers, there may be a benefit because the lack of inflationary pressure means central banks are likely to keep interest rates low.

29. **Human Capital** – Human capital is a concept used by economists and social scientists to designate personal attributes considered useful in the production process. It encompasses employee knowledge, skills, know-how, good health, and education, to name a few. Companies can invest in human capital, for example, through education and training, enabling improved levels of quality and production.

30. **Hyperinflation** – In economics, hyperinflation is very high and typically accelerating inflation. It quickly erodes the real value of the local currency, as the prices of all goods increase. This causes people to minimize their holdings in that currency as they usually switch to more stable foreign currencies.

31. **Indifference Curve** – In economics, graph showing various combinations of two things (usually consumer goods) that yield equal satisfaction or utility to an individual is called indifference curve.

32. **Inelastic demand** - Inelastic demand occurs when the price of a good or service changes, consumer demand changes at a lower rate. If the price goes down a lot, consumers will buy a little more. If prices rise just a lot, they'll slow down buying a little and wait for prices to return to normal.

What's New

GOODS & SERVICE TAX

- GST Council authority tenure has been increased from 4 years to 5 years from 30th Nov 2021.
- Government has amended DRC-03 with following additional details:
  a. Amended heading of the FORM GST DRC-03 i.e., "Intimation of payment made voluntarily or made against the show cause notice (SCN) or statement" added the words "intimation of tax ascertained through FORM GST DRC-01A", in order to specify the payments made by the registered person through intimation of tax ascertained under FORM GST DRC-01A, communicated before issuance of SCN by the Revenue Department for mismatches between GST returns.
  b. DRC-03 can be used for additional payment of "scrutiny, intimation of tax ascertained through FORM GST DRC- 01A, Mismatch (Form GSTR-1 and Form GSTR-3B), Mismatch (Form GSTR-2B and Form GSTR-3B), others (specify)"
  c. Fees can be paid through DRC-03.

  [Notification No.37/2021 – Central Tax dated 1st Dec 2021]
- Mandatory Aadhar authentication for GST Refund application and GST for GST Registration Revocation application from 1st Jan 2022.

  [Notification No. 38/2021–Central Tax Dated: 21st December, 2021]
- Clarification issued regarding modalities of compliance in respect of supply of "Restaurant Service" through E-Commerce Operators w.e.f 01.01.2022.
- ECOS will no longer be required to collect TCS and file GSTR-8 in respect of 'restaurant services' on which it pays tax under section 9(5) of the CGST Act, 2017, but will continue to collect TCS and file GSTR-8 for other services.
- As ECOS are registered in accordance with rule 8 of the CGST Rules, 2017 and there would be no mandatory requirement of taking separate registration by ECOs for payment of tax on restaurant service.
- ECOs will be liable to pay GST on restaurant service supplied through them including by an un-registered person.
- The aggregate turnover of person supplying restaurant service through ECOs shall be computed as defined in section 2(6) of the CGST Act, 2017 and shall include the aggregate value of supplies made by the restaurant through ECOs.
- ECO shall not be required to reverse ITC on account of restaurant services on which it pays GST in terms of section 9(5) of the Act.
- ECO shall pay the entire GST liability in cash on restaurant service (No ITC could be utilized for payment of GST on restaurant service supplied through ECO).
- Registered persons supplying restaurant services through ECOs under section 9(5) will report such supplies in Table 8 of GSTR-1 and Table 3.1 (c) of GSTR-3B, for the time being.

  (Implementation of recommendations of 45th Meeting of GST Council).
- a) **Rule 36(4): Conditions for claiming Input Tax Credit e.f. 01.01.2022:**

  ITC to be availed by a registered person to the extent of

  (i) eligible credit in respect of invoices or debit notes which have been uploaded by the suppliers in section 37 in the statement of outward supplies in Form GSTR 1 or using IFF; and

  (ii) the details of such invoices or debit notes have been communicated to the registered person in Form GSTR 2B under rule 60(7) ITC can be taken only to the extent of eligible credits which have been furnished by suppliers in section 37 in the statement of outward supplies in Form GSTR 1 or using IFF.

  b) For FY 2020-21, the due date for furnishing Annual Return (GSTR 9 / GSTR 9A)& self – certified reconciliation statement (GSTR 9C) has been extended to 28th Feb 2022 from 31st Dec 2021.

  c) Where the UIN of united nations & similar agency persons is not mentioned in tax invoice, the refund of tax paid by the applicant on such invoice shall be available only if the copy of the invoice, duly attested by the authorized representative of the applicant, is submitted along with the refund application in Form GST RFD – 10 from 1st April 2021 respectively.

  d) Where the person concerned makes payment of the amount referred to in section 129(1) within seven days of the notice under section 129(3) but before the issuance of order under section 129(3), he shall intimate the proper officer of such payment in Form GST DRC – 03 and the proper officer shall issue an order in Form GST DRC – 05 concluding the proceedings in respect of the said notice.

  e) New Rule 144A has been inserted for procedure regarding recovery of penalty by sale of goods or conveyance detained or seized in transit.

(f) Government has amended procedure of Disposal of proceeds of sale of goods or conveyance and movable or immovable property as per Rule 154.

[Notification 40/2021- CGST dated 29th Dec 2021]

Central Tax Rate:

- GST on Footwear of sale value not exceeding Rs.1000 per pair is not charged at the Rate of 12% (6% SGST+6% CGST) instead of earlier 5%.

[Notification No. 21/2021-Central Tax (Rate) dated 31st Dec 2021]

- Government has amended relevant entries of the Concessional Rate Notification w.e.f. January 1, 2022, in the following manner:

S.No.	Old HSN	Old Entry	New HSN	New Entry
4	4414 00 00	Wooden frames for painting, photographs, mirrors etc.	4414	Wooden frames for painting, photographs, mirrors etc.
29	7419 99	Art ware of brass, copper/ copper alloys, electro plated with nickel/silver	7419 80	Art ware of brass, copper/ copper alloys, electro plated with nickel/silver

[Notification No. 20/2021-Central Tax (Rate) dated 28th Dec 2021]

- Government has amended relevant entries of the Goods Exemption Notification w.e.f. January 1, 2022, in the following manner:

S.No.	Old HSN	Old Entry	New HSN	New Entry
22	0303, 0304, 0305, 0306, 0307, 0308	All goods [other than fresh or chilled and other than those put up in unit container and, – (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily], subject to the conditions as in the ANNEXURE I	0303, 0304, 0305, 0306, 0307, 0308, 0309	All goods [other than fresh or chilled and other than those put up in unit container and, – (c) bearing a registered brand name; or bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily], subject to the conditions as in the ANNEXURE I
43B	0711	**Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption**	0711	**Vegetables provisionally preserved, but unsuitable in that state for immediate consumption**
49	0802	Other nuts, Other nuts, fresh such as Almonds, Hazelnuts or filberts (Coryius spp.), walnuts, Chestnuts (Castanea spp.), Pistachios, Macadamia nuts, Kola nuts (Cola spp.), Areca nuts, fresh, whether or not shelled or peeled	0802	Other nuts, fresh such as Almonds, Hazelnuts or filberts (Corylus spp.), walnuts, Chestnuts (Castanea spp.), Pistachios, Macadamia nuts, Kola nuts (Cola spp.), Areca nuts, Pine nuts, fresh, whether or not shelled or peeled
97A	–	–	2009 89 90	Tender coconut water other than those put up in unit container and, – (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any such actionable claim or enforceable right in respect of such brand name has been voluntarily foregone, subject to the conditions as specified in the ANNEXURE I
101	2202 90 90	Tender coconut water other than those put up in unit container and,-	omitted	omitted

S.No.	Old HSN	Old Entry	New HSN	New Entry
		(a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily, subject to the conditions as in the ANNEXURE I]		
141	8803	Parts of goods of heading 8801	8807	Parts of goods of heading 8801

- Government has issued amendments in the Goods Rate Notification w.e.f. January 1, 2022, in the following manner: ***[Notification No. 19/2021-Central Tax (Rate) dated 28th Dec 2021]***

S.No.	Old HSN	Old Entry	New HSN	New Entry
Schedule I – 2.5%				
2	0303, 0304, 0305, 0306, 0307, 0308	All goods [other than fresh or chilled] and put up in unit container and,- (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily], subject to the conditions as in the ANNEXURE	0303, 0304, 0305, 0306, 0307, 0308, 0309	All goods [other than fresh or chilled] and put up in unit container and,- (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily], subject to the conditions as in the ANNEXURE
9	0403	Cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa	0403	Yoghurt; Cream, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavored or containing added fruit, nuts or cocoa
14	0410	Edible products of animal origin, not elsewhere specified or included	0410	Insects and other edible products of animal origin, not elsewhere specified or included
87	1515	Other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified.	1515	Other fixed vegetable or microbial fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified.
107	2306	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 2304 or 2305 other than cotton seed oil cake	2306	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable or microbial fats or oils, other than those of heading 2304 or 2305 other than cottonseed oil cake
127	2518	Dolomite, whether or not calcined or sintered, including dolomite roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape; dolomite ramming mix.	2518	Dolomite, whether or not calcined or sintered, including dolomite roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape; 2518 10 dolomite, Not calcined or sintered

S.No.	Old HSN	Old Entry	New HSN	New Entry
186A	3826	Bio-diesel supplied to Oil Marketing Companies for blending with High Speed Diesel	3816	Dolomite ramming mix
186B	–	–	3826	Bio-diesel supplied to Oil Marketing Companies for blending with High Speed Diesel
232	8419 19	Solar water heater and system	8419 12	Solar water heater and system
244	8802	Other aircraft (for example, helicopters, aeroplanes), other than those for personal use.	8802 or 8806	Other aircraft (for example, helicopters, aeroplanes) except the items covered in Sl. No. 383 in Schedule III, other than for personal use
245	8803	Parts of goods of heading 8802	8807	Parts of goods of heading 8802 or 8806 (except parts of items covered in Sl. No. 383 in Schedule III)
258	9405	Kerosene pressure lantern	9405 50 31	Kerosene pressure lantern
Schedule III – 6%				
15	0802	Other nuts, dried, whether or not shelled or peeled, such as Almonds, Hazelnuts or filberts (Coryius spp.), Chestnuts (Castanea spp.), Pistachios, Macadamia nuts, Kola nuts (Cola spp.) [other than dried areca nuts]	0802	Other nuts, dried, whether or not shelled or peeled, such as Almonds, Hazelnuts or filberts (Corylus spp.), Chestnuts (Castanea spp.), Pistachios, Macadamia nuts, Kola nuts (Cola spp.), Pine nuts [other than dried areca nuts]
25	1516	Animal fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared.	1516	Animal or microbial fats and animal or microbial oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared.
26	1517	Edible mixtures or preparations of animal fats or animal oils or of fractions of different animal fats or animal oils of this Chapter, other than edible fats or oils or their fractions of heading 1516	1517	Edible mixtures or preparations of animal fats or microbial fats or animal oils or microbial oils or of fractions of different animal fats or microbial fats or animal oils or microbial oils of this Chapter, other than edible fats or oils or their fractions of heading 1516
27	1518	Animal fats and animal oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified of included	1518	Animal or microbial fats and animal or microbial oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516; inedible mixtures or preparations of animal, vegetable or microbial fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified of included
28	1601	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products	1601	Sausages and similar products, of meat, meat offal, blood or insects; food preparations based on these products
29	1602	Other prepared or preserved meat, meat offal or blood	1602	Other prepared or preserved meat, meat offal, blood or insects
41	2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	2009	Fruit or nut juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.

S.No.	Old HSN	Old Entry	New HSN	New Entry
41A	–	–	2009 89 90	Tender coconut water put up in unit container and, – (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any such actionable claim or enforceable right in respect of such brand name has been voluntarily foregone, subject to the conditions as specified in the ANNEXURE]
49	2202 99 90	Tender coconut water put up in unit container and,- a) bearing a registered brand name; or b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any such actionable claim or enforceable right in respect of such brand name has been voluntarily foregone, subject to the conditions as specified in the ANNEXURE]	omitted	omitted
144	5703	Carpets and other textile floor coverings, tufted, whether or not made up	5703	Carpets and other textile floor coverings (including Turf), tufted, whether or not made up" shall be substituted;
185A	7419 99 30	Brass Kerosene Pressure Stove	7419 80 30	Brass Kerosene Pressure Stove
225	9405, 9405 50 31	Hurricane lanterns, Kerosene lamp / pressure lantern, petromax, glass chimney, and parts thereof	9405	Hurricane lanterns, Kerosene lamp / pressure lantern, petromax, glass chimney, and parts thereof
236	9701	Paintings, drawings and pastels, executed entirely by hand, other than drawings of heading 4906 and other than hand-painted or hand-decorated manufactured articles; collages and similar decorative plaques	9701	Paintings, drawings and pastels, executed entirely by hand, other than drawings of heading 4906 and other than hand-painted or hand-decorated manufactured articles; collages, mosaics and similar decorative plaques
Schedule III – 9%				
26A	2515 12 20, 2515 12 90	Marble and travertine, other than blocks	2404 12 00	Products containing nicotine and intended for inhalation without combustion
26B	2516 12 00	Granite, other than blocks]	2404 91 00, 2404 92 00, 2404 99 00	Products for oral application or transdermal application or for application otherwise than orally or transdermally, containing nicotine and intended to assist tobacco use cessation
26C	2601	Iron ores and concentrates, including roasted iron pyrites.	2515 12 20, 2515 12 90	Marble and travertine, other than blocks
26D	2602	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight.	2516 12 00	Granite, other than blocks
26E	2603	Copper ores and concentrates.	2601	Iron ores and concentrates, including roasted iron pyrites

S.No.	Old HSN	Old Entry	New HSN	New Entry
26F	2604	Nickel ores and concentrates.	2602	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight.
26G	2605	Cobalt ores and concentrates.	2603	Copper ores and concentrates
26H	2606	Aluminium ores and concentrates.	2604	Nickel ores and concentrates
26I	2607	Lead ores and concentrates.	2605	Cobalt ores and concentrates
26J	2608	Zinc ores and concentrates.	2606	Aluminium ores and concentrates
26K	2609	Tin ores and concentrates.	2607	Lead ores and concentrates
26L	2610	Chromium ores and concentrates.	2608	Zinc ores and concentrates
26M	–	–	2609	Tin ores and concentrates
26N	–	–	2610	Chromium ores and concentrates
41	30	Nicotine polacrilex gum	omitted	omitted
72	3603	Safety fuses; detonating fuses; percussion or detonating caps; igniters; electric detonators		Safety Fuses; Detonating Cords; Percussion or Detonating Caps; Igniters; Electric Detonators
98A	–	–	3827	Mixtures containing halogenated derivatives of Methane, Ethane or Propane, not elsewhere specified or included
190A	7011	Glass envelopes (including bulbs and tubes), open, and glass parts thereof, without fittings, for electric lamps, cathode-ray tubes or the like	7011	Glass envelopes (including bulbs and tubes), open, and glass parts thereof, without fittings, for electric lamps and light sources, cathode ray tube or the like
195	7019	Glass fibres (including glass wool) and articles thereof (for example, yarn, woven fabrics)	7019	Glass fibres (including glass wool) and articles thereof (for example, yarn, rovings, woven fabrics)
317B	8414	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters [other than bicycle pumps, other hand pumps and parts of air or vacuum pumps and compressors of bicycle pumps	8414	(Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters; Gas-tight biological safety cabinets, whether or not fitted with filters [other than bicycle pumps, other hand pumps and parts of air or vacuum pumps and compressors of bicycle pumps]
320	8419	Machinery, plant or laboratory equipment, whether or not electrically heated (excluding furnaces, ovens and other equipment of heading 8514), for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electric [other than Solar water heater and system]	8419 [other than 8419 12]	Machinery, plant or laboratory equipment, whether or not electrically heated (excluding furnaces, ovens and other equipment of heading 8514), for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electric [other than Solar water heater and system]

S.No.	Old HSN	Old Entry	New HSN	New Entry
330	8438	Machinery, not specified or included elsewhere in this Chapter, for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable fats or oils	8438	Machinery, not specified or included elsewhere in this Chapter, for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable or microbial fats or oils
352	8462	Machine-tools (including presses) for working metal by forging, hammering or die-stamping; machine-tools (including presses) for working metal by bending, folding, straightening, flattening, shearing, punching or notching; presses for working metal or metal carbides, not specified above	8462	Machine-Tools (Including Presses) For Working Metal by Forging, Hammering or Die Forging (Excluding Rolling Mills); Machine-Tools (Including Presses, Slitting Lines and Cut-To-Length Lines) For Working Metal by Bending, Folding, Straightening, Flattening, Shearing, Punching, Notching or Nibbling (Excluding Draw-Benches); Presses for Working Metal or Metal Carbides, Not Specified Above
369C	–	–	8485	Machines for Additive Manufacturing
382A	–	–	8524	Flat Panel Display Modules, Whether or Not Incorporating Touch-Sensitive Screens
383	8525	Closed-circuit television (CCTV), transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras digital cameras and video camera recorders [other than two-way radio (Walkie talkie) used by defence, police and paramilitary forces etc.]	8525 or 8806	Closed-circuit television (CCTV), transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and video camera recorders including goods in the form of unmanned aircraft falling under 8806 [other than two-way radio (Walkie talkie) used by defence, police and paramilitary forces, etc.
390	8539	Electrical Filament or discharge lamps including sealed beam lamp units and ultra-violet or infra-red lamps; arc lamps [other than LED lamps	8539	Electrical Filament or discharge lamps including sealed beam lamp units and ultra-violet or infra-red lamps; arc lamps [other than Light-Emitting Diode (LED) Light Sources]
392	8541	Diodes, transistors and similar semi-conductor devices; photosensitive semi-conductor devices; light-emitting diodes (LED); mounted piezo- electric crystals	8541	Semiconductor Devices (for example, Diodes, Transistors, Semiconductor Based Transducers); Photosensitive Semiconductor devices; Light-Emitting Diodes (LED), whether or not assembled with other Light-Emitting Diodes (LED); Mounted Piezo-Electric crystals
398	8548	Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter	8548 or 8549	Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter

S.No.	Old HSN	Old Entry	New HSN	New Entry
411H	9013	Liquid crystal devices not constituting articles provided for more specifically in other headings; lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere in this Chapter	9013	Lasers, other than Laser Diodes; other Optical Appliances and Instruments, not specified or included elsewhere in this Chapter
413A	9022	Apparatus based on the use of X-rays or of alpha, beta or gamma radiations [other than those for medical, surgical, dental or veterinary uses], including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators, control panels and desks, screens, examinations or treatment tables, chairs and the like	9022	Apparatus based on the use of X-rays or of alpha, beta, gamma or other ionizing radiations [other than those for medical, surgical, dental or veterinary uses], including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension generators, control panels and desks, screens, 28 examinations or treatment tables, chairs and the like
438A	9405	Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included [other than kerosene pressure lantern and parts thereof including gas mantles; hurricane lanterns, kerosene lamp, petromax, glass chimney, and parts thereof; LED lights or fixtures including LED lamps; LED (light emitting diode) driver and MCPCB (Metal Core Printed Circuit Board)]	9405	Luminaires and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included [other than kerosene pressure lantern and parts thereof including gas mantles; hurricane lanterns, kerosene lamp, petromax, glass chimney, and parts thereof; LED lights or fixtures including LED lamps; LED (light emitting diode) driver and MCPCB (Metal Core Printed Circuit Board)]
441A	9508	Roundabouts, swings, shooting galleries and other fairground amusements; [other than travelling circuses and travelling menageries	9508	Travelling Circuses and Travelling Menageries; Amusement Park Rides and Water Part Amusements; Fairground Amusements, including Shooting Galleries; Travelling Theatres
449B	9617	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof other than glass inners	9617	Vacuum flasks and other vacuum vessels, Complete; parts thereof other than glass inners
Schedule IV – 14%				
15A	–	–	2404 11 00	Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion
15B	–	–	2404 19 00	Products containing tobacco or nicotine substitutes and intended for inhalation without combustion
176	8802	Aircrafts for personal use	8802 or 8806	Aircrafts for personal use

[Notification No. 18/2021-Central Tax (Rate) dated 28th Dec 2021]

GST Cess Notification:

- Government has amended the relevant entries of the Compensation Cess Rate Notification w.e.f. January 1, 2022, in the following manner:

S.No.	Old HSN	Old Entry	New HSN	New Entry
25	2403 91 00	Homogenised" or "reconstituted" tobacco, bearing a brand name	2403 91 00 or 2404 11 00	Homogenised" or "reconstituted" tobacco, bearing a brand name
37	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name	2403 99 90 or 2404 11 00 or 2404 19 00	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name
38	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name	2403 99 90 or 2404 11 00 or 2404 19 00	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name
54	8802	Other aircraft (for example, helicopters, aeroplanes), for personal use.	8802 or 8806	Other aircraft (for example, helicopters, aeroplanes), for personal use.

[Notification 2/2021- Compensation Cess (Rate) dated 28th Dec 2021]

Press Release:

1. Exemptions or concessions given to products specified below of Covid-19 relief was valid till 31st December 2021 only, thereafter normal rates will be applicable as per notification.

Sl.No	Chapter, Heading, Sub-heading or Tariff item	Description of Goods
1	30	Tocilizumab
2	30	Amphotericin B
3	30	Remdesivir
4	30	Heparin (anti-coagulant)
5	30	Itolizumab
6	30	Posaconazole
7	30	Infliximab
8	30	Bamlanivimab & Etesevimab
9	30	Casirivimab& Imdevimab
10	30	2-Deoxy-D-Glucose
11	30	Favipiravir

2. With effect from 1st January 2022, if a monthly return filer has not filed GSTR-3B for preceding month, then such taxpayer will not be allowed to file GSTR 1 for subsequent months.

   [Press Release No. 515 dated 03-01-2022]

3. From the 1st January 2022, e-commerce operators shall be liable to pay GST liability on services supplied by Restaurants through E-commerce operator and shall report it in GSTR 3B.

   (Press Release No. 516 dated 04-01-2022)

46th GST Council Update:

- In 46th GST Council Meeting, it is decided that the existing rates in the textile sector would continue beyond 1st January, 2022.

Customs:

Customs Tariff Notifications:

- CBIC has notifies Exchange rate of Turkish Lira against Indian Rupees with effect from 4th January 2022 as follows:

Sr. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
18	Turkish Lira	5.75	5.3

(Notification No. 01/2022 – Customs (N.T.) dated 03-01-2022).

- CBIC exempts COVID-19 vaccines from basic Custom duty till 30th June, 2022 vide Notification No. 61/2021-Customs, Dated 31st December, 2021.

  [Notification No. 61/2021-Customs dated 31st Dec 2021]

- CBIC amends FTA/PTA notification to align with HSN 2022 w.e.f. 1.1.2022

  [Notification No. 60/2021-Customs dated 30th Dec 2021]

- CBIC amends notification no. 53/2017-Customs to align with HSN 2022.

  [Notification No. 59/2021-Customs dated 29th Dec 2021]

- CBIC amends notification no. 11/2018-Customs to align with HSN 2022 w.e.f. 1.1.2022

  [Notification No. 58/2021-Customs dated 29th Dec. 2021]

- CBIC amends various notifications giving exemption to electronic and defence equipment to align with HSN 2022 w.e.f. 1.1.2022

  [Notification No. 57/2021-Customs dated 29th Dec 2021]

- CBIC amends notification no. 82/2017-Customs to align with HSN 2022 w.e.f. 1.1.2022

  [Notification No. 56/2021-Customs dated 29th Dec 2021]

- Government seeks to reduce BCD on Refined palm oil and its fractions from 17.5% to 12.5% till 31.03.2022 from 21st Dec 2021.

  [Notification No. 53/2021-Customs dated 20th Dec 2021]

Non Tariff

- Exchange Rate from 7thJanuary 2022 are as follows:

SCHEDULE-I

Sr. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1	Australian Dollar	54.75	52.45
2	Bahraini Dinar	204.05	191.55
3	Canadian Dollar	59.35	57.25
4	Chinese Yuan	11.9	11.5
5	Danish Kroner	11.55	11.15
6	EURO	85.85	82.8
7	Hong Kong Dollar	9.75	9.4
8	Kuwaiti Dinar	254.5	238.3
9	New Zealand Dollar	51.8	49.45
10	Norwegian Kroner	8.55	8.25
11	Pound Sterling	102.6	99.1
12	Qatari Riyal	21	19.7
13	Saudi Arabian Riyal	20.5	19.25
14	Singapore Dollar	55.8	53.9
15	South African Rand	4.85	4.55
16	Swedish Kroner	8.3	8
17	Swiss Franc	82.9	79.65
18	Turkish Lira	5.65	5.25
19	UAE Dirham	20.95	19.65
20	US Dollar	75.4	73.65

SCHEDULE-II			
Sr. No.	Foreign Currency	Rate of exchange of 100 unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1	Japanese Yen	65.5	63.15
2	Korean Won	6.4	6

[Notification 02/2022 – Customs (N.T.) d.t 06.01.2022]

- CBIC notifies Sea Cargo Manifest and Transhipment (Ninth Amendment) Regulations, 2021 ***[Notification No. 109/2021 – Customs (N.T.) dated 31st Dec 2021]***
- CBIC amends Schedule for Drawback on exports of goods wef 01.01.2022.

  [Notification No. 108/2021 – Customs (N.T.) dated 31st Dec 2021]

- CBIC fixed Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver. ***[Notification No. 107/2021 – Customs (N.T.) dated 31st Dec 2021]***
- CBIC notifies Rate of Exchange of 'Turkish Lira' against Indian Rupees with effect from 22nd December, 2021

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1	Turkish Lira	5.80	5.45

[Notification No. 101/2021 – Customs (N.T.) dated 21st Dec 2021]

- Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver

TABLE-1

Sl. No.	Chapter/ heading / sub-heading / tariff item	Description of goods	Tariff value (US $Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	1323
2	1511 90 10	RBD Palm Oil	1348
3	1511 90 90	Others – Palm Oil	1336
4	1511 10 00	Crude Palmolein	1354
5	1511 90 20	RBD Palmolein	1357
6	1511 90 90	Others – Palmolein	1356
7	1507 10 00	Crude Soya bean Oil	1450
8	7404 00 22	Brass Scrap (all grades)	5528

TABLE-2

Sl. No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	572 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	716 per kilogram
3.	71	i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92; ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	716 per kilogram
4.	71	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units; ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. Explanation. - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.	572 per 10 grams

TABLE-3

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	4937

[Notification No. 97/2021-Customs (NT) dated 15th Dec 2021].

- Government has made following changes in tariff values of specified goods:

TABLE-1

Sl. No.	Chapter/ heading/sub-heading/ tariff item	Description of goods	Tariff value (US $ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	1307
2	1511 90 10	RBD Palm Oil	1327
3	1511 90 90	Others – Palm Oil	1317
4	1511 10 00	Crude Palmolein	1334
5	1511 90 20	RBD Palmolein	1337
6	1511 90 90	Others – Palmolein	1336
7	1507 10 00	Crude Soya bean Oil	1434
8	7404 00 22	Brass Scrap (all grades)	5691

TABLE-2

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	575 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	750 per kilogram

3.	71	(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92; (ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. Explanation. – For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	750 per kilogram
4.	71	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units; (ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. Explanation. – For the purposes of this entry, gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.	575 per 10 grams

TABLE-3

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	5252 (i.e., no change)"

[Notification 96/2021 – Customs (NT) dt. 2nd Dec 2021]

Anti Dumping Duty

- Anti-dumping duty imposed on 1,1,1,2-Tetrafluoroethane or R-134a imported from China is revoked by the Central Government. ***[Notification No. 1/2022-Customs (ADD) dated 31st December, 2021]***
- Anti-dumping duty imposed on "Certain Flat rolled Products of Aluminium" originating in or exported from China PR for a period of 5 years. ***[Notification No. 68/2021-Customs (ADD) dtd 06th Dec 2021]***
- Anti-Dumping duty on the imports of Axle for Trailers in CKD/SKD form originating in or exported from the Peoples Republic of China. ***[Notification No. 69/2021-Customs (ADD) dtd 13th Dec 2021]***
- Government levy of anti-dumping duty on 'Natural Mica based Pearl Industrial Pigment excluding cosmetic grade' to amend the name of exporter from 'Nanyang Lingbao Pearl Pigment Company Limited Materials' to 'Henan Lingbao New Materials Technology Co., Ltd.'. ***[Notification No. 70/2021-Customs (ADD) dtd 17th Dec 2021]***
- Government to impose Anti-dumping Duty on Imports of Sodium Hydrosulphite from China PR and Korea RP. ***[Notification No. 71/2021-Customs (ADD) dtd 17th Dec 2021]***
- Government to impose Anti-dumping Duty on Imports of hydrogen peroxide from Bangladesh. ***[Notification No. 72/2021-Customs (ADD) dtd 17th Dec 2021]***
- Government to impose Anti-dumping Duty on Imports of calcined gypsum powder from Iran, Oman, Saudi Arabia and United Arab Emirates (UAE). ***[Notification No. 73/2021-Customs (ADD) dtd 17th Dec 2021]***
- Government imposed anti-dumping duty Duty on Imports of 'Silicon Sealant' component R-32 from China PR. ***[Notification No. 74/2021-Customs (ADD) dated 21st Dec 21]***
- Government imposed anti-dumping duty on Imports of Hydrofluorocarbon (HFC) component R-32 from China PR. ***[Notification No. 75/2021-Customs (ADD) dated 21st Dec 2021]***
- Government to levy anti-dumping duty on imports of 'Hydrofluorocarbon Blends (All blends other than 407 and 410 are excluded)' originating in or exported from China PR for a period of five years. ***[Notification No. 76/2021-Customs (ADD) dated 22nd Dec 2021]***
- Government Seeks to impose ADD on Decor Paper originating in or exported from China PR for a period of 5 years. ***[Notification No. 77/2021-Customs (ADD) dated 27th Dec 2021]***
- CBIC amends various anti-dumping duty notifications to align with HSN 2022 w.e.f. 1.1.2022. ***[Notification No. 78/2021-Customs (ADD) Dated: 29th December, 2021]***

Public Notice:

- CBIC has issued notification stating that henceforth seized/confiscated gold will be sold (other than gold ornaments/jewellery/articles) to Reserve Bank of India (RBI) only instead of public sector banks (approved by RBI to import and sell gold), MMTC Ltd. and STC Ltd. ***[Instruction No. 27/2021-Customs - dated 3rd Dec 2021]***

Foreign Trade Policy / SEZ:

- Now Qualified jewellers as notified by International Financial Services Centres Authority (IFSCA) can import the gold under specific ITC (HS) Codes through Indian International Bullion Exchange IFSC Ltd. ***[Notification No. 49 /2015-2020, dated 5th January 2022]***
- Government has extended last date for submitting online applications to 31st Jan 2022 for the following schemes:
  a. For MEIS (For the exports made in the period July 18 to March 19, FY 2019-20, April 20 to Dec 20)
  b. For SEIS (for the services exports rendered for FY 2018-19 & 2019-20)
  c. For 2% additional ad hoc incentive (under para 3.25 of the FTP – for exports made in the period Jan 20 to March 20)
  d. For ROSCTL (for exports made from 07.03.2019 to 31.12.2020)
  e. For ROSL (for exports made uptp 06.03.2019 for which claims have not yet been disbursed under scrip mechanism)

  [Notification 48/2015-20 dated 31st Dec 2021]
- Central Government hereby makes the amendment in Appendix 3 (SCOMET Items) to Schedule -2 of ITC (HS) Classification of Export and Import Items 2018. ***[Notification No. 47/2015-2020-DGFT dated 20th Dec 2021]***
- Central Government extends the "Free" import policy of the following items under HS Code 1511 90 of Chapter 15 of ITC (HS), 2017, Schedule — I (Import Policy), for the period up to 31st December 2022. ***[Notification No. 46/2015-2020-DGFT dated 20th Dec 2021]***

Public / Trade Notices:

- Central/State Government agencies such as Customs/ GST Authorities, Banks, GM DICs etc. has been added to Standing Grievance Committee to address the grievances /complaints of the industry members at one platform. ***[Public Notice No. 44/2015-2020 dated 05-01-2022]***
- Two new agencies i.e.
  1. Powerloom Development & Export Promotion Council (PDEXCIL) &
  2. Vadodara Chamber of Commerce & Industry (VCCI) are enlisted under Appendix 2E of FTP, 2015-2020 for issuing Certificate of Origin (Non-Preferential).

  [Public Notice No. 42/2015-2020 dated 8th Dec 2021]
- Applications are invited by DGFT for import authorisation for Water Melon Seeds–Other (ITC(HS) 12077090) for the period of 01.01.2022 to 31.03.2022. The last date for submission of online applications is 13.12.2021 ***[Public Notice No. 41/2015-2020 dated 6th Dec 2021]***
- Manual/physical filing of EODC/closure applications under AA scheme is allowed for AAs issued before 1.12.2020. Exporters are also requested to update EODC/Closure status of earlier issued AAs in the online system by 31.3.2022. ***[Trade Notice No. 28/2021-2022 dated 31st Dec 2021]***
- Covid 19 Helpdesk has been started to resolve the difficulties faced by trade stakeholders in international trade related Issues. ***[Trade Notice No. 29/2021-2022 dated 06-01-2022]***

Income Tax:

- CBDT notifies Tax Exemption to Bureau of Indian Standards (BIS), set up by the Bureau of Indian Standards Act, 1986, in respect of the specified income under section 10(46) of Income Tax Act, 1961. ***[Notification No. 142/2021 – Income Tax dtd 31st Dec 2021]***
- CBDT notifies Income-tax Authority & Headquarters to facilitate Faceless Appeal. ***[Notification No. 141/2021 – Income Tax dtd 29th Dec 2021]***
- CBDT insert new rule 16DD w.r.t Form of particulars to be furnished along with return of income for claiming deduction under section 10A (1B)(b). ***[Notification No. 140/2021 – Income Tax dtd 29th Dec 2021]***
- CBDT notifies Faceless Appeal Scheme, 2021. ***[Notification No. 139/2021 – Income Tax dtd 28th Dec 2021]***
- CBDT Income Tax Rule 2DD w.r.t computation of exempt income of specified fund for the purposes of clause (23FF) of section 10 along with New Forms i.e. Form No. 10-II – Statement of exempt income under clause (23FF) and Form No. 10-IJ for Certificate to be issued by accountant under clause (23FF) of section 10 of the Income-tax Act, 1961. ***[Notification No. 138/2021 – Income Tax dtd 27th Dec 2021]***
- CBDT notifies e-Verification Scheme, 2021. ***[Notification No. 137/2021 – Income Tax dtd 13th Dec 2021]***
- CBDT notifies Rule 21AK- Conditions for clause (4E) of section 10 which is must for exemption of income accrued or arisen to, or received by, a non-resident as a result of transfer of non-deliverable forward contracts. ***[Notification No. 136/2021 – Income Tax dtd 10th Dec 2021]***
- CBDT notifies Protocol amending DTAA with Kyrgyz Republic. ***[Notification No. 135/2021 – Income Tax dtd 08th Dec 2021]***
- Jeevan Akshay-VII Plan of the Life Insurance Corporation of India qualifies for deduction under section 80C of Income Tax Act, 1961. ***[Notification No. 134/2021- INCOME–TAX dated 6th Dec 2021]***

Income Tax Circular

- In case of Survey under Section 133 of the Income Tax Act, 1961, any verification by the TDS charges shall be conducted by its officers by appropriate approval from the Pr. CCIT of the region. TDS surveys by International Taxation Division shall be approved by Pr. CCIT (IT & TP)/ CCIT (IT & TP) and CCIT(TDS)/ jurisdictional CCIT of TDS charges. For any other survey by the International Taxation Division, the same is to be approved by the collegium of Pr.CCIT (IT&TP)/ CCIT (IT&TP) and DGiT (Inv.). Such surveys shall be conducted by the officers of the Investigation Wing including officers of IT&TP Division in the team. Pr. CIT/CIT / PDlT / D1T of the TDS charge or the Investigation Wing should ensure that the survey does not go beyond the scope of survey as approved by appropriate authority. ***[Circular No. F.No. 187/3/2020-ITA-I-dated 31st December 2021]***
- One-time relaxation for verification of all income tax-returns e-filed for the Assessment Year 2020-21 which are pending for verification and processing of such returns till 28th Feb 2022. ***[Circular No. 21/2021 dated 28th Dec 21]***

FEMA:

- RBI has permitted to facilitate small value digital transaction in offline mode i.e. any payment can be made without internet or telecom connectivity through cards, wallets, mobile devices, etc. ***[Circular No. RBI/2021-22/146 dated 03-01-2022]***
- Provision of filing of the electronic copy of the client's KYC records with the Central KYC Records Registry under Prevention of Money-laundering (PML) (Maintenance of Records) Rules, 2005 shall not be applicable to Foreign Portfolio Investor. ***[Notification G.S.R 5(E), Dated 4th January 2022]***
- Prior RBI approval for above capital infusion/ transfers (including retention/ repatriation of profits), shall not be required by banks which meet the regulatory capital requirements (including capital buffers). Instead, the banks shall seek approval of their boards for the same. ***[RBI/2021-22/136 DOR.CAP.REC. No.72/21.06.201/2021-22 dated 8th Dec 2021***]
- Submission of APR towards Overseas Direct Investment (ODI) before 31st Dec.21. As per Notification No. FEMA.120/RB-2004 dated July 7, 2004 part B.14, any Indian party having direct investment abroad must mandatorily file Annual Performance Report (APR) as ODI Part II with their Authorized Dealer (AD) Bank on or before 31st December, 2021. The APR must contain:
  - Financials of each Joint Venture (JV)/ Wholly Owned Subsidiary (WOS);
  - Details of each Step-down Subsidiary (SDS);
  - Repatriation details, if any;
  - Signed certificates as per format.

  In respect of the customer accounts where periodic updation of KYC is due and pending as on date, no restrictions on operations of such account shall be imposed till December 31, 2021 is further extended to 31st March 2022. ***[RBI/2021-22/144 DOR.AML. REC.74/14.01.001/2021-22 dated 30th Dec 2021]***

Company Law:

- MCA to take legal action against the companies which have not adhered to relevant timelines for holding of AGM under the provisions of Companies Act, 2013. ***[General Circular No. 19/2021 dtd 08th Dec 2021]***
- MCA extends timeline up to 30th June 2022 for companies to conduct their EGMs through Video Conference (VC) or Other Audio-Visual Means (OAVM) or transact items through postal ballot in accordance with framework. ***[General Circular No. 20/2021 dtd 08th Dec 2021]***
- The below mentioned e-forms due for the FY 2020-21 can be filed by the Companies without payment of any additional fees upto:
  (a) For e-forms- AOC-4, AOC-4 CFS, AOC-4 XBRL, AOC-4 Non-XBRL upto 15.02.2022;
  (b) for e-forms- MGT-7/7A upto 28.02.2022;

  [General Circular No. 22/2021 dtd 29th Dec 2021]

SEBI:

SEBI Circular:

- Registered intermediaries should ensure that accounts are not opened in the name of anyone whose name appears in updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc.

  [Implementation of Section 51A of UAPA,1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Amendment of 62 Entries on Its Sanctions List]
- Order or Notices under the Acts and Rules of SEBI can also be issued by way of electronic instant messaging services along with electronic mail or registered post. Such electronic messaging services along with electronic mail shall be digitally signed by competent authority. In case if such mail bounce it will not be considered as valid service. This shall be applicable for following rules:-
  a. Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995
  b. Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005
  c. Depositories (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005

  [Notification No. G.S.R. 919(E), dated 31st December, 2021],
  [Notification No. G.S.R. 931(E), dated 31st December, 2021],
  [Notification No. G.S.R. 932(E), dated 31st December, 2021]

- In case of Schemes of Arrangement by Listed Entities, No objection Certificate from lending scheduled commercial banks/ financial institutions/ debenture trustee shall be submitted to court before submission of No objection letter from SEBI.

  [Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/003, Dated 3rd January 2022]

- Investors can lodge their complaints through online mechanisms through SCORES portal and SCORES mobile application for effective redressal of grievances.

  [SEBI/HO/MRD1/MRD1_ICC1/P/CIR/2022/05 dated 05-01-2022]

- SEBI has prescribed following guidelines for trading in Options on Commodity Futures with relating to option exercise mechanism as follows:-

  a. All In the money (ITM) option contracts shall be exercised automatically, unless 'contrary instruction' has been given by long position holders of such contracts for not doing so.

  b. All Out of the money (OTM) option contracts shall expire worthless

  c. All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.

  This has been done to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

  [Circular.No. SEBI/HO/CDMRD/DNP/CIR/P/2022/01 Dated 3rd January 2022.]

- In order to facilitate investor awareness about various activities which an investor deals with such as opening of account, KYC and in person verification, complaint resolution, issuance of contract notes and various statements, process for dematerialization/ rematerialization etc., SEBI, in consultation with the market participants, has prepared an Investor Charter for Stock Brokers inter-alia detailing the services provided to Investors, Rights of Investors, various activities of Stock Brokers with timelines, DOs and DON'Ts for Investors and Grievance Redressal Mechanism.

  [Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/676 Dated 2nd Dec 2021]

- In order to facilitate investor awareness about various activities where an investor has to deal with Debenture Trustees (DTs) for availing various services, SEBI has developed an Investor Charter for DTs, inter-alia detailing the services provided to Investors, timelines for various DT services provided, Rights and Obligations of Investors and Grievance Redressal Mechanism.

  [SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/675 dated 30th Nov 2021]

- In order to enhance transparency pertaining to debt investments by Portfolio Management Services (PMS) in Corporate Bonds (CBs) and to increase liquidity on exchange platform, it is decided as under:

  i. On a monthly basis, PMS shall undertake at least 10% of their total secondary market trades by value in CBs in that month by placing/seeking quotes through one-to-one (OTO) or one-to-many (OTM) mode on the Request for Quote platform of stock exchanges (RFQ).

  ii. In order to ensure compliance with the abovementioned 10 percent requirement, PMS shall consider the trades executed by value through OTO or OTM mode of RFQ with respect to the total secondary market trades in CBs, during the current month and immediate preceding two months on a rolling basis.

  iii. All transactions in CBs wherein PMS is on both sides of the trade shall be executed through RFQ in OTO mode. However, any transaction entered by PMS in CBs in OTM mode which gets executed with another PMS, shall be counted in OTM mode.

  iv. PMS are permitted to accept the Contract Note from the stock brokers for transactions carried out in OTO and OTM modes of RFQ.

  [CIRCULAR No. SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2021/678 | Dated: 9th Dec 2021]

SEBI Press Release:

- SEBI has constituted 'Advisory Committee for Leveraging Regulatory & Technology Solutions' to guide them in enhancing technological capabilities and exploring new solutions for early detection of market anomalies. ***[Press Release No. 35/2021 dtd 14th Dec 2021]***
- Transaction in Corporate Bonds through Request for Quote platform i.e. one-to-one (OTO) or one-to-many (OTM) mode by Portfolio Management Services (PMS). ***[CIRCULAR No. SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2021/678 dtd. 09.12.2021]***
- Publishing Investor Charter and disclosure of Investor Complaints by Mutual funds on their websites and AMFI website. ***[Circular No. SEBI/HO/IMD-II/IMD-II_DOF10/P/CIR/2021/00677 dtd 10th Dec 2021]***

Insolvency and Bankruptcy:

- No New Notification, Circular

Other:

- Revised user charges for SEZ-Online services are notified & to be effective from 15.11.2021 ***[Circular No. K-43014(22)/32/2020-SEZ]***
- Outsourcing of work by An IRP/RP is violation of Insolvency & Bankruptcy Board of India (IBC), 2016. ***[Order No. IBBI/DC/80/2021 dtd 09th Dec 2021]***
- RBI kept repo and reverse repo rate unchanged at 4 & 3.35 per cent ***[Press Release: 2021-2022/1322 dtd 08.12.2021]***
- All imported consignments of cinnamon will get tested for coumarin content (on dry basis) ensuring it is not

be more than 0.3 percent by weight. ***[Instruction No. 28/2021-Customs dtd 09th Dec 2021]***

- JNCH has amended the procedure for re-sealing of containers with broken/absence/mismatch of seal including tampered seal to be followed at Port Terminals.

  [Public Notice No. 101/2021 dtd.09th Dec 2021]

- International Financial Services Insurance Intermediary offices (IIIO) shall submit a paid-up capital and net-worth certificate issued by its statutory auditor, a practicing Chartered Accountant in India, a practicing Company Secretary in India, a practicing Cost Accountant in India or any other person with appropriate qualification, as specified by the Authority, on Half-yearly basis to authority.

  An insurance intermediary shall furnish a certificate by a practicing Chartered Accountant in India, a practicing Company Secretary in India, a practicing Cost Accountant in India or any other person with appropriate qualification, along with the audited accounts, confirming compliance with these regulations.

  And such certificates shall confirm that all applicable regulatory requirements have been complied by applicant.

  [Notification IFSCA/2021-22/GN/REG020, dated 4th January, 2022]

How to Face the Interview

– Prabhneet Kaur Chhatwal
Finance Process Analyst,
Accenture Solutions Private Ltd.

The big tip i would have for students preparing for campus interview is to stay true to your own study habits. It's no secret that all of us get anxious before giving an interview, however your confidence boosts up when you prepare for the interview well .What you are looking for determines what you find. What you are expecting determines what you experience.

With the virtual world changing the dynamics of the workplace, digital interviews have become common. Etiquette around an online interview is different from both in-person and online interviews. Although there are a few things common when it comes to preparing for them.

- How to ace a job interview starts with being enthusiastic! The saying goes "It's not what you say, it's how you say it"
- Prepare concise summary of every topics. The added value of this summary is to act as a trigger for the detailed flow of information.
- There's nearly unlimited access to information about most companies online. Go through each requirement listed in the job posting and develop an answer for how you meet that specific requirement.
- You should know your CV like the back of your hand. You should be able to answer questions and give specific details about any point that are on your resume
- Don't forget to dress your best even for an online interview as it can help boost your abstract thinking and give you a broader perspective, which are certainly important qualities to demonstrate in your interview.

In my experience, the one thing that really helped me ace my interview was to have a positive and optimistic mind-set and believe that the time that i have is enough, provided that i plan it well. Therefore, what it comes down to is 'Planning'. When you make an effort and get the results you want, you feel on the top of the world. So decide what to do, commit to getting it done, and you will definitely reach your goal.

Dream big, stay positive, work hard and enjoy the journey.

CHAPTER NEWS

AHMEDABAD

Power Point Presentation Competition

To enhance the soft skills amongst students and to develop the art of public speaking Chapter organized a "Power Point Presentation Competition" for the students of School/ College of Ahmedabad on 01/01/2022. More than 45 Schools/ Colleges participated in the competition. Following are the winner of the competition.

Abhishek Jadwani - JG Institute of Business Administration (1st prize winner)

Prerna Shah - H A College of Commerce (2nd prize winner)

Kishan Trivedi - CC Sheth College of Commerce (3rd prize winner)

The winners were motivated by Prize & memento and participations were motivated by a certificate.

English Speaking and Communication Skill Development program

Chapter organized online English speaking and communication skill development program during 04/01/2022 to 12/01/2022 for students and members.

The Knowledge Series of English Speaking and Communication Skill Development were inaugurated by CMA Malhar Dalwadi, Chairman of Ahmedabad Chapter. Large number of students and members participated in the various sessions of the program. The program was much more useful to the students and it was well appreciated by the members also.

Semi-final & final cricket match & Women cricket match – 09/01/2022

CMA Cricket League 2021-22 Tournament organized by Chapter at Ahmedabad Education Society, HL Commerce College, Ahmedabad on 25/12/2021 and 26/12/2021, In which eight teams were included in two groups.

The tournament was inaugurated by CMA Ashish Bhavsar-RCM, WIRC and CMA Malhar Dalwadi, Chairman of chapter. Members and students happily participated in this tournament. Semi-final and final matches of the tournament and Women's League matches played on 09/01/2022 where, In the final Vedant Volcanos is the winner and Ice-Make Hitters as the runner-up and Intas Incredible team became as the second runner-up. The Ice-Make Igniters won the Women's Tournament. The tournament was concluded by CMA Malhar Dalwadi-Chairman and CMA Kushal Desai-Chairman, Sports Committee.

Career Counselling Activities

During the month of Jan 2022, Chapter has done promotional activities for CMA course. As part of Career counseling activity, Oral Coaching Committee Team met more than 75 principals of different schools, Colleges, universities and owner of Private classes.

Other Activities :

Chapter is glad to inform you that Sterling Accuris - a diagnostics Centre has kindly agreed to offer a Special Discount to all Members, Students, Staff members and their Immediate Families of Ahmedabad Chapter. Effective Date of MOU is 1st Jan'2022 onwards. The objective of this MoU is to provide better and concessional rate medical laboratory testing facilities to CMA Fraternity and their immediate family member. Sterling Accuris Diagnostics Centre will collect the samples directly from patient for investigation and send to their laboratory. This MOU is covered all centers located at Gujarat, Jodhpur and Delhi.

BARODA

Inauguration of Oral Coaching Classes

89th Session of Oral Coaching classes for Intermediate Group II was inaugurated on 1st January 22 thru virtual mode between 6 pm to 7 pm.

Special Student orientation program

Chapter conducted Special Student orientation program. CMA Kartik Vasavada-Chairman, Baroda Chapter gave opening speech. CMA Darshana Oza-Member, Students committee brief about Oral coaching classes. CMA Hardik Diwanji Immediate Past Chairman of Baroda Chapter narrated scope of CMAs in Industry. CMA Hirav Shah-Practicing CMA explained Scope in Practice. Approximately 60 students attended the program.

KOLHAPUR-SANGLI

Career Counseling Programme

Career Counseling Programme was organised on 30th December 2021 at the Willingdon College, Sangli for graduate and postgraduate students of the college. It was conducted for two hour, and almost 150 students attended the program. CMA P. T. Kumbhar – Chairman of Kolhapur-Sangli Chapter explained about CMA admissions process and the opportunities and avenues of practice areas available to CMA candidate. He also explained how the CMA is important for getting jobs in this competitive market.

Dr. Tamhankar Principal of the College and Dr. Bapat, HOD Maths Dept. were present along with their associate professors during the programme.

NAVI MUMBAI

CEP on NBFC Sector - Overview of New Regulations

Chapter organised Webinar on "NBFC Sector - Overview of New Regulations" on 23rd January 2022 via Google Meet app. The speaker for this event was CMA Vaidyanathan Iyer, PCMA & Chairman of Navi Mumbai Chapter.

CMA Vivek Bhalerao, PD Committee Chairman of the Chapter welcomed the audience and introduced the speaker and spoke on the impact of new regulations in the NBFC Sector.

The speaker explained the various categories of NBFCs, current Regulations, Compliances, new regulations namely Scale Based Regulatory Framework, PCA Framework, Risk Based Internal Audit (RBIA) for NBFCs, ARCs and the transition methodology of the NBFC Sector from the existing set-up to the new regime.

A large number of professionals & students participated in the programme. CMA L Prakash Past Chairman of the Chapter proposed vote of thanks

PIMPRI-CHINCHWAD-AKURDI

Webinar on Extract-Transform-Load (ETL) & Advanced Techniques of Business Intelligence Software

Chapter conducted webinar jointly with WIRC on 'Extract-Transform-Load (ETL) & Advanced Techniques of Business Intelligence Software' on 1st January 2022. CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter was welcomed and introduced the speaker Shri. Suryakant More, Proprietor – Soft More Enterprises, Kolhapur.

CMA Dinesh Kumar Birla, Chairman – WIRC of The ICAI and CMA Harshad Deshpande, Chairman – P D Committee, WIRC of ICAI addressed the participants.

Webinar on Overview of Indian Economy

Chapter conducted webinar on 'Overview of Indian Economy' on 15th January 2022. CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter was welcomed and introduced the speaker CA Ashish Choraria. CA Ashish Choraria in his speech started with global globs story about Indian Economy. He focused on the various aspects on the Global Economy. Also spoke on Taxes in India, Poverty and Unemployment, Number of People under Poverty Line, Unemployment Rate. He briefed on the topics Foreign Reserves, Per Capita Income and Debt., GNI per Capita, PPP (Current International $), India Vs China & Pakistan etc. CMA Hanif Shaikh, Senior Faculty gave the vote of thanks.

Webinar on IPO – The Talk of the Town

Chapter conducted webinar on 'IPO – The Talk of the Town' on 22nd January 2022.

CMA Pradeep Deshpande, Vice-Chairman of PCA Chapter was welcomed the participants & speaker. CMA Jayant Hampiholi, Past Chairman of PCA Chapter was introduced the speaker CS CMA B. Renganathan, General Counsel, Emcure Pharmaceuticals Ltd.

CMA B. Renganathan in his speech highlighted on why IPO is required and both the issue of the Fund Raiser and Investors. He talked on basic things on IPO. He briefed on the IPO journey in 2021. He then highlighted on Capital Market, Primary Market Then he pointed on essentials of IPO.

PUNE

Webinar on "Energy Transition / Electric Mobility / Hydrogen Economy"

Chapter arranged Webinar on "Energy Transition / Electric Mobility / Hydrogen Economy" on 24th December 2021. CMA Chandrashekar Chincholkar was Speaker for the Webinar.

CMA Rahul Chincholkar, Managing Committee Member of Chapter welcomed & introduced the Speaker to the participants. CMA Chandrashekar Chincholkar discussed about various aspect like Need for Energy Transition, Power Generation & other alternative technologies & its impact on economy etc. CMA Shrikant Ippalpalli, Member of Chapter delivered vote of thanks.

MOU Agreement

- To extend academic co-operation between Pune Chapter & St. Mira's College for Girls, MOU was signed on 4th January 2022 specifically in the domain of Cost Accounting, Management Accounting, Financial Management, and other related areas and to stimulate and facilitate the development of collaborative and mutually beneficial programs, which will serve to enhance the intellectual level and cultural development in both organizations.

  CMA Prasad Joshi, Chairman signed the MOU Agreement with Dr. Jaya Rajagopalan, Principal, St. Mira's College for Girls, Pune. CMA Neeraj Joshi, Central Council Member, ICAI, joined the meeting through online mode. CMA Chaitanya Mohrir, RCM, WIRC, CMA Abhay Deodhar, Managing Committee Member, CMA Meena Vaidya, Advisor, CMA Nilesh Kekan, Treasurer, Ms. Elizabeth Kanade, HOD, Dept. of Accountancy Dr. Dimple Buche, Faculty, Dept. of Accountancy present at this occasion.

- MOU Agreement was signed on 5th January 2022 to extend academic co-operation between ICAI-Pune Chapter & MES Garware College of Commerce (Autonomous), Karve Road, Pune. CMA Prasad Joshi, Chairman, signed the MOU Agreement with Dr. Geeta Acharya Officiating, Principal, MES Garware College of Commerce (Autonomous), Pune. CMA Neeraj Joshi, Central Council Member, ICAI, CMA Chaitanya Mohrir, RCM-WIRC, CMA Meena Vaidya, Advisor, CMA N K Nimkar, Advisor, Pune Chapter, CMA Smita Kulkarni, Vice-Chairperson, CMA Abhay Deodhar, Managing Committee Member, CMA Nagesh Bhagane, Secretary, CMA Nilesh Kekan, Treasurer, Pune Chapter were present at this occasion. CA (Dr.) Sudam Ghongate Patil, Vice-Principal, Dr. Ganesh Patare, Assistant Professor were present at this time.

Visit by Team of Kaveri College of Arts, Science & Commerce

On 6th January 2022 to extend academic co-operation, Team of Kaveri College of Arts, Science & Commerce visited to CMA Bhawan, ICAI-Pune Chapter. Dr. Deepa Sathe, HOD, Commerce & Head of Kaveri skills development Placement Cell and Ms. Pooja Ambole, Asstt. Professor, Kaveri College of Arts, Science & Commerce. CMA Meena Vaidya, CMA N K Nimkar, Advisor, ICAI-Pune Chapter, CMA Abhay Deodhar, Managing Committee Member,ICAI-Pune Chapter, CMA Nagesh Bhagane, Secretary, CMA Nilesh Kekan, Treasurer, ICAI-Pune Chapter coordinated with Kaveri College Team.

Webinar on Classification of Goods under Customs and GST: detailed methodology

Chapter organized Webinar on Classification of Goods under Customs and GST: detailed methodology on 7th January 2022. CA Vinita Shah was speaker for the Webinar.

CMA Nagesh Bhagane, Secretary, Pune Chapter, welcomed & introduced the Speaker. CA Vinita Shah discussed on various rules regarding Classification of Goods under Customs and GST: detailed methodology. CMA Shrikant Ippalpalli, Member of ICAI-Pune Chapter delivered vote of thanks.

Guidance Session

Chapter organized a "Guidance Session" for Foundation passed students for "Preparation for Intermediate examination, Syllabus of Intermediate and Future for CMA", on 22nd January 2022 on online mode. CMA Amit Shahane was Speaker for the Guidance Session.

CMA Nilesh Kekan, Treasurer & Chairman student's coordination committee of Pune Chapter congratulated the successful students in Foundation examination. He explained about formation & operation of ICAI in brief to participants. CMA Abhay Deodhar, Member of ICAI-Pune Chapter, explained the role of CMA in industry, budgetary system in companies, calculation of profit & loss etc. CMA Shrikant Ippalpalli, Member of ICAI-Pune Chapter guide the participants about the scope to CMAs in practice, monthly review systems in companies etc. CMA Amit Shahane, speaker for the session gave information about Intermediate syllabus & preparation for exam. CMA Rahul Chincholkar, Member of ICAI Pune Chapter explained the scope for CMAs in area of GST & importance of CMA Course. Session was concluded by vote of thanks.

SURAT - SOUTH GUJARAT

CMA Surat Cricket Meet

Chapter organized a CMA Surat Cricket Meet on 6th January 2022 at C.B. Patel Cricket Academy- Box Cricket for CMA members and Students. Around 60 members and students participated in the tournament bringing about 8 teams of 7 players. In presentation ceremony CMA Nanty Shah- Chairman, CMA Mahesh Bhalala, Secretary and CMA Kishor Vaghela, Treasurer gave a participation certificate to all participants and awarded best baller to Preet Ghevariya – Foundation student and best batsman to Krish Bharotiya – Intermediate Student, continued by runner up team and winning team awards.

Annual Prize Distribution for Foundation Passed Students

Chapter organized Annual Prize Distribution Program for Foundation passed Students at the Chapter's campus, on 7th January 2022. CMA Nanty Shah – Chairman, CMA Mahesh Bhalala, Secretar, CMA Kishor Vaghela, Treasurer, CMA Bharat Savani, Immediate Past Chairman awarded all the Foundation passed out students for June 2019, Dec 2019, June 2020, Dec 2020 and June 2021 term, with trophy.

CEP Seminar & Annual Prize Distribution for Inter and Final passed students

Chapter-ICAI conducted an Annual Prize Distribution for Intermediate and Final passed students and a CEP session. Chief Guest for the program was CMA Amit Apte – Former President of ICAI and the Guest of Honours were CMA (Dr.) Ashish Thatte, CCM & CMA Neeraj Joshi, CCM, and CMA Manubhai Desai- Former Chairman as a Special Guest. Managing committee members of Surat South Gujarat Chapter along with the Chief Guest and Guest of Honours awarded all Intermediate and Final passed outs and Rank Holders for June 2019, Dec 2019, Dec2020 term with a trophy. CMA Brijesh Mali, Past Chairman proposed a formal vote of Thanks.

On the occasion CEP was also organised by Chapter. The topics were "Scope of CMAs under Corporate Law" by IP CMA (Dr.) Ashish Thatte, and "Use of Management Accounting Techniques in Corporates" by CMA Neeraj Joshi. CMA Kishor Vaghela- Treasurer of the Chapter gave a formal Welcome Address to the Dignitaries. CMA Nanty Shah, Chairman proposed Vote of Thanks.

CMA Surat Members Meet with Family

Chapter organized "CMA Surat Members Meet" on 8th January 2022. CMA Nanty Shah- Chairman, CMA Keval Shah- Vice Chairman, CMA Mahesh Bhalala- Secretary, CMA Kishor Vaghela- Treasurer, CMA Bharat Savani- Immediate Past Chairman, CMA Brijesh Mali- Former Chairman, CMA K.C. Gupta- MC Member and CMA Pankaj Kannaujiya – MC Member hosted a family dinner for Surat CMA members and their families at Vishala Garden Restraunt, Causeway, Surat. Chief Guest for the program was CMA Amit Apte – Former President of ICAI and the Guest of Honours were IP CMA (Dr.) Ashish Thatte, CCM and CMA Neeraj Joshi, CCM. It was a fun filled evening to remember with games and gifts for the families. The managing committee appreciated and thanked the members for their valuable presence

Press Meet for Foundation Result

Chapter hosted a Press Meet at the Chapter's premises on 18th January 2022. CMA Bhanwar Lal Gurjar, Vice Chairman, CMA Bharat Savani, Immediate Past Chairman joined the Meet. The Press Meet was being held for the declaration of the Foundation Results for Dec 2021 term held in January 2022. The Results Highlights are as follows:

103 Students appeared for exam out of which 92 Passed. Total Pass Percentage for foundation from Surat Chapter was 89.32%.

CMA Utkarsh Swadia, Jury for PPP Competition is being felicitated by CMA Malhar Dalwadi, Chairman of Ahmedabad Chapter during PPP Competition organized by Ahmedabad Chapter on 1st January 2022

Winners of CMA Cricket League 2021-22 Tournament organized by Ahmedabad Chapter

Managing Committee Members of Surat South Gujarat Chapter with the Chief Guest and Guest of Honours during Annual Prize Distribution Function organised by Surat South Gujarat Chapter.

CMA Nanty Shah – Chairman, CMA Mahesh Bhalala- Secretary & CMA Kishor Vaghela, Treasurer of Surat South Gujarat Chapter with the Box cricket Participants.

Representatives of MES Garware College of Commerce (Autonomous) & ICAI-Pune Chapter with CMA Neeraj Joshi, CCM, ICAI, CMA Chaitanya Mohrir, RCM, ICAI-WIRC on occasion of MOU Agreement.

CMA P. T. Kumbhar – Chairman of Kolhapur- Sangli Chapter alogwith Team of Willingdon College, Sangli during CMA Career Counseling Programme

CMA Unmesh Narvekar addressing the participants during CEP on Discussion on Union Budget 2022 organised by WIRC at Thane SMFC on 6th Feb. 2022

CMA Prashant Murkar addressing the participants during CEP on Discussion on Union Budget 2022 organised by WIRC at Thane SMFC on 6th Feb. 2022

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Theme for March 2022

Theme for March 2022 is **An insight to Production linked Incentive Scheme (PLI)**

Articles on the theme as well as other professional matters are invited along with scanned copies of their recent passport size photograph, email id, mobile no and scanned copy of declaration stating that the articles are their own original and have not been considered for anywhere else.

Please send your articles by e-mail to wirc.admin@icmai.in before 25th February 2022.

Theme for April 2022

International Trade-Need for Competitiveness & Expectation of Exporters

To,

If undelivered please return to:
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