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Structural reforms - Telecom sector - Reforms 2.0

Inside Bulletin

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

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Shri Nawab Malik, Honorable Minister for Skill Development and Entrepreneurship, Govenment of Maharashtra, alongwith CCMs and Past Presidents of the Institute and other officials during Memorandum of Understanding (MOU) signed between the Institute of Cost Accountants of India and Maharashtra State Skill Development Society (MSSDS), Government of Maharashtra on 7th September 2021 at Sahyadri State Guest House, Mumbai

Glimpses of Felicitation Function organised by WIRC for Final passed students on 3rd September 2021

Foundation passed students on 30th September 2021

FROM THE DESK OF CHAIRMAN

Dear Professional Colleagues,

Chanakya Neeti Says
"Nothing is impossible for a determined person"

June – October 2021 exams have been merged with December 2021 exams. Exam schedule has been declared for December Term & students can now fully concentrate on their studies and I wish them best of luck. They should be determined to come out with flying colours. "Don't stress, do your best, forget the rest." My Best Wishes to all students appearing the Examination in December 2021.

Our Institute has signed an MOU with Maharashtra State Skill Development Society (MSSDS) which comes under Maharashtra Skill Development, Ministry for NSQF Aligned Course Accounts Executive, under BFSI Sector Skills Council on 7th September 2021. Currently 350 Hrs. Course to be delivered across Maharashtra. There is a target to train 3 Lakh students in the next 3 years. Honourable Minister Shri Nawab Malik, Government of Maharashtra along with Central Council Members CMA H. Padmanabhan CCM & Chairman of CAT Committee and Past Presidents CMA Rakesh Singh & CMA Dr. Balwinder Singh & Central Council Members CMA Dr. Ashish Thatte, & CMA Neeraj D. Joshi, were present during the occasion.

Upon WIRC representations SMART MH has included CMA in Tender Eligibility for preparation of Full Project Proposals (FPP) for The Community Based Organizations (CBOs) who are primarily Farmer Producers Companies (FPC). All Practicing Cost & Management Accountants can apply to this tender before Oct. 30 for being empanelled.

Government has approved major reforms in Telecom Sector during this month and with these measures it is looking to boost 4G Proliferations, infuse liquidity and create an enabling environment for investment in 5G Networks. Our current Theme for Bulletin is also based on these current reforms.

On 27th September 2021 MCA has announced extension for adoption of Cost Accounting Records up to 31st October 2021 vide General Circular no. 15/2021 and the same would not be viewed as violation of the Rule 6(5) of the Companies (Cost Records & Audit) Rules, 2014. Our Institute has also extended the time limit for generation of UDIN from 15 days to 60 days vide Ref. No.: G/128/09/2021 dated 28th September 2021.

I am happy to inform you that CMA Arindam Goswami, Regional Council Member, will be the New Editor of our WIRC Bulletin from current month onwards and am sure under his leadership the quality and acceptance of WIRC Bulletin will improve further. I am also thankful to CMA Ashish Bhavsar, outgoing Editor of WIRC Bulletin for his commendable job.

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

- Webinar on General Data Protection Regulation (GDPR) and Data Privacy in India on 17th September 2021. Adv. C. J. Joveson, Adv., Hon'ble Supreme Court was the speaker.
- Webinar on Revisiting the Essence of Cost Accounting & Systems on 18th September 2021. CMA Pramod Ralkar, CEO, MSYS DOT EXE was the speaker. This was organized jointly with Bhopal Chapter.
- Webinar on Related Party Transactions-Inception to Disclosures on 24th September 2021. CMA CS Susheela Maheshwari, Company Secretary & Legal Head, Panasonic was the speaker.

- Webinar on Third Party Risk Management on 25th September 2021. Mr. Ajay C. Bhayani, Director Security for Ambi-Sure Technologies Pvt Ltd. was the speaker.
- Webinar on Advanced Excel for Management Accountants (Program under Empowering Young CMA) jointly with The ICAI Nasik-Ojhar Chapter was organized on 3rd October 2021. CMA Dhananjay Jadhav, General Manager-Sula Vineyards Pvt. Ltd. was the speaker.
- Webinar on Production Linked Incentives Scheme on 5th October 2021. CMA Vaidyanathan Iyer, CFO with 23 years' experience in various stints in Shriram Group, Fedex Group, Fluid Controls, Hansavision, Iris Business etc. was the speaker.
- Felicitation Function to Foundation Pass Students, in September 2021 Examination at Mumbai Centers was organized on 30th September 2021. Good number of students attended this function.
- Career Guidance Lecture (virtual mode) for the students of Shree Damodar College of Commerce & Economics and Department of Commerce & Fr. Angel College Alumni Association, Goa on 23rd September 2021 and 1st October 2021 was respectively guided by CMA Binoy Thomas to the students.

I request all Members to encourage your qualified eligible Employees, taking membership of the Institute. New members add strength, passion and more dynamism to the Institute. Associate members can use the CMA prefix before their names and also, they are eligible to receive The Management Accountant Journal and WIRC Bulletin free of cost. I am sure you will encourage your CMAs around you to get the membership of the Institute.

Look forward to your suggestions to improve the quality services of WIRC. Let us continue to maintain hygiene and good health by continuing to wear masks & hand sanitizing and also ensure social distancing.

Stay safe, Stay healthy.

I wish happy Navratri, Durgashtami, Dusshera & Eid-e-Milad to all the Members and the Students.

With Best Wishes,

CMA Dinesh Kumar Birla
Chairman, ICAI-WIRC

- *"Live as if you were to die tomorrow; learn as if you were to live forever."*
- *"Happiness is when what you think, what you say, and what you do are in harmony."*
- *"An eye for eye only ends up making the whole world blind."*
- *"First they ignore you, then they laugh at you, then they fight you, then you win."*
- *"The best way to find yourself is to lose yourself in the service of others."*
- *"Strength does not come from physical capacity. It comes from an indomitable will."*
- *"You must not lose faith in humanity. Humanity is an ocean; if a few drops of the ocean are dirty, the ocean does not become dirty."*
- *"A man is but the product of his thoughts, what he thinks, he becomes."*

— Mahatma Gandhi

FROM DESK OF CHIEF EDITOR

My Dear Professional colleagues,

"Fill the Brain with high thoughts, highest ideals;
Place them day and night before you;
And out of that will come, great work.

— Swami Vivekananda

I hope you and your family members are safe during this global pandemic of the Novel Coronavirus COVID2019. It has disrupted social & business activities worldwide.

India Govt. has done a remarkable job of Vaccination boosting drive covering all districts and villages and a significant population has been vaccinated in India and we can see from the current numbers the Covid 19 pandemic is reducing day by day and hope we can look for Covid free India soon.

Now the pandemic is receding and the Economy is back to up move. I request all the members and students' community work hard and help the Govt. to achieve the goal of 5 trillion economy. Post Covid India has made remarkable turnaround and it can be visible from the GST data for the current month.

I am very much privileged to inform you that recently I taken the responsibility as the Editor of WIRC Bulletin and with a new team of colleges. I am thankful to all my Council colleagues for putting faith on me to chair Editorial Board.

We had chosen the theme of the October month – "Structural Reform - Telecom Sector-Reforms 2.0". I on behalf of the WIRC, extend my heartfelt thanks to my well-wishers, those have contributed for release of the Bulletin.

Theme for November'2021 will be CMA's Role in Forensic Audit -Financing the growth of Indian Economy

Theme for December'2021 will be Looking Beyond Pandemic-Financing the growth of Indian Economy

India is one of the biggest consumers of data worldwide. As per TRAI average wireless data usage data per wireless usage subscriber was 11 GB per month in the financial year 2020, which is expected to reach 18GB by 2024. India stood at the world's second-largest telecommunications market. The total subscriber base in the country stood at 1,203.47 million in April 2021.

It is expected, over the next five years, rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India, creating opportunities for new businesses.

Further, the liberal and reformist policies of the Government of India have been instrumental along with strong consumer demand in the rapid growth in the Indian telecom sector. The Government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework that has ensured availability of telecom services to consumer at affordable prices. The deregulation of Foreign Direct Investment (FDI) norms have made the sector one of the fastest growing and the top five employment opportunity generator in the country.

Further, the Companies Cost Audit and Record Rules, 2014 mandates Telecom Companies involved in "Telecommunication services made available to users by means of any transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature and regulated by the Telecom Regulatory Authority of India under the Telecom Regulatory Authority of India Act, 1997 (24 of 1997); including activities that requires authorization or license issued by the Department of Telecommunications, Government of India under Indian Telegraph Act, 1885 (13 of 1885),to maintain the Cost records and get the Cost Accounts Audited.

While conducting cost Audit and other Audits in Telecom Sectors, we can advise the company the following savings other than what mandates statutorily.

- Misapplication of contract
- Misapplication of Tariff
- Double billing
- Incorrect application of surcharges
- Billing for disconnected lines
- Incorrect tax
- Non-removal of charges
- Cramming
- Slamming
- Discounts not received or misapplied
- Contract rate
- Incorrect usage of lines/equipment and so on.

We are introducing Tax corner from this month onwards in Bulletin. It will Cover recent amendments in various tax laws and important judicial pronouncements. This bulletin consist of number of excellent articles and we appeal to members to contribute to this bulletin by way of sharing articles on Management Accountancy, Taxation, Govt Schemes, etc.

Hope, you will enjoy this Bulletin with the contribution of our esteemed resource persons. Your suggestion indeed will support us for adding value in each bulletin.

I wish you all happy Nabaratri, Durgapuja, Garba Festival and Dussehra.

With sincere regards,

CMA Arindam Goswami
Chairman, Editorial Board

Theme for November 2021

Theme for November 2021 is **Forensic Audit - Financing the growth of Indian Economy.**

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 18th October 2021.**

Theme for December 2021

Looking Beyond Pandemic-Financing the growth of Indian Economy

Pls. Note the final decision to consider Article/Paper is left with Chairman – Editorial Board.

Structural Reforms 2021- Telecom Sector

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Objectives:

- ❖ **Telecom Reforms to boost employment, Sectoral growth, competition, and consumer interests**
- ❖ **Addressing Liquidity needs of Telecom Service Providers**

Overview:

India's digital economy has entered a phase of exponential growth with digital solutions contributing to fast and inclusive growth by bringing more and more people online. India has the potential to become one of the biggest digital ecosystems in the world as the country moves towards achieving the $5 trillion GDP goal set by the government.

Next-generation telecom networks with technologies such as 5G will be the spine that will support India's digital ecosystem and spur economic growth. Healthy telecom industry will also spur innovation and investments in allied industries like network equipment, smartphones, data centers, etc. and help create large number of jobs and contribute to India's Atmanirbhar vision.

In the backdrop of the outstanding performance of the Telecom Sector in facing COVID-19 challenges, with huge surge in data consumption, online education, work from home, interpersonal connect through social media, virtual meetings etc., the Reform measures will further boost the proliferation and penetration of broadband and telecom connectivity.

The Union Cabinet approved 9 structural and 5 process reforms in the Telecom sector.

These are expected to protect and generate employment opportunities, promote healthy competition, protect interests of consumers, infuse liquidity, encourage investment, and reduce regulatory burden on Telecom Service Providers (TSPs).

The Cabinet decision reinforces the central government's vision of a robust Telecom Sector. With competition and customer choice, antyodaya for inclusive development and bringing the marginalized areas into the mainstream and universal broadband access to connect the unconnected. The package is also expected to boost 4G proliferation, infuse liquidity and create an enabling environment for investment in 5G networks.

Adjusted gross revenue (AGR) definition has been rationalized to exclude non-telecom revenues prospectively and 4-year moratorium on telecom dues was approved as well.

For all the telecom service providers (TSPs), cabinet approved moratorium/deferment of up to 4 years in annual payments of dues arising out of the AGR judgement, by protecting the Net Present Value (NPV) of the due amounts being protected.

Measures of Structural Reforms

1. Rationalization of Adjusted Gross Revenue: Non-telecom revenue will be excluded on prospective basis from the definition of AGR.
2. Bank Guarantees (BGs) rationalized: Huge reduction in BG requirements (80%) against License Fee (LF) and other similar Levies. No requirements for multiple BGs in different Licensed Service Areas (LSAs) regions in the country. Instead, One BG will be enough.
3. Interest rates rationalized/ Penalties removed: From 1st October 2021, Delayed payments of License Fee (LF)/ Spectrum Usage Charge (SUC) will attract interest rate of SBI's MCLR plus 2% instead of MCLR plus 4%; interest compounded annually instead of monthly; penalty and interest on penalty removed.
4. For Auctions held henceforth, no BGs will be required to secure instalment payments. Industry has matured and the past practice of BG is no longer required.
5. Spectrum Tenure: In future Auctions, tenure of spectrum increased from 20 to 30 years.
6. Surrender of spectrum will be permitted after 10 years for spectrum acquired in the future auctions.
7. No Spectrum Usage Charge (SUC) for spectrum acquired in future spectrum auctions.
8. Spectrum sharing encouraged- additional SUC of 0.5% for spectrum sharing removed.
9. To encourage investment, 100% Foreign Direct Investment (FDI) under automatic route permitted in Telecom Sector. All safeguards will apply.

Procedural Reforms

1. Auction calendar fixed - Spectrum auctions to be normally held in the last quarter of every financial year.
2. Ease of doing business promoted - cumbersome

requirement of licenses under 1953 Customs Notification for wireless equipment removed. Replaced with self-declaration.

3. Know Your Customers (KYC) reforms: Self-KYC (App based) permitted. E-KYC rate revised to only One Rupee. Shifting from Prepaid to Post-paid and vice-versa will not require fresh KYC.
4. Paper Customer Acquisition Forms (CAF) will be replaced by digital storage of data. Nearly 300-400 crore paper CAFs lying in various warehouses of TSPs will not be required. Warehouse audit of CAF will not be required.
5. SACFA clearance for telecom towers eased. DOT will accept data on a portal based on self-declaration basis. Portals of other Agencies (such as Civil Aviation) will be linked with DOT Portal.

Addressing Liquidity requirements of Telecom Service Providers

The Cabinet approved the following for all the Telecom Service Providers (TSPs):

1. Moratorium/Deferment of up to four years in annual payments of dues arising out of the AGR judgement, with however, by protecting the Net Present Value (NPV) of the due amounts being protected.
2. Moratorium/Deferment on due payments of spectrum purchased in past auctions (excluding the auction of 2021) for up to four years with NPV protected at the interest rate stipulated in the respective auctions.
3. Option to the TSPs to pay the interest amount arising due to the said deferment of payment by way of equity.
4. At the option of the Government, to convert the due amount pertaining to the said deferred payment by way of equity at the end of the Moratorium/Deferment period, guidelines for which will be finalized by the Ministry of Finance.

The above will be applicable for all TSPs and will provide relief by easing liquidity and cash flow.

This will also help various banks having substantial exposure to the Telecom sector. ■

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Ref. No.: G/128/09/2021 25th September 2021

NOTIFICATION

Sub: Merging of Intermediate and Final Examination for June and December, 2021 session.

This is for information of all concerned that it has been decided to postpone the Intermediate and Final Examination of the Institute for June, 2021 session due to unavoidable circumstances. The Intermediate and Final Examination of Institute scheduled from 21st to 28th October, 2021 stands postponed and the June, 2021 Examination stands merged with the Intermediate and Final Examination for December, 2021 session, with due carryover of all relevant benefits already available to the students including fee payment and subject wise exemption.

Examination form already submitted by the candidates/students for the Intermediate and Final Examination for June, 2021 session will remain same for the Intermediate and Final Examination to be held in December, 2021. Candidates/students need not apply again.

Candidates/students who have submitted examination application form for the Intermediate and Final Examination for June, 2021 session are allowed to change their examination centre, group(s) by making online application and can add their additional group by payment of differential examination fee in Demand Draft along with their online submitted application form to be sent to the Examination Directorate within due date for appearing in the Intermediate and Final Examination to be held in December, 2021.

Candidates/students who have not applied for the Intermediate and Final Examination for June, 2021 session may apply afresh by submitting online examination application form for December, 2021 Examination.

The examination notification and revised schedule of the examination in details will be announced soon.

CMA Kaushik Banerjee
Secretary

Structural reforms in Telecom sector

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The Indian telecommunication is now a capacious situation bracing its ties in each and every expanse of not only India but in every domain of the world. India is the world's second-largest telecommunications market with a subscriber base of 1.16 billion and is the venture of investment for the leading telecommunication companies of the world leading to the emergence of best telecom companies in the world. The department of telecommunications has tried to cater all the needs of the telecom sector in order to make India a "hub of telecommunication". Earlier telecommunication was mere a monopoly in india but with the ease of the restrictions in telecom sector it turned into oligopoly with three dominant market players namely, Reliance Jio, Bharti airtel, and Vodfone-Idea. Telecom is the second highest earner of revenue for the government of India after income tax.

On 15th of September 2021, the Indian government has decided to bring reforms in the Telecom sector being the back bone of digital vision. It's a real delight to see that government has come with a relief and administrative demand for the industry. Today there is a huge demand in the telecom sector. Before this using mobile device where only limited it was only for the purpose of communication. Today its service is catering to the demand in the field of Banking, security, entertainment, shopping, employment & even education. In this pandemic both students and teachers are communicating and online study is in progress. Even work related meetings are taking place virtually through Online. So the demand has increased. Telecom industry has also contributed in the field through generating employment.

Realizing unprecedented demand the Central Government has opted to bring some new reforms in the sector.

The Union Cabinet, chaired by the Hon. Prime Minister Shri Narendra Modi, has approved a number of structural and process reforms in the Telecom sector. These are expected to protect and generate employment opportunities, promote healthy competition, protect interests of consumers, infuse liquidity, encourage investment and reduce regulatory burden on Telecom Service Providers (TSPs).

The package is also expected to boost 4G proliferation, infuse liquidity and create an enabling environment for investment in 5G networks.

Nine structural reforms and Five procedural reforms plus relief measures for the Telecom Service Providers are as below:

Structural Reforms

1. Rationalization of Adjusted Gross Revenue (AGR): Non-telecom revenue will be excluded on prospective basis from the definition of AGR.The charges are calculated based on all the revenues earned by a telecom including non-telecom related sources such as deposit interests and asset sales. AGR is the usage and licensing fee that telecom operators are charged by the Department of telecommunications (DoT). Previously it was decided that Spectrum usage charges and licensing fees pegged between 3% to 5% and 8% respectively. It was a long pending issue & demands raised by the telecom companies.The Hon. Court has dismissed the plea of telcos seeking rectification of alleged errors in calculation of AGR.
2. Four-year Moratorium on payment of statutory dues by telecom- The Hon. Supreme court has allowed telecom companies 10 years time to pay their AGR dues to the government. Thus the Union government has decided to give time of 4 years moratorium on payment of spectrum dues. Those company opting towards the service will be required to pay interest on the amount availed under the benefit.
3. Interest rates rationalized/ Penalties removed: MCLR (Marginal Cost of Funds based lending rate) it is the lending rate below which banks are not permitted to lend. (From 1st October, 2021, Delayed payments of License Fee (LF)/Spectrum Usage Charge (SUC) will attract interest rate of SBI's MCLR plus 2% instead of MCLR plus 4%; interest compounded annually instead of monthly; penalty and interest on penalty removed.
4. Fixed Calendar for Spectrum Auction- The Union government has decided that spectrum auction will be held in the last quarter of every financial year. This move will also promote other players to participate. Spectrum auction in India is a market where the existing companies should provide best quality services where some companies are focused more in money value services.
5. Spectrum Tenure: In future Auctions, tenure of spectrum increased from 20 to 30 years. Apart from this, a telecom company will be allowed to surrender its spectrum after completing its tenure of 10 years (lock in period) from the date of purchase.
6. Know your Customer Reform- The telecom companies were already urging with the government to scrap the Aadhar based e-KYC which was considerably very high

price of Rs. 41. Application based self e-KYC will be permitted only and the rate has been revised of Rs 1 & switching from pre-paid to post paid and vice-versa will not required fresh KYC.

7. Customers Acquisition Forms to be stored digitally- Paper CAF (Customers Acquisition Forms) will be replaced by digital storage of data. Many forms are lying in office premises & warehouses of TSPs (Telecom service provider). The process has already been taking place where to acquire new sim card one is required to submit electronically. This will boost digital India campaign. SACFA (Standing Advisory Committee on Radio Frequency Allocation) clearance for telecom towers eased. DOT will accept data on a portal based on self-declaration basis. Portals of other Agencies (such as Civil Aviation) will be linked with DOT Portal. Warehouse audit of CAF will not be required. This will also promote in ease of doing business.

8. Spectrum sharing Fee- Spectrum Usage Charges (SUC) 0.5% for spectrum sharing removed. One should understand what is spectrum is a range of electromagnetic waves and when we talk about telecom spectrum, we're talking about the frequencies that are used to transmit sound and data across the country to our phones. Every telecom operator has been assigned certain portions of spectrum to use in India, through auctions and administrative allocations. Essentially, you have spectrum "bands", and frequencies around a particular band are then auctioned off.

9. 100% FDI via automatic route approved:-To encourage investment,Now that with the new reforms the government has provided relief to the telecommunication sectors by providing them 4 years moratorium on AGR dues and rationalized in the definition of AGR and allowing 100% FDI(Foreign Direct Investment) through the automatic routes.100% Foreign Direct Investment (FDI) under automatic route permitted in Telecom Sector. All safeguards will apply. Before this reforms only 49% FDI were permitted via automatic route anything above were permitted but had to go necessarily through government route. ■

Felicitation Programme

WIRC has organized a Felicitation Programme for Foundation Students of September,2021 Examination from Mumbai on 30th September, 2021 at WIRC office.

CMA Kalpesh Mody, Head –Legal, Compliance and Company Secretary and the Chief Financial Officer (CFO) at STCI Primary Dealer Limited. was the Chief Guest on 4th September for the Felicitation function for Intermediate passed students.

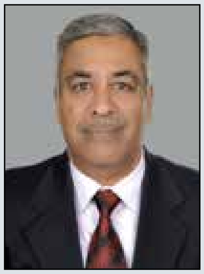
CMA Debasish Mitra, CCM, CMA Dinesh Kumar Birla, Chairman WIRC, CMA Harshad Deshpande, Immediate Past Chairman & Chairman P.D. Committee, WIRC & CMA Arindam Goswami, Chairman, Students Members Coordination Committee WIRC were present on the occasion

All the students present were felicitated by the dignitaries. Good number of students attended the programme.

Advanced to Fellow Membership (WIRC) September 2021

M.No.	NAME	CITY
8656	Sandeep Gupte	Mumbai
27459	Santosh Kumar Sahoo	Chandrapur
31832	Mrudula Ganesh Risbud	Pune
32153	Satyendra Kumar Singh	Gwalior
34988	Srilekha Mathilagath Nair	Dadra (D & N.H.)
35044	Sujith P. S.	Thiruvananthapuram
36900	Sunny Kumar Barnwal	Pune
37394	Bhushan Uttam Pagere	Nashik
38192	Praveen Kumar Thakur	Chhindwara
40847	Arifkhan Ashfak Mansuri	Nandurbar
41184	Baikunthanath Sahoo	Mumbai

Cost Management in Telecom Sector



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The Perspective

Today's telecom market is multi-faceted, complex and unpredictable. The telecoms industry is at risk of becoming a low profit business. As the telecommunications industry continues to advance at breakneck speed, its costing systems will need to keep up. Originally designed based on the properties of legacy networks, price regulations for monopolistic services have generally utilized cost models adopting various costing methodologies. The increasing deployment of IP-based fixed and mobile infrastructure in combination with the still unanswered search for data monetization have intensified the pressure on the managerial accountants to review its costing systems for both regulatory and commercial cost analysis.

The telecoms industry is at risk of becoming a low profit business. Margins are under pressure and could drop from the current figure of 35 - 40% to as low as 15% within 5 years. Cost management has to become an inherent core competence for wireless and wireline operators. Significant cost reductions are only possible with substantial changes in the business/operating model. New pressures will mean a change in mindset and the ability to 'think outside the box.

The Cost Structure of a Telecom Network

The telecom sector is characterized by very large investment costs. The precise percentage of total costs attributed to investments depends of course on the definition of investments and of telecom activities (e.g. whether research, marketing or similar activities are included). Although some sources claim investment, and investment-related costs to be as much as 90 percent of the costs of production, most estimates based on financial data, however, vary between 60 and 75 percent.

For an assessment of the cost structure's impact on market conditions, more than the level of investments in telecom is relevant. The type of investments is also important. A notable part of the investments are what economists refer to as "sunk costs". These are long term investments which can be used only for specific economic activities. An example is a fixed access network providing subscribers' access to the local exchange. This investment only has value for the supply of telecom services in this particular local area. Once the investment is made the operator can only exit this particular market at considerable costs

Telecommunication business has a number of objectives, including satisfying customers with high-quality products and services, quickly and on time; maintaining high levels of market penetration; satisfying the customers; providing a good working environment for employees; and being financially successful. The long-term financial success of any telco business depends on whether its prices exceed its costs by enough to finance growth, provide for reinvestment, and yield a satisfactory return to its stakeholders. If there are few competitors, it may be possible to simply mark up costs to establish a price that yields a sufficient profit. However, as competition increases, market forces influence prices significantly more. To achieve a sufficient margin over its costs, a telco company must manage those costs relative to the prices the market allows or the price the firm sets to achieve certain market penetration objectives. In the context of these characteristics, different costing models have evolved.

Usually, cost models were tools used by regulators to monitor and control prices for access and interconnection services which are monopolistic in nature. Over time, operators have also developed cost models to analyze their own cost structures for regulatory and business purposes. With developments in new technology, services and regulations, cost models have gradually evolved to reflect these changes. At present, the capabilities of cost models have expanded and can be used for regulatory pricing (tariff regulations), profitability analysis (pricing strategies), regulatory accounting (accounting separation), and cost optimization, amongst other purposes. The adoption of a modern and sophisticated costing system was needed to assure public opinion, including the regulators and the new operators in the market, that costs were calculated based on a rational and reliable system, and furthermore that telco company was making serious efforts to improve its performance. The following sections include five main costing models in the telecommunication, namely, traditional costing system, activity-based costing, target costing, accounting separation and costing system for next generation networks.

The problem with the Traditional Cost approaches

Given the high-technology nature of the telecommunications industry, its manufacturing overhead costs represent a significant proportion of its total costs. Many telecommunication companies have been used the traditional costing system to assign manufacturing overhead to units produced. Users of the traditional costing method make the assumption that the volume metric is the underlying driver of manufacturing overhead cost. Under traditional costing, accountants assign manufacturing costs only to products. Mainly, the traditional method of cost accounting refers to the allocation of manufacturing overhead costs to the products manufactured. The traditional method (also known as the conventional method) assigns or allocates the factory's indirect costs to the items manufactured on the basis of volume such as the number of units produced, the direct labor hours, or the minutes used. Traditional accounting fails to allocate nonmanufacturing costs that also are associated with the production of an item, such as administrative expenses. The trouble with traditional costing is that factory overhead may be much higher than the basis of allocation, so that a small change in the volume of resources consumed triggers a massive change in the amount of overhead applied. Such a large change in applied overhead is nonsensical, since there is not always a direct relationship between the volume of production resources and factory overhead.

Types of cost models

Telecommunication networks are capital-intensive and involve shared platforms and systems that support multiple services. As a result, numerous cost models exist and the treatment of such costs will need to be defined. The three main models are:

- Standalone Cost: This approach is used when the modelled network is providing only a single service and thus all costs (service-specific, joint, and common costs) are allocated to a single service.
- Fully Allocated Cost (FAC): All costs are considered and allocated to all services provided by the network; this approach is commonly used in conjunction with a top-down model. Resulting costs for services will be the highest possible and provide an indication of the cost ceiling.
- Long Run Incremental Cost (LRIC): With the LRIC, only incremental costs and/or service-specific fixed costs are allocated to services. If joint and common costs are allocated through mark-ups, the LRIC method will begin to resemble FAC. Resulting costs for services will be minimal and provide an indication of the cost floor.

The change of cost base from HCA to CCA : The current cost accounting (CCA) cost base considers the efficient utilization of resources, taking as basis the real network of the telecommunications operator. Excess capacity is excluded from the CCA valuation, where an asset is considered to have excess capacity if there is non-used capacity (above the acceptable safety margin) that is not expected to be used in a time horizon of three years.

Costing for Next Generation Networks

Present costing approaches and methodologies have been designed based on the characteristics of legacy networks and thus are effective when used to model costs of legacy networks. The emergence of NGNs, however, presents a new set of considerations for telecommunications companies as it is much more difficult to apply the traditional cost causality principles. NGNs can have significant impacts on the traditional costing systems, including cost allocation, treatment of incremental costs

Costing System for Next Generation Networks (NGN) has been defined by the International Telecommunication Union as "a packet-based network able to provide services including telecommunication services and able to make use of multiple broadband, quality of service enabled transport technologies and in which service-related functions are independent from underlying transport-related technologies". It is an IP-based network with a multi-layer architecture for services, control, transport, and access. Traditional switches are replaced by media gateways and soft switches.

All players in the telecoms market will be forced to reduce their long term costs. Incumbents will be affected to the same extent as alternative operators. It is expected that these players to initiate cost saving measures year on year. The management has to ensure that the organization acts cost consciously to leverage operational saving measures. The organization has to have the tools and procedures, including full cost transparency, in place. Basic cost controlling techniques have been established in most organizations but it is now essential for steering tools and procedures to be aligned to actual business drivers.

Pressure on prices and margins is a situation faced by almost all operators. The telecom scenario shows a world going "flat" with abundant voice and data volumes while the cost of promotional discounts to attract new customers increases. As a result revenues and EBITDA margins are under strong pressure, a trend which can be clearly seen in the recent financial results of the top players in the telecoms market. Only Deutsche Telekom and Verizon have escaped this trend (see Figure 1). Operators have to protect margins when ARPUs are under pressure and simultaneously new technologies trigger new CAPEX.

Cost reduction

Unknown costs cannot be efficiently managed In order to excel in OPEX and CAPEX management, full cost transparency must be established in order to identify, prioritize and optimize additional saving measures. Usually the obvious areas will already have been targeted in the first cycle of cost cutting. Therefore the challenge is to find the hidden potential by enabling a broader audience to act cost sensitive. For this reason the first phase of the cost reduction project needs to focus on establishing a stringent OPEX/CAPEX analysis.

Organizations do not always have the data available to act in a cost conscious manner. Many issues can inhibit an organization's cost management ranging from system or process based barriers to political or emotionally driven behavior. The staff responsible for defining strategies, rollout plans and architectures need to know the current cost drivers and the potential alternatives.

Rather than beginning by collecting the data from different departments which is likely to result in inconsistency, the entire cost basis must first be provided from the top-down, e.g. by the controlling department. These costs can then be categorized and interpreted bottom-up by the responsible departments leading to a controlled 'single source of truth'. This approach provides the systematic root-cause analysis necessary to identify and steer cost drivers and to identify saving initiatives.

There are also a broad range of new OPEX saving possibilities which can be leveraged through a new generation of technologies, e. g. in the area of software defined radio networks (SDR) and self organized networks (SON). In addition, energy efficiency becomes more central to the discussion when selecting the next patch of network elements.

A cost conscious company culture A basic cost reduction mechanism and culture across all staff must be in place (e. g. personal target setting, cost transparency, etc.). The challenge is to have a Cross-unit alignment To optimize OPEX and CAPEX a dialogue between the strategic and operation representatives (e. g. network and IT) needs to be ensured, in order to prioritize and balance cost increasing and cost cutting activities. Multiple technology ecosystems increasingly compete against each other (e. g. IPTV vs. DTH, ADSL vs. HSPA, VDSL/FTTx vs. LTE, macro rollout vs. femto deployment) and the need for alignment is vital.

Target Costing in Telecom Sector

To compete effectively in today's emerging telecommunication market, telco's must be customer-oriented, hence they must simultaneously address the issues of time/speed, quality and cost in product planning and development and this is the rationale behind the technique of target costing. The fundamental objective of target costing is very straightforward.

It is to enable management to manage the telecommunication business to be profitable in a very competitive marketplace. Target costing is a mechanism for determining selling. The object of target costing is to identify the production cost of a proposed product so that, when sold, it generates the desired profit.5 Target costing can be defined as a cost management tool for deducing the overall cost of a product over its entire life cycle with the help of the production, engineering, research and design, marketing, and accounting departments. Also, target costing can be described as a method of determining the cost of a product or service based on the price that customers are willing to pay

The telecom operator must understand customer's perceived value of a service as well as their attitude for purchasing services. The telco company must take into account competitors alternative and substitute services. This is because customers are shoppers and will shop around for the best price and value.

Conclusion

A few decades ago the market for telecom services was a homogenous market supplying essentially the same service – telephony – to all types of customers. Today the market is becoming much more diversified with an increasing range of services offered by incumbent PTOs, providers of cable-television, data communication companies etc. Most of these new companies have not invested in their own physical infrastructure but rely on network capacity leased from other operators

As the telecommunications industry continues to advance at breakneck speed, its costing methodologies will need to keep up. Originally designed based on the properties of legacy networks, price regulations for monopolistic services have generally utilized cost models adopting various costing methodologies. The increasing deployment of IP-based fixed and mobile infrastructure in combination with the still unanswered search for data monetization have intensified the pressure on the industry to review its costing methodologies for both regulatory and commercial cost analyses. Cost allocation for NGN and IP-based networks should reflect the relationship between traffic volumes, service quality, and capacity.

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Telecom Grid- a panacea for Infrastructural Impediments in Telecom Sector??

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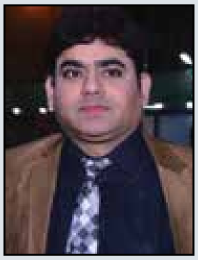

A young India, with a large digitally enabled middle class is looking for growth and change. Without building the digital skills and capabilities necessary to drive innovation, the nation risks stagnation. However, if India can create capabilities for growth and new solutions, the opportunities, both at home and abroad, are limitless. One of the important capabilities necessary to drive innovation is Telecommunication/digital ecosystem.

The foundation of a robust digital ecosystem is the underlying connectivity, which has become critical to nation's economic growth and all-encompassing well-being. Need for Telecommunications in today's developing economy is rapidly changing with advances in information and communications technology (ICT) and emergence of various use cases having positive impact on society. These emerging digital infrastructures, that constitute passive, active and digital parts, is critical to delivering the next wave of communications, innovation and economic growth for everybody. Out of these Optical Fiber is very critical to enable faster implementation of newer technologies and contribution to overall socio-economic development of the country

India, the 5th largest economy, is an emerging world economic power and is expected to achieve growth trajectory till the year 2060, thanks to its demographic dividend and pent-up demand for economic growth and sustainable development. However, faster and reliable broadband digital connectivity across the breath and length of India connecting villages, small towns, cities and megacities and metropolitan cities is a pre-requisite to sustain this growth. This would enable and redefine work, mobility, transactions, industry and commerce, agriculture, manufacturing, governance, education and entertainment.

The existing official definition for broadband is no way nearer to what international benchmark of 15 Mbps to 25 Mbps, whereas optical fibre cable can offer 1000 Mbps (I Gbps) up to 40 miles without losing signal strength. With the proliferation of internet on mobile devices and the continuous up gradation of telecom network to next generations, Fibre as the backbone network and access network for connecting stationary devices and backhaul network for the mobile devices and 5G as the access network for the mobile devices would pave the way for the faster, reliable and secure Internet and Digital connectivity penetrating in to every nook and corner of India. Video on Demand (VoD), Internet of Things (IoT), Smart Cities and many such initiatives may not be possible to implement without creating ultra-fast and reliable Internet infrastructure that cater to explosive data requirements. The aim is to create Gigabit speed at every level of the data network.

According to World Bank, Infrastructure development is an emblem of optimal blend of all facets of economy viz. Growth, productive investment, job creation, and poverty reduction etc. The most critical element of a robust digital ecosystem is the underlying digital infrastructure, which has become critical to nation's economic growth and all-inclusive well-being. A robust infrastructure will enable more citizens (read netizens) to participate in economic digitization and to leverage the socio-economic benefits of it, consequently leading to the public welfare.

Various studies reemphasizes on the need for fixed and mobile access networkfor today's economy. However factors like fixed costs continues to be a concrete constraints to a market changing with advances in information and communications technology (ICT). Telecommunication infrastructure deployment is characterized by high capital costs which further testify and help determine whether a market is contestable and can ensure equal access to technology for all market participants. The concept of Telecom Grid can find a solution to this important issue by pooling the excess capacity available with various Operators and sharing it to the Service Providers who are reluctant to invest in Capital Cost for various reasons.

Several initiatives by the Government are already afloat and flourishing, which include major projects like Digital India, Smart Cities, Make in India, Start-up India, and Skill India etc. Telecom Grid could bolster the ventures by orchestrating the conducive and compatible mechanism required for these ambitious schemes. To be a tomorrow's digital leader, India should be more fiberized. Toeing the line of futuristic flight, India has set out on the world's largest rural fiber roll-out under BharatNet and new policy initiatives in NDCP-2018 etc. In order to produce more data faster, a strong backbone of fiber network is need of the hour. This can be cemented for achieving a strong fiberized and structuralized framework by Telecom Grid.

The start of future-ready digital infrastructure which will pave way and propel to the convergence of a cluster of new-age technologies including 5G, the cloud, IoT and data analytics apart from enabling growth of start-up community. Besides, a strong digital engagement is poised to open up a new digital, economic and social era. Bridging the digital divide is an urgent and complex task essential for a growing digital economy and to achieve a $5 trillion mark. Telecom Grid can contribute and expedite this process to achieve the target.India is a vast country and the majority of the population resides in remote and rural areas. The adoption of various pro-fiber connection strategies by the Government of India can be a prime empowering agent and catalyst to achieve the objective as the Fiber deployment. This will be the pathway for expedient and exponential growth of fixed broadband (to serve homes and enterprises) and next-generation cutting edge mobile technology (4G/5G) transitions in the areas which are still devoid of dazzles of digital domains. Eying on optimal economical usage of unutilized assets and resources, Telecom Grid can help in accomplishing the Fiber deployment target by way of pooling the idle capacity untapped by the operators

For the Telecom operators, the high costs of rolling out fiber networks poses complex economic challenge as rollout also takes considerable time due to several extraneous issues. Fiber networks built in heavily populated, high-income areas could yield modest positive returns for the network operator, although even in these areas there are the risks concerning the speed and extent of consumer take-up. In lower-density, lower-income areas, however, there is rarely any financial rationale for a private Telecom Operators to roll out new fiber infrastructure. The Government is now placing a higher priority on broadband infrastructure to improve e-governance, e-learning, and e-health services. In this regard, the implementation of Telecom Grid would be a real game changer as it can fulfil the requirement of Fiber even without the investment and involvement of coerced or volunteered stakeholders

Further Block chain is a new emerging Technology which is expected to be used extensively in future. Over time, the benefits of blockchain applications over the existing systems have resulted in businesses exploring new ways of doing business. There is a growing interest among businesses on how blockchain technologies can be leveraged to improve business efficiency and cost reduction. The integration of blockchain into the smart grid allows the society to maintain transactions in the system in a harmonious and simple manner. Transactions are performed with smart contracts. Transaction history is stored in the blockchain and duplicated to all full nodes. The blockchain provides immutability to the smart contracts and transaction data by restricting the records changing, erasing or modifications. Therefore a smart contract between a TSP and a user will be executed with certainty. The immutability also provides traceability which is fruitful and beneficial for audit or solving any transaction dispute.

Blockchain based Smart Contracts by using the cutting edge technology will ensure total transparency and efficiency. This is one of the emerging tools available and worth trying for records of assets of any types and will be exploited for the implementation and creation of National Digital Infrastructure Grid, in India.Also, by bringing in the concept of Blockchain-based decentralized framework for using which a task can be solved by a host of stakeholders in lieu of relying on only few players. It can use an Open-Access architecture and a commercial framework.

The concept of Telecom Grid has already been formalized in a small way by GyanVahini through the formation of a National Knowledge Transport Grid (NKTG) which envisages to muster and capitalize on infrastructure built by TSPs. It further stresses upon the need for cost-effective solution of Telecom networks to satisfy the bandwidth demand growth which requires exponential increases in Internet throughput capacity. It goes without saying that such a mammoth requirement demands fiber networks duly supported by an array of additional mobile towers. These investments raises the requisition of extensive new civil works or the use of existing land corridors and infrastructure. Converging and catapulting the idle infrastructure for Telecom services by the concept of National Knowledge Transport Grid (NKTG) can reduce costs and regulatory barriers, ROW and other issues for new constructions while meeting the ever growing bandwidth demand. The Network operators who have excess or idle capacity infrastructure to support fiber rollout may more quickly achieve benefits by monetizing their idle capacity which so far produces no revenue.

Summary and Conclusion

The idea of National Knowledge Transport Grid (NKTG) will be a self sustaining, progressive and viable business model where every partner to this effort such as Telcos, ISPs, Enterprises, Govt. Bodies and the end users will have win-win situation. This can offer Digital Connectivity Anywhere, Anytime, Any-Capacity to Telcos, ISPs, Enterprises, End Users. Etc. This can also make use of idling/under-utilised resources in a befitting beneficial manner. Most importantly this will fashion more employments for specially skilled manpower and will be capable to raise Entrepreneurs in rural areas.

NKTG will act as a trendsetter of network infrastructure rollout in a country and also play a vital role in facilitating ultra-broadband deployment in the country by ensuring effective and most economical utilization of Telecom Infrastructure. Above all the Telecom sector and GDP will get immense boost and further consolidate the investors' confidence in our economy as they need not have to invest heavily on infrastructure. This will also saddle the effort on the Hon.Prime Minister's AtmaNirbharBharath to enhance the job opportunities in far-flung areas of the country, expanding operations from big cities to small districts and villages, and invest in upskilling and re-skilling the youth across rural India. NKTG's efforts to engage the private sector for investing in the Telecom Grid project, will drive local economic growth in the country. Several studies revealed that an increase of 10% in Internet subscribers result in 3.2% in the rate of growth of GDP. National Digital Communications Policy 2018 (NDCP 2018), unveiled by

Government of India aims to achieve universal high-speed connectivity. Surely the concept of Telecom Grid will facilitate faster achievement of these targets.

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Gyan Vahin i http://gyanvahini.org

Ministry of Communications, Department of Telecommunications https://dot.gov.in

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May the departed soul rest in peace.

Telecom Sector Reforms – Government's 'Walk the Talk'

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At last, the government has taken a progressive stance and announced reforms in the telecom sector. There was a time, a decade back when there were about a dozen operators, albeit not all pan-India, that were fiercely vying for their share of the enticing telecom pie. It used to be that a telecom service provider licence is a certain route to a multiplier effect in valuation. Fast forward a few years, and you witness companies closing operations, writing off their investments; and exiting from India. Five years back, Jio entered and the market paradigm changed dramatically at the cost of incumbent players. Operators no. 2 and 3, Vodafone and Idea respectively, merged themselves with a view that operational synergies and scale benefits will establish them into a clear market leader position; which in aggregate they were very much there at the onset of the merger. Alas, that was not to be and the merged company gradually fell to the third place, in what is realistically a three-player market, along with Airtel and Jio, and the government-owned BSNL - a distant laggard. And then comes the Supreme Court judgement, pronouncing an all-encompassing definition of Adjusted Gross Revenue (AGR), wherein a certain percentage is payable to the government as licence fee, causing severe financial strain mainly to two existing operators, Airtel and Vodafone Idea.

In the backdrop, the government announced measures are much awaited, providing clarity on regulation for the current and prospective investors, and boldly attempting to preserving competitiveness in the sector. While the neatly crafted measures are revenue neutral for the government, they provide the proverbial straw to the beleaguered company in the sector, Vodafone Idea. With the measures, announced within a short time of the new Telecom Minister at the helm, the government has in a way lived to more than a decade back campaign of then Idea Cellular: 'walk n talk'. Mobile telephony services is a very ubiquitous need world over, and a three-player industry, apart from BSNL, with their versatile pedigree and business models, bodes well for the competitive intensity in the sector.

The slew of measures by the Government give a sense of stable direction for the sector. Many of the measures having prospective applicability notwithstanding, these are significant to boost confidence and ignite investment interest. The steps seek to address the current industry scenario, which they largely do by easing the cashflow. However, they are more futuristic and aim at attracting new investment and enable advancement in the sector, as most of the material measures which a direct bearing on profitability, apply prospectively.

- Four-year moratorium for government dues: Provides desired relief to the cashflows of incumbents. It is agnostic from the government revenue point of view, as those opting for extended period will continue to have to pay interest.
- Spectrum Usage Charges (SUC) not to be levied for spectrum acquired in future auctions: SUC payments account for up to 4% of AGR and this step will induce operators in bidding for more spectrum.
- AGR to include only telecom revenue and non-telecom income heads to be excluded: This was major plea of the operators before the Supreme Court passed its judgement in the matter. This brings a lot of clarity on AGR dues (for the future) and is a huge positive.
- Spectrum holding period for future acquired auctions to be 30 years, i.e., additional period of 10 years from the existing 20 years period: Gives more comfort on investment commitment and provides stability to operations, apart from savings in the moneys' bid (to be spread over longer period).
- Spectrum bought in auction can be surrendered after 10 years period, thereby relieving the holder for future payment liability: This will provide room for trying out newer technologies and help in technological advancement.
- 100% FDI through automatic route (from the earlier 49%): Faster clearances and aids in foreign investments and promoter sentiment.
- The government will announce calendar for auctions: Auctions will be conducted in last quarter of the financial year. This helps bidders better plan their strategy and network expansion, manage cashflow.
- The interest payment at MCLR + 2%, instead of MCLR + 4%: A clear saving
- Rationalisation and reduction in Bank Guarantee be furnished by the licence holders: Eases and saves on Finance cost
- Dues payment to the government can be made in form of equity: A way out, perhaps as a last resort for erring company. Only time will tell, whether this could onset any combining of operations with BSNL.
- Interest compounding on government dues to be on annualized basis instead of on monthly basis: Direct saving on interest cost
- Penalty on late payment of dues completely removed
- Spectrum sharing to freely allowed: The existing levy of 0.5% to be removed, which will facilitate better utilization of spectrum and in revenue generation of the holder, and also in other operators' ability to expand their coverage.
- Digitisation of Know Your Customer (KYC) norms: Easing of procedures for procuring new SIM cards and switching connections.

It is now for all concerned to really reciprocate the slew of positive measures offered by the government to ensure that a duopoly does not set in the telecom sector (which was once staring to be a dozen player industry). What looks to be a saviour for the beleaguered company, is a godsend for the better established ones, Jio and Airtel, in that order. The two bigger beneficiaries of the measures, will lap this as an opportunity to launchpad fast-paced advancement, innovative offering, and embrace 5G technology sooner. More so, it would be worth seeing as to how Vodafone Idea matches the pace of the government 'walking the talk'. Many experts believe that the measures does hold good for a three-player telecom market in the interim, but do not provide a long-term solution. Perhaps the company would have to look within to find that long-term solution, including the overdue raising of fund, tariff improvement initiative, customer centricity, network enhancement. The measures do set in the expectation of a competitive, technologically advanced, telecom framework for a thriving digital India.

Essence & Effects of Reforms in Telecom Sector

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The Union Cabinet on September 15, 2021 approved many of structural & process reforms in the telecom sector.

Essence / Objectives of Reforms:

- To protect employment
- To generate employment opportunities
- To promote healthy competition
- To protect interests of consumers
- To infuse liquidity
- To encourage Investment in telecom sector
- To reduce regulatory burden on TSPs (Telecom Service Providers

Structural & Procedural Reforms & its benefits are:

- Non- Telecom revenue will be excluded for the purpose of definition of Adjusted Gross Revenue (AGR) on prospective basis.
- Huge reductions in Bank Guarantee requirements against License Fess & other similar levies. This will reduce statutory burden of TSPs.
- No requirements for multiple Bank Guarantees for different Licensed Service Areas regions in the Country. This will again reduce statutory burden of TSPs.
- Interest rates are reduced and penalties are removed plus interests will be compounded annually instead monthly this will also helps to relax in financial burden.
- Bank Guarantee is no longer required for securing installment payments in case of Auctions held.
- In future auctions, tenure of spectrum is increased from 20 to 30 years.
- surrender of spectrum will be permitted after 10 years for spectrums acquired in the future auctions.
- No spectrum Usage charges for spectrums acquired in the future auctions.
- 100% FDI under automatic route permitted in Telecom Sector by applying all safeguards.
- Now Spectrum auctions will be normally held in the last quarter of every financial year.
- Telecom business doing will become smooth with removal of cumbersome requirements of licenses under 1953 Customs notification for wireless equipment.
- Self-KYC is permitted. E-KYC rate revised to only One Rupee.
- Shifting from Prepaid to Post-paid and vice-versa will not require fresh KYC. It will give relief from procedures to both the parties - TSPs as well as consumers.
- Paper Customer Acquisition Forms will be replaced by digital storage of data. So no need to keep these forms in warehouses by TSPs. Hence, Warehouse audit of Customer Acquisition Forms will not be required. This will also relief to Telecom Service Providers as paperwork reduces.

Effects of Reforms:

Telecom Sector has been made outstanding performance in COVID-19 challenges, by its huge contribution in

- online education
- work from home
- interpersonal connect via social media
- virtual meetings, etc.

Reform measures further boost expansion and development of broadband connectivity and telecom sector. This measures are expected to be the huge boost up to 4G Networks and create an positive environment for investments in 5G Networks.

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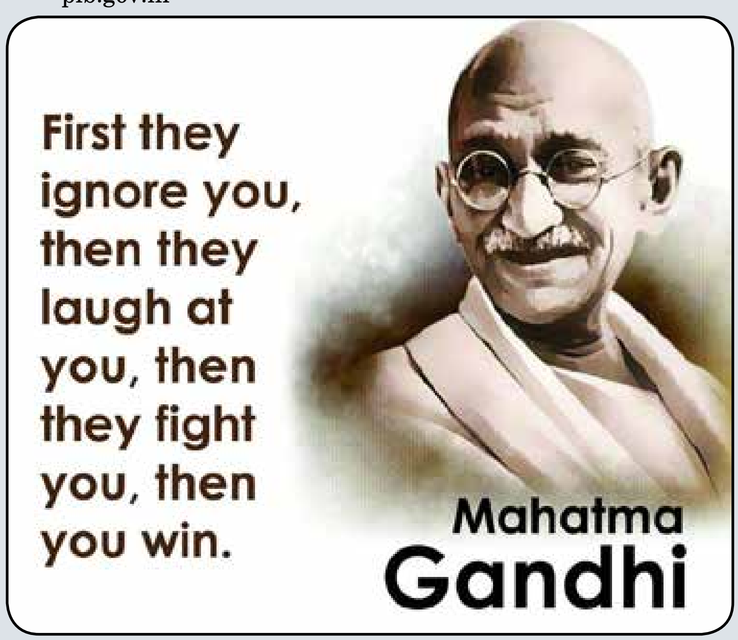

Production Linked Incentive Scheme (PLI) for Automobile & Auto Components

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Government of India is focusing on promoting environmental friendly electric vehicles and electric batteries. The Phase-I of this Scheme was initially launched for a period of 2 years, commencing from 1st April 2015, which was subsequently extended from time to time and the last extension was allowed up to 31st March 2019. The 1st Phase of FAME India Scheme was implemented through four focus areas namely (i) Demand Creation, (ii) Technology Platform, (iii) Pilot Project and (iv) Charging Infrastructure. Market creation through demand incentives was aimed at incentivizing all vehicle segments i.e. 2-Wheelers, 3-Wheelers Auto, Passenger 4-Wheeler vehicles, Light Commercial Vehicles and Buses.

Subsequently, to provide further boost to achieve the objective FAME-II Scheme was notified in the year 2019. Both the schemes provides the promotion of electric vehicle and incentive for the benefit of consumer.

The PLI Scheme for Automobile & Auto Components will provide the boost bar to manufacturing of Battery Electric Vehicles and Hydrogen Fuel Cell Vehicles of all segments – 2 wheelers, 3 wheelers, passenger vehicles, commercial vehicles, Tractors, Automobile meant for Military use and any other Advanced Automotive Technology vehicle as prescribed by MHI depending upon technical developments.

This scheme will provide the incentive Rs. 25,938/- Cr during 2022-23 to 2026-27. PLI Scheme for auto sector will bring fresh investments of over Rs 42,500 crore in five years and incremental production of over Rs 2.3 lakh crore. PLI Auto Scheme will help create additional employment of over 7.5 lakh jobs.

The Government has issued Notification regarding Production Linked Incentive (PLI) Scheme for Automobile & Auto components. The PLI Scheme for Automobile & Auto components and its Guidelines have been notified in the Gazette of India on 23.09.2021. Earlier government approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry on 15.09.2021.

The PLI Scheme for the auto sector envisages to overcome the cost disabilities of the industry for manufacture of Advanced Automotive Technology products in India. The incentive structure will encourage industry to make fresh investments for indigenous global supply chain of Advanced Automotive Technology products. Details of the scheme is elaborated below:

Objective:

- Its prime objectives include overcoming cost disabilities, creating economies of scale and building a robust supply chain in areas of Advanced Automotive Technology products.
- It will also generate employment.
- This scheme will facilitate the Automobile Industry to move up the value chain into higher value added products.

Scheme:

1. The scheme consists of two components Incentivizing incremental sales of :
   a. Automobile & Auto Components related to Advanced Automotive Technology and
   b. New Non-Automotive investor company or its Group companies that may want to participate in this scheme

Investment:

"Investment" as mentioned in Para -3.2(c) of the scheme shall mean:

- **Expenditure incurred on Plant, Machinery, Equipment and Associated Utilities:** This shall include expenditure on plant, machinery, equipment and associated utilities as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging or processing of any of the eligible products under the scheme. It shall also include expenditure on packaging, freight/transport, insurance, and erection and commissioning of the plant, machinery, equipment, and associated utilities. Associated utilities would include captive power and effluent treatment plants, essential equipments required in operations area such as clean rooms, air curtains, temperature and air quality control systems, compressed air, water and power supply, and control systems. Associated utilities would also include IT and ITES infrastructure related to manufacturing including servers, softwares, and ERP solutions. All non-creditable taxes and duties would also be included in such expenditure.
- **Expenditure incurred on Land and Building:** The expenditure incurred on land will not be considered for meeting the threshold criteria of Cumulative Minimum Domestic Investment. However, buildings of the main plant and utilities will be considered as part of the investment provided it does not exceed 10% of

Minimum Cumulative Domestic Investment defined for a segment.

Eligibility for Automobile & Auto Component Manufacturing Sectors:

a) For Company or its Group company(ies) with existing presence in India or globally in the Automotive vehicle and components manufacturing business

Eligibility Criteria	Auto OEM	Auto-Component
Global group* Revenue (from automotive and/ or auto- component manufacturing)	Minimum ₹ 10,000 crore.	Minimum ₹ 500 crore.
Investment	Global Investment of Company or its Group* Company(ies) in fixed assets (gross block) of ₹ 3,000 crore.	Global Investment of Company or its Group* Company(ies) in fixed assets (gross block) of ₹150 crore.

b) For new non-automotive investor company or its Group company(ies) that may want to participate in this scheme:

Eligibility Criteria	New Non-Automotive investor company or its Group company(ies) (who are currently not in automobile or auto component manufacturing business)
Global net worth	₹ 1000 crorebased on audited financial statements for year ending March 31, 2021.
Committed investment in India over five year period	As per Minimum New Domestic Investment Conditions mentioned in para – 3.2(c) below.

Group company means two or more enterprises which, directly or indirectly, are in a position to:

Exercise twenty-six percent or more of voting rights in the other enterprise;

Or

Appoint more than fifty percent of members of Board of Directors in the other enterprise. (As defined in the FDI Policy Circular of 2020)

NOTE :

1) Non-Automotive company or its Group company(ies) can qualify for this scheme provided they present a clear business plan to invest in India and generate revenues from Advanced Automotive Technology vehicles or Advanced Automotive Technology components manufacturing.
2) The applicant new Non-Automotive Investor company or its Group company(ies) will be eligible to claim incentive subject to meeting cumulative minimum new domestic investment to be achieved for a particular year. The applicant will also have to meet the % Year on Year growth criteria from the minimum threshold fixed from the first year.
3) New Non-Automotive Investor company or its Group company(ies) will be defined as those who have no revenue from manufacturing of Automobile or auto-components as on 31st March 2021.
4) An applicant new Non-Automotive Investor company or its Group company(ies) must satisfy the entire eligibility criteria

c) Minimum New Domestic Investment Conditions:

Cumulative New Domestic Investment Condition of Performance (₹ Crore)

Cumulative new domestic investment to be achieved	Champion OEM (Except 2W & 3W)	Champion OEM 2W & 3W	Component Champion	New Non-Automotive investor (OEM) Company or its Group companies	New Non-Automotive investor (Component) company or its Group companies
Upto or before March 31, 2023	300	150	40	300	80
Upto or before March 31, 2024	800	400	100	800	200
Upto or before March 31, 2025	1400	700	175	1400	350
Upto or before March 31, 2026	1750	875	220	1750	440
Upto or before March 31, 2027	2000	1000	250	2000	500

NOTE :

- New investments should be made from the same legal entity as the one applying for the incentive.
- Cumulative new domestic investment made starting 1st April 2021 shall be considered under this condition.
- The approved Company is required to meet the cumulative investment condition for each year.
- In the event, any approved company meets the investment condition few years before the end of the scheme; it will be eligible for incentives throughout the tenure of the scheme subject to meeting other conditions of the scheme.
- In case the approved company fails to meet the cumulative domestic investment condition in any given year, it will not receive any incentive for that year even if the threshold for Determined sales value is achieved. However, it will still be eligible to receive the benefits under the scheme in the following years if it meets the cumulative domestic investment condition defined for that year.

(d) Preference will be given to eligible company or its Group company(ies) committing to front load their investment during the scheme period. Proposed investment commitment will be evaluated by calculating the Net

Present Value (NPV) of the investment using the bank rate as the discounting factor.

Application:

The window for receiving applications through the Notice Inviting Applications will be for a period of 60 days and application to be furnished on online portal along with financial & supporting documents.

Note: Documents required for verifying eligibility for both the components of the scheme will include, but not be limited, to the following:

- Audited financial statements (Profit & loss, balance sheet) of the legal entity applying for the scheme as well as that of the global group company.
- For base lining and establishing incentives, eligible sales value in the base year and domestic investment made starting from 01.04.2021, if any, the applicant needs to furnish a statutory auditor's certificate.
- The documents should be audited and validated by a statutory auditor.

The Application Form:

The Application Form along with details of all necessary supporting documents, to be submitted at the time of application, will be notified separately by Ministry of Heavy Industries (MHI) in due course of time.

A non-refundable application fee would be payable for each application.

Tenure of the Scheme:

Tenure of the scheme will be from 2022-23 to 2026-27 and base year will be considered for the calculation of incremental investment is 2019-20.

Eligible Sales Value and Determined Sales Value under the Scheme:

- **Eligible Sales Value for Vehicle Segment:** Total sales (Net of GST) for eligible vehicles.
- **Eligible Sales Value for Component Segment:** Total sales (Net of GST) for eligible components Or apportioned value of eligible component as determined by Testing Agency of MHI.
- **Determined Sales Value for Vehicle Segment:** (Eligible Sales Value for Vehicle Segment for a particular year) minus (Eligible Sales Value for Vehicle Segment for Base year).
- **Determined Sales Value for Component Segment:** (Eligible Sales Value for Component Segment for a particular year) minus (Eligible Sales Value for Component Segment for Base year).

The scheme is designed to incentivize Advanced Automotive Technology products only viz eligible Advanced Automotive product on standalone basis at component level or in integration with the vehicle having appropriate value apportionment on the vehicle side. Therefore, an approved legal entity as Automotive OEM company or New Non-Automotive Investor company can avail incentives under both components of the scheme subject to the condition that any eligible product shall be incentivized only once under the scheme. Any double claim of incentive for the same product under component level and vehicle level can lead to disqualification of the legal entity/entities involved on this ground alone in addition to any other legal action as applicable under the law.

Particulars of the Scheme	Champion OEM Incentive scheme	Component Champion incentive scheme
Applicability	Battery Electric Vehicles and Hydrogen Fuel Cell Vehicles of all segments – 2 wheelers, 3 wheelers, passenger vehicles, commercial vehicles, Tractors, Automobile meant for Military use and anyother Advanced Automotive Technology vehicle as prescribed by MHI depending upon technical developments linked with the sales value and the products so approved by Ministry of Heavy Industry under the scheme.	Pre-approved Advanced Automotive Technology components of all vehicles, CKD/SKD kits, Vehicle aggregates of 2-Wheelers, 3-Wheelers, passenger vehicles, commercial vehicles and tractors including automobile meant for military useand any other Advanced Automotive Technology components prescribed by MHI depending upon technical developments linked with the sales value and the products so approved by Ministry of Heavy Industry under the scheme.
Target Segment	Automotive OEM company or its Group company(ies) and new Non- Automotive Investor company or its Group companies.	Auto-component manufacturing company or its Group companies, Automotive OEM company or its Group companies and new Non-Automotive Investor company or its Group companies.
Eligibility	• Only for Approved Products of approved Projects	• Only for Approved Products of approved Projects
	• Minimum 50% domestic value addition will be required	• Minimum 50% domestic value addition will be required
	• Growth incentives (% of benefits) are applicable on Determined Sales Value.	• Growth incentives (% of benefits) are applicable on Determined Sales Value.
	• Testing Agency will ascertain the value of Advanced Automotive Technology components to be assigned / apportioned for the purpose of eligible sales value under the scheme.	• Testing Agency will ascertain the value of Advanced Automotive Technology components to be assigned / apportioned for the purpose of eligible sales value under the scheme.

Scheme Incentive Mechanism	• The approved applicants will be entitled to receive incentives (% benefit) on Determined Sales Value subject to meeting other conditions of the scheme. • For the approved New Non-Automotive Investor company (who is currently not in automobile or auto component manufacturing business) eligible sales value in the base year will be taken as zero. • Threshold Determined Sales Value for the first year is ₹125 crore in respect of all companies viz. existing Automotive and New Non-Automotive Investor companies under this component of the scheme to claim incentive. • Year on Year (YoY) growth of minimum 10% in Determined Sales Value of first year i.e ₹125 crore has to be achieved by all approved companies viz. existing Automotive and New Non-Automotive Investor companies, to become eligible to receive incentive. • In case the approved company fails to meet the threshold for increase in Determined Sales Value over the threshold for the first year i.e ₹125 crore, for any given year, it will not receive any incentive for that year. However, it will still be eligible to receive the benefits under the scheme in the next year if it meets the threshold for that particular year calculated on the basis of 10% YoY growth over the threshold for the first year and thereafter for 4 consecutive years from when the incentive under the scheme becomes applicable (FY 2022-23). This provision will provide level playing field to all approved companies viz. existing Automotive and New Non-Automotive Investor companies as well as safeguard the approved applicants who preferred to front load their investment, against adversities of the market demand conditions in subsequent years of the scheme. • The approved Companies that achieve a target cumulative increase in Determined sales of ₹10,000 crore across the duration of the scheme will receive an additional incentive of 2%. This additional2% incentive is applicable on the cumulative increase in Determined Sales Value in excess of ₹10,000 crore. • Incentive proposed under this scheme to Electric vehicle manufacturers will be independent of the incentives given under FAME II scheme where incentives are provided to customers who buy the vehicles and not to the manufacturers. Incentives can be claimed under this scheme for Battery Electric vehicles having Advanced Chemistry Cell (ACC) batteries for which incentives have been claimed under the PLI scheme for ACC	• The Approved applicants will be entitled to receive incentives (% benefit) on the Determined Sales Values of Advanced Automotive Technology components subject to meeting other conditions of the scheme. • For the approved New Non-Automotive Investor company (who is currently not in automobile or auto component manufacturing business) eligible sales value in the base year will be taken as zero. • Threshold Determined Sales Value for the first year is ₹ 25 crore in respect of all companies viz. existing Automotive and New Non-Automotive Investor companies under this component of the scheme to claim incentive. • Year on Year (YoY)growth of minimum 10% in Determined Sales Value of the first year i.e.₹ 25 crore has to be achieved by all approved companies viz. existing Automotive and New Non-Automotive Investor companies, to become eligible to receive incentive. • In case the approved company fails to meet the threshold for increase in Determined Sales Value over the threshold for the first year i.e ₹ 25 crore, for any given year, it will not receive any incentive for that year. However, it will still be eligible to receive the benefits under the scheme in the next year if it meets the threshold for that particular year calculated on the basis of 10% YoY growth over the threshold for the first year and thereafter for 4 consecutive years from when the incentive under the scheme becomes applicable (FY 2022-23). This provision will provide level playing field to all approved companies viz. existing Automotive and New Non-Automotive Investor companies as well as safeguard the approved applicants who preferred to front load their investment, against adversities of the market demand conditions in subsequent years of the scheme. • The approved Companies that achieve a target cumulative increase in Determined Sales Value of ₹1250 crore across the duration of the scheme will receive an additional 2% incentive. This 2% additional incentive is applicable on the cumulative increase in Determined Sales Value in excess of ₹ 1250 crore. • Additional incentive has also been provided for components of Battery Electric Vehicles (BEV) and Hydrogen fuel cell vehicles in order to promote future technology vehicles.
Incentive Slabs	Incentive Slab is based on Determined Sales Value and percentage and incentive slabs as follows: • Upto Rs. 2000 Cr : 13% • > 2,000 to 3,000 : 14% • > 3,000 to 4,000 : 15% • >4000 : 16% Additional 2% incentive is given if determined sales value is more than Rs 10,000 Cr over 5 years	Incentive Slab is based on Determined Sales Value and percentage and incentive slabs as follows: • Upto Rs. 250 Cr : 8% • > 250 to 500 : 9% • > 500 to 750 : 10% • >750 : 11% Additional 2% incentive is given if determined sales value is more than Rs 1250 Cr over 5 years and additional 5% incentive is given to Battery Electric vehicles & Hydrogen fuel cell vehicles components

Value Addition:

The term "Value addition" will be construed as the percentage of manufacturing activity being undertaken in that referred part of the supply chain. % domestic value addition= [(Ex-factory price of the product (net of GST) – (minus) Import content i.e. sum of FOB value of all imported components or materials in the final product including import duties) / Ex-factory price of the product (net of GST)] x 100.It will be certified by Testing agency of MHI.

Incentive:

Maximum Incentive under the Scheme:

Applicable Incentive (Financial Year)	Disbursement of Incentive (Financial Year)	Total Incentive (₹ Crore) Indicative incl administrative exp
2022-23	2023-24	604
2023-24	2024-25	3,150
2024-25	2025-26	5,925
2025-26	2026-27	7,199
2026-27	2027-28	9,060
Total	25,938	

Calculation of Incentive

- In order to receive the incentives, the approved companies need to upload their annual claims under the scheme, along with audited financial statements / supporting documents, as certified by a Chartered Accountant and any other document, as specified.
- Annual payment to be initiated after review of claims and verification of meeting the criteria and thresholds.
- Threshold Determined Sales Value for the first year is ₹125 crore in respect of all companies viz. existing Automotive and New Non-Automotive Investor companies under this component of the scheme to claim incentive.
- Year on Year (YoY) growth of minimum 10% in Determined Sales Value of first year i.e ₹125 crore has to be achieved by all approved companies viz. existing Automotive and New Non-Automotive Investor companies, to become eligible to receive incentive.

Maximum incentive per company

Total Incentive per entire Group company(ies) is capped at ₹6,485crore(25% of total incentives outlay under this Scheme). The cap on incentive payable to the approved company or Group of company(ies) as stated above would be incorporated as part of the agreement.

- To retain flexibility in the implementation of the scheme, the scheme proposes fungibility of funds within and across the components of the scheme.
- Incentive payable under this scheme to Electric vehicle manufacturers will be independent of/in addition to the incentives given under FAME-II scheme where incentives are provided to customers who buy the vehicles and not to the manufacturers. Under this PLI scheme, incentives are being given to manufacturers not the consumers.
- Incentives may also be claimed under this scheme for vehicles having Advanced Chemistry Cell (ACC) batteries for which incentives have been claimed under the PLI scheme for ACC because Battery Electric vehicle (BEV) manufacturers have the freedom to source ACC batteries from anywhere and in case this incentive is not allowed, they may resort to imports of ACC batteries for cost cutting.

Mechanism:

Mechanism will remain the same as notified under the different PLI Scheme and administrative authority will be the same as notified under FAME II Scheme.

Audit:

The scheme shall have provision for cost audit by External Auditor (Cost or Chartered Accountant) appointed by MHI and the expenses will be met within the allocation of the scheme.

As a matter of fact, under Section 148 of the Companies Act 2013 and Companies (Cost Records and Audit) Rules, 2014, Automobile & Auto Components Manufacturer have to maintain Cost Records and also get the same audited by Practising Cost Accountant as defined under Section 2 of Cost & Works Accountants Act 1959 and therefore, audit has to be carried out by Cost Accountant as appointed Ministry of Heavy Industry.

Conclusion:

This Scheme will prove the booster for environmental friendly Electric Vehicles and Hydrogen Fuel Cell Vehicles of all segments and components thereof. However, basic investment limit has been kept very high, therefore, most of the MSME will be deprived of such scheme.

Healthcare System and Receivable Management

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Maintaining a healthy cash flow is one of the major challenges that every healthcare organization faces. Accounts Receivable is the most important Function for the smooth running of Hospital. It is very important for a Hospital to make sure that its Accounts Receivables are handled accurately and eliminate delays in receiving payments. Before we understand challenges and complications of Accounts Receivable in Healthcare, we have to understand Credit Patients categories in Healthcare system.

In Hospital, Most of the patients are credit Patients. Patients always prefer cashless facility except in case of Emergency situation, In most of the cases, Patient ignore hospital where cashless facility is not available in spite of good services and Medical care facility. So it becomes very important for a Hospital to get it empanelled with number of Panels to widen its Patients base. Broadly we can classify health care credit Patients in following Categories;

1. Patient on Panel of Government Agencies like CGHS, ECHS, ESI, State Government, Other Govt Agencies
2. Patient on Panel of Public Sector Undertaking
3. Patient on Panel of Private Corporate
4. Patient on Panel of Third Party agencies

Ex-Servicemen Contributory Health Scheme (ECHS)

ECHS is a publicly funded Medicare scheme for those who are ex-servicemen and pensioners & their eligible dependents. The Central organization is headed by Managing Director, A serving Major General under the Ministry of Defence. ECHS is providing health care to approximately 52 lakhs ECHS beneficiaries through a chain of 28 Regional Centers and 426 ECHS Polyclinics, To widen the scope of Services and facilities to its beneficiaries, ECHS empanel various Private Hospitals to provide services on rate decided by ECHS.

ECHS beneficiaries has to consult doctor first in its ECHS parent polyclinic, Based on the medical condition either doctor disposes-off the case or refers for further treatment, They issue a referral Form mentioning referral number and basic detail of beneficiaries. This referral form is digitally signed by the Office in charge of respective poly clinic, On reaching the empanelled hospital ECHS Beneficiary present 64 kb ECHS card with referral Form which is verified by respective hospital through UTIITSL Portal and lock the claim id (now no other empaneled hospital can use that referral number). Hospital has to inform to ECHS polyclinic within 48 hours from the time of admission and submit the bill within 7 days of patient discharge. If a patient stays beyond 12 days, 30 days and 60 days it is necessary for the empaneled hospital to get approval on form Appx A, Appx B and Appx C respectively. Revised format of Form Appx A is also used for getting speedy approval for unlisted procedures / investigation / tests/ implants. For getting such approval, Hospital has to send case summary, justifications of necessity of test, Necessary investigation reports, in case of Implants - the break up cost of each component is mentioned with contact detail of hospital specialist.

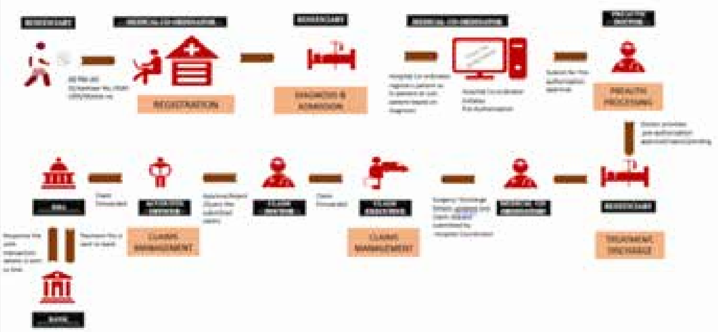
After discharge of Patient, the Empaneled hospital has to submit its claim with a final bill and complete investigation reports at www.echsbpa.utiitsl.com. In case of emergency treatment hospital has to forward patient bill for payment as per normal procedure to concerned polyclinic super-scribing “Emergency Treatment”.

CGHS Panel

The Central Government Health Scheme (CGHS) is a health care facility scheme for the existing and former employees of the Central Government of India and is managed by the Ministry of Health & Family Welfare through Special secretary and Director General and joint secretary. Presently approximately 38.5 lakh beneficiaries are covered by CGHS in 74 cities all over India. Dedicated set up is there to Manage CGHS Scheme. CGHS Health care facilities are provided through their own wellness center and facilities under Government hospitals. To widen the scope of Services and facilities to its beneficiaries, CGHS empanel Private Hospital to provide services to CGHS beneficiaries on rate decided by CGHS. Earlier CGHS is monitored through UTIITSL Portal but From 1st June-21 onwards CGHS has moved from UTI portal to NHA portal (National Health Authority Portal).Now Existing IT- Infrastructure of NHA will be used for implementation, control and facilitating CHGS Patients.

Under the new system Patient walk in with AB PM-JAY ID and Aadhar number for admission, Hospital coordinator registers patients as IPD / OPD based on diagnosis and initiates Pre-Authorization. On receiving the Pre-Authorization request from Hospital, CGHS Panel Doctor asks for any query if required and makes Pre-authorization. Hospital initiates treatment. On discharge of Patient, Hospital submits discharge detail and final bill to claim the bills. Panel Doctor ask for any query or report if required and approve the claim which is forwarded to SHA (State Health Agency) to reimburses it to respective Hospital.

Under the new structure the hospital has to Intimate & take pre-authorization approval through NHA portal. Without intimation & claim number Hospital can't submit Patient Bill for payments.



*Medical Coordinator: MEDCO/ Pradhan Mantri Arogya Mitra

ESIC

Employees' State Insurance is a public social security and health insurance fund for Indian workers.

The ESI Scheme is administered by a statutory corporate body called the Employees' State Insurance Corporation (ESIC), when a company/firm/organization employs 10 or more persons, with individual wage/salary falling under the threshold limit of INR 21,000 per month, it is mandatory for him to register under ESI and to contribute 3.25% of the total monthly salaries/wages payable to its employees; while the eligible individual employees require to contribute only 0.75% of their individual monthly salary to the ESIC funds, every month of the year. Every worker is issued an ESIC Card. ESI Scheme provides full medical care in the form of medical attendance, treatment, drugs and injections, specialist consultation and hospitalization to insured persons and also to members of their families

At present, ESI has a network of 159 hospitals, 49 run by ESIC and 110 run by the state governments. Additionally, there is a network of 47 ESIC-run dispensaries and 1453 state-run ESI dispensaries. There are 13.24 cr beneficiaries under ESI. The Employees' State Insurance Corporation (ESIC) has now allowed its beneficiaries to avail health services directly in any nearby private hospital in case of emergency within 10 km range without the need for referral from an ESI dispensary or hospital. Treatment will be cash-less in the empanelled private hospitals. Empanelled Hospital are reimbursed as per Central Government Health Services (CGHS) rates.

Ayushman Bharat

Ayushman Bharat Yojana, also known as the Pradhan Mantri Jan Arogya Yojana (PMJAY), is a scheme that aims to help economically vulnerable Indians having income of 5,00,000 per family per year in need of healthcare facilities. Over 10.74 cr poor and vulnerable families are covered across the country. No limit on family size and age of members. Household with no adult/male/ earning member within the age group of 16-59 years. Services under the scheme can be availed at all public hospitals and empaneled private health care facilities.

State Government Panel

Every State government have panel to provide best healthcare facilities to its Employees, Pensioners & their Dependents, (like Maharashtra- MJPJAY, Delhi Govt - DGEHS, Haryana Govt –HGHS, Rajasthan Govt – RGHS, Punjab- PGEPHIS, Himachal Pradesh- PGEPHIS etc) To widen the scope of services, these state government panel empanel Private Hospitals. The empanelment of private hospitals is done as per the state policy and is based on criteria like NABH certification, Scope of services, Number of beds, Registration under "The Clinical Establishment Act" and PMJAY Ayushman Bharat Scheme, Fulfillment of all applicable laws/rules/regulations and possession of necessary licenses/ registrations/ certifications;

Healthcare Panel of Public Sector Undertaking and other Govt Agencies

Just like Central Government and State Government each PSU and Govt agencies like CRPF, DDA, Delhi Police, BPCL,CBSE, CPCB, CIL, CSIR – NPL, Delhi High Court, DJB, DTDC, EPFO, ICAR, ITPO, MCD NCHMCT, NDMC, NFL, NIT, NOVODB, NPL, NPCC, NSG, NUEPA, NVS, RITES, SDMC, Northern Railways, Western Railway etc have its own panel for its employees, Pensioners & their Dependents. These PSU and Govt Agencies panel also empanel various private hospitals to widen the scope of medical services to its members.

Health Panel of Private Corporate

Private corporates tie up with various hospitals of its respective area to extend Medical care & Benefits to its employees, Pre/Post employment Health checkup, Employee injury, Doctor medical room, Nursing assistance etc. In healthcare agreement with Hospital, it is mentioned about Medical Benefits & discounts and fix rate to provide various medical care facilities to organization employees and their family members.

TPA Panel

TPA panels are used by General Public and Organizations for their employees. Currently, there are 30 insurance companies in India that offer health insurance products. Out of these, 25 are general insurance companies and 5 are standalone health insurance companies. These insurance companies Sell Health Insurance policies to the general Public. As per IRDA (TPA- Health Services) Regulations, 2001 Each such insurance company has to appoint a third-party administrator (TPA) to process health or other claims on behalf of insurers. TPA's are licensed by the Insurance Regulatory and Development Authority of India. Currently there are 25 TPAs in India. These TPA acts as an intermediary between the insurer and the claimant and facilitates the settlement/processing of health insurance claims and provides a base level of service such as ID card production, claims adjudication, eligibility maintenance. When a policyholder requires medical treatment, the individual has to contact the TPA of the insurance company.

Accounts Receivable Challenges in Healthcare

In the Healthcare sector Account Receivable processes are little different from other industries. In normal course Receiver of Goods & Services pay the consideration. But in the case of the Health care sector, service is received by one party but payment is done by another party (Payer and Service Receiver are different if we exclude Cash patients) and it complicates the Accounts Receivable processes in Healthcare. In Healthcare it is assumed that if a claim is not settled within 90 days, the value of such claim is treated as 50% of its original value.

Hospital obligation does not complete just by curing and discharging the patients but Hospital has to submit complete documents, investigation reports, justifications related to Patient treatment and revert on so many queries to respective panel and it takes too long to get the payment from Panel. Each panel has its own guidelines, obligations and rates for various treatments for reimbursing the patient claim and the hospital has to adhere to all guidelines of each panel while submitting the claim.

Denial of Insurance claims is a major challenge in Healthcare. As per Industry Standards Denial rate is 4%. But if denial management process of a Hospital is inadequate, Denial rate may increase manifold and Hospital can lose its potential profits. Insurance companies often make deduction or deny claims for following reasons:

- No intimation and preauthorization from panel at time of admission
- No intimation in case of change of line of treatment and revised estimate
- Wrong estimate to Panel, Patient or its Attendant,
- Incorrect or irrelevant medical coding in medical Claim Form
- In-complete/Missing line of activity and investigation reports
- Selection of Wrong room charges, Wrong payer rate in bills
- Late Filing of claim
- No reply or late reply of Panel query
- Duplicate submissions,
- Uncovered procedure,

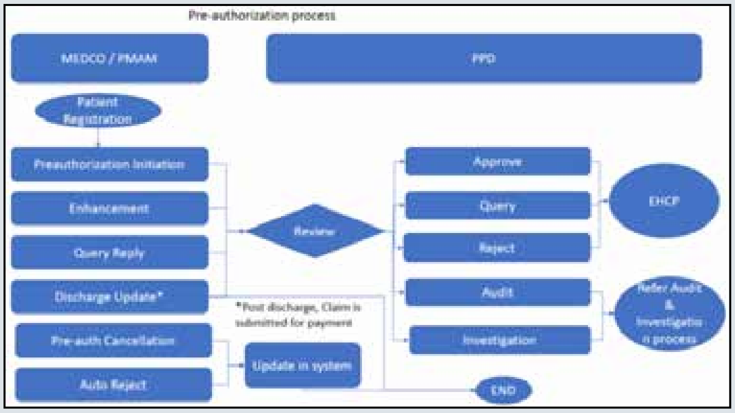
Effective way to Manage Account Receivable in Healthcare

To face aforementioned challenges in Healthcare, it is very necessary to be proactive, proficient and knowledgeable resources. Besides billing, TPA and collection team, Doctors and paramedical staff also play major role while preparing patient Claim Form like use of relevant and Correct coding by Doctor, complete line of activity in Patient File, Complete availability of Investigation Reports, correct justification for patient treatment, proper Discharge summary, Informing before changing the line of Treatment etc.

Hospital should give correct estimate to patient to avoid last time Surprise besides it Estimates should also get signed from the patient attendant to pay treatment charges in case penal refused to pay.

TPA desk should make Insurance eligibility verification and intimate to respective panel with correct estimate and get pre-authorization, In case there is any change in line of treatment, Again intimation should be sent with revised estimate.

TPA Desk should ensure Proper justification of medical treatment / Discharge summary and relevant and correct treatment coding while submitting patient claim form to Panel and claim should be submitted within prescribed timeline of respective panel. It is very necessary to review precisely each and every Claim Form prior to submission to the respective panel so that it can meet the guidelines of



the respective panel.

While making billing to the patient, it should ensure that all lines of activities and investigation reports are there in the Patient file and correct payer rates are charged in the Patient invoice.

Billing team should ensure correct payer wise rates are updated in the billing system in coordination of IT Team.

Dedicated document management must be there to manage all patient files.

Hospitals should ensure to accept Payment in all suitable modes from patients.

Hospitals should make claim denials, analyze and Identify the root cause for claim rejection and should find proper solutions to eradicate future occurrence of such denials. There should be dedicated staff for queries reply within timeline of respective panel and Follow up on denied or appealed claims. They should maintain tracker for all claims and should Identify claims not received within normal timeline.

In healthcare it is the need of hours to have Aggressive collection culture. Accurate posting & settlement of payment is also an important activity to manage Accounts Receivable properly. Account team must reconcile its bank statements to verify that all the transactions are accurate and one has not missed any entry. Meanwhile accounts Team should make reconciliation on periodic basis.

Management Wisdom
Article 10: The Ambitious CEO & his CHRO

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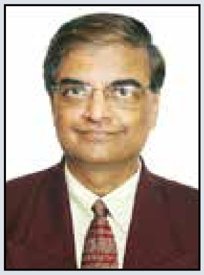

(This article is based on author's forthcoming book "Making of a CEO")

It is always very rewarding and also equally risky when as a CHRO you do your best to support an ambitious CEO. He being in a terrible hurry to put his footprint, a CEO attempts to work on all the three fronts of visible, sizable and commendable transforms of products, processes and people. There is no 'confirmed' theory about who transforms whom. Quite a few organisations transformed their products and processes to attain new & higher levels of 'performing dynamism', which could inspire their employees to perform superlatively. Most of the ambitious CEOs are extremely impatient to tolerate a lengthy process of 'people transformation'. Therefore, they prefer to bring in new products and new processes (mostly through an inorganic approach) and then expect their CHRO to recognise these 'new drivers of change'. The CHRO is then hurriedly (sometimes rudely) compelled to connect people with these readymade solutions of 'defined' transformation.

Basically, here the CEO gambles on all the three fronts (for his agenda) - products, processes & people. His new products & processes are visible to the Board who decides the CEO's rating. The CEO feels excited for his quick claim of expediting better results. He then expects the same army of people to work on these new things, mostly with the old set of competencies and simultaneously expects the CHRO to explore 'people-related reforms'. The corporate communication team now gets busy to present the 'new drivers of change' to both, the internal & external value - drivers. Every employee, vendor and dealer are subtly instructed about his efforts to accept the big change happening around him and hence 'be a part of this change'.

Around 50% of the acquisitions fail because a CEO expects an overnight result from the CHRO to 'adopt' the incoming employees and educate them to 'adapt' the new culture. The CEO puts excessive pressure on the business and functional heads to join him in the race of achieving extraordinary quantum of "shareholders' value appreciation". There are promoter families, private equity financers, venture funds and channel financiers who too expect very early pay back and a fabulous ROI. This entire chain of 'pressure game' terminates at the office of the CHRO. A few CHROs have either found or designed "mass - based robotic programmes" to convert the ordinary performers into high achievers. Most of the times, this gigantic exercise proves to be the case of unseasonal chemical maturing of the alphonso mangoes. Here the 'competency development initiatives' look like automated converters which unfortunately attempt to execute the "big bang theory". The ambitious CEO conveniently forgets here that the earth took millions of years to become a suitable living place for the mankind.

Quite a few CEOs become restless when a long-term wage settlement takes little extra time. A CEO without any manufacturing background cannot even imagine the intrinsic complexity of employee relations at the plant. This situation becomes challenging for the CHRO as he can't picturise a scenario which could be so abstract for the CEO. The exercise becomes further more complex if a sizable number of employees are to be separated as a preferred strategy of cost - cutting. For a CEO it is a simple surgical operation with some expected bleeding. He, very often doesn't appreciate the long-term investment made by the CHRO's team in shaping up the present workforce at the plant. It becomes further more difficult if the CEO is from a capitalist country where 'employee separation' is a routine operational exercise. An expat CEO is posted here for three years to prove himself. Very often the domestic coterie uses this opportunity to settle its score against the CHRO and convinces the expat executive about an urgent need of rationalising the workforce. An ambitious expat CEO knows for sure that his clinical performance in India would be surely recognised by the global team if he could succeed in trimming the workforce in India.

The 'foreign - trained' son of an Indian owner - CEO, experiences a certain degree of 'unprofessional or informal behaviour' of his father's close associates. Unfortunately, he dislikes the 'Indian emotional quotient' working well between his father and the associates. Now the son's priority of so-called reform becomes the one-point programme for the CEO. Obviously, the pressure mounts on the CHRO to say 'goodbye' to some of his old capable colleagues. In this entire unpleasant process, a few guys survive through their power point presentations made to the foreign - returned son of the CEO. The irony here is, the CHRO is very often held responsible for a possible fiasco created by the exit of experienced senior executives.

A few promoter CEOs in a hurry to jump on the new business opportunities offered by globalisation, want their CHRO to acquire best talent available in the world. While doing so, the CEO forgets that 'global talent comes at a global price'. Yet he empowers the CHRO to conduct the entire tough process of getting the world-class talent. In quite a few instances, the CEO goes back on his promises related to the package to be offered to the promising candidates. Here the CHRO becomes a scapegoat and spoils his relations with some of the best talent - searching agencies. He also loses his sheen inside the organization. It becomes difficult for a 'depleted' CHRO to perform with a CEO who does not believe in keeping promises. A CEO of a bureaucratic (or robotic) infrastructure company always used to interfere in the domain area of his CHRO. This dictator CEO would love today's things to be done yesterday. Very often he would enjoy firing the CHRO for not getting talented candidates ready to perform in a hierarchical organisation! Normally talent and hierarchy do not go together.

But there are genuine cases of genuinely ambitious CEOs. A few CHROs who get dubious awards from dubious institutions, rise to this position by destroying the employee - related ethos of a few organizations, during their so-called professional journey. They can do so with their jazzy presentations (normally prepared by their subordinates) made before the Board. They resign when the same Board becomes alert. These types of CHROs are great networkers for their own interest and not for their organisation. They normally talk big and vague to their subordinates, without being held accountable for the failure of their leadership. They act like 'great guru' and go too far to lecture even the head of marketing about the doctrines of 'strategic marketing'! It is very obvious that these types of CHROs cannot match the pace and expectations of the ambitious CEOs. I know that such CHROs join an organisation only after thoroughly studying the character of the CEO!

Virtual CFO Services (vCFO)

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Article 9: Reporting Fundamentals for Virtual CFO

Besides many other principles we have seen in the past, in this article we will see some Reporting Fundamentals for Virtual CFO. Mainly vCFO are appointed to get better results than CFO and hence his reporting should be precise and fundamentally accurate also.

Fundamentals of Reporting in Business Management

When I intend to say reporting its nothing but formal system where by relevant required information is furnished to management from time and time and this information must be meaningful, accurate and must be precise. In case of vCFO reporting is not just for Management or Client but its reporting to own Firm or Internal Reporting also. Hence vCFO has duel responsibility if the same is performed on behalf of vCFO Firms (CF). Report is all essence of management system and reason for which vCFOs are hired. A good reporting system should give information about responsibility of manager and achievement of objectives and goals. The reporting system should be flexible and must be adopted towards needs of users. A good reporting system must give proper flow of information. Complete and consistent information should flow in reporting. The reporting must be timely and any delay in such reporting must be avoided. vCFO are expected to give all information in time and too in formal way only. Many actions may be based on information and any delay in such information may lead to losses or potential loss of opportunity. Besides this reporting should also show the deviations between Standard and Actuals which should act a basis for future targets. Many companies we have seen that data may be there but extracting meaningful information from the same is difficult. An effective reporting system may help improve decision making, effectiveness of management, and responsiveness to issues and improve efficiency of resources in achieving objectives set by the organizations.

Reporting in Various Areas by vCFO

In this article we will focus on fundamentals of reporting as when to report, how to report, frequency of reporting, data to be collected for reporting etc. Exact reporting parameters or Key Performance Indicators (KPI) may be case specific and professionals performing such type of assignment will have to find their own measurement considerations. While reporting to management, the scope of the assignment plays very vital role. It is always better to define parameters of reporting before finalizing actual scope. I have seen in many assignments that professionals cross over their reporting parameters beyond the scope and may face adverse consequences. Right from the day one those reporting parameters must be fixed and periodic review is also must. While reporting, periodicity is also a critical aspect for reporting to management. Formal reporting is must and always preferred but it must be periodic. Weekly meetings with HoDs of various departments should give inputs for reporting besides actual performance.

There are plenty of areas where vCFO can make reporting more effective and objectives set by the organization can be achieved. In my article 3 we have seen following primary and secondary objectives. I am just reproducing the same here.

	Primary Objective	KPI/ Secondary Objective
vCFO	Strategic Planning	Business Plan, Organization Structure, Setting Business Goals Objectives, Resource Allocation Etc.
	Transaction Support	Audits, IPOs, ERP Services, Due Diligence, Advisors, Documentations, Compliances etc.
	Fund Management	Venture Capitalists, Banks and Financial Institutions etc.
	Budgeting and Forecasting	Sensitivity Analysis, Forecasting, Long Term and Short Terms Plans and Budgets etc.
	Executive Dashboard	MIS, Dashboard for Individual Functions and company as whole etc.
	Cash Flow and Working Cap	Cash Flow Polices, Raising Finance for Short Term, Working Capital Management etc.
	Business Planning	Entry and Exit Strategies, Product Development, New Product Launch, Manpower Planning etc.

	Handover Planning	Developing Department, Training, Successor Planning, Eying for Director/ Independent Director etc.

Table 1: Primary and Secondary Objectives of vCFO

From the above objectives you can easily decide on reporting parameters to be set. In a table below I am just giving an idea of how many such Reporting Parameters / KPI can be developed.

KPI/ Secondary Objective	Reporting Parameters
Business Plan, Organization Structure, Setting Business Goals Objectives, Resource Allocation Etc.	Business Impact Analysis, Recovery Plans if any, Work Force availability, Priority Business Activities etc.
Audits, IPOs, ERP Services, Due Diligence, Advisors, Documentations, Compliances etc.	Number of days delay, Tracker of Legal Compliances, Milestones achieved or to be achieved in ERP implementation, Fine and Penalties paid during the period, Documentations completed or to be completed in next period, Due dates and return dates in the next period, steps to complete the compliances etc.
Venture Capitalists, Banks and Financial Institutions etc.	Approach to banks for various funding, regular reporting to venture capitalists, detail of interest charged by banks and savings from previous funding, list of mortgaged properties with banks and financial institutions etc.
Sensitivity Analysis, Forecasting, Long Term and Short Terms Plans and Budgets etc.	Budget vs Actual analysis, reporting of fixed costs in case of reduction in sales, Break Even Analysis, Long Term Budgets Revised, impact of sales on profits for increase or decrease in sales etc.
MIS, Dashboard for Individual Functions and company as whole etc.	Individual Dashboard Development, Different Parameters in Company Dashboard, Overall Company related parameters in Company Dashboard like production, wastages, electricity expenses in factory and many more.
Cash Flow Polices, Raising Finance for Short Term, Working Capital Management etc.	Working capital requirement in previous period and current period, cost of raising finance in short term and options available, monthly cash flow and its analysis
Entry and Exit Strategies, Product Development, New Product Launch, Manpower Planning etc	Time to launch new product or exit the current product, new opportunities available for business like IBC, status of current research and development of new products, reporting of daily manpower on work etc.
Developing Department, Training, Successor Planning, Eying for Director / Independent Director etc.	Training hours to various department planned vs actual, reporting of successor and its abilities to achieve objectives (Formal and Informal both), training of key manpower and their achievements etc.

Table 2: Reporting Parameters in Primary and Secondary Objectives of vCFO

Frankly speaking there is no end to such reporting parameters and it is left to individual vCFO, CF etc to develop actual reporting system. The above are just few examples of those parameters. Professionals should be prepared for such opportunities and develop their own parameters. To achieve their objective efficiently and effectively following steps can be taken by vCFO

Activities for vCFO to improve performance and reporting parameters

vCFO should more focus on sales growth, increase in profits, effective implementation on strategies and more reporting parameters for the same. Compliance related services can be outsourced rather than concentrating more on the same. Typically vCFO makes this mistake to put more emphasis on compliances related services and ignores main objective of the company. While choosing the team of associates and employees for this type of assignment, industry experience counts and as explained earlier it should be mix of experience and youth in your team to improve the performance. Sometime team building exercise is more important than individual skill development. Also to survive in such assignment functional skills are less important than administrative and management skills of vCFO. Ensuring every time that Value Addition to the customer is appreciated than just compliance or governance related activities. Of-course vCFO cannot run away from the scope of assignment but emphasis must be on overall objectives of the company. Another approach to such assignment can be good networking in Industry or senior professionals in Industry. Also while performing this kind of assignments, top down approach will help rather than bottom approach. In Top down approach emphasis and objectives of management are more critical than work culture of middle and lower level management. I am sure that readers will benefit from deliberations from such articles and can develop their own Reporting Parameters.

Innovative Direct Listing vs. Traditional IPO - Pros & Cons

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Article No. 2

A recent trend is that some tech companies are pioneering for Direct Listing in place of conventional IPOs. First company named Spotify completed Direct Listing in 2019 followed by another company named by Slack repeated the same. Both of these companies listed on the New York Stock Exchange (NYSE).

Curiously, in a Direct Listing, no shares are disposed by the company itself, and therefore no existing capital is diluted. In such situation, what is the logic of a company going for a Direct Listing? How this new Direct Listing differs from conventional IPO? And what are the tradeoffs available in this fresh approach?

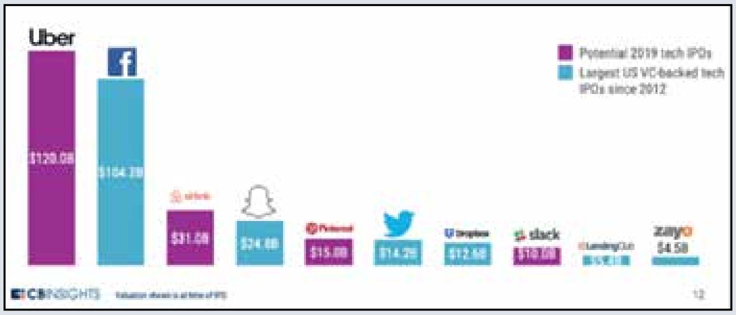
What are the differences between a Direct Listing and an IPO?

In direct listings, current shareholders can dispose of their existing shares right when the company goes public. Hence, no fresh shares are issued, deals will only happen if existing shareholders dispose of their shares. There are many advantages of a direct listing that allure companies to the process. Let me elaborate.

The main distinction of Direct Listing compared to an IPO is that and in a Direct Listing, the concerned company does not issue any share from its existing shares. Hence, there is no fresh issue from the company for disposing of its shares to public investors. Apart from this difference, and a few other considerable distinctions between IPOs and Direct Listings primarily concentrate to the order of processes. The functions in two processes are actually rather identical like registration, investor education, trading, etc. The distinctions primarily in what happens when, and in some cases, how.

In direct listing, there is also no conventional book building roadshow. In a traditional IPO, the company going public physically travel "on the road" with their investment bankers over a fierce and extensive two-week period for back-to-back, face to face meetings with prospective investors. Such conventional book-building roadshows serve not only to market their companys' background, but to bridge and forge relationships between the management team with investors (mainly large institutional investors) and for these investors then provide orders to buy shares ("building the book") at the conclusion of the process.

When the company goes into the IPO roadshow with an initial filing price range that hints the listing price. It will fine-tune that price on the basis of the "market" data from such meetings with investors. In a IPO process, this initial filing range is the first price that will be linked with a company going with IPO. The next price is when the company actually disposes the shares to institutional investors — the IPO pricing. After that, the next price is the actual opening price of the shares on the day after IPO pricing. It will be fixed at the stock exchange where the share is listed, depending on market supply and demand; known as the trading price.



There is a fine art to this whole of series of activities, from the development of relationship to the art of pricing. It is all about gathering the appropriate investors at the fair price (by IPO grades). The target is to make available optimum number of stock for investors based on their respective stake in the company and also allow to get reasonable appreciation immediately. In Direct Listing, there is no roadshow compared to traditional IPO. However, in Direct Listing, for relationship development, the concerned company invites prospective/ potential investors. The day of such interaction with potential investors is called "investor day". As such, Direct Listing is termed as more equitable because every participant will have reach for crucial information. Hence, in direct listing, there is no scope of discrimination. In conventional IPO, underwriters are actually sellers and resellers of shares. In direct listing, since there no selling of shares and there is no lobbying by underwriters like conventional IPO. Hence, in direct listing, is more restricted in scope compared to the schedule for a traditional IPO roadshow.

Another big distinction, between a Direct Listing and an IPO is in the lock-up period. In a conventional IPO, current company shareholders give nod to a period, on average 180 days from the date of the IPO pricing, where they are restricted from disposing, hedging, or distributing shares. While they are not as per law to do so by the SEC, investment banks as a rule, insist for this because it permits for a set period of time for the company's shares to transact and establish a track record. Having a set amount of stock on the float and available for trading give confidence for sure on predictability, permitting the shares to make stable more before additional share volume arrive into the market.

One last difference is cost of Direct Listings are much lower compared to IPO. At present, the IPO underwriting fee is on the basis of a percentage of the amount of collection by the issuing company. On average, depending of the situation, 7% is considered base mark. However, some big prestige IPOs have received underwriting fees around 2%. In a Direct Listing, the advisory fee is a flat fee, and is around 50% compared of what the littlest underwriting fee for an IPO would have.

The "pros" of making a direct listing:

- ZERO dilution of ownership—no new shares are issued, and hence existing shareholders will have grip more control
- Speedy process—there are no middle-man underwriters existing between the company with the existing shareholders, and the public
- Less costly— Although there will be some advisor expenses, while there is no underwriter cost (around ~3–7% of gross proceeds raised from initial listing)
- Grip the first-day rise— As per past statistics, companies may enjoy an avg. of 10–20% share price boost on the first day of trading in traditional IPOs. Underwriters dispose of fresh shares to institutional investors prior to the public listing. Hence, they have grip on that boost. On the hand, in direct listing, the current shareholders directly grip and enjoy that upside
- Greater liquidity— In Direct Listing, prospective and existing private investors can cash and enjoy at any time without the 90–180-day 'lock up' period of conventional IPOs
- More unbiased—In conventional IPOs, only major institutional investors are able to buy shares directly from the underwriter. However, in direct listing, all investors (irrespective of retail or large institutional) have identical reach to buy shares immediately when stock becomes public
- More transparent—the initial stock price is wholly subject to market demand, which can be more value-driven than prices is fixed by underwriters who connect in price stabilization activities

The 'cons' of doing a direct listing:

- More vulnerable— In absence of investment bank to secure a positive opening stock price and may not act as a safety net against negative market swings
- No funds raised—existing shares are directly listed, but no particular new funds or capital are raised
- **Risk of Investing in Initial Public Offerings ("IPOs")**

There are tangible risks in investing in an Initial Public Offering ("IPO"). Apart from other risks, the shares has not going through to market valuation. Those risks are detailed in the prospectus. All investors should go through the prospectus minutely to realise those risks prior to investing. An IPO may not suit all investors depending on their appetite of risks. IPO is the first sale of shares by a private company for the public . IPOs are regularly issued by small scale, junior companies looking for the capital for their expansion. However, this can be made by big private companies looking to become publicly traded. IPOs are unsafe investment. For even matured investors, it can be strenuous what forecast the stock will do on its first day of transaction and also in the early future since mostly there is no/scanty historical information with which to assess/evaluate the company. Also, most IPOs are of companies going through a unstable growth period, which are added to additional riskiness in respect of their future values.

How did Spotify list (Direct Listing)on the New York Stock Exchange

In the history of Direct Listing, first company named by Spotify Technology S.A. went public on April 3, 2018 through a direct listing of its shares on the New York Stock Exchange. On April 3, 2018, the shares of music streaming service Spotify started trading on the New York Stock Exchange(NYSE).The stock has traded over the reference price of $132. Spotify was established a brand famous to the public, making it easier to sell to the retail and institutional community. At the end of its opening day of trading, 30,526,500 shares were traded on the NYSE (ticker: SPOT), with a value of approximately $4.55 billion on the basis of the closing price on that day. It is the biggest company to go through a direct listing instead of Spotify's deciding factor to go public avoiding a conventional initial public offering (IPO). It was made possible by the then changes to the NYSE's listing requirements, which termed by experts the "Spotify Rule" that was effective on February 2, 2018.

What was the stock price of slack when it went public?

In late June 2019, the cloud-based collaboration tool Slack (WORK) appeared for first time on the NYSE as a publicly traded company in Direct Listing. Slack found investors and then finally list on the public markets. Slack's stocks in Direct Listed boosted by 48.5% in its first day of trading on the New York Stock Exchange. It started at a share price of $38.50, above the $26 reference price set by the Newyork Exchange.

Conclusion

There are multiple aspects that still to be resolved in a Direct Listing. From more visibility into supply and demand compared to other structure need to build a book in a seamless manner. It is still primary days yet, and the SEC may make additional rules here to allow more innovation. The Direct Listings are broader innovation and shifts we have been witnessing over the past decade. As such, Direct Listing should be given more time with weight with due consideration as a mode for going public. It is expected that Direct Listing will be evolved in due course. The target should not just to raise more capital but to construct a long-term business. The company has been around for centuries, and the current rules for IPOs for decades; as technology and companies and markets evolve. It is time for more innovation compared to traditional IPO.

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Industry Knowledge Series

A. Sugar Industry–1 Understanding “The Sugar”

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A. Preface

CMA is expected to function like an expert in any industry as an employee, auditor or as a consultant. It is very important to either have basic knowledge of various industry or have reliable source of reference, where desired industry information can be extracted. The concise industry information, desired by CMA is not readily available at one place.

Industry knowledge series is an attempt to fill the gap for fresh CMA or experienced CMA, who are not very familiar with particular industry. It is an attempt to explore various aspect of Industry, however you are most welcome to suggest or comment to make it more useful for CMA fraternity at large.

Sugar Industry is an old and widely spread industry in India. It is one of the biggest employer and work as growth engine of rural economy of India since British rule. Average Indian consume sugar in various forms at every occasion of celebration. Sugar is known and being used in Indian subcontinent from generations.

B. Introduction

Our daily life start with sugar (Bed tea) and end with sugar (Desert). Per capita monthly consumption of sugar is around 2 Kg. It contributes major chunk of house hold expenditure. It is consumed by all strata of society and is one of the most sensitive commodities in India. Some political party lost election, because of failure to control sugar price.

Govt. intents to pay maximum reward to farmers (Sugarcane - raw material) and also desire to control sugar (Finished goods) price. Controlling sugar cost is a major challenge to the management of Sugar Industry. Right input from a CMA will certainly help the Govt. and Industry to maximize the benefit and minimize the losses.

Highly educated and skilled manpower shift to cities in search of better opportunity and rewarding carrier. Sugar Industry being located in rural sector, it lacks the support of professional experts. CMA as an expert to link operational and financial data, can contribute a lot in this sector for the benefit of nation and farmers.

C. Brief History of Sugar development

a. **Phase 1** – Pre Vedic Time – (Shree Durga Saptasati Chapter 3 - Stanza 32 & 34) - Demon Mahishasur became the leader of Asura after death of Madhu & Kaitabha. He defeated Indra and captured the throne of heaven. Indra requested Mother Jagdamba for help. Mother Jagdamba had fought a war against huge army of demons and ultimately killed Mahishasura. During the war, holy mother used honey for instant energy to overcome the exertion of battle.

b. **Phase 2** – Vedic Time - Sugarcane has been mentioned in the ancient books like ‘Atharva Veda’, Rig Veda’ and ‘Manus Smriti’. It had become part of cultivation and food habits.

c. **Phase 3** – Ramayana & Mahabharata Period – Ramayana Bal Kanda describe Ayodhya and say “Saryu water as sweet as sugarcane juice”

   Mahabharat has mentioned about sugarcane cultivation and usage of sweet food stuff prepared with help of Milk, fruit pulp and sugar (Sakkara) as sweetening agent. Sugarcane & Sakkara has also been referred widely in Buddhist literature and Jain Literature including religious books

d. **Phase 4** – Moarya to Mogul Period - Present form of sugar was discovered during Imperial Guptas period, in 5th century CE. Sugars were called khanda (Devanagari: खण्ड, Khanda), which is the source of the word candy. Indian sailors carried clarified butter and sugar. They spread knowledge of sugar along the trade routes they travelled. In addition to merchants, Buddhist monks carried sugar and its manufacturing methods to China.

e. **Phase 5** – 18 th & 19 th Century - Sugar was a luxury in Europe until the 18th century. It became more widely available and highly popular by the 19th century. With increase in income and introduction of new foods (Tea, Coffee, deserts etc.), the consumption of sugar has increased many folds. Demand for sugar as an essential food ingredient resulted in major economic, political and social changes across the world. Demand drove the colonization of tropical islands and areas, where sugarcane was cultivated.

f. Phase 6 – 20 th & 21 st Century - Intensive industrialisation and population growth have encouraged modern technique of cultivation and plant automation along with forward / backward integration of production process. This phase of development started after second world war.

Up to 1920s, the total of 22 gud refineries were set up in India. By 1924, eleven gud refineries were set up around Kanpur alone. In the year 1930-31, there were 29 sugar mills in India. After 1932, The white sugar industry got a big boost with almost a four-fold increase in both.

Saswad Mali has started in 1934 as Private company, which was owned and operated by cane growers belonging to a minority peasant cast. The first co-operative sugar factory in Maharashtra was established in 1948 at Pravara Nagar in Ahmednagar district by the leadership of Late Padmashri Dr. Vikhe Patil; who was the 'father of co-operative Sugar Industry and Rural Development'

Growth of Sugar Industry in India over the years

Year	Number of factories in operation	Average duration (days)	Average Capacity (Tons per day)	Sugar Produced (Million Tons)	Recovery %
1935-36	135	126	644	0.934	9.29
1940-41	148	113	750	1.113	9.7
1945-46	145	93	768	0.959	10.09
1950-51	139	101	882	1.1	9.99
1955-56	143	145	980	1.834	9.83%
1960-61	174	166	1172	3.021	9.74%
1965-66	200	159	1253	3.541	9.70%
1970-71	215	139	1394	3.740	9.79%
1975-76	252	116	1563	4.262	10.18%
1980-81	315	104	1718	5.150	9.98%
1985-86	342	116	1885	7.016	10.23%
1990-91	385	166	2,088	12.047	9.84%
1995-96	416	181	2,531	16.453	9.42%
2000-01	436	138	3,203	18.511	10.48%

[Growth of Sugar industry in India ; Source: Co-operative Sugar Vol 48(11) July 2017]

D. What is Sugar?

a. Latin origin of the word 'Sugar' is 'Sccharum' and its origins in Sanskrit and Prakrit are as 'Karkara' and 'Sakkara' respectively.

b. Sugar is the generic name for sweet-tasting, soluble carbohydrates, many of which are used in food.

c. Sugar is completely pure, and contains no preservatives or additives of any kind

d. Sugars are found in the tissues of most plants.

e. The chemical names of various sugar end with letter "ose" like Fructose, Glucose, Lactose etc.

f. Various type of sugars and its main sources are as under.

   i. Fructose: Found in fruits and honey.
   ii. Xylose: Found in wood or straw.
   iii. Sucrose: Made up of glucose and fructose and found in plants.
   iv. Maltose: Found in barley.
   v. Glucose: Found in honey, fruits and vegetables.
   vi. Galactose: Found in milk and dairy products.
   vii. Lactose; Found in milk, made from glucose and galactose.

g. Monosaccharides are also called "simple sugars,". Most monosaccharides have a formula that conforms to CnH2nOn with n between 3 and 7 (deoxyribose being an exception). Glucose has the molecular formula C6H12O6. Simple sugars include glucose (also known as dextrose), fructose, and galactose.

h. Disaccharide is also called as Sucrose and known as common sugar, used in daily life.

Table 2 – Typical Sugar content & Carbohydrate in roots, plants, fruits & Vegetables

Sr. No	Particulars	Carbohydrate	Fructose	Glucose	Sucrose	Total Sugar
		%	%	%	%	%
A. Commercial Sugar Producing Crop						
1	Sugar cane		0.2–1.0	0.2–1.0	11–16	13–18
2	Sugar beet		0.1–0.5	0.1–0.5	16–17	17–18
B. Important Fruits						
1	Strawberry	7.68	2.44	1.99	0.47	4.89
2	Peach	9.50	1.50	2.00	4.80	8.40
3	Navel orange	12.50	2.25	2.00	4.30	8.50
4	Apricot	11.10	0.90	2.40	5.90	9.20
5	Pear	15.50	6.20	2.80	0.80	9.80
6	Pineapple	13.10	2.10	1.70	6.00	9.90
7	Plum	11.40	3.10	5.10	1.60	9.90
8	Apple	13.80	5.90	2.40	2.10	10.40
9	Banana	22.80	4.90	5.00	2.40	12.20
10	Grapes	18.10	8.10	7.20	0.20	15.50
11	Fig, dried	63.90	22.90	24.80	0.48	47.90
C. Vegetables						
1	Sweet potato	20.10	0.70	1.00	2.50	4.20
2	Carrot	9.60	0.60	0.60	3.60	4.70
3	Onion, sweet	7.60	2.00	2.30	0.70	5.00
4	Corn, sweet	19.00	1.90	3.40	0.90	6.20
5	Beet, red	9.60	0.10	0.10	6.50	6.80

[Exact % is having a range, single value mentioned above are for simplicity of understanding. Source – Internet]

i. Green plants produce sugar through photosynthesis process and transform solar energy into sugar & fibre. Plants produce glyceraldehyde-3-phosphate (G3P), a phosphate 3-carbon sugar that is used by the cell to make monosaccharides such as glucose (C6H12O6) or (as in cane and beet) sucrose (C12H22O11).

j. Sucrose is especially concentrated in sugarcane and sugar beet, making them ideal for efficient commercial extraction to make refined sugar. The sugar that's extracted from sugar beet or sugar cane plants is identical.

k. By-products of Sugar from sugarcane - Molasses, Bagasse, Filter cake, boiler ash, Compost, Bio-gas, Sludge etc. are the by-products of the process. Bagasse, is burned to provide energy for the sugar extraction process

E. Types of Sugar Consumed by Indian house hold

a. Refined Sugar / Crystal White Sugar White – It is most popular form of sugar in Indian subcontinent. Crystal Sugar (Refine Sugar) contains 99.80 % sugar, moisture

(0.03% - 0.04%) and balance impurity. It requires more process and resources while manufacturing. Sulphurs are added in the process to decolour the cane juice before crystallisation process. The process cost of white crystal sugar is high, yield is low and process time is more in comparisons to raw sugar manufacturing. The nutritional value of white sugar (Refined Sugar) is low because of sulphur addition and high process time.

Photo 2 – Refine Sugar   God / Jaggary   Honey

b. Raw Sugar / Brown Sugar - Raw Sugar contains 95 - 97 % sugar (Sucrose), 0.25 - 1.0% moisture and balance molasses. The test of raw sugar is bit different from Refine Sugar. The nutritional value of Raw Sugar is high. It is more popular in foreign countries.

c. Gud / Jaggary - The Production process of Gud / Jaggary are very crude and ancient. The sugar recovery and energy utilisation are lower than sugar factories. Young and educated people are preferring Gud / Jaggary in view of health point. Gud / Khandasari contains various mineral and vitamins which are not found in Sugar.

d. Khand / Khandasari / Coarse Sugar - Indian People use Gud / Khandasari for sweetening purpose on all religious celebration. It is a mindset that Gud / khandasari is a natural product but sugar is not a natural product because various chemicals are used for cleaning purpose.

e. Honey – It is found in natural form and prepared by Honey Bee. The availability of honey is limited and used mostly for medicine purpose.

F. Market Potential

a. India being one of the developing economies, where 50% of population is dependent on agriculture. Sugar being an agriculture-based Industry is having a bright future. The sugar is having organic growth but its derivative Ethanol is expected to grow many folds.

b. Segment wise breakup of domestic market – Broader division of sugar consumption in Indian Market can be summarized as under.

i.	House Hold Consumption	47.41 %
ii.	Soft drink bottle	2.22 %
iii.	Biscuit Manufacturing	4.44 %
iv.	Food Products	0.37 %
v.	Confectionery	1.48 %
vi.	Pharmaceuticals	0.37 %
vii.	Hotel / Restaurants	0.74 %
viii.	Sweat	42.97 %

c. Market Growth Potential - 4% growth in sugar consumption is expected. (2% from the population growth and 2% is expected from the institutional segment). Sugar consumption does not change to large extent with change in Sugar price

10 LARGEST NET-EXPORTERS (in mln metric tonnes)

Raw Sugar			White Sugar			Total Sugar		
Sr.	Country	Qty	Sr.	Country	Qty	Sr.	Country	Qty
1	Brazil	23.66	1	Brazil	5.27	1	Brazil	28.93
2	Australia	3.95	2	India	3.11	2	Thailand	6.49
3	Thailand	3.41	3	Thailand	3.08	3	Australia	4.05
4	Guatemala	1.06	4	Guatemala	0.97	4	Guatemala	2.04
5	Cuba	0.94	5	Mexico	0.65	5	Mexico	1.54
6	Mexico	0.89	6	Ukraine	0.44	6	India	1.06
7	El Salvador	0.47	7	Mauritius	0.42	7	Cuba	1.00
8	Argentina	0.35	8	United Arab	0.37	8	Swaziland	0.60
9	Swaziland	0.25	9	Pakistan	0.37	9	Argentina	0.59
10	Costa Rica	0.19	10	Algeria	0.37	10	El Salvador	0.50

Table 3 - Data based on 2016 figures – Source Internet Export / Import data

10 LARGEST NET-IMPORTERS (in mln metric tonnes)

RAW SUGAR			WHITE SUGAR			TOTAL SUGAR		
Sr.	Country	Qty	Sr.	Country	Qty	Sr.	Country	Qty
1	Indonesia	5.12	1	China	3.29	1	China	5.91
2	China	2.62	2	Sudan	0.99	2	Indonesia	5.35
3	EU-28	2.36	3	USA	0.70	3	USA	2.82
4	USA	2.12	4	Sri Lanka	0.60	4	EU-28	2.00
5	India	2.04	5	South Africa	0.44	5	Bangladesh	1.95
6	Bangladesh	1.93	6	Chile	0.34	6	Malaysia	1.66
7	Algeria	1.89	7	Yemen Rep.	0.34	7	Nigeria	1.56
8	Malaysia	1.86	8	Viet Nam	0.34	8	Korea, Rep. of	1.55
9	Korea, Rep. of	1.77	9	Kenya	0.33	9	Algeria	1.53
10	Nigeria	1.56	10	Ghana	0.30	10	Japan	1.26

[Table 4 - Data based on 2016 figures – Source - Internet Export / Import data]

G. Conclusion -

a. Every person consume sugar within limited range and it does not fluctuate with increase or decrease of income or supply beyond a point. Average consumption per person varied from 23.4 Kg/ annum to 24.5 Kg / annum.

b. India is an importer and as well as exporter of sugar.

c. The fluctuation in individual sugar consumption is also occasion specific. It consumes high sugar during festivals and special occasions

d. The short-term interests of various Sugar Industry stake holders are at cross to each other. For example

   i. Interest of farmers vs interest of sugar factories.

   ii. Interest of sugar factories vs interest of sugar consumer.

   iii. Interest of employee vs interest of sugar factory management.

e. Sugar is a sweetener and sweet tongue is the master key of all problems, people face. The great saying in Sanskrit is

सत्यं ब्रूयात् प्रियं ब्रूयात् , न ब्रूयात् सत्यम् अप्रियम् ।

Speak the truth. Speak soft & sweet. Don't speak truth but harsh.

Jay Hind

Projection Intro-Part 1

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Introduction:

A Project Report is a document that provides details on the overall picture of the proposed business. The project report gives an account of the project proposal to ascertain the prospects of the proposed plan/activity. It contains data on the basis of which the project has been appraised and found feasible. It must give information about the past experience, present status, problems and future prospects of the business.

Key Points of the Project remember while Making It:

The Project Reports should be like conference papers; Concise and focusing on what you did. While making the project whatever the subject the below points are very important for making the standardize and Professional format of the project.

a) Format:

The format of project report should be made in such away so can explain the business ideas. it may include diagram, pictures, Tables, Chart, and Graf. Etc.

b) Introduction:

While making the project our introduction part gives the importance of the topic, where is it used and a summary of what we want to say in this report (Here, I also say to about the what subject of project report we discuss, "Project Report for loan approval". And an overview of the rest of the report.

c) Background:

From this part, we discuss the format and Examples choose by me for the project report of Project report for loan approval. For the loan approval project, we give the background related to our business, what we serve to customer from this business idea, what customer wants and what I give to us, and how our work is different from others. It means the details of our agenda.

d) Executive Summary:

A project report must state the objectives of the business and the methods through which the business can attain success.

A brief description of the project must be stated and must give details about the following:

- Location of the site,
- Raw material requirements,
- The target of production,
- Area required for the work shed,
- Power requirements,
- Fuel requirements,
- Water requirements,
- Employment requirements of skilled and unskilled labor,
- The technology selected for the project,
- Production process,
- Projected production volumes,
- unit prices.

e) Management Plan:

The project report should state the following;

- Business experience of the promoters of the business,
- Details about the management team,
- Duties and responsibilities of team members,
- Current personnel need of the organization,
- Methods of managing the business,
- Plans for hiring and training personnel,
- Programs and policies of the management.

f) Financial Aspects:

In order to judge the profitability of the business a projected profit and loss account and balance sheet must be presented in the project report. The usual repayment for a long-term business bank loan is usually up to 5 to 7 years with interest (10 % to 15%) and some cases an extra 6 months duration given by the bank for interest payment in the initial time (Moratorium Period). It must show the estimated sales revenue, cost of production, gross profit and net profit likely to be earned by the proposed unit. In addition to the above, a projected balance sheet, cash flow statement and funds flow statement must be prepared every year and at least for a period of 3 to 5 years.

The income statement and cash flow projections should include a three-year summary, detail by month for the first year, and detail by quarter for the second and third years. The Break-even point and rate of return on investment must be stated in the project report. The project report must state whether the business is financially and economically viable.

g) Annexure:

Annexure implies a legal document, at the end to validate the text written in the main document. It is used to provide you with information about what items are required for our project, along with their relevant format.

In the project of the bank, loan annexure contains the;

- Cost of Project & Means of finance.
- Own contribution & Cash Credit (CC)
- Details of Capital Expenditure in the project.
- Fixed assets, Current assets and their depreciation.
- Direct Expenses and Indirect Expenses.
- Repayment of Term loan and interest.
- Project performance, profitability and Repayment.
- Revenue generation, cash flow statement and Break-Even point.
- Income Tax
- Ratio, Debt service ratio and IRR & Payback period.

h) Conclusion:

The conclusion part is only that CMA has wide knowledge of each & every data to be incorporated in report. The project report has quantitative data of sales, Projected profit, Inventory Mgt. and production aspects & all very well seen while drafting it. So, it can be said , we can provide the assurance to financial institutions / Banks from our side to control the project according to the project description.

Note: The Author views are personal & not responsible for any financial loss.

WIRC Associate Members – September 2021

M.No.	NAME	CITY
51108	Sanjay Ahuja	Pune
51112	Anjana Jagdishbhai Panchal	Mumbai
51115	Hitesh Katrodiya Zavekbhai	Surat
51118	Vishal Rajnibhai Sanghvi	Ahmadabad
51123	Vinay Kumar Marda	Kalol
51124	Jainisha Ketanbhai Shah	Vadodara
51127	Kiran Gupta	Bhilai
51132	Apurva Satish Malwadkar	Satara
51134	Amit Balkrishna Dhavale	Thane
51135	Karishma Shrinivas Patil	Karad
51149	Kaushal Kamlesh Sharda	Surat
51151	Satishkumar Rajaram Savant	Kolhapur
51153	Supriya Kiran Mhase	Pune
51158	Vijay Srinivasa Prasad	Vadodara
51164	Priyanka Kumari	Mumbai
51169	Satish Gorakhnath Dhokare	Kalyan
51170	Bhagyesh Vinodbhai Gandhi	Vadodara
51175	Kishor Sidram Konapure	Sholapur
51176	Suyog Dilip Kavalkar	Vadodara
51178	Hardikkumar Kantilal Patel	Visnagar
51191	Shivam Jain	Jabalpur

M.No.	NAME	CITY
51193	Dimple Sahu	Ujjain
51197	Sandip Shashikant Kale	Chandrapur
51201	Omkar Parshuram Vartak	Thane
51204	K G Subramanian	Mumbai
51205	Gopal Krishna Gorimella	Mumbai
51207	Soham Anil Kawade	Kolhapur
51212	Shilpi Das	Durg
51215	Ashok Baban Salunkhe	Mumbai
51224	Sunny Chandreshkumar Nagar	Ahmedabad
51225	Bhumika Maheshkumar Soni	Valsad
51230	Bhimrao Bajrang Vairal	Nashik
51236	Hina Nitin Kumar Master	Surat
51238	Nileshkumar M Jain	Surat
51240	Girish Shankarram Iyer	Pune
51241	Jaydipsinh Chandrasinh Raulji	Vadodara
51245	Vishal Girdhar Shiyani	Mumbai
51250	Saraf Chaitrali Ramesh	Pune
51253	Kishor Babarao Dikkar	Pune
51262	Anuj Agrawal	Bhilai Nagar
51264	Abhay Kulkarni	Bhopal
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THIS MONTH FOR U

Compiled by

CMA Ashok Nawal

Mob.: +91 98901 65001
E-mail : nawal@bizsolindia.com

Date	October - 2021
6	Excise E- Payments for Sept 21 (w.r.t. products not covered under GST)
7	1. Payment of Salary / Wages If employees <1000
	2. TDS Payments for September 21
10	1. Payment of Salary / Wages If employees > 1000
	2. ER-1 / ER-2 Returns for September 21 (w.r.t. products not covered under GST)
	3. ER-3 by SSI for July-Sept 21 (w.r.t. products not covered under GST)
	4. GSTR-7 by the person who is required to deduct TDS under GST for Sep 21
	5. GSTR-8 (to be filed by e-commerce operators required to deduct TDS under GST for the Sept, 21
11	Monthly GSTR-1 for Sept, 21
13	GSTR-6 Return to be filed by Input Service Distributor for Sept 21
	GSTR-1 (Jul-Sep, 2021) for QRMP
15	1.PF Payment Cum Return in Form ECR for September 21
	2. ESIC Payments for September 21
	3. Payment of Water Cess in Form-I for September 21
	4. Apprentice Act- Half Yearly Report in Form APP-2 for April 21 to September 21
	5. TCS Payments for July-Sept 21 quarter
18	CMP 08 for composition dealer for July to Sep 21
20	1. GSTR-3B for Sept, 2021
	2. GSTR-5 & 5A (to be filed by the Non-Resident taxable person & OIDAR for Sept 21
22	GSTR-3B (whose aggregate turnover not exceeding 5 Cr.) of Sept 21
25	GST Challan Payment if no sufficient ITC for Sep (for all Quarterly Filers)
30	1.Quarterly Employment Return in Form ER-I for July to September 21
	2. Factory Act License Renewal in Form 3
	3. Monthly Profession Tax Payment-cum-return in Form IIIB (having payment more than Rs. 50,000/-) for September 21
	4. Filing of Financial Statements with ROC in Form AOC-4 , AOC-4 CFC, AOC-4 XBRL Non IndAS for FY 2020-21 considering date of AGM 30th Sept 2021
	5. LLP Form 8 -Statement of Solvency for FY 2020-21 for all LLP's.
	6. Qurterly TDS Returns for July-Sept 21 quarter
31	1. ITR filing with Tax Audit Report for FY 2020-21 AY 2021-22 for corporate, & LLP's having tax audits and Transfer Pricing Audits.
	2. Filing of Cost Audit Report to Board of Directors by Cost Auditor for FY 2020-21

What's New

GOODS & SERVICE TAX

GST

CENTRAL TAX

NOTIFICATION:

- **CGST Rules, 2017 has been amended**
  - Rule 10B inserted making Aadhaar authentication mandatory for filing application for revocation of cancellation of registration and filing refund under rule 89 & 96.
  - Rule 45 is amended to file ITC-04 six monthly for taxpayer having turnover more than ₹ 5 crores and yearly for other taxpayers. Effective from 1st October 2021.
  - Rule 59 (6) is amened for restriction on filing GSTR-1 if taxpayer has not filed GSTR-3B of previous month.
  - Time limit of two years has been prescribed for claiming Refund under section 77 of the CGST Act, 2017 for the tax paid under wrong head. For past cases time limit of two year will be applicable from the date of notification i.e. 24.09.2021

  [Notification No. 35/2021 Central Tax dated 24th Sept. 2021]

- **Aadhaar authentication is not applicable to following persons:**
  a. Not a citizen of India
  b. Department of Central & State Government
  c. Local authority
  d. Statutory Body
  e. Public Sector undertaking
  f. UN organizations & Multilateral Financial Institution.

  [Notification No. 36/2021 Central Tax dated 24th Sept, 2021]

CIRCULARS:

- Clarifications has been issued regarding extension of time limit upto 30th September 2021 to apply for revocation of cancellation of registration in view of Notification No. 34/2021-Central Tax dated 29th August 2021. Benefit of extension of 60 days (30 + 30) under section 30 (1) of CGST Act, 2017, beyond 30th September 2021 will be available for those where such time limit is not elapsed after cancelation of registration.

  Benefit of said extension will be available in all cases:
  a. application for revocation of cancellation of registration has not been filed by the taxpayer
  b. application for revocation of cancellation of registration has already been filed and which are pending with the proper officer
  c. application for revocation of cancellation of registration was filed, but was rejected by the proper officer and taxpayer has not filed any appeal against the rejection
  d. application for revocation of cancellation of registration was filed, the proper officer rejected the application and appeal against the rejection order is pending before appellate authority
  e. application for revocation of cancellation of registration was filed, the proper officer rejected the application and the appeal has been decided against the taxpayer.

  (Circular No. 158/14/2021-GST dated 06th Sept. 2021)

- CBIC has issued the circular for clarification of scope of "Intermediary". Intermediary means who arranges or facilitates main supply of goods / services and does not himself provides the main supply. Sub-contracting for a service is not an intermediary service.

  [Circular No. 159/15/2021-GST dated 20th Sept 2021]

- Clarification has been issued w.r.t. amendment in section 16(4) of CGST Act, i.e. delink the date of issuance of debit note from the date of issuance of the underlying invoice for purposes of availing input tax credit. Post 01.01.2021 date of DN to be considered for availment of ITC respective of corresponding original supply for which DN is issued.

  [Circular No. 160/16/2021-GST dated 20th Sept. 2021].

- No need to carry the physical copy of tax invoice in cases where e-invoice is generated.

  [Circular No. 160/16/2021-GST dated 20th Sept. 2021]

- In case the export of goods which are subjected to export duty, but rate of duty is nil or exempted, said export can be considered for the purpose of refund of accumulated ITC.

  [Circular No. 160/16/2021-GST dated 20th Sept. 2021]

- The supply from a company incorporated in India to its related establishments outside India, which are incorporated under the laws outside India, would not be treated as supply to merely establishments of distinct person under Explanation 1 of section 8 of IGST Act 2017. Such supplies, therefore, would qualify as 'export of services'.

[Circular No. 161/17/2021-GST dated 20th Sept. 2021]

- Refund under section 77 of the CGST Act / Section 19 of the IGST Act would not be available where the taxpayer has made tax adjustment through issuance of credit note under section 34 of the CGST Act in respect of the said transaction.

[Circular No. 162/18/2021-GST dated 25th Sept. 2021]

INSTRUCTIONS:

- CBIC has issued the instructions to field formation to take extra efforts to issue SCN in time bound manner as due date for filing annual returns for FY 2017-18, 2018-19 & 2019-20 are already over.

[Instruction No. 02/2021-22 dated 22th Sept. 2021]

OTHERS:

- The Goods and Service Tax Network (GSTN) issued the advisory on HSN and GSTR-1 Filing.

  It has been reported that HSN used by them for reporting in GSTR-1 is not available in the Table 12 HSN drop-down also facing issues in adding the required HSN details in Table 12. Further, in some JSON files, the HSN field is coming as blank from the offline tool, along with other errors as mentioned below:-

  1. Processed with Error,
  2. In Progress or Received but pending,
  3. Duplicate Invoice Number found in payload, please correct.

     For resolution of these issues refer the link

     https://tutorial.gst.gov.in/downloads/news/advisoryonhsnandgstr1.pdf

(Advisory No. 501 dated 26th August 2021).

- 45th GST council Meeting held on 17th September 2021 at Lucknow has made following recommendations:

A. Measures for Trade facilitation

1. Relaxation in filing ITC-04, six monthly return for taxpayer having aggregate turnover more than Rs. 5 crores and annual filing of return for taxpayer having aggregate turnover less than Rs. 5 crores.
2. Interest is not payable if ineligible ITC is taken but not utilized. Interest rate will be 18% effective from 1st July 2017 on ineligible ITC availed and utilized.
3. Unutilized balance in CGST and IGST cash ledger may be allowed to be transferred between distinct persons.
4. Circulars to be issued to give clarity on scope of intermediate services and mere establishment of distinct person.
5. W.e.f. 01.01.2021, the date of issuance of debit note is relevant for the purpose of time limit specified under section 16(4) for availment of ITC and not the date of underlying Invoice.
6. No need to carry physical copy of tax invoice where e-invoice is generated
7. Aadhaar authentication of registration to be made mandatory for being eligible for filing refund claim and application for revocation of cancellation of registration.
8. Late fee for delayed filing of FORM GSTR-1 to be auto-populated and collected in next open return in FORM GSTR-3B.
9. Refund to be disbursed in the bank account, which is linked with same PAN on which registration has been obtained under GST.
10. Filing of GSTR-1 will not be allowed if GSTR-3B is not filed for previous month.
11. Amendment will be made in Rule 36(4) to restrict the ITC available in GSTR-2B, once proposed clause (aa) of section 16(2) of CGST Act, 2017 is notified.

B. COVID-19 relief measure in form of GST rate concessions

- Extension of existing concessional GST rates upto 31st December 2021

  i. Amphotericin B -nil
  ii. Remdesivir – 5%
  iii. Tocilizumab -nil
  iv. Anti-coagulants like Heparin – 5%

- Reduction of GST rate to 5% on more Covid-19 treatment drugs, up to 31st December 2021

  i. Itolizumab
  ii. Posaconazole
  iii. Infliximab
  iv. Favipiravir
  v. Casirivimab & Imdevimab
  vi. 2-Deoxy-D-Glucose
  vii. Bamlanivimab & Etesevimab

C. Major recommendations on GST rate changes in relation to Goods [w.e.f 1.10.2021]

D.

S.No.	Description	From	To
1.	Retro fitment kits for vehicles used by the disabled	Appl. rate	5%
2.	Fortified Rice Kernels for schemes like ICDS etc.	18%	5%
3.	Medicine Keytruda for treatment of cancer	12%	5%
4.	Biodiesel supplied to OMCs for blending with Diesel	12%	5%
5.	Ores and concentrates of metals such as iron, copper, aluminum, zinc and few others	5%	18%
6.	Specified Renewable Energy Devices and parts	5%	12%
7.	Cartons, boxes, bags, packing containers of paper etc.	12% / 18%	18%
8.	Waste and scrap of polyurethanes and other plastics	5%	18%
9.	All kinds of pens	12% / 18%	18%
10.	Railway parts, locomotives & other goods in Chapter 86	12%	18%
11.	Miscellaneous goods of paper like cards, catalogue, printed material (Chapter 49 of tariff)	12%	18%
12.	IGST on import of medicines for personal use, namely i. Zolgensma for Spinal Muscular Atrophy ii. Viltepso for Duchenne Muscular Dystrophy iii. Other medicines used in treatment of muscular atrophy recommended by Ministry of Health and Family Welfare and Department of Pharmaceuticals.	12%	Nil
13.	IGST exemption on goods supplied at Indo-Bangladesh Border haats	Appl. rate	Nil
14.	Unintended waste generated during the production of fish meal except for Fish Oil	Nil (for the period 1.7.2017 to 30.9.2019)	

E. Major GST changes in relation to rates and scope of exemption on Services [w.e.f. 1.10.2021]

S.No.	Description	From	To
1.	Validity of GST exemption on transport of goods by vessel and air from India to outside India is extended upto 30.9.2022.	-	Nil
2.	Services by way of grant of National Permit to goods carriages on payment of fee	18%	Nil
3.	Skill Training for which Government bears 75% or more of the expenditure [presently exemption applies only if Govt funds 100%].	18%	Nil
4.	Services related to AFC Women's Asia Cup 2022.	18%	Nil
5.	Licensing services/ the right to broadcast and show original films, sound recordings, Radio and Television programmes [to bring parity between distribution and licencing services]	12%	18%
6.	Printing and reproduction services of recorded media where content is supplied by the publisher (to bring it on parity with Colour printing of images from film or digital media)	12%	18%
7.	Exemption on leasing of rolling stock by IRFC to Indian Railways withdrawn.		
8.	E Commerce Operators are being made liable to pay tax on following services provided through them (i) transport of passengers, by any type of motor vehicles through it [w.e.f. 1st January, 2022] (ii) restaurant services provided through it with some exceptions [w.e.f. 1st January, 2022]		
9.	Certain relaxations have been made in conditions relating to IGST exemption relating to import of goods on lease, where GST is paid on the lease amount, so as to allow this exemption even if (i) such goods are transferred to a new lessee in India upon expiry or termination of lease; and (ii) the lessor located in SEZ pays GST under forward charge.		

F.

G. Clarification in relation to GST rate on Goods

1. Pure henna powder and paste, having no additives, attract 5% GST rate under Chapter 14.
2. Brewers' Spent Grain (BSG), Dried Distillers' Grains with Soluble [DDGS] and other such residues, falling under HS code 2303 attract GST at the rate of 5%.
3. All laboratory reagents and other goods falling

under heading 3822 attract GST at the rate of 12%.

4. Scented sweet supari and flavored and coated illachi falling under heading 2106 attract GST at the rate of 18%
5. Carbonated Fruit Beverages of Fruit Drink" and "Carbonated Beverages with Fruit Juice" attract GST rate of 28% and Cess of 12%. This is being prescribed specifically in the GST rate schedule.
6. Tamarind seeds fall under heading 1209, and hitherto attracted nil rate irrespective of use. However, henceforth they would attract 5% GST rate (w.e.f. 1.10.2021) for use other than sowing. Seeds for sowing will continue at nil rate.
7. External batteries sold along with UPS Systems/ Inverter attract GST rate applicable to batteries [28% for batteries other than lithium-ion battery] while UPS/inverter would attract 18%.
8. GST on specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively, during the period from 1.7.2017 to 31.12.2018, in the same manner as has been prescribed for the period on or after 1st January 2019.
9. Due to ambiguity in the applicable rate of GST on Fibre Drums, the supplies made at 12% GST in the past have been regularised. Henceforth, a uniform GST rate of 18% would apply to all paper and paper board containers, whether corrugated or non-corrugated.
10. Distinction between fresh and dried fruits and nuts is being clarified for application of GST rate of "nil" and 5%/12% respectively;
11. It is being clarified that all pharmaceutical goods falling under heading 3006 attract GST at the rate of 12% [not 18%].
12. Essentiality certificate issued by Directorate General of Hydrocarbons on imports would suffice; no need for taking a certificate every time on inter-state stock transfer.

- **Clarification in relation to GST rate on services**
  1. Coaching services to students provided by coaching institutions and NGOs under the central sector scheme of 'Scholarships for students with Disabilities" is exempt from GST
  2. Services by cloud kitchens/central kitchens are covered under 'restaurant service', and attract 5% GST [without ITC].
  3. Ice cream parlor sells already manufactured ice-cream. Such supply of ice cream by parlors would attract GST at the rate of 18%.
  4. Overloading charges at toll plaza are exempt from GST being akin to toll.
  5. The renting of vehicle by State Transport Undertakings and Local Authorities is covered by expression 'giving on hire' for the purposes of GST exemption
  6. The services by way of grant of mineral exploration and mining rights attracted GST rate of 18% w.e.f. 01.07.2017.
  7. Admission to amusement parks having rides etc. attracts GST rate of 18%. The GST rate of 28% applies only to admission to such facilities that have casinos etc.
  8. Alcoholic liquor for human consumption is not food and food products for the purpose of the entry prescribing 5% GST rate on job work services in relation to food and food products.
- **Other Recommendations**
  1. Council approves special composition scheme & capacity-based GST to be levied on certain items.
  2. Council agrees to introduce special composition scheme for brick kiln sector from April 2022
  3. Council prescribes GST rate of 6% without ITC, similar to services sector for brick kiln
  4. Council agrees to raise GST on supply of bricks to 12% from 5% with ITC from April 2022
  5. Supply of Mentha oil from unregistered person has been brought under reverse charge. Council agrees to block IGST refund route on export of Mentha.
  6. Council extends GoM's time period by 3 months to examine capacity-based levy on pan masala & tobacco products.
  7. Council deferred the discussion of brining the petroleum products into GST.
  8. Constitution of Group of Ministers (GoM) on GST System Reforms.

  [Office Memorandum S-31011/12/2021-DIR(NC) dated 24th Sept 2021]
- GSTN issued advisory for Taxpayers regarding Generation of EWB where the principal supply is Supply of services, e-way bill may be generated for goods where movement of goods involved for supply of service. [Dated 16th September 2021]

CENTRAL TAX RATE

NOTIFICATION:

- GST rates for services has been changed by amending Notification No. 11/2017 CTR dated 28.06.2017.
  1. 12% GST tariff rate is specified for works contract services for a building owned by trust or institution registered under section 12AB of Income Tax Act, 1961.
  2. GST rate on temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right is made 18% for all goods.
  3. GST rate for Services by way of job work in relation

to manufacture of alcoholic liquor for human consumption has been specified as 18%

4. Services way of printing all goods falling under Chapter 48 or 49 (newspaper, books or braille books, journals and periodicals) where content is of publisher and physical inputs belong to the supplier attracts GST at 18%.
5. Serial number 34 of notification is amended so as provide clarity on GST rate w.r.t. services amusement park, theme parks, water parks etc and race club, casinos and IPL.
6. New service classification entry is inserted in the Scheme of Classification of Services.

(1)	(2)	(3)	(4)
118a	Group 99654		**Multimodal Transport of goods from a place in India to another place in India**
118b		996541	Multimodal Transport of goods from a place in India to another place in India".

[Notification No. 6/2021 CTR dated 30th Sept 2021]

- GST exemptions notification 12/2017 CTR dated 28.06.2017 has been amended w.e.f. at October 2021 as under:

1. GST exemption is extended for services provided by trust or institution registered under section 12AB of Income Tax Act, 1961.
2. GST exemption for services provided by & to FIFA and its subsidiaries for event FIFA U-17 Women's world Cup 2020 to be hosted in India is continued whenever will be rescheduled.
3. GST exemption is provided for Services provided by and to Asian Football Confederation (AFC) and its subsidiaries directly or indirectly related to any of the events under AFC Women's Asia Cup 2022 to be hosted in India.
4. GST exemption is extended upto 30th September 2022 for the services of transportation of goods by aircraft or vessel from port in India to place outside India.
5. GST is exempted on Services by way of granting National Permit to a goods carriage to operate through-out India / contiguous States.
6. Services of any training programme provided to Government is exempted where 75% or more expenditure is borne by the Government.
7. GST is exempted on Services by way of right to admission to the events organised under AFC Women's Asia Cup 2022.

[Notification No. 7/2021 CTR dated 30th Sept 2021]

- Notification no 1/2017 has been amended vide Notification No. 08 /2021- Central Tax (Rate) dtd 30th Sept 2021. Rates will be effected w.e.f 1st October 2021.

S.No.	Chapter Heading	Description of goods	Existing rate	New Rate	Bizsol Remarks
71A	1209	Tamarind seeds meant for any use other than sowing	Nil	5%	Rate Amended
186A	3826	Bio-diesel supplied to Oil Marketing Companies for blending with High Speed Diesel	-	5%	Newly inserted
101A	3915	Waste, pairings or scrap, of plastics	5%	18%	Rate amended
201A	84 or 85 or 94	Following renewable energy devices & parts for their manufacture (a) Bio-gas plant (b) Solar power based devices (c) Solar power generating system (d) Wind mills, Wind Operated Electricity Generator (WOEG) (e) Waste to energy plants / devices (f) Solar lantern / solar lamp (g) Ocean waves/tidal waves energy devices/plants (h) Photo-voltaic cells, whether or not assembled in modules or made up into panels.	5%	12%	Rate Amended
180	30	Pembrolizumab (Keytruda) has been added in specified list 1of Drugs or medicines including their salts and esters and diagnostic test kits	5%	-	Addition in List 1
257	90 or any other chapter	Retro fitment kits for vehicles used by the disabled have been added in specified list 3 of Assistive devices, rehabilitation aids and other goods for disabled	5%	-	Addition in List 3
80A	3826	Bio-diesel (other than bio-diesel supplied to Oil Marketing Companies for blending with High Speed Diesel)	-	12%	Amendment in description
26C	2601	Iron ores and concentrates, including roasted iron pyrites.	5%	18%	Rate Amended
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.	5%	18%	Rate Amended
26E	2603	Copper ores and concentrates.	5%	18%	Rate Amended

26F	2604	Nickel ores and concentrates.	5%	18%	Rate Amended
26G	2605	Cobalt ores and concentrates.	5%	18%	Rate Amended
26H	2606	Aluminium ores and concentrates.	5%	18%	Rate Amended
26I	2607	Lead ores and concentrates.	5%	18%	Rate Amended
26J	2608	Zinc ores and concentrates.	5%	18%	Rate Amended
26K	2609	Tin ores and concentrates.	5%	18%	Rate Amended
26L	2610	Chromium ores and concentrates	5%	18%	Rate Amended
153A	4819	Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like.	12%/18%	18%	Uniform GST rate made for all type of goods falling under HSN 4819
157A	4906 0000	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions on sensitised paper and carbon copies of the foregoing.	12%	18%	Rate Amended
157B	4907	Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title (other than Duty Credit Scrips).	12%	18%	Rate Amended
157C	4908	Transfers (decalcomanias).	12%	18%	Rate Amended
157D	4909	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings.	12%	18%	Rate Amended
157E	4910	Calendars of any kind, printed, including calendar blocks.	12%	18%	Rate Amended
157F	4911	Other printed matter, including printed pictures and photographs; such as Trade advertising material, Commercial catalogues and the like, printed Posters, Commercial catalogues, Printed inlay cards, Pictures, designs and photographs, Plan and drawings for architectural engineering, industrial, commercial, topographical or similar purposes reproduced with the aid of computer or any other devices	12%	18%	Rate Amended
398A	8601	Rail locomotives powered from an external source of electricity or by electric accumulators.	12%	18%	Rate Amended
398B	8602	Other rail locomotives; locomotive tenders; such as Diesel electric locomotives, Steam locomotives and tenders thereof.	12%	18%	Rate Amended
398C	8603	Self-propelled railway or tramway coaches, vans and trucks, other than those of heading8604.	12%	18%	Rate Amended
398D	8604	Railway or tramway maintenance or service vehicles, whether or not self-propelled (for example, workshops, cranes, ballast tampers, track liners, testing coaches and track inspection vehicles	12%	18%	Rate Amended
398E	8605	Railway or tramway passenger coaches, not self-propelled; luggage vans, post office coaches and other special purpose railway or tramway coaches, not self-propelled (excluding those of heading 8604).	12%	18%	Rate Amended
398F	8606	Railway or tramway goods vans and wagons, not self-propelled.	12%	18%	Rate Amended
398G	8607	Parts of railway or tramway locomotives or rolling-stock; such as Bogies, bissel-bogies, axles and wheels, and parts thereof.	12%	18%	Rate Amended
398H	8608	Railway or tramway track fixtures and fittings; mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts of the foregoing.";	12%	18%	Rate Amended
447	9608	Ball point pens; felt tipped and other porous-tipped pens and markers; fountain pens; stylograph pens and other pens; duplicating stylos; pen holders, pencil holders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading 9609	12%/18%	18%	GST rate is made uniform for all types of Pen
12B	2202	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice	12%	28%	Rate Amended

(Notification no 73/2021-Customs (NT) dated 15th Sept 2021)

- Electronic Duty Credit Ledger Regulations, 2021 has been notified. ***[Notification No. 75/2021- Customs (NT) dated 23rd Sept. 2021]***
- CBIC notifies the manner to issue duty credit for goods exported under the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) ***[Notifications No. 76/2021- Customs (NT) dated 23rd Sept. 2021]***
- CBIC notifies the manner to issue duty credit for goods exported under the continuation of Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) ***[Notification No. 77/2021-Customs (NT) dt. 24th Sept. 2021].***

ANTI DUMPING DUTY:

- Anti-dumping duty on imports of "Glass Fibre and Articles thereof" falling under heading 7019, originating in, or exported from People's Republic of China has been extended up to 31st October 2021. ***(Notification No. 49/2021-Customs (ADD), dated 31 August 2021)***
- For the purpose of anti-dumping duty on Certain Rubber Chemicals, the name of exporter amended from "Solutia Europe SPRL/BVBA, Belgium" to "Solutia Europe BV". ***[Notification no 50/2021(ADD)-Customs, dated 14th Sept. 2021]***
- Seeks to levy Anti-Dumping Duty on imports of 'Aluminium foil' originating in or exported from China PR, Malaysia, Thailand and Indonesia and imported into India for a period of five years, In order to remove injury to domestic market.
  - i. Subject goods have been exported to India from the subject countries below normal values;
  - ii. Domestic industry has suffered material injury on account of imports of subject goods from subject countries;
  - iii. Material injury has been caused by the dumped imports of subject goods from the subject countries. ***[Notification no 51/2021(ADD)-Customs, dated 16th Sept. 2021]***
- Cancellation of Anti-Dumping Duty imposed on following product originating in or exported from 'People's Republic of China' and imported into India.

No.	Product	HSN	Earlier rate	Revised rate
1	Tyre curing Presses except Six Day Light Curing Press for curing bicycle tyres	8477 51 00	15%	0%

[Customs Tariff Notification no 52/2021(ADD)-Customs, dated 22nd Sept. 2021]

- Levy of Anti-dumping duty has been extended on 'Colour coated/pre-painted flat products of alloy or non-alloy steel' from China PR and EU up to 31st March, 2022. ***[Customs Tariff Notification no 53/2021(ADD)-Customs, dated 29th Sept. 2021]***
- DGTR recommends the imposition of the antidumping duty on the imports of Ceftriaxone Sodium Sterile, originating in or exported from China PR. ***[Case No. (ADD-OI-39/2020 dated 23rd Sept. 2021]***
- Anti-dumping investigation on imports of Decor Paper from China. ***[Notification dated 28th Sept. 2021 - Case No. AD (OI) – 33/2020]***
- Anti-dumping duty imposed on the imports of "Natural Mica based Pearl Industrial Pigments excluding cosmetic grade" originating in or exported from China. ***[Notification dated 28th Sept. 2021 - F.No. 6/8/2020-DGTR]***

COUNTERVAILING DUTY:

- countervailing duty imposed on "Aluminium Wire in coil form/Wire Rod in coil form having diameter ranging from 9 mm to 13 mm" exported from Malaysia for a period of 5 years. ***[Notification No. 4/2021-Customs (CVD) dated 24th Sept. 2021]***

CIRCULARS:

- New policy is designed for imposing the import duty id empty container is not returned. This policy was necessitated to reduce adverse impact of Global Container Shortage. ***[Circular No. 21/2021-Customs dated 24th Sept. 2021]***

Instructions:

- Field formation are instructed to dispose expeditiously the unclaimed / uncleared / seized / confiscated goods including that are holding up containers following the timelines and procedures prescribed in Board's Circular 48/2018 dated 03.12.2018. ***[Instruction No.20/2021-Customs dated 10th Sept. 2021]***

FOREIGN TRADE POLICY:

NOTIFICATION:

- No import licence to be obtained by leasing companies located in Gandhinagar IFSC for import of aircraft or copters. Also, permission for Ministry of Civil aviation is done away with for import of aircrafts without licenses by Scheduled/Scheduled Commuter/ Non-Scheduled Air Transport Services or Aerial Work operations subject to obtaining NOC from DGCA. ***(Notification No. 21/2015-20 dated 1st Sept. 2021)***
- Explanation inserted in Notification No. 36/2015-20 dated 18.12.2020 that, the expression "GOIs in any form" includes gold in any form above 22 carats under Chapter 71. Such imports can be made only by nominated agencies as notified by RBI (in case of banks) and DGFT (in cases of others) ***(Notification No. 22/2015-20 dated 2nd Sept. 2021)***
- Port of Mumbai Sea Port (INBOM1), Tuticorin Sea Port (INTUT1) and Vishakhapatnam Sea Port (INVTZ1) has been included for the purpose of import of crushed and de-oiled GM soya cake (only non-living organism) by amending notification No. 20/2015-20 dated 24.08.2021. ***(Notification No. 23/2015-20 dated 3rd Sept. 2021)***
- Import policy of Mercury has been revised from free to Restricted subject to obtaining Prior Informed Consent from Ministry of Environment, Forest and Climate Change (MoEF&CC). ***(Notification No. 24/2015-20 dated 9th Sept. 2021)***

- Last Date for Submitting applications for Scrip (MEIS, SEIS, ROSCTL, ROSL) has been notified to be 31.12.2021 for the period specified below. No application will be allowed after 31.12.2021. The Scrip will be valid for the period of 12 months from the date of issuance of scrip.
  1. For MEIS (for exports made in the period (s) 01-07-2018 to 31-03-2019,01-04-2019 to 31-03-2020 and (01-04-2020 to 31-12-2020),
  2. For SEIS (for services export rendered in FY 18-19 and FY 2019-20),
  3. For 2% additional ad hoc incentive (under para 3.25 of the FTP-for exports made in the period 01-01-2020 to 31-03-2020 only)
  4. For ROSCTL (for export made from 07-03-2019 to 31-12-2020) and
  5. For ROSL (for exports made upto 06-03-2019 for which claims have not yet been disbursed under scrip mechanism).

Sl.No.	Scheme	Periods of exports (Let exports date in the period) /services rendered in the period	Late cut (as % age of entitlement under the scheme)
1	MEIS	FY 2018-19 (01-07-2018 to 31-03-2019)	10%
2	MEIS	FY 2019-20 and FY 2020-21(upto 31-12-2020)	Nil
3	SEIS	FY 2018-19	5%
4	SEIS	FY 2019-20	Nil
5	ROSCTL	07-03-2019 to 31-12-2020	Nil
6	ROSL	Upto 06-03-2019	Nil

[Notification No. 16/2015-20 dated 16th Sept. 2021.]

- Option given to avail extension in export obligation period till 31-12-2021 for specified Advance Authorisations and EPCG Authorisations is provided without any composition fees subject to fulfillment of 5% additional export obligation on balance exports to be fulfilled. This is in addition to EO extension facility (upon payment of composition fees) already provide in FTP/HBP. In cases where Advance Authorisations or EPCG Authorisations Holders has already obtained EO extensions with payment of composition fees, then no refund will be given for the same. ***[Notification 28/2015-20 dated 23rd Sept. 2021]***
- List of eligible services and rates under SEIS for services rendered in the FY 2019-20 is being notified.
- A limit on total entitlement under SEIS has been imposed for service exports rendered in the period F.Y 2019-20 and capped at Rs. 5 Cr per IEC. Further, it has been notified that the facility to claim benefits under SEIS on payments in INR shall not be available for services rendered in the FY 2019-20.
- Deadline for submission of SEIS applications for FY 2019-20 shall be 31.12.2021 and late cut provisions for such applications shall not apply i.e. SEIS applications for FY 2019-20 will become time barred after 31.12.2021. ***[Notification 29/2015-20 dated 23rd Sept. 2021]***
- Export policy condition for Betel Leaves (HSN 14049040) has been changed, now export to EU is now subject to registration with SHEFEXIL, the designated Competent Authority for issuance of health certificate instead of APEDA. ***[Notification 30/2015-20 dated 23rd Sept. 2021]***
- Export Policy of Mercury has been amended from free to Restricted with immediate effect. The export will be subject to obtaining prior Informed Consent (PIC) from MoEF&CC. ***[Notification 31/2015-20 dated 23rd Sept. 2021]***
- Validity of FTP 2015-2020 extended upto 31st March, 2022. ***[Notification No. 33/2015-2020 – DGFT dated 28th Sept. 2021]***

PUBLIC NOTICE:

- Procedure / modalities for import of 50,000 MT of tur (pigeon peas) from Malawi under the MoU are laid down. ***[Public Notice 21/2015-2020, dt. 06th Sept. 2021]***
- Procedure / modalities for import of 2,50,000 MT of Urad and 1,00,000 MT of tur from Myanmar under the MoU is laid down. ***[Public Notice 22/2015-2020, dated 06th Sept. 2021]***
- Tariff Rate Quota for items as in Table 4 of Notification No. 25/2021 Customs dated 31.03.2021 on India-Mauritius and procedure for such imports is notified. ***[Public Notice 23/2015-2020, dated 09th Sept. 2021]***
- Applications are invited for allocation of Tariff Rate Quota (TRQ) under India-Mauritius Comprehensive Economic Cooperation. Partnership Agreement (CECPA) for the year 2021-22. The last date for application shall be 31.10.2021. ***[Public Notice 24/2015-20 dated 17th Sept. 2021]***
- Validity of HBP 2015-2020 extended upto 31st March, 2022. ***[Public Notice No. 25/2015-2020-DGFT dated 28th Sept. 2021].***
- DGFT extends time for Radiation Portal Monitors & Container Scanners installation. ***[Public Notice No. 26/(2015-2020) dated 29th Sept. 2021]***

TRADE NOTICE:

- Procedure for refund of application fees deposited by applicants for Restricted Import Authorisation of Pulses for the period 2021-22 has been prescribed. ***[Trade Notice 17/2021-2022 dated 14th Sept. 2021.]***
- All IECs which have not been updated shall be de-activated with effect from 06.10.2021. The list of such IECs may be seen at the given link (https://www.dgft.gov.in/CP/?opt=dgft-ra). Final opportunity to update IEC is given till 05.10.2021. Any IEC so de-activated, would have the opportunity for automatic re-activation without any manual intervention or a physical visit to the DGFT RA. ***[Trade Notice 18/2021-2022 dated 20th Sept. 2021.]***

CIRCULARS:

- Considering the decline in exports in last 2 years, the DGFT has asked the RA to re-fix the Average Export Obligation in case of EPCG authorization in line with the decline that sector witnessed. Sector wise reduction percentages are issued by the DGFT. ***[Policy Circular 37/2015-20 dated 10th Sept. 2021]***

INCOME TAX

NOTIFICATIONS

- CBDT extends the date of payment under the Direct Tax Vivad se Vishwas Act, 2020 (without additional amount) to 30th Sept.ember, 2021. Further the last date for payment of the amount (with additional amount) remains 31st October 2021. ***(Notification No. 94/2021 dated 31st August 2021)***
- CBDT inserts new provision for calculation of taxable interest relating to contribution in a provident fund or recognized provided fund, exceeding specified limit. ***(Notification No. 95/2021 dated 31st August 2021)***
- Central Government constitutes the Boards for Advance Rulings under Income Tax in Delhi and Mumbai. ***(Notification No. 96/2021 dated 1st Sept. 2021)***
- Board of Advance Rulings, replacing AAR, shall come into effect from Sep 1, 2021. Same are constituted at Delhi & Mumbai ***[Notification No. 97/2021-Income Tax [S.O. 3562(E)] [Notification No. 96/2021-Income Tax [S.O. 3561(E)]***
- Specified Senior Citizens would have to submit a declaration to specified banks statting claim of deduction u/c VI-A and rebate u/s 87A, based on which such specified banks shall compute and deduct tax u/s 194P. Specified senior citizens, who are covered under Sec 194P, are not required to furnish return u/s 139. Here, specified banks mean only 'Banking Company' and 'Scheduled Banks' as recognized by RBI. ***[Notification No. 99/2021 - Income-Tax [G.S.R. 612(E).]***
- Process of authentication of electronic records in faceless assessment proceedings has been amended to allow authentication through EVC as well for those who were earlier mandatorily required to authenticate through DSC. ***[Notification No. 101/2021 - Income Tax [G.S.R. 616(E)]***
- Provisions of gift tax shall not apply to investor receiving equity claim from Central /State Government in a public company, under a strategic disinvestment program. ***(Notification no 105/2021 dt. 10th Sept. 2021)***
- Numerous Income Tax concessions to ease Air India disinvestment:

  GoI has announced several tax concessions to lighten the Air India disinvestment including no TDS/ TCS on transfer of goods nor capital gains tax on transfer of capital asset neither application of provision of gift tax.

  [Income Tax Notification No. 104/2021 dt. 10th Sept. 2021]
  [Income Tax Notification No. 106/2021 dt. 10th Sept. 2021]
  [Income Tax Notification No. 107/2021 dt. 10th Sept. 2021]
  [Income Tax Notification No. 108/2021 dt. 10th Sept. 2021]
- No deduction of tax shall be made on the payment U/S 194A, namely Interest other than interest on securities, made by schedule bank located in specified area, to a member of schedule tribe residing in specified area subject to the conditions. ***[Notification 110/2021 dated 17th Sept. 2021]***
- Government extend certain timelines to ease compliances

  1. Time limit for intimation of Aadhaar number to the Income tax department for linking of PAN with Aadhaar has been extended upto 31st March, 2022.
  2. The due date for completion of penalty proceedings under the Act has also been extended from 30th Sept.ember, 2021 to 31st March, 2022.
  3. Further, the time limit for issuance of notice and passing of order by the Adjudication Authority under the Prohibition of Benami Property Transaction Act, 1988 has also been extended to 31st March, 2022.

  [Notification 113/2021 dated 17th Sept. 2021]
- CBDT notifies tax exemption to Gujrat Electricity Regulatory Commission' in case of specified income U/S 10(46). ***[Notification 115/2021 dated 20th Sept. 2021]***
- Fresh Assessments to be made on account of setting aside of last assessment order or reassessments to be made, wherein for both such cases, the time limit for completion is to expire on Sep 30,2021, shall not be covered u/s 144B (i.e. Faceless Assessment Regime) and such tasks would have to be completed by jurisdictional AO only. ***[Order F. No. 187/3/2020-ITA-I dated 23rd Sept. 2021]***
- Ministry of Finance, via Income Tax Amendment Rule 2021, has extended validity of TP Safe Harbour provisions till Assessment Year 2021-22. Safe Harbour allows declared prices (subject to certain conditions & validations) to be accepted as transfer prices. Initially SF provisions for brought in for AY 2017-18 to AY 2019-20. It was then extended to include AY 2020-21. ***[Notification No. 117/2021 – Income-Tax dated 24th Sept. 2021]***

CIRCULAR:

- CBDT further extends the due dates for filing of ITRs & Audit reports for AY 21-22. ***(Circular No.17/2021 dated 09th Sept. 2021)***

PRESS RELEASE:

- Suggestions/comments are invited on the draft notification for framing the rules for the amendments made by the Taxation Laws (Amendment) Act, 2021 ***(Press Release dated. 28th August 2021)***

ORDERS:

- CBDT via an order has extended the time limit to Sep 30, 2021 for eligible taxpayers to file application for settlement before the Interim Board. Earlier the due date was Jan 31, 2021, since the IT Settlement Commission was to be cease from operation on and after Feb 1, 2021. ***(CBDT Order F.No. 299/22/2021-Dir (Inv. III) / 174 dated 29th Sept. 2021)***

OTHERS:

- Central Motor Vehicles (Twenty first Amendment) Rules, 2021 ***[G.S.R. 652(E) dated 23rd Sept. 2021]***
- Faceless Assessment in Cases in which limitation period expires on 30.09.2021 ***[Order No. F No. 187/3/2020-ITA-I dated 22nd Sept.. 2021]***
- Returns furnished between 07.06.2021 to 30.09.2021 under EVC instead of DSC to be treated as valid. ***[Order No. F.No. 225/188/2021/ITA-II dated 24h Sept. 2021]***

CHAPTER NEWS

AHMEDABAD

CEP on FEMA Overview

ICAI-Ahmedabad & Baroda Chapter jointly organized CEP Webinar on FEMA Overview on 3rd Sept'2021. CMA Mihir Vyas, Vice Chairman, Baroda Chapter welcomed present members and CMA Kartik Vasavada, Chairman-Baroda Chapter has welcomed & introduced speaker CA Yash Bhatt and participants. CA Yash Bhatt gave detailed presentation and explained about FEMA. There was detailed and healthy discussion between all the participants on the subjected topic. More than 85 participants were present in the webinar. CMA Mitesh Prajapati, Secretary-Ahmedabad Chapter proposed vote of thanks.

CEP on Emerging Power Sector and Role of CMA

ICAI-Ahmedabad & Baroda chapter had organized CEP webinar on Emerging Power Sector and Role of CMA on 4th Sept'2021. CMA Malhar Dalwadi, Chairman of Ahmedabad Chapter, welcomed present members and CMA Ashish Bhavsar program Co-coordinator has welcomed & introduced speaker CA Minal Mehta Buch and participants. CA Minal Mehta Buch gave detailed presentation and explained on subject of webinar in very lucid manner. There was detailed and healthy discussion between all the participants on the subjected topic. 70+ members participated in the webinar. CMA Priyank Vyas proposed vote of thanks.

CEP on Multi-Disciplinary Partnership New Horizon of Practice

ICAI-Ahmedabad, Baroda & Solapur chapter had organized CEP webinar on Multi-Disciplinary Partnership New Horizon of Practice on 5th Sept'2021. CMA Mihir Vyas, Vice Chairman-Baroda Chapter welcomed present members. CMA Malhar Dalwadi, Chairman-Ahmedabad Chapter has welcomed speakers RCM CMA Ashish Bhavsar & CMA Sharad Puranik and all participants. Both the speakers gave detailed presentation and explained on subject of webinar. Vote of thanks was proposed by CMA Murali Iyengar

CEP on Project Finance

ICAI-Ahmedabad & Baroda chapter had organized CEP webinar on Project Finance on 11th Sept'2021. CMA Azahar Patel welcomed present members and CMA Ashish Bhavsar program Co-coordinator has welcomed & introduced speaker CA Sohebmohmed M Lahori and participants. CA Sohebmohmed M Lahori gave detailed presentation and explained on subject of webinar. CMA Mitesh Prajapati, Secretary Ahmedabad Chapter proposed vote of thanks

Essay writing competition on occasion of Hindi Diwas

Chapter organized an essay competition on the occasion of Hindi Diwas on 14th September 2021 in which about 35 students enthusiastically participated. In this competition, Regional Council member CMA Ashish Bhavsar, Chairman, Ahmedabad Chapter of Cost Accountants CMA Malhar Dalwadi, Secretary CMA Mitesh Prajapati and Shri Deepak Kumar Vora of Saraswati Vidyamandir were present as jury members. Jury Shri Deepak Kumar Vora explained the importance of Hindi Diwas and Hindi language. Regional Council Member CMA Ashish Bhavsar and Chairman of Ahmedabad Chapter of Cost Accountants CMA Malhar Dalwadi delivered the occasional sermon.

CEP on Inventory Management

ICAI-Ahmedabad, Baroda & Nashik-Ojhar chapter had organized CEP webinar on Inventory Management on 17th Sept'2021. CMA Malhar Dalwadi, Chairman-ICAI Ahmedabad Chapter welcomed present members. and CMA Bhushan Pagere has welcomed & introduced speaker CMA Amit Apte and participants. Speaker CMA Amit Apte gave detailed presentation and explained on subject of webinar. There was detailed interaction between all the participants on the subjected topic. Large numbers of participants have attended the webinar. CMA Mihir Vyas, Vice Chairman of ICAI Baroda Chapter proposed vote of thanks.

CEP on Cyber Crime Prevention: Cyber Security

ICAI-Ahmedabad & Baroda chapter had organized CEP webinar on Cyber Crime Prevention – Cyber Security on 18th Sept'2021. CMA Kartik Vasavada, Chairman-Baroda Chapter welcomed present members and CMA Ashish Bhavsar program Co-coordinator has welcomed & introduced Chief Guest ACP Shri Dr. Hardik Makadia and speaker PI Mahendra Motwani and participants. PI Mahendra Motwani gave detailed presentation and explained on subject of webinar. Vote of thanks proposed by CMA Mihir Vyas, Vice Chairman of Baroda Chapter.

CEP on Decisions taken in 45th GST Council Meeting

ICAI-Ahmedabad & Baroda chapter had organized CEP webinar on Decisions taken in 45th GST Council Meeting on 24th Sept'2021. CMA Malhar Dalwadi, Chairman of Ahmedabad Chapter welcomed present members and RCM CMA Ashish Bhavsar has welcomed & introduced speaker CA Vipul Khandhar and participants. Speaker CA Vipul Khandhar gave detailed presentation and explained on subject of webinar.. RCM CMA Ashish Bhavsar proposed vote of thanks.

Azadi of Amrut Mahotsav

As a part of Azadi ka Amrut Mahotsav, CMA students were invited for presentation at Food Corporation of India (A Govt. Of India Organization). CMA students took advantage of practical approach of Costing, Accounts and Finance in Corporate sector. The presentation was very effective to the students.

CEP on Recent changes in CSR & Scope for CMAs'

ICAI-Ahmedabad & Baroda chapter had organized CEP webinar on Recent changes in CSR & Scope for CMAs' on 25th Sept'2021. CMA Mihir Vyas, Vice Chairman welcomed present members and CMA Vandit Trivedi has welcomed & introduced speaker CMA Pankaj Kannaujiya and participants. CMA

Pankaj Kannaujiya gave detailed presentation and explained on the topic of program. CMA Azar Patel proposed vote of thanks.

Felicitation Program of Inter Pass out Students of Dec19 & Dec20 term– 25/09/2021

ICAI-Ahmedabad Chapter organized felicitation function at Haribhai Auditorium for all the students, who have passed Intermediate Examination of Dec'19 & Dec'20 term. CMA Aparna Bhonde, Treasurer of Chapter welcomed dignitaries on Dias, Managing Committee members, Students and their parents. Lighting of Lamp was performed by dignitaries on Dias and after that prayer was performed. CMA Malhar Dalwadi, Chairman of Chapter gave greeting speech and congratulates all the students. He also informed about the activities of chapter and explained about opportunities for the CMAs. CMA Malhar Dalwadi chairman of Ahmedabad chapter felicitate the Chief Guest CMA L R Jogchand by offering bouquet and memento.

CMA Dakshesh Chokshi vice chairman of Ahmedabad chapter felicitates Central Council Member CMA Ashwin Dalwadi by offering bouquet. CCM CMA Ashwin Dalwadi gave motivational speech and advised students to work hard. Chief Guest CMA L R Jogchand gave inspiration speech to students and explained about opportunities for CMAs in Industry and Govt. sectors. Felicitation of successful students was done by the hand of dignitaries on Dias and committee members. At the end of the program, CMA Mitesh Prajapati, Secretary of Ahmedabad Chapter proposed vote of thanks.

Career Counselling Activities

During the month of Sept 2021, Chapter has done promotional activities for CMA course. As part of Career counseling activity, CMA Mitesh Prajapati, Secretary and Oral Coaching Committee Chairman along with admin person met principals of different schools, Colleges, universities and owner of Private classes. During the month chapter has conducted promotional activities at 5+ Schools, Private Coaching classes and colleges.

PIMPRI-CHINCHWAD-AKURDI

Vaccination for Members and Students

Chapter has started free Covishield Vaccination Drive jointly with Pimpri-Chinchwad-Municipal Corporation for the protection against COVID 19 during August and September 2021 (for 1st & 2nd doses) for the Members, Students, Staff and their Families at CMA Bhawan. The event was started with the help of Hon'ble Shri. Tushar Hinge, Vice-Mayor – Pimpri Chinchwad Municipal Corporation. Large number of members, students, staff and their families have taken benefits of this. Shri. Tushar Hinge sir assured us about the availability of First and Second doses of Covishield Vaccination Drive will be continued till getting help from PCMC.

Webinar on "Revenue Recognition in R & D as per IFRS 15"

Chapter conducted webinar on 'Revenue Recognition in R & D as per IFRS 15' on 28th August 2021 through Google Digital platform.

CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter welcomed the audience and Sagar Malpure, Chairman-PD Committee introduced the speaker CMA Pradeep Deshpande, Vice Chairman of PCA Chapter and Manager (Controlling), Faurecia India Pvt. Limited, Pimpri.

CMA Pradeep Deshpande in his speech covered the topic Difference between Product PL Vs R&D PL, Concept of Inventory in R&D PL, Introduction to IFRS15, Tooling, Engineering Sale etc.

Webinar on "The Frills & ILLS of Indian Telecom Sector"

Chapter conducted webinar on 'The Frills & ILLS of Indian Telecom Sector' on 4th September 2021 through Google Digital platform.

CMA Sagar Malpure, Chairman – PD Committee has welcomed all audience and introduced the speaker CMA Dr. Sreehari Chava, Practicing Cost Accountant.

CMA Dr. Sreehari Chava explained the importance of communication and how communication were kept in the time of mythological history of Mahabharata. He gave the example of strategic communication of Yudhishtara and Dronacharya. He covered the topics during the session such as Telecom Services, National Digital Communication Policy, KPIs Telecom Industry, Customer Domination, Thrilling Pills, Witching Ills, Telephone Subscriber Base, IRPU, Indian Tele Density , Revenue etc

Webinar on "Are Unemployed Youths Ready to Become Atmanirbhar?"

Chapter conducted webinar on Are Unemployed Youths Ready to Become Atmanirbhar" on 11th September 2021 through Google Digital platform.

CMA Sagar Malpure, Chairman – PD Committee has welcomed all audience and introduced the speaker Dr. Kushal De, Assistant Professor, Department of Commerce, Dhruba Chand Halder College.

Dr. Kushal De in his speech said, Dayanand Saraswati said that Swaraj lays stress on governance, not by a hierarchical government, but by self-governance through individuals and community building. Swaraj advocated that India discard British political, economic, legal, military, and educational institutions.

Gandhi urged for indigenous production of all necessities

The Gandhian vision of an ideal village or village Swaraj is that it is a complete republic, independent of its neighbors for its own wants and yet interdependent for many others in which dependence is necessary.

He explained on Gandhi's Model of Atmanirbhar with the Ref. Hind Swaraj 1909 & Constructive Program 1941.

He briefed on the topic Independent India, Aatmanirbhar Bharat, Features of LPG Policy 1991, Present status of India etc.

CMA Sport's Event 2021

Chapter has conducted Sport's Event for its members and students during September 2021.

a. **Chess Tournament**

   This tournament was conducted on 11thSeptember 2021 from 9:00am to 3:00pm at CMA Bhawan, Pimpri. There were 18 students & members who participated in Chess. Mr. Karan Dhanure got first prize and Mr. Vishal Vanarase got second prize.

b. Badminton Tournament

This tournament was conducted on 12thSeptember 2021 from 9:00am to 2:00pm at Gravity Badminton Court, Tathavade, Pimpri-Chinchwad, Pune. There were 40 students & members who participated in Badminton. CMA Shilpa Bhalchandra and CMA Shashank Chitale has got first prize and Mr. Vinod Jadhav and Mr. Ankit has got second prize.

c. Cricket Tournament

This tournament was conducted on 18thSeptember 2021 from 9:00am to 4:00pm at Ravet Gymkhana Football & Cricket Academy, Pimpri-Chinchwad, Pune. There were 11 teams having 5-7 players, participated in Cricket. Mr. Vaibhav Ghadage's team has got first prize and Mr. Sachin Ajetrao's team has got second prize.

d. Football Tournament

This tournament was conducted on 26thSeptember 2021 from 9:00am to 4:00pm at Ravet Gymkhana Football & Cricket Academy, Pimpri-Chinchwad, Pune. There were 9 teams having 6 players who participated in Football. Mr. Shreyas Thakar's team has got first prize and Mr. Arshman Ansari's team has got second prize.

These events received an overwhelming response and around 141 students and members of the Institute who were participated in the sports. All the members of managing committee, Members of the Institute, Staff and Students were present for this tournament in large numbers. All the member of managing committee have congratulated the winners.

Webinar on "Practical Cost System taking leaf from ABC"

Chapter conducted webinar on 'Practical Cost System taking leaf from ABC on 18th September 2021 through Google Digital platform.

CMA Swapnil Maid, Member – PD Committee has welcomed all the audience and introduced the speaker CMA Kailash Sankhlecha, Practicing Cost Accountant and Partner – B M Sharma & Associates.

CMA Kailash Sankhlecha in his speech covered the topics as Absorption Costing, Actual Uses of Costing by Industry, GACAP, Activity Based Costing, How Cost Treated under ABC, Cost System Design, Characteristics of Successful ABC Implementations, Advantages of ABC, ABC Limitations, Material Accounting etc.

Webinar on "Role of ERP in Management Accounting" on 25.9.2021

Chapter conducted webinar on 'Role of ERP in Management Accounting' on 25th September 2021 through Google Digital platform.

CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter welcomed the audience and CMA Pradeep Deshpande, Vice-Chairman of PCA Chapter introduced the speaker CMA Sushul Barmecha.

CMA Sushil Barmecha in his speech said, Managerial accounting is the practice of identifying, measuring, analyzing, interpreting, and communicating financial information to managers for the pursuit of an organization's goals. It varies from financial accounting because the intended purpose of managerial accounting is to assist users internal to the company in making well-informed business decisions.

Further he explained how management accounting works focused on three basic steps of management accounting. He explained on difference between Management Accounting (CO) and Financial Accounting (FI), SAP ERP, Purpose of ERP etc.

In conclusion he said, ERP implementations results in ERP systems reduced the routine work undertaken by accountants and led to the routinisation of accounting through evolutionary change.

The program ended with vote of thanks.

PUNE

CEP on "Ayurveda In Post Covid complications"

Chapter arranged Webinar on "Perspective of Leadership in the current times and allied aspects associated" on 27th August 2021. Mr.Amit Ravindra Deokule, Executive Leadership Coach was Speaker for the Webinar. CMA Rahul Chincholkar, Member of Chapter welcomed & introduced the Speaker to the participants. The session was very educative & knowledge sharing. CMA Shrikant Ippalpalli, Managing Committee Member of Pune Chapter proposed vote of thanks.

CEP on "Data Forensics"

Chapter arranged Webinar jointly with Solapur Chapter on "Data Forensics" on 3rd September 2021. Dr. Harold D'Costa, Cyber Security Expert was Speaker for the Webinar. CMA Amol Kshirsagar Webinar Co-ordinator of ICAI-Solapur Chapter welcomed the participants. CMA Abhay Deodhar, Member of Managing Committee ICAI-Pune Chapter introduced the Speaker to the participants. CMA Murali Iyengar, Chairman of ICAI-Solapur Chapter proposed vote of thanks.

Career Counseling Session on CAT & CMA Course

The Institute of Cost Accountants of India CAT Committee jointly with ICAI-Pune Chapter organized Career Counseling Session on CAT & CMA Course for 12th & Graduate Students on 8th September 2021 at 3.00 pm to 4.30 pm. CMA Rahul Chincholkar, Member of ICAI-Pune Chapter welcomed & introduced the Guests. CMA H. Padmanabhan, Chairman, CAT & AAT, ICAI explained the importance of CAT course to the participants. He also informed that Ministry of Education sponsored 3 lakh students in 3 years. CMA Neeraj Joshi, CCM, ICAI, talked about current affairs, emphasized the value of CAT & CMA course for future. CMA R K Jain, Secretary CAT Committee also explained about the course. CMA Chaitanya Mohrir, RCM, WIRC-ICAI also added his views for the course. CMA Shrikant Ippalpalli, Managing Committee Member of ICAI-Pune Chapter explained the importance of CMA & CAT course & the efforts taken by ICAI-Pune Chapter. He also delivered vote of thanks.

Free Vaccination Drive

Chapter conducted Free Vaccination Drive(1st or 2nd Dose), jointly with Pune Municipal Corporation, Henkal India

Limited and Bhartiya Yuvak Kalyan & Vyayam Kendra on Saturday, 25th September from 9.30 am to 5.00 pm at Chapter's premises.

This Vaccination Drive was conducted for students, Faculty members, Members, staff of Pune Chapter and their Family members. It was free for other people also.

CMA Nilesh Kekan, Treasurer, ICAI-Pune Chapter introduced the Guests CMA Neeraj Joshi, CCM, ICAI, CMA Chaitanya Mohrir, RCM, WIRC, CMA Prasad Joshi, Chairman, ICAI-Pune Chapter, CMA Meena Vaidya, Past Chairperson & current Advisor ICAI-Pune Chapter, Dr.Prasad Khandagle, CSR Head Henkal India Ltd.& Mr.Yogesh Thakar, Henkal India Ltd., Dr.Buddhiraj Tupere, Pune Municipal Corporation, Dr.Rajendra Khedekar, Vaccination Camp Head, Bhartiya Yuvak Kalyan & Vyayam Kendra, Mr. Ravi Nanavre & Mr. Vikas Mane Vaccination Camp Coordinator, The response to this Vaccination Camp was overwhelming.200 people took vaccine in this camp. Senior citizens, physically handicapped people also took vaccine. All the participants were satisfied with systematic arrangement.

SURAT SOUTH GUJARAT

Teacher's Day Celebration

Chapter organized Teachers Day celebration program to felicitate the oral coaching faculties of the Chapter at the Chapter's premises on 5th September 2021. Dr. Upendra T. Desai- Educationist was the Guest of Honor and Chief Guest were – Sant Shree Nityaswaroopdasji who was present through virtual mode and on his behalf Sant Shri Vedant Swamiji was present physically. The program begins with traditional lighting of lamp. CMA Mahesh Bhalala , Secretary welcomed all the members, students and dignitaries. CMA Kishor Vaghela, Treasurer gave formal introduction of the dignitaries to the gathering. CMA Nanty Shah , Chairman felicitated the Guest of Honor and CMA Bharat Savani- Immediate Past Chairman felicitated Chief Guest.. CMA Nanty Shah Chairman individually appreciated all the faculties and thanked them for their valuable contribution to the Chapter and students. All the Oral Coaching Faculties of the Chapter were felicitated on the occasion. CMA Kishor Vaghela, Treasurer) proposed vote of thanks.

Press Meet

Chapter hosted a Press Meet at the Chapter's premises, on 22nd September 2021for the declaration of the Foundation Course Examination Results of June 2021 term, CMA Nanty Shah , Chairman, CMA Bhanwar Lal Gurjar , Vice Chairman, CMA Keval Shah, Vice Chairman, CMA Mahesh Bhalala , Secretary, CMA Kishor Vaghela , Treasurer attended the Meet.

The Chairman of the Chapter along with the Managing Committee members present congratulated all the Foundation Passed students and guided them for their further future prospects.

Leadership Session

Chapter organized a Seminar on "Learn, Lead and Earn" on 26th September 2021 at Chapter Office. The Speaker of the Program was CMA Keval Shah- Vice Chairman-& JCI Provisional Zone Trainer. Shri Yuvraj Singh Deora- from JCI also joined the program. CMA Nanty Shah – Chairman of the Chapter felicitated Shri Yuvraj. CMA Keval Shah begins the session and taught students the role of a leader in individual success and the overall success of any organization. It was an interesting and interactive session and students got ample to learn from it.

VAPI-DAMAN-SILVASSA

Chapter organised Annual function and Felicitation program on 8th August 2021.Shri Kanubhai Desai, Local MLA and Minister of Gujarat Government was the Chief guest and CA Mukesh Agarwal, Vice President of Meril life Sciences Pvt. Ltd was Guest of honor. Two hours motivational program by Prof Mrs. Nupur Angirish was organised. Overall, 78 students were felicitated. The program was appreciated by members and Students.

ICMAI – MSSDS Agreement

Memorandum of Understanding (MOU) was signed between The Institute of Cost Accountants of India and Maharashtra State Skill Development Society (MSSDS), Government of Maharashtra on 7th September 2021 at Sahyadri State Guest House, Mumbai in the August presence of Shri Nawab Malik, Hon'ble Minister for Skill Development and Entrepreneurship, Government. of Maharashtra.

The MOU will foster skill development of the youth of Maharashtra through Certificate in Accounting Technicians (CAT) Course of the Institute.

CMA H Padmanabhan CCM & Chairman of CAT Committee, ICAI, CMA Rakesh Singh & CMA (Dr.) Balwinder Singh, Past Presidents ICAI, CMA Neeraj Joshi, & CMA Ashish Thatte, CCMs were present during the occasion.

CMA Malhar Dalwadi , Chairman Ahmedabad Chapter felicitating CMA LR Jagchand, Chief Guest during Felicitation Program organised by Ahmedabad Chapter on 25th September 2021. Also seen CMA Mitesh Pajapati-Secretary,-Ahmedabad Chapter & CMA Ashwin Dalwadi, CCM.

CMA Ashish Bhavsar, RCM felicitating the winner of essay competition organised by Ahmedabad Chapter on the occasion of Hindi Diwas on 14th September 2021.

Vaccination Drive organised by Pimpri-Chinchwad-Akurdi Chapter jointly with Pimpri-Chinchwad-Municipal Corporation

Badminton Tournament organised by Pimpri-Chinchwad-Akurdi Chapter on 12th September 2021.

Inauguration of Free Vaccination Drive organised by Pune Chapter on 25th September 2021.

Shri Kanubhai Desai local MLA and Minister of Gujarat Government felicitating CMA Vaishali Modi for her completion of Final CMA Examination during Felicitation program organized by Vapi Daman Silvassa chapter on 8th August 2021.

Managing Committee Memebers and oral coaching faculty members of Surat South Gujarat Chapter on the occasion of Teachers Day celebration organised by Surat South Gujarat Chapter on 5th September 2021.

CMA Nanty Shah, Chairman Surat South Gujarat Chapter Felicitating Shri Yuvraj Deora (From JCI) during leadership session organised by Surat South Gujarat Chapter on 26th September 2021. Also seen CMA Keval Shah, Vice Chairman and CMA Brijesh Mali, Past Chairman of the Chapter.

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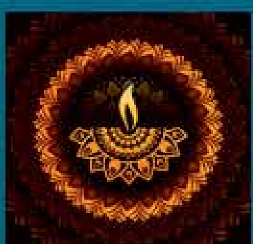
Felicitation Function of Foundation passed students on 30th September 2021

CMA Arindam Goswami, Chairman Students Members Coordination Committee WIRC, CMA Harshad Deshpande, RCM, CMA Dinesh Kumar Birla, Chairman, WIRC and CMA Debasish Mitra, CCM during Felicitation Function organised by WIRC for Foundation passed students on 30th September 2021



WIRC wishes all Members & Students
Happy Dassera & Happy Diwali

To,

If undelivered please return to:
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
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