THE MANAGEMENT ACCOUNTANT

ISSN 0972-3528

July 2020 | VOL 55 | NO. 07 | Pages - 124 | ₹ 100

GOODS & SERVICES TAX

RECENT CHANGES AND EMERGING ISSUES

Journal of

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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AWARDS 2019

CALL FOR NOMINATIONS

Last date extended for submission of Nomination: 5th August 2020

Screening Committee

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Professional Development &
CPD Committee

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Secretary
Professional Development &
CPD Committee

17th National Awards for Excellence in Cost Management 2019

Eligibility to Participate:
All companies (Listed or Unlisted) Including LLP

Categories:

1. Manufacturing Sector

A1) Private Sector - Mega
A2) Private Sector - Large
A3) Private Sector - Medium
A4) Private Sector - Small
A4) Private Sector - Micro
A5) Public Sector - Mega
A6) Public Sector - Large
A7) Public Sector - Medium
A8) Public Sector - Small

2. Service Sector

B1) Banking, Financial Services and Insurance
B2) Transportation and Logistics
B3) Power Distribution and Transmission
B4) Retail & E-commerce
B5) Hospitality & Tourism
B6) Healthcare
B7) Infrastructure and Construction
B8) Information Technology & Telecommunication
B9) Consulting
B10) Start-up
B11) Others

Evaluating Agency:- Care Ratings Ltd.

Submission of Nomination: By sending email at *ecma@icmai.in*

For details visit website of the Institute:
https://icmai.in/icmai/news/National-Awards.php

6th CMA Awards 2019

Eligibility to Participate:
CMAs in employment and not holding CoP for the last three years

Categories:

CMA CFO

(i) Manufacturing Sector - Public
(ii) Manufacturing Sector - Private
(iii) Service Sector

CMA Achiever

(iv) Manufacturing Sector - Public
(v) Manufacturing Sector - Private
(vi) Service Sector

CMA Young Achiever

(vii) Manufacturing Sector - Public
(viii) Manufacturing Sector - Private
(ix) Service Sector

Submission of Nomination: Online forms or by email at *cmaawards@icmai.in*

For details visit website of the Institute:
https://icmai.in/icmai/news/CMA-Award.php

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Behind every successful business decision, there is always a CMA

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory body under an Act of Parliament

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- **THE INSTITUTE OF COST ACCOUNTANTS OF INDIA** (erstwhile The Institute of Cost and Works Accountants of India) was established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.
- On 28 May 1959, the Institute was established by a special Act of Parliament, namely, the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of cost and management accountancy.
- It has since been continuously contributing to the growth of the industrial and economic climate of the country.
- The Institute of Cost Accountants of India is the only recognised statutory professional organisation and licensing body in India specialising exclusively in Cost and Management Accountancy.

MISSION STATEMENT

"The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting."

VISION STATEMENT

"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

IDEALS THE INSTITUTE STANDS FOR

- *to develop the Cost and Management Accountancy profession*
- *to develop the body of members and properly equip them for functions*
- *to ensure sound professional ethics*
- *to keep abreast of new developments*

Behind every successful business decision, there is always a **CMA**

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Institute Motto

असतोमा सद्गमय
तमसोमा ज्योतिर् गमय
मृत्योर्मामृतं गमय
ॐ शान्ति शान्ति शान्तिः

From ignorance, lead me to truth
From darkness, lead me to light
From death, lead me to immortality
Peace, Peace, Peace

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JULY 2020

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DIGITAL TRANSFORMATION

AGRICULTURE

*We have expanded our Readership from **1** to **94** Countries*

Afghanistan, Algeria, Argentina, Australia, Azerbaijan, Bahrain, Bangladesh, Belgium, Benin, Botswana, Brazil, British Indian Ocean Territory, Bulgaria, Cambodia, Cameroon, Canada, Chile, China, Colombia, Croatia, Czech Republic, Djibouti, Egypt, France, Gambia, Germany, Ghana, Great Britain, Greece, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Lebanon, Liberia, Lithuania, Malawi, Malaysia, Mauritius, Mexico, Morocco, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nigeria, Oman, Pakistan, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Rwanda, Saudi Arabia, Serbia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Suriname, Sweden, Switzerland, Syria, Taiwan, Tanzania, Thailand, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States of America, Vietnam, Zaire, Zimbabwe.

The Management Accountant, official organ of The Institute of Cost Accountants of India, established in 1944 (founder member of IFAC, SAFA and CAPA)

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on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, Kolkata - 700 016, P. S. New Market, West Bengal
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PRINTER & PUBLISHER - Dr. Ketharaju Siva Venkata Sesha Giri Rao
on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, Kolkata - 700 016, P. S. New Market, West Bengal

PRINTED AT - Spenta Multimedia Pvt. Ltd., Plot 15, 16 & 21/1 Village - Chikhloli, Morivali, MIDC, Ambernath (West), Dist: Thane - 421505
on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, Kolkata - 700 016, P. S. New Market, West Bengal

PUBLISHED FROM - The Institute of Cost Accountants of India, 12, Sudder Street, Kolkata - 700 016, P. S. New Market, West Bengal

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The Management Accountant technical data

Periodicity : Monthly
Language : English

Overall Size: - 26.5 cm x 19.5 cm

Subscription
Inland: ₹1,000 p.a or ₹100 for a single copy
Overseas: US$ 150 by airmail

Concessional subscription rates for registered students of the Institute:
₹300 p.a or ₹30 for a single copy

The Management Accountant Journal is Indexed and Listed at:

- Index Copernicus and J-gate
- Global Impact and Quality factor (2015):0.563

EDITORIAL

Greetings!!!

The Goods and Services Tax (GST) regime completes three years since it was first introduced on July 1, 2017. The biggest tax reform for indirect taxes in India has created a single market emulating international best practices. The introduction of GST is a game-changer for the Indian economy as it has replaced multi-layered, complex indirect tax structure with a simple, transparent and technology-driven tax regime. It has integrated India into a single, common market by breaking barriers to inter-State trade and commerce. GST aims to eliminate the cascading effect of taxes and reduce transaction costs.

The journey started with the 3 Return forms GSTR1, 2 & 3. GSTR1 is continued to date but the other two were suspended. GSTR-2A has automatically generated for a taxpayer from his seller's GSTR-1 as a reconciliation based response. Taxpayers were required to reconcile Purchase Registers with GSTR-2A. GSTR-3 was replaced by a composite Return GSTR-3B. In the year 2019, GST has gone through various reforms; as new GST returns announced, an extension of filing of Annual Return of the first year due to lack of preparedness of the portal, e-invoicing, and so on.

The GST Council has approved the proposal to introduce electronic-invoice on a voluntary basis in its 37th meeting dated 20 September 2019. E-Invoice messaging is a key factor in ensuring the seamless transmission of invoice information in the standard schema notified, in a secured way.

In the present global health crisis caused due to pandemic COVID-19 disease, the Indian Government is providing statutory relief in tax compliances. The GoI has adopted a collective approach, including on taxation front by easing the procedural framework. Extension of statutory deadlines relating to GST annual returns/audit certification to 30 September 2020 and postponement of new GST returns system and e-invoicing to 1st October 2020 is a welcome move and has been well acknowledged, however, next is to address the situation of cash crunch; though the penal provisions on delayed payment of taxes and filing of GST returns have been liberalized.

In the forthcoming days, revisiting the law can make the necessary changes and will further ease the process of tax filing by removing the unnecessary flaws, improve the country's GDP growth, ease of doing business, expansion of trade, and industry in the country making India a significant economic power. It is important to lay down a clear, taxpayer-centric strategy to ensure predictability and consistency in the application of the GST laws and procedure. Efforts should be undertaken to widen the tax-base, rationalize rates, and simplify the law. Initiatives such as E-invoicing should be broadened to cover pre-filled return/refund claims as well as risk-based E-Audit. The IT platform should be made more robust for richer user experience. Input Tax Credit, the very soul of GST, should be freed of needless restrictions. The data-analytics driven compliance strategy should target the fraudsters, rather than impose fetters on the honest taxpayers. A more judicious advance ruling mechanism and commencement of the GBST Appellate Tribunal would greatly benefit taxpayers.

The Cost Accountants have an emerging and dynamic role to play in the regime of GST. The CMAs may provide the required guidance and advisory services to eradicate bottlenecks in finance, production, taxation, administration, supply chain management, etc. They are competent enough to maintain systematic records of the credit of input/output service and its proper utilization, assist the businesses entities in providing assistance towards GST registration, claiming tax credits, ensuring all necessary legal compliances, procedural formalities and other administrative follow-ups; make representations before the Appellate Tribunals for Dispute Resolution of GST; perform audit functions like a review of record & procedural aspects, verification of returns, reconciliation between submissions to various authorities, statutory compliance & Audit, Internal Audit and System improvement.

This issue presents a good number of articles on the cover story theme ***'Goods & Services Tax (GST): Recent Changes and Emerging Issues'*** by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at ***editor@icmai.in.*** We thank all the contributors to this important issue and hope our readers enjoy the articles.

THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

Cover Stories on the topics given below are invited for *'The Management Accountant'* for the four forthcoming months

Month		Theme		Subtopics
August 2020	Theme	Driving India towards 5 Trillion Dollar Economy	Subtopics	• An Overview of the Indian Economy: Policy, Reforms and Governance • Ease of Doing Business (EoDB) score: Crucial for India to scale ambitious peak of $5 Trillion • Transforming agricultural and doubling farmer's income • Leveraging Technology to make India a global economic powerhouse • Strengthening industrial competitiveness: Special emphasis to manufacturing sector • Energy with focus on renewable energy • Infra Development: The way forward • Health for all • Skilling and Education: Critical for optimizing on India's Demographic Dividend • Mission 5 Trillion: Driving SDG through CMAs
September 2020	Theme	Insurance Sector in India: Today's reality and the path ahead	Subtopics	• Life Insurance in India: Promoting innovation and creativity for growth and development • Recent developments in General Insurance Sector • Insurance Risk Management: Role of Actuaries involved • Differential Customer Service: A key determinant of growth • Disruptive innovation: A path to progress • Insurtech: Re-shaping the Insurance Industry • Impact of COVID-19 in insurance sector • Cyber crime Insurance: A growing market • Securing Rural India • Agri-Insurance in India vis-a-vis Global practices • IRDAI Rules and Regulations: Challenges and impact on Insurance business • Risk management practices in insurance business - Role of CMAs
October 2020	Theme	Self-Reliant India: Pathway to a Robust Economy	Subtopics	• Indian Economy post Covid-19: A positive outlook • Constraints towards induction of indigenous system • Atmanirbhar Bharat: 5 Pillars To make India Self-Reliant • Intent, Inclusion, Investment, Infrastructure, Innovation: Need of the hour to bring India back on track for fast-paced growth • MSMEs: key to self-reliant India • Overhauling education structure to be self-reliant • Vocal for Local with a special emphasis to Indian pharmaceutical sector • Challenges and prospects of self-reliance in Indian Defence sector • Strengthening domestic industry by Streamlining the governance system • Made in India, made for the world • Innovation for self-sustainability: Role of CMAs
November 2020	Theme	Agricultural Costing & Pricing	Subtopics	• Agricultural Pricing Policy in India: Opportunities and Challenges • Global Agro Pricing Policy v/s Indian Agro Pricing Policy • Minimum Support Prices(MSP): Key to protect farmers • Direct Benefit Transfer for Agri Input Subsidy • Transformation of Agriculture to Achieve the Sustainable Development Goals (SDGs) • Direct Benefit Transfer (DBT) for Agri Input Subsidy • Doubling Farmer's Income by 2022: Ease of doing Agri Business • Government policies and Governance Reforms in Agricultural Marketing • Advancement in digital technology: Farming gets smart and frugal • Nanotechnology in Agriculture • Agricultural Costing - Role of CMAs

The Above Subtopics are only suggestive and hence the articles may not be limited to them only.

Articles on the above topics are invited from readers and authors along with scanned copies of their recent passport size photograph 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 editor@icmai.in latest by the 1st week of the previous month.

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PRESIDENT'S COMMUNIQUÉ

CMA Balwinder Singh
President
The Institute of Cost Accountants of India

"Challenges are what make life interesting and overcoming them is what makes life meaningful."

– Joshua J. Marine

My Dear Professional Colleagues,

To commemorate the **GST Implementation Day i.e. 1st July 2017**, the Institute's Tax Research Department and Regional Councils & Chapters Coordination Committee observed **GST Day Celebration Week** by organizing various WEBINT (Online Interactive Session) in the theme **"Growing Stronger with Times - Sum and Substance of Goods & Services Tax" from 1st to 7th July 2020 Pan-India**. The inaugural day of the celebration were held in a grand way on 1st July 2020 through WEBINT. The celebrations continued for a week with the participation from Headquarters, Regional Councils, Chapters, ROCCs, CMA Support Centers and Extension Centers, all coming together for this unique week long celebrations through sessions handled by eminent dignitaries and resource persons.

The Inaugural Session on 1st July 2020 was graced by **Smt. Aparajita Sarangi, Hon'ble MP (Lok Sabha)** as **Chief Guest** and **Shri M. Ajit Kumar, IRS, Chairman CBIC** as the **Guest of Honour**. The first panel discussion session on "GST after 3 years" was chaired by **Dr. B.V. Murli Krishna**, Additional Commissioner of Commercial Taxes, Bengaluru. The second panel discussion session on "Annual Return & GST Audit u/s 35(5) for 2018-19 – Critical Issues" was chaired by **CMA Anil Kumar Gupta**, Principal Additional Director General, NACIN. The third panel discussion session on "Insight into GST" was chaired by **Shri Kumar Vivek**, Vice President, Goods and Services Tax Network (GSTN). On the concluding day on 7th July 2020, **Shri Ajay Saxena, IRS**, Principal Commissioner (GST) Bengaluru was the **Guest of Honour** for fourth panel discussion session along with **Shri R. Manga Babu, IRS**, Chief Commissioner (GST, Central Excise & Customs) Odisha Zone. The Valedictory Session was enlightened by **Shri Ashwini Vaishnaw**, Hon'ble Member of Parliament (Rajya Sabha) Odisha as **Chief Guest** and **Ms. Neetu Kumari Prasad, IAS**, Commissioner, Commercial taxes, Telengana as **Guest of Honour**. I would like to express my gratitude to all eminent speakers who have shared their knowledge in panel discussions organized on different topics of GST throughout the week.

I congratulate CMA Niranjan Mishra, Chairman, Indirect Taxation Committee, CMA Rakesh Bhalla, Chairman, Direct Taxation Committee and CMA H Padmanabhan, Chairman Regional Council & Chapters Coordination Committee for taking this excellent initiative.

Launching of "Students' Connect" e-services portal

The Directorate of Studies has taken a unique initiative of bringing all the e-services available to the CMA Students under one cover in the new portal "Students' Connect". Students will find this portal very effective to search and connect various student-centric e-services already available to them. Students can now view, search, and explore all students' related e-services in one place, be it an administrative or academic service. Students will enjoy navigating all sorts of e-services from anywhere to get the maximum benefit out of it. I congratulate CMA Biswarup Basu, Vice President of the Institute and Chairman, Training & Educational Facilities and Placement Committee for taking this initiative to support the students.

Advisory on Auditing and Assurance assignments during the Period of Lockdown and Restrictions on Travelling

I congratulate CMA (Dr.) Ashish P. Thatte, Chairman, Cost Auditing and Assurance Standards

Board of the Institute (CAASB) for bringing out an Advisory on Auditing and Assurance assignments during the Period of Lockdown and Restrictions on Travelling imposed by the Government to curb the spread of COVID-19 disease. The Advisory addresses various issues being faced by the members in practice such as usage of e-Signatures and UDIN, Remote / Online / E Auditing and relevance of Cost Auditing Standards. The advisory is available at https://icmai.in/icmai/news/Advisory-CAASB.php

Advisory on Disclosures in the Audit Report in light of the Lockdown due to COVID19 Pandemic

I appreciate CMA (Dr.) Dhananjay V. Joshi, Chairman, Technical Cell of the Institute for considering the challenge faced by the Professionals engaged in Audit & Assurance Function, and bringing out with another Advisory on Disclosures in the Audit Report in light of the Lockdown due to COVID19 Pandemic. The Advisory gives Model Disclosures that can be used by the Audit & Assurance Professionals considering the limitations in Audit Processes due to Lockdown on account of COVID19 Pandemic. The Model Disclosures suggested as part of this Advisory are generic in nature and can be used for the purpose of any Audit & Assurance assignment including Cost Audit under Section 148 of The Companies Act, 2013. I urge upon the members to make full use of the advisory and contact the Technical Department for any clarification. The advisory is available at https://icmai.in/upload/Technical_Cell/TC_Advisory_AR_26062020.pdf

VC Meeting with Secretary MCA

I am pleased to inform the members that I had an opportunity to have a Video Conference meeting with **Shri Rajesh Verma**, Secretary, Ministry of Corporate Affairs on 11th July 2020 to discuss various matters related to the profession. The excellent pace with which the activities of Institute for the members & students are being undertaken even in the present pandemic situation was presented. Various relaxations obtained and further required for the benefit of students and members were discussed.

International Yoga Day 2020

Acknowledging the importance of Yoga in enhancing body, mind & soul balance, the United Nations General Assembly in the year 2014 declared 21st June as International Yoga Day. Since then the day is celebrated across the globe. The Indian Government also celebrates this day by arranging various programs relating to and propagating the Art & Science of Yoga.

I am proud to share that various Regions & Chapters of our Institute have been celebrating the International Yoga Day since the last 5 years. Currently the entire world is facing the challenge posed by COVID-19 pandemic and in such a situation, having a healthy body & mind is critical. Yoga is definitely the way to achieve a healthy body & mind. Under the COVID-19 situation, the Institute arranged for an E-Yoga Session by Yoga Teacher Mrs. Saee Bapat to celebrate the 6th International Yoga Day on 21st June 2020 on the theme "Yoga Routine for Sedentary Life Style".

I am thankful to CMA Neeraj D. Joshi, Chairman Cost Accounting Standards Board & WIRC and CMA (Dr.) Ashish P. Thatte, Chairman, International Affairs Committee & Cost Auditing and Assurance Standards Board in supporting the excellent execution of the event. I am thankful to CMA H Padmanabhan, Chairman Regional Council & Chapters Coordination Committee, CAT Committee and AAT Board for supporting the Institute's initiative and being the excellent host of the event.

E-Conference by Indian Chambers of Commerce

I am pleased to inform that the Indian Chambers of Commerce (ICC) has organized an E-Conference on "Quantitative Easing & Credit Risk powered by TransUnion Cibil on 2nd July, 2020. The Institute was the partner of the E-Conference. I was invited to deliver welcome address at the E-Conference and technical session was taken by the eminent resource persons like **Mr. Rajesh Kumar**, MD and CEO, TransUnion CIBIL, **Mr. Arijit Basu**, MD CCG & IT, State Bank of India, **Mr. S.S. Mallikarjuna Rao**, MD & CEO, Punjab National Bank and **Mr. Atanu Sen**, Chairman, ICC National Expert Committee on BFSI, Ex-Deputy MD, State Bank of India & Ex MD, SBI Life Insurance Co Ltd. I am sure that the insights provided during the E-conference would go a long way in understanding importance of Quantitative Easing & Credit Risk. I am thankful to CMA Chittaranjan Chattopadhyay, Chairman Banking & Insurance Committee for excellent co-ordination of the event.

E-Seminars by the EIRC of the Institute

I am pleased to inform that the EIRC of the Institute had organized a Seminar on "COVID-19 Potential Impact on Conducting Cost Audit" on 26th June 2020 through Google Meet by the Initiative of Members in Industry Committee of EIRC. I was invited to inaugurate the Seminar as its Chief Guest & CMA Biswarup Basu, Vice-President of the Institute graced the occasion as the Guest of Honour. CMA Pallab Bhattacharyya Chairman-EIRC, CMA Arundhati Basu - Chairperson, Members in Industry Committee & CMA Ashis Banerjee RCM-EIRC, were also present. CMA N Radhakrishnan Practicing Cost Accountants was the resource person. There was an overwhelming response and also all the participants had highly appreciated the programme.

On 4th July 2020, I inaugurated the WEBINT organized by the EIRC to support the initiative of the Institute to observe GST DAY Celebration Week during 1st to 7th July 2020. The theme for the WEBINT was "Role of Cost Accountants - E- Invoicing & E- Audit under GST" and CMA B.M Gupta was the resource person. CMA Biswarup Basu, Vice-President and CMA Niranjan Mishra, Chairman, Indirect Taxation Committee was the Guest of Honour. I express my gratitude to CMA Pallab Bhattacharyya, Chairman, EIRC for supporting the initiative of the Institute as always.

Interview on Ten News Live

I had the pleasure to be the Key Panelist at Ten News Live

Webinar on "Financial Management and Cost Optimization in Covid-19 Era on 1st July 2020. The programme was live streamed from ten News Digital Studio on Ten News Network's social media platforms. A live question answer session was also organized. It was a great opportunity to discuss and present views on how cost optimization can take place in the present scenario.

National Webinar of Indian Accounting Association

A webinar on "Post Lockdown Economy – Challenges before Business & Accountants" was organized by Indian Accounting Association, Kolkata Branch in association with the Institute on 4th July, 2020. I had the pleasure to be the Chief Guest of event. It was great opportunity to meet & discuss with professionals through online platform on the various challenges which the business & professionals may face in the present situation and how to address those challenges.

Nominations for 17th National Awards for Excellence in Cost Management 2019

We are eagerly looking forward to companies/ organisations for their active participation in the 17th National Awards for Excellence in Cost Management 2019 to recognize the qualitative cost management practices adopted by the industry and encourage the corporate sector to get due national and global recognition for the success of Cost Management initiatives. For details visit the website of the Institute https://icmai.in/icmai/news/National-Awards.php.

Nominations for 6th CMA Awards 2019:

CMA CFO Awards, CMA Achiever Awards and CMA Young Achiever Awards

We shall be glad to receive more and more nominations from the CMAs in employment to recognize the significant contributions of CMAs in improving corporate and also recognise the outstanding contribution of CMAs for the profession, Institute and society. Nominations are invited for CMA CFO Awards, CMA Achiever Awards and CMA Young Achiever Awards. For details visit the website of the Institute https://icmai.in/icmai/news/CMA-Award.php.

National Online Quiz on Insolvency and Bankruptcy Code, 2016 – IBBI

I wish to inform the members and students of the Institute that The Insolvency and Bankruptcy Board of India (IBBI) has launched "National Online Quiz on Insolvency and Bankruptcy Code, 2016" in collaboration with MyGov. In (Government of India's citizen engagement portal), to promote awareness and understanding of this landmark legislation, the IBC-2016 ('Code') among various stakeholders across the country.

This Quiz is aimed at introducing qualified & aspiring corporate law & finance professionals to the various market-oriented mechanism provided for in the Code, and also to the vast array of professional opportunities as Liquidators, Resolution Professionals, Auditors, Valuers, etc.

I request all members and students to participate any time during the day or night from your mobile phone or desktop/ laptop. It takes 5-10 minutes to register and attempt the Quiz. The Quiz is open from 1st July, 2020 to 31st July, 2020. For further details please visit: https://icmai.in/icmai/news/QuizonIBBI.php and https://quiz.mygov.in/quiz/quiz-on-insolvency-and-bankruptcy-code/

You are all therefore encouraged to utilize this opportunity to get to know this new world of professional opportunities knocking at your doors.

Suggestions on the Exposure Draft on Credit Insurance

The Institute has submitted its suggestions to the Insurance Regulatory and Development Authority of India (IRDAI) in respect of exposure draft of the working group on the matter of Credit Insurance which was circulated by IRDAI for public comments. I am thankful to CMA Chittaranjan Chattopadhyay, Chairman Banking & Insurance Committee and other members for their efforts in timely finalisation of suggestions.

Suggestions on "GST Audit Manual 2019"

I am pleased to inform that the Tax Research Department has prepared suggestions on "GST Audit Manual 2019" which has been submitted by the Institute to the Central Board of Indirect Taxes and Customs (CBIC) for its consideration. Suggestions are available at: https://icmai.in/upload/Taxation/Suggestions-on-GST-Audit-Manual-2019.pdf. I am thankful to CMA Niranjan Mishra, Chairman Indirect Taxation Committee and TRD team of the Institute for timely finalisation of suggestions.

Certificate Course on Concurrent Audit of Banks, Credit Management of Banks and Treasury & International Banking

The Banking & Insurance Committee has announced the launching of three certificate courses on 'Concurrent Audit of Banks', 'Certificate Course on Credit Management of Banks' and 'Certificate Course on Treasury and International Banking'. The courses have been launched by **CMA Suresh Khatanhar**, Deputy Managing Director, IDBI Bank in a grant e-event organized by the Institute.

I congratulate CMA Chittaranjan Chattopadhyay, Chairman Banking & Insurance Committee for very meticulously finalizing the syllabus and ensuring the implementation in the fastest possible manner.

I request the members to take the advantage of these courses which will be supporting their practice in the domain, ensure mandatory requirement of course on 'Concurrent Audit by Banks' in case of concurrent audit of certain banks and also will be knowledge enhancement for members not in practice.

Course on "Data Analytics for Finance Professionals"

I am pleased to share that the Board of Advanced Studies has started two consecutive batches of a unique Online

Course on "Data Analytics for Finance Professionals" on 11th July 2020 with 180+ participants across India and abroad with participation of more than 80 corporates. I convey my heartfelt thanks to the Chairman of the Board of Advanced Studies CMA Debasish Mitra and his team members for this pioneering move among the professional bodies in India. Due to overwhelming response, we have started further admissions of candidates for the third batch which will commence in the month of October 2020.

The Board of Advanced Studies had organized an erudite and highly enriching National e-Seminar on the theme "Future of Data Analytics" along with the inauguration of the two batches of the 'Data Analytics Course' on 11th July 2020. I had the pleasure to attend the same along with Vice President CMA Biswarup Basu, my Council colleagues CMA Debasish Mitra and CMA Dr. V. Murali. The Chief Guest of the event was **CMA Purvez Kesri Gandhi**, CFO, Godrej & Boyce Mfg. Co. Ltd., Key Note speaker was **Prof. Pulak Ghosh**, Professor, IIM – Bangalore and Guest Speaker was **Prof. P.K. Das**, Indian Institute of Foreign Trade. A large number of audience had attended the online event and vividly appreciated the quality of the programme and its contents.

I now present a brief summary of the activities of various Departments of the Institute, in addition to those referred above:

PROFESSIONAL DEVELOPMENT & CPD COMMITTEE

It may please be noted that the Institute has taken due initiative to support MSMEs to give them the confidence to grow. In addition to MSME Help Desks of the Institute, now, all the updates on MSMEs are available in the Professional Development Portal on the website of the Institute.

The Professional Development Directorate is sending representations to various organizations and regularly follows up for inclusion of Cost Accountants for providing professional services.

During the month of June 2020, Assam Administrative Staff College Society, Urban Development & Housing Department, Jharkhand, The Himachal Pradesh State Industrial Corporation Limited, Sardar Sarovar Narmada Nigam Limited, Airports Authority of India, Brahmaputra Valley Fertilizer Corporation (BVFC) Limited, NAMRUP, Uttar Pradesh Jal Nigam, Ajmer Vidyut Vitran Nigam Limited (AVVNL), Coal India Limited, Central Coalfields Limited (CCL), Northern Coalfields Limited (CCL), Western Coalfields Limited, Central Mine Planning And Design Institute (CMPDI) Limited, NLC Tamilnadu Power Limited etc. considered Cost Accountants in their Tenders/ EOIs. Please visit the PD Portal regularly for all professional updates.

Professional Development and CPD Committee in association with RCC & Chapter Coordination Committee, CAT & AAT Board organised two WEBINTs on "MSME Series" and "MSME Series "SIMPLICOST - A Cost Partha System" Q & A Session" respectively. Further, Professional Development and CPD Committee in association with Members in Industry Committee organised WEBINT on "Post Covid 19 Impact on Industries-Challenges for CFOs".

During the last month, about 90 webinars on the topics of professional relevance and importance were organised by the different committees of the Institute, Regional Councils and Chapters. We are sure our members are immensely benefited.

I congratulate CMA Vijender Sharma, Chairman of Professional Development & CPD Committee and PD & CPD Directorate for ensuring excellent execution of various activities even in these trying times.

BANKING AND INSURANCE COMMITTEE

The Banking and Insurance Committee had conducted several webinars and WEBINTs during the month of June, 2020. The WEBINTs on 'Impact of COVID-19 on Financial Services and Strategies for Investors: Series I and II were conducted on 12th June, 2020 and 24th June, 2020. The WEBINT held on 12th June 2020 was graced by **Smt. Deena Mehta**, Former President of BSE and Group Managing Director of Asit C Mehta of Companies (Moderator of the Session), **CMA B. Renganathan**, Executive Vice-President and Company Secretary, Edelweiss Financial Services Limited, **CMA Dr. Latha Chari**, Professor, National Institute of Securities Markets (An educational initiative by SEBI) and **Shri Pradeep Ramakrishnan**, General Manager, Corporate Finance Department of SEBI.

The WEBINT held on 24th June, 2020 was also graced by **Smt Deena Mehta** as moderator and **CMA Navneet Munot**, Executive Director and CIO of SBI Mutual Fund and **CMA Dhiraj Sachdev**, Managing Partner and CIO, Roha Asset Managers LLP as panelists.

The Committee also organized the WEBINT on the topic 'India in the Global Economy 2021' held on 22nd June, 2020 which was graced by **Dr. Charan Singh**, Non-Executive Chairman, Punjab & Sind Bank, **Dr. Sugata Marjit**, Economist and Distinguished Professor, Indian Institute of Foreign Trade, **CMA Subhash Chandra Garg**, Former Finance Secretary, GoI & IAS Officer and **CMA Kunal Banerjee**, Former President of The Institute of Cost Accountants of India.

The Banking & Insurance Committee of the Institute organized a WEBINT on the topic "Capacity Building for the Lending Institutions Post COVID-19" on 8th July 2020. The WEBINT was graced by **CMA Suresh Khatanhar**, Deputy Managing Director of IDBI Bank as the **Chief Guest** for the event. **CMA M. K. Bhattacharya**, Executive Director of Indian Bank, **CMA Saikat Roy**, Director, West, Care Ratings Ltd and **CMA Dr. P. Siva Rama Prasad**, Former AGM of SBI were the **Guests of Honour** for the event. **CMA Mohan V Tanksale**, Former Chief Executive of Indian Banking Association acted as the Moderator of the session. The WEBINT was attended by Members, Students of the Institute, Bankers and Officials of Financial Institutions. The insightful and thought provoking deliberations addressed several key issues and challenges for the lending institutions in the post Covid-19 scenario.

I am thankful to CMA Chittaranjan Chattopadhyay, Chairman Banking & Insurance Committee for excellent organization of knowledge enriching & learning events with dignitaries at the helm of various institutions.

TECHNICAL DEPARTMENT

The Technical Department is taking all possible steps to ensure necessary assistance to the members in order to carry out their statutory responsibilities. This abnormal situation has posed peculiar challenges to the professionals and the Institute is combining the efforts of all departments to face the same and come out of it successfully.

I congratulate the Technical Department for their efforts in finalization of Advisory on Auditing and Assurance assignments during the Period of Lockdown and Restrictions on Travelling and Advisory on Disclosures in the Audit Report in light of the Lockdown due to COVID-19 Pandemic.

TAX RESEARCH DEPARTMENT

In June, 2020, TRD has conducted a wide range of webinars for our members and stakeholders. The Topics for the same include Presumptive Taxation under Income Tax Act, Income Computation and Disclosure Standard - Income Tax Act, Treatment of Various Discount in GST (Accounted In Invoice And Credit Notes), Assessment of Charitable Institution- A Comprehensive Case Study, Documentations and Pleading for Transfer Pricing Assessment / Audit, Latest Notification & Circular in GST, GST on Solar Power sector & Related Issues (On Input), Last Opportunities to File Return for the A.Y. 2019-20 and Investment for the A.Y.2020-21 and consequences thereof, GST on Real Estate, Tax Planning - Computation of Income from Business or Profession and A practical aspects on Income Tax Practice.

All the taxation courses, like Certificate Course on GST, Advanced Certificate Course on GST, Certificate Course on TDS and Certificate Course on Filing of Returns are being carried on seamlessly. Even live doubt clearing sessions are being conducted. Online admission to these courses for next batch has already been started.

The 66th and 67th Tax Bulletins have been released addressing issues in Direct and Indirect Taxation. Members and stakeholders may keep a close watch in the Taxation Portal, which is being updated regularly and including all the latest updates provided by the Government on the Taxation Front.

The Tax Research Department has also submitted representation to the Ministry of Corporate Affairs to authorize Cost Accountants to authenticate the statement of Receipt and Payment in respect of Indian Business Operation of Foreign Airlines Company as required under Notification No. 09/2020-Central Tax dated 16th March 2020.

I congratulate CMA Niranjan Mishra, Chairman Indirect Taxation Committee and CMA Rakesh Bhalla, Chairman, Direct Taxation Committee for proactive actions.

REGIONAL COUNCIL AND CHAPTERS COORDINATION COMMITTEE

Responding to the need for online webinars for members, students and other stake holders during these challenging times due to the continuing COVID19 pandemic the Committee for its seventh successive month continued to hold series of WEBINTs and webinars under the dynamic leadership of the Chairman of the Committee CMA H Padmanabhan as summarized below.

- **Webinar (students)**

Initiatives in the e-learning platform for students were being carried out by the Committee much before the COVID lockdown times and continued with topics of relevance for students preparing for examinations. Four students' webinars were organized by the committee through eminent faculty during the month of June 2020.

- **Webinar (members)**

During the month of June 2020 the committee held four webinars for members covering contemporary topics relevant for members through eminent resource person of repute.

I appreciate the team work and wish to place on record the efforts of CMA Arup Sankar Bagchi, Secretary of the Committee and team for timely execution.

- **WEBINT**

As mentioned in my earlier communiqué, I again congratulate CMA H Padmanabhan, Chairman of the Committee, CAT and AAT Board for pioneering the introduction of WEBINT (interactive webinar) for the benefit of members, students and all stakeholders. A special mention needs to be made for such initiatives made by CMA H Padmanabhan, Council colleague for not only hosting WEBINTs for his committees, department and board but also for his active involvement in being a guiding force for WEBINTs organized by other departments and committees of the Institute. These WEBINTs have been addressed by the champions from the government, business world and profession including Hon'ble Ministers and spiritual leaders of international repute. The Institute marched ahead with a series of WEBINTs during the month of June 2020 and I am sure will continue to do so in the future.

DIRECTORATE OF STUDIES

I am pleased to share that the Directorate of Studies has started with subject wise series of Webinar Classes for the CMA Students on regular basis to make themselves well-prepared before the forthcoming examinations.

I express my sincere gratitude to the Directorate of Studies and CMA Biswarup Basu, Vice President of the Institute and Chairman, Training & Educational Facilities and Placement Committee for continuous support to students in this crucial time.

DIRECTORATE OF CAT

- **CAT e- learning classes**

I informed in my last communiqué that on 4th June, 2020, I inaugurated the e - learning classes for students pursuing CAT Course. Now, I am pleased to share that the classes under this initiative are being conducted successfully through e-learning portal for CAT Students. Technology has revolutionized education and it is time that the students of the Institute embraced this opportunity and harnessed their potential to become the new age professionals of tomorrow. I congratulate CMA H Padmanabhan, Chairman-CAT for this watershed moment in the history of CAT Course. I would also like to place on records the efforts put by the CAT Directorate executives.

- **WEBINT**

CMA H Padmanabhan deserves special pat on his back for spearheading the Institute's endeavors to be engaged with the Members and Students of the Institute, during these trying times. He is the one, who lead from front the commencement of the WEBINT series of webinars in April, 2020. The WEBINT has become a part and parcel of the stakeholders of the Institute and its popularity can be gauged with the fact that many eminent persons may it be the Union Ministers of Government of India, spiritual leaders and the magnets from Industry or business world have been coming on board. The contribution of CMA H Padmanabhan in making WEBINT a grand success will never be forgotten. I would also like to place on records the efforts put by CMA Pardeep Khaneja and CMA Ria Chowdhury in conducting WEBINT.

- **Association with BFSI Sector Skill Council of India**

I am pleased to inform that the CAT Directorate is regularly following up with BFSI Sector Skill Council of India for recommending the alignment of CAT Curriculum of the Institute under National Skills Qualifications Framework (NSQF). In this regard CMA Rakesh Singh, Former President and CMA R K Jain- HOD CAT attended the meeting called by the National Skills Qualifications Committee. I hope the outcomes of the meeting will embolden the presence of the CAT course throughout India.

- **CAT Examination: July 2020 Term**

CAT Directorate issued Notification for the CAT Course (Entry Level) Part - I Examination - JULY 2020 term. The last date to fill the online form was 10th July, 2020. I wish students all the best for exams. I am pleased to share that for the benefits of the students who would write this examination and to allay their apprehension of moving out of the home, the Institute is planning to conduct Computer Based Test From Home (TFH). I am sure that with this steadfast development, the CAT examinations would be held successfully. I would also like to acknowledge the dedicated efforts of CMA Nidhi Verma and Shri Varun Joshi in providing excellent services to CAT students during this COVID-19 pandemic situation.

- **NEW ROCCs**

It is heartening to see that in spite of most of the activities coming at a standstill, Directorate of CAT has continued to extend its family by getting the new Regional Oral Coaching Centres (ROCCs) on board. In a bid to do so, it has approved two new ROCCs in the cities of Coimbatore (S-214 and S-215). The establishment of these ROCCs would strengthen the already strong presence of the CAT Course in Southern India.

I appealed CAT aspirants and ROCCs in my last communique to embrace online medium for taking admission into the CAT course. I am pleased to share that my appeal has garnered a positive response and a little over four hundred online admissions were done in the month of June alone. I hope, the numbers of admission in CAT course would double and quadruple in the coming months.

MEMBERSHIP DEPARTMENT

I congratulate and welcome all the new 244 Associate members who were granted membership and all the 66 Associate members who were upgraded to Fellowship during the month of June 2020.

Under the dynamic leadership of CMA Vijender Sharma, Chairman of the Members Facilities Committee, the membership department has further streamlined and shortened the period between application of membership and grant of membership.

I would once again like to gently remind members who have still not cleared their membership dues for 2020-21 to clear the same at the earliest through online mode via the members' online system so as to seamlessly continue enjoying the benefits of membership.

The links for online payment are given below for benefit of members –

- Payment without login: https://eicmai.in/MMS/PublicPages/UserRegistration/Login-WP.aspx
- Payment and all other applications with login: https://eicmai.in/MMS/Login.aspx?mode=EU

MEMBERS IN INDUSTRY COMMITTEE

I am happy to share that the Members in Industry Committee had been part of a series of WEBINT programs and webinars on various topics of importance and interest for our professional members. Topics such as: 'Post COVID-19 Impact on Industries - Challenges for CFOs'; 'Integrated Target Costing Methodology to create Profitable Customer Value'; 'Activity Based Costing vs. Objective Based Costing'; 'Recovery and Rebound phase of COVID-19: Boarding a New flight of Cost Management'; that have been eagerly attended by the professional members across the globe. These important programs had been deliberated upon by expert resource persons having huge experience of various industries. Some of the dignitaries have been **CMA Suraj Prakash**, Director (Finance) BEML Ltd., **CMA M. Hariharan**, Founder Director of Savoir Faire Management Services Pvt. Ltd., **CMA Dr. Girish Jakhotiya**, Chief Consultant, Jakhotiya & Associates, **CMA Asim Kr.**

Mukhopadhyay, Vice President and Head – Business Finance, Tata Motors Group. The attending participants have expressed their eagerness and happiness to be part of these professional endeavors.

I congratulate CMA Biswarup Basu, Vice President of the Institute and Chairman, Members in Industry Committee for organising series of events for learning of Industry participants and CMA fraternity.

INTERNATIONAL AFFAIRS COMMITTEE

- **WEBINT on Opportunities for CMA's in Various Countries**

I am happy to share that the International Affairs Committee under the Chairmanship of CMA (Dr.) Ashish P Thatte has successfully organized a WEBINT on the 'Opportunities for CMA's in Various Countries' on 27th June 2020. The WEBINT not only covered the opportunities for CMAs in six different countries but also covered the Social and Cultural atmosphere, Cost of living and key challenges that are faced by people who plan to relocate. I would like to place on record my gratitude to our six expert speakers **CMA Nandkumar Prabhune**, Tax Consultant, Canada, **CMA Dattatreya Ghadge**, Chairman, Bahrain Overseas Centre of Cost Accountants, **CMA V.R.K.M.Sai Sampath Kumar**, Chief Accounts Officer, Sayona Drinks Ltd, Dar Es Salaam, Tanzania, **CMA Tamil Selvan Ramadoss**, Manager - Financial Analysis, Dubai Maritime City Authority, Government of Dubai & Member - Public Relations Committee, Dubai Overseas Centre of Cost Accountants, **CMA Dhiraj Kumar Jha**, Business Controller, Region Asia, Siemens Energy Sdn. Bhd., Malaysia and **CMA Uday Deshpandey**, Vice Chairman, Singapore Overseas Centre of Cost Accountants.

The International Affairs Committee also conducted three webinars during June 2020 on the topics "Global Practices of Management Accounting" on 9th June 2020, "Why Multinational Companies are so successful Globally?" on 23rd June 2020 and "Inflation Accounting and Forex Management for global business transactions" on 30th June 2020. All three webinars were undertaken by **CMA (Dr.) Girish Jakhotiya** and were well appreciated by the members.

ICMAI REGISTERED VALUERS ORGANISATION (RVO)

I am pleased to share that ICMAI RVO has taken the following initiatives during the month of June 2020:

- Regular conduct of Online 50 hours mandatory educational courses on Valuation as per the directives of IBBI:
  - 6th Online Batch for Securities or Financial Assets
  - 1st Online Batch for Land & Building and Plant & Machinery
  - 100 participants have attended in these programs
- ICMAI RVO has successfully organized Online CPE program to grant Certificate of Practice for its Registered Valuers as well as a Workshop on Valuation issues. All the programs are being attended by a good number of participants.

INSOLVENCY PROFESSIONAL AGENCY (IPA) OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

I am pleased to inform you that the Insolvency Professional Agency of the Institute organised various webinars during the month for its members on "Australia Insolvency Reforms due to COVID-19" on 5th June 2020, "Panel Discussion on Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020" on 6th June 2020, Certificate course on "Skill development of Insolvency Professionals" during 10 -14 June 2020, Certificate course on "Effective CIRP Management" during 15-19 June 2020 and "Stakeholders Meet on MSME Insolvency Framework" on 22nd June 2020.

I wish prosperity and happiness to members, students and their families and pray for the success in all of their endeavors.

Stay safe and healthy!

With warm regards,

CMA Balwinder Singh

July 12, 2020

CHAIRMAN'S COMMUNIQUÉ

CMA (Dr.) K Ch A V S N Murthy
Chairman
Journal & Publications Committee
The Institute of Cost Accountants of India

"Arise, awake, and stop not until the goal is achieved".

- Swami Vivekananda

I am thankful to the Council Colleagues of the Institute for having faith in my capabilities and assigning me the responsibility to serve the Institute as Chairman of the Journal & Publications Committee (2019-2020) during this one year. This will be my completion of one year in this Directorate as the chairman and I convey my sincere gratitude to the chapters, regional councils who supported the activities of the Journal and Publications department and is committed to work relentlessly to meet the expectations of the members, students and other stakeholders.

Many eminent authors have contributed relevant articles amid this nationwide Covid 19 pandemic lockdown in India and we have been able to publish the e journal on time which is available on the website ***(https://icmai.in/icmai/news/209.php).*** Distinguished experts and authors contributed relevant and path-breaking articles and case studies for the journal that not only enhanced the quality of the publications, but also gave new dimensions and directions towards socio-economic research and policy making.

The monthly journal The Management Accountant with its modern layout as well as rich and informative contents is highly commendable and the quality of articles has also improved immensely over the past few months. The basic focus is to make The Management Accountant a global brand on its own. It is needless to mention that the concerned department has progressed towards design improvement, and the present professional design has received accolades from all quarters and members of the Institute.

Our mission is to establish this department as a premier research body in the country to raise public awareness about policy issues in business, trade, society and economy and to facilitate solutions that will contribute to national development.

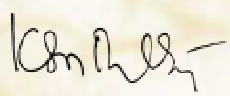
July 2020 of the Journal "The Management Accountant" is based on the theme "Goods & Services Tax (GST): Recent Changes and Emerging Issues" which was introduced as a single, straightforward tax system to replace multiple indirect taxes. The GST has served as an efficient tax system by bringing in more transparency and streamlining the tax filing process for both the government and the taxpayers. CMAs have a significant role to play in this aspect. An accountant can give suggestions to the management regarding invoicing and billing. They can also have discussions regarding input credit and how to utilise it and pay tax wisely.

October 2020 issue of the Management Accountant is based on the theme "Self-Reliant India: Pathway to a Robust Economy" where the need for self-reliance and a stronger focus on manufacturing locally by enterprises have been stressed upon by Prime Minister Narendra Modi. It is about creating strong enterprises in India. It is about generating employment and empowering people to come out and create solutions that can define the future of the country.

I request continuous support from every corner in the quest for value creation through the activities of this department. I am also very much confident that the office bearers of the department will provide their assistance and best efforts undoubtedly and commit for its betterment.

We solicit your feedback, suggestions and concerns for the overall development of the Journal and Publications Department. Please send us mails at ***editor@icmai.in / journal@icmai.in*** for various issues relating to journal and publications.

I would like to express my concern and support for all the members, students and other stakeholders and hope you are keeping safe and healthy in these challenging times. Stay Indoor, Stay Safe and Secured.



CMA (Dr.) K Ch A V S N Murthy
July 6, 2020

CHAIRMAN'S COMMUNIQUÉ

CMA (Dr.) Dhananjay V. Joshi
Former President and
Chairman, Technical Cell
The Institute of Cost Accountants of India

Dear Professional Colleagues,

I am pleased to note that another eventful term of Technical Cell of the Institute is being completed on July 21, 2020. I am thankful to the President, Vice-President and the entire Council of the Institute for posing confidence in my abilities and giving me to chair the Technical Cell for the second consecutive term. With the worthwhile contribution of the members of the cell and support of the Council, the cell has been able to contribute to the growth of the profession and the Institute. I would also like to appreciate the professional members of the Institute and various domain experts who have significantly contributed to the activities of the Cell.

Friends, the Technical Cell met four times during this term and held many meetings of small groups of Technical Cell formed to discuss and finalise various issues. During the time of the COVID-19 calamity, the Technical Cell met on web platform and carried out the activities successfully. The way members of the cell contributed even while working from home is commendable and I am sure that their dedicated services will be available to the cell in the future terms also. During this term, besides dealing with its own agenda, the Technical Cell could give support to the CASB in resolving various professional and Technical matters. My vision for Technical Cell is to see it as a major contributor to all the Committees and Boards of the Institute by providing necessary guidance and support in resolving professional, technical and students' related matters.

The purpose of this communique is to bring forth the agenda of the technical cell whether completed or continuing, before the Institute and also to apprise the members of the developments and initiative taken by the cell during the term. I would like to present before you some of the following major activities, initiatives and contributions of the Technical Cell during the term 2019-20:

Guidance Note on Internal Audit of Cost Records: Under the Companies (Cost Records and Audit) Rules 2014 Cost Auditor has to comment on "Adequacy of the System of Internal Audit of Cost Records" in his Cost Audit report, however there was no technical literature available on the subject. Due to this there was a gap in the understanding of the Auditee companies as to the Internal Audit of Cost Records. To bridge this gap the **Technical Cell developed and issued Guidance Note on Internal Audit of Cost Records**. The Guidance Note has been developed in such a way that it explains the relevant information in form of various chapters which are interlinked. It was prepared in a very short time and has been well received.

Symposium on "Cost Audit - Stakeholders Value Proposition" in Mumbai: The Technical Cell of the Institute organised a Symposium on Cost Audit - Stakeholders Value Proposition on 20th December 2019 at YB Chavan Auditorium, Mumbai. The event was inaugurated by Shri Suresh Prabhu, Hon'ble Member of Parliament, Rajya Sabha, Chief Guest of the event in the presence of Guest of Honour Shri TS Balasubramanian, Member (Finance), Tariff Authority for Major Ports along with the President, Vice-President, Members of Council and Regional Councils of the Institute. Eminent speakers from Regulatory, Industry, Social Organisations, Government and Practice addressed the participants. The event was also graced by the Former Presidents, Chapter Representatives and around 500 delegates from Industry and Practice. The symposium was successful in highlighting the importance of the Cost Audit Mechanism to the country's economy and Industrial growth.

This was the third event in the series of awareness program on Cost Audit. The Technical Cell is in process of bringing out a publication on the proceedings of all the three events. The publication contains the speeches by dignitaries, important quotes by regulators and industry and photographs of the three events.

Monograph Advantage India 2020: The Technical Cell is in the final stage of developing a **Monograph on Advantage India 2020** depicting the real picture of India's geographic, demographic, economic, cultural, political, social, industrial and regulatory advantages over the other democracies across the globe. The Monograph will showcase India's prowess to be able to gain from the current crisis by becoming the most preferred industrial and manufacturing hub of the world. India has the abundance of natural resources, cutting edge technology, talented manpower, proactive Government, vigilant regulatory, booming infrastructure and political willpower to attract the foreign companies to invest in India and setting up their industrial units to promote 'Make in India 2.0'. All we are doing is to put in place the combined efforts of professionals, engineers, managers, policymakers and Government with a focussed mind-set and proactive approach to grab this opportunity. This Monograph will be a landmark initiative in the direction of restoration and further development of the Indian Economy.

Upload of Responses by the Technical Cell to the Queries of members / stakeholders: As decided by the Technical Cell, the queries resolved by it have been uploaded on the Technical Cell portal of the website of the Institute for the information of the general members and stakeholders. This also serves as FAQs on different topics. It is pertinent here to inform the members that the query resolution mechanism of the Technical Cell has been working very satisfactorily and till date the Technical Cell has resolved more than 100 queries of the members and stakeholders.

Guidance on important and emerging Technical Matters:

1. **Assessment of Impact of implementation of Ind AS on Cost Accounting Standards:** The Technical Cell has taken up the exercise of doing an impact analysis and consequent revision of the Cost Accounting Standards on account of implementation of IndAS and emergence of many other issues. Two marathon meetings of two days each were organised by the Technical Cell to discuss the issue with domain experts. The Technical Cell has compiled its report and shared it with the Chairman, Cost Accounting Standards Board of the Institute for taking the matter forward with assurance of all future help by the Technical Cell.
2. **Impact analysis of introduction of 'IndAS 116 – Leases' and 'IndAS 115 – Revenue Recognition:** The Technical Cell received queries from various corporates regarding treatment of various costs in the Cost Accounting Records and their presentation/ disclosure in the Cost Statements so as to give true & fair view of the Cost of Product/Activity relating to the assets taken on lease by the Company, arising from the implementation of IndAS 116 and on the Impact of IndAS 115 on the Revenue from contracts with customer effective from the financial year beginning on or after April 01, 2019. Technical Cell held widespread discussions on the matter and resolved the matter by giving advice to the querist organisations.
3. **Treatment of Finance Cost:** The Technical Cell is under consultation with experts and practicing members with regard to treatment of Finance Cost in Cost Records.
4. **Treatment and netting off of Interest debits and Interest credits:** As per the existing practice & principle, Interest Expense is being treated as Cost in Cost Statements; whereas the Interest Income is treated as a non-cost Item and taken to Profit & Loss Reconciliation Statement. The Technical Cell examined the principle and prima facie is of the view that the netting off of Interest debits and credits is principally accepted for the operational activities and there should be co-relationship to be established between interest debits and interest credits for this netting off.
5. **Reconciliation Items:** The Cost Accounting Standards require certain items to be treated as non-cost items like foreign exchange gain/loss, bad debts etc. The Technical Cell examined the matter and advised that there is a need to lay down Principles for income and expenses not to be considered in cost statement and which will be taken to Profit & Loss Reconciliation.
6. **Issues relating to Capacity Determination:** The current definitions and principle of measurement laid down in CAS-2 for Licenced Capacity, Installed capacity, Practical or Achievable Capacity, Normal Capacity, Idle Capacity, Capacity Utilisation, etc. needed to be reassessed to provide a more realistic and practical approach. Specifically in case of Normal Capacity there has been a mismatch between the definition & calculation logic as given in CAS-2. The Technical Cell in association with the CASB has completed the discussions on the issue and it is expected to be resolved very soon by the CASB.
7. **Streamlining of Definitions in various CASs:** The Technical Cell examined the issue and advised that for each term there should be only one definition, whether it appears in all standards, publications, documents, guidance note, technical guides etc. issued by the institute. The work on this matter is going on by the CASB and is expected to be resolved very soon.
8. **Representation to Ministry on relooking of Cost Reporting Mechanism:** The Technical Cell advised the Institute that the framework of cost reporting needed relook in the light of the changing environment of business. The Cost Rules were issued in 2014 and after almost 6 years of issuance there existed a need to revise the same to incorporate the interim developments. The areas which have become irrelevant now need to be replaced with the new emerging trends. The Cost Audit Report needs to be upgraded by enhancing its importance. Performance Appraisal Report should be revamped in the current scenario and needs to be reintroduced. On the basis of the recommendation of the Technical Cell, the Institute sent a representation to the Ministry of Corporate Affairs to look into the matter and the same is under consideration of the Ministry.
9. **Contents and formats for Disclosure of Cost Audit Report in the Annual Report:** Technical Cell suggested that in order to improve the Board Governance and also to indicate the sustainability of the Company, some indicators showing the efficiency and profitability of the Company should be included in a specified format in the Annual Report without compromising the confidentiality of the cost audit data. In order to carry out this task, the small group has already prepared and submitted its report to the Technical Cell and the same is under consideration of the cell.

History book of Cost Audit: I take pride in informing that the Technical Cell will very shortly come out with a publication titled "History Book of Cost Audit in India". The proposed book will have Parliamentary debates and Question Answers, extracts from annual reports of relevant Union Ministries, Cost Accounting Record Rules and notifications issued by the Ministry since the beginning of cost audit, reports of special purpose committees appointed by MCA from time to time, industry specific Cost Accounting Record Rules, compilation of important articles relating to cost audit mechanism and alike information. The comprehensive publication will serve as **Bible of Cost Audit** for the CMA profession and the other stake holders of the system.

In the various endeavours of the Technical Cell and its publications, a large number of CMAs provided their valued support as resource persons. The Technical Cell has certainly acknowledged their efforts and support in those publications. The support was spontaneous and to the best of their abilities. I am highly obliged by their devotion for the cause of the profession and express my sincere gratitude to all of them.

I expressed my sincere gratitude to **CMA Balwinder Singh**, President, **CMA Biswarup Basu**, Vice-President of the Institute for their encouragement and appreciation of the efforts of the Technical Cell. **CMA Devendra Kumar**, Advisor (Cost) provided required support from the Government side on many technical issues. **CMA D.C. Bajaj, CMA Chandra Wadhwa** and **CMA Kunal Banerjee** all Former Presidents of the Institute provided much needed and most valued advices on various technical issues. **CMA P. Raju Iyer, CMA Neeraj D. Joshi**, **CMA Ashwin G. Dalwadi**, **CMA Rakesh Bhalla**, all Council Members acted as a link between the Technical Cell & the Council and without their support the Technical Cell could not have achieved what it has achieved during the term. Veteran PCMAs **CMA T.S. Khurana, CMA S. Mukherjee, CMA Narhar Nimkar** provided matured outlook in addressing the various complex issues. **CMA S. J. Joshi** provided the industry perspective in the discussions. **CMA Ravi Sahni** and **CMA Vijay Joshi** proactively took many responsibilities in the functioning of the Cell and made my job easier. I appreciate the role of the Technical Cell Secretariat comprising of **CMA Tarun Kumar, CMA Pankaj Jalan** and **Mr. Pranav Sharma** in providing active support to the Technical Cell and holding good coordination with the members and experts in carrying out the activities of the cell in a structured manner.

Friends I have always maintained that any positive change in the fortunes of the profession will be brought out by our own efforts and commitment. I am fully committed to this cause and would wholeheartedly continue to support the Institute in this direction.

Sometime it is felt that some eminent members of the Institute, who should have been contributed to the cause of the Institute and profession with much more vigour, are not contributing at their fullest. There could be so many reasons behind this. But I would like to remind them that the Institute is nothing without the active and constructive support of each member. There are so many avenues available for the members to support the Institute; by way of being resource persons for development of Technical Guides, Notes and Papers; taking web classes; arranging for recruitment drives; mentoring the budding cost accountants; garnering support of MPs / MLAs / Industry etc. on critical issues; help the Institute in developing good relations with policy makers / decision makers and regulators etc. to name a few. I urge upon all the members to come forward and contribute their bit to the cause of the Institute and the profession so as to ensure the growth of the CMA profession.

I pray for the wellbeing and prosperity of all the members and their family and wish all-round success in their endeavours.

With regards,

CMA (Dr.) Dhananjay V. Joshi
June 27, 2020

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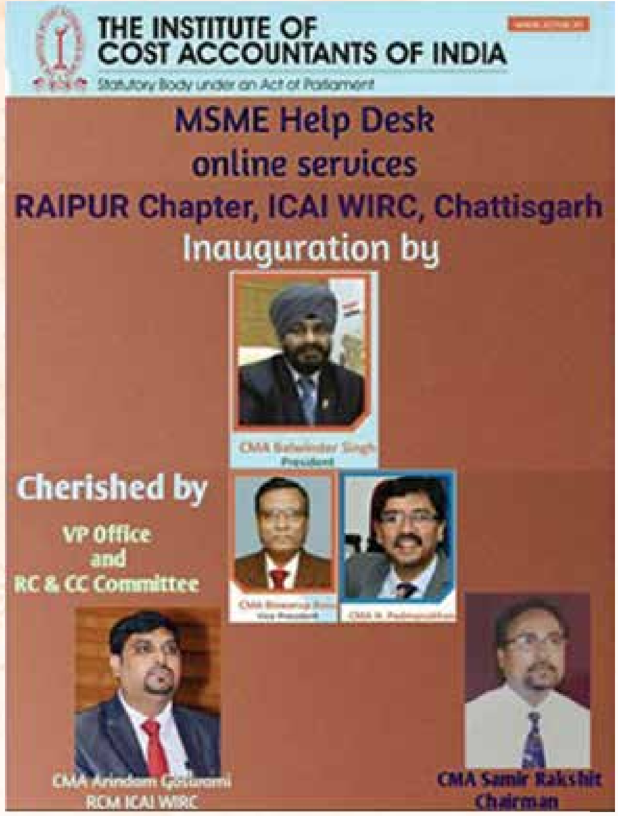

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Committee

Organizing Secretary

Dr B Revathy
Professor of Commerce,
Director - Centre For Women Empowerment &
Women Studies
Manonmaniam Sundaranar University

Programme Schedule

Time : 11.00 A.M

1st August 2020 - Saturday **Internal Audit - Global Perspective**	**CMA Balwinder Singh**
2nd August 2020 - Sunday **Internal Audit - Changing Dimensions & Domain of Eminence & Excellence**	**CMA P Raju Iyer**
3rd August 2020 - Monday **Risk Based Internal Audit in Banks**	**CMA Chittaranjan Chattopadhyay**
4th August 2020 - Tuesday **Internal Audit - Integrated & Sustainability Reporting**	**CMA K Ch A V S N Murthy**
5th August 2020 - Wednesday **Internal Audit - Risk Management & Control**	**CMA A S Durga Prasad**
6th August 2020 - Thursday **Internal Audit for Educational Institutions - Integration of NAAC / AICTE / UGC Norms**	**CMA Rakesh Shankar Ravisankar**
7th August 2020 - Friday **Internal Audit - Way forward for Professionals & Students**	**CMA K V N Lavanya**
7th August 2020 - Friday **Valedictory Session**	

Event Details

Target Audience:

- Academicians & Educational Administrators
- CMA Students / PG Students /Research Scholars
- Industry Representatives
- Cost Accountants [CMA's] / Professionals

Mode:

- Online / Virtual . Live Streaming

Certificate of Participation

- Certificate shall be issued to the Participants taking part in the event for ALL 7 DAYS.

For All Communications, please reach out to

1. Dr. B. Revathy @ +91 94427 81692

[revabalamsu@gmail.com]

2. CMA Rakesh Shankar Ravisankar @ 98408 69551

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Thank You

GST: ALLOW DUE 'CREDIT' OF THIS 'NOTE'

Abstract

It is normal trade practice to refund the money in case of dispute in a transaction entered into by two parties and raise the credit note as a documentary requirement. Sometimes the settlement may take substantial time and even years. By that time, the GST would already have been discharged by the supplier and ITC must have been claimed by the recipient on the same. However, when the amount is refunded upon settlement of dispute, GST law may not allow to adjust the liability paid earlier by simple reason of not raising credit note within time limit prescribed under the law. This may cause hardship to the payers as tax component returned becomes cost to them. This may be avoided by bringing about a small change in GST law and making it in line with erstwhile Service tax regime. Let's explore further.

Deepak Kumar
Senior Manager – Finance
Pramerica Life Insurance Limited
Gurugram

Story so far

As the GST has turned '3' this July and is still taking baby steps to move forward with CBIC/ finance ministry closely holding its hand in guiding the way forward, it can also not be ignored that it has come a long way since its implementation in July 2017.

The kind of response shown by various stakeholders at helm in resolving issues around the implementation and evolvement of GST is unprecedented and commendable. From taking decisions by GST council, whether meeting physically or virtually through video conferences, to communicating the decisions swiftly by releasing press notes and issuing notifications thereafter, to addressing technical glitches, the GST implementation has been quite a success given the size of Indian economy.

It is also pertinent to note that wherever the assessees faced difficulty in complying with the provisions of GST, the CBIC have come up with instructions guiding its field staff not to harass honest taxpayers and also extending due dates of various compliance deadlines from time to time. The prompt action taken by the authorities is appreciable.

However, since the GST law is still evolving and inching towards maturity, there are certain areas where it still needs improvement to make it fair and easy.

One such area where the law does not play fair with the taxpayers and favors the revenue is issuance of credit notes under GST law. Let's discuss the issue in detail in subsequent paragraphs.

Credit notes but without credit

Sometimes the assessees are required to return the amount charged from the customers due to various reasons (e.g. dispute in agreement and consequent court orders, important business commitments). Such amounts are sometimes required to be returned even after more than 6 months from the end of financial year i.e. beyond September of subsequent financial year. The amount so paid is required to be returned along with GST amount originally charged due to court order or honoring business relationships. Accordingly, credit note is issued for the total amount i.e. taxable amount plus GST.

Since the law does not allow benefit of GST on credit notes issued post September of subsequent financial year, the said GST amount becomes cost to the supplier.

Analysis of Legal Provisions

Position under GST law

The provisions[1] related to issuance of credit and debit under GST are summarized below:

Section	Deals with	Main principle	Time limit to report in GST returns
34(1)	Conditions of issuance of credit notes	*...may issue*	--
34(2)	Declaration of credit notes in GST return and treatment of GST	Tax liability may be adjusted provided that incidence not passed on to other person and within time prescribed	Credit notes to be reported in the month of issuance not later than September following the end of FY
34(3)	Issuance of debit notes	*...shall issue*	--
34(4)	Declaration of debit notes in GST return and treatment of GST	Tax charged on debit notes to be added in output tax liability for the month in which it is issued	No such time limit, debit note to be reported in the month it is issued

It is pertinent to note that in case of credit notes, the law states that the registered person who has supplied the goods/ services ***may issue*** the credit notes under section 34(1) if certain conditions are met. Whereas, for issuance of debit notes under section 34(3), the law provides that the registered person ***shall issue*** the same.

Further, the timeline prescribed for issuance of credit notes is restricted to the September following the end of financial year as per section 34(2) but there is no such restriction for issuance of debit note as stated in section 34(4) and the same can be issued any time in the subsequent periods when it is found that taxable value or tax charged in the invoice was less than what actually it should have been. This can be understood with the help of an illustration.

[1] *Section 34 of CGST Act, 2017.*

Illustration: Suppose, supplier A has supplied services worth INR 1,000/- to recipient B on 20 March 2019. GST charged on the invoice was INR 180/- at the rate of 18%. A discharges this liability and correspondingly B takes ITC for the same amount.

Now in the month of June 2019, it is discovered that for some reasons the services were deficient and A issued credit note of INR 200/- with GST of INR 36/-. A reduces his output tax liability for the month of June 2019 with INR 36/- and B reduces the amount of ITC availed by it for the month of June 2019. The transaction, to the extent GST of INR 36/-, is nullified as both A and B had complied with the law within prescribed time.

Now suppose, the deficiency in services is not discovered till September 2019 and only discovered on 10 October 2019. In such scenario, A would not be eligible to adjust his liability for the month of October 2019 even though he is required to pay the total amount of INR 236/- to B in order to honor his long term business relationship with B. This additional INR 36/- will become cost to A as his output liability will not be adjusted.

However, where was discovered that the value of services was INR 1,200/- and not INR 1,000/-, A would still require to pay tax on additional INR 200/- by raising debit note on 10 October 2019 because there is no time limit prescribed for issuance of debit note.

The impact of the above provisions is that whenever tax ought to have been charged is more than what was actually charged, debit note can be issued any time resulting in increase of tax liability of the dealer. However, same is not the case with issuance of credit notes wherein the dealer can adjust/reduce the tax liability only if the credit notes are issued within prescribed timelines i.e. up to September of the following financial year.

The above said provisions are contradicting and are not in sync. It has the impact of favoring the revenue department and against the dealers.

Further, it has been reiterated in a clarification[2] issued by CBIC that the credit notes should be issued within the time specified in section 34(2) of CGST Act in order to avail benefit of adjustment in tax liability by the dealer. In case the credit notes are issued after the prescribed time limit, the circular clarifies as under:

> *3(B)(c) However, if the time limit specified in sub-section (2) of section 34 of the CGST Act has lapsed, a* ***credit note may still be issued*** *by the supplier for such return of goods* ***but the tax liability cannot be adjusted*** *by him in his hands. It may further be noted that in case time expired goods are returned beyond the time period specified in the sub-section (2) of section 34 of the CGST Act and a credit note is issued consequently,* ***there is no requirement to declare such credit note on the common portal by the supplier (i.e. by the person who has issued the credit note) as tax liability cannot be adjusted in this case.***

[2] *Circular No.72/46/2018-GST dated 26 October 2018*

It is clarified in the above paragraph that credit notes can be issued even after expiry of time limit prescribed under section 34(2) but the tax liability will not be allowed to be adjusted. Such credit notes are called financial/commercial credit notes which are not required to be declared in the returns as tax liability cannot be adjusted.

The concept of financial/commercial credit notes is also clarified by CBIC in another circular[3]. The said circular reiterates the above position only.

Continuing the above illustration, A could still issue credit note after the time limit prescribed under section 34(2) for INR 236/- without charging GST separately on INR 200/-. This shall be called financial/commercial credit note as clarified above. In this way too, A shall have to pay back INR 236/- to B whereas B is not required to make any adjustment in credit already availed. This again results in loss to A for INR 36/- because he has already discharged such amount and is not eligible to adjust his output liability.

From the above discussion, it may be inferred that the provisions related to credit and debit notes under GST law have been drafted to act in favor of revenue and against the dealers.

Now we shall proceed to discuss the provisions related to issuance of credit notes in erstwhile Service tax regime.

Position under erstwhile Service tax law

It is pertinent to note the provision related to issuance of credit notes under erstwhile Service tax law. Rule 6(3) of Service Tax Rules, 1994, is relevant at this juncture and is reproduced below:

> *6(3) Where an assessee has issued an invoice, or received any payment, against a service to be provided which is not so provided by him either wholly or partially for any reason or where the amount of invoice is renegotiated due to deficient provision of service, or any terms contained in a contract, the assessee may take credit of such excess service tax paid by him, if the assessee,-*
>
> *(a) has refunded the payment or part thereof, so received for the service provided to the person from whom it was received; or*
>
> *(b) has issued a credit note for the value of the service not so provided to the person to whom such an invoice had been issued.*

Further, CENVAT credit was required to be paid back[4] if it was availed earlier:

[3] *Circular No. 92/11/2019-GST dated 7 March 2019*

[4] *Third proviso to Rule 4(7) of CENVAT Credit Rules, 2004.*

*Provided also that if any payment or part thereof, made towards an input service is refunded or a credit note is received by the manufacturer or the service provider **<u>who has taken credit on such input service</u>**, he shall **<u>pay an amount equal to the CENVAT credit availed</u>** in respect of the amount so refunded or credited.*

Thus, if output liability of provider was reduced then correspondingly CENVAT credit entitlement of the recipient was also reduced by way of above provision. In this way, the provisions were made to be revenue neutral irrespective of the time when the credit note was issued.

Comparison between GST vis-à-vis Service tax regime

It may be noticed that provision related to issuance of credit notes under Service tax regime are identical to provisions outlined under section 34(1) of CGST Act. However, there was no upper timeline prescribed for issuance of credit notes under erstwhile Service tax laws as provided under section 34(2) of CGST Act.

Hence, it is clear that such provision in GST law has been brought out intentionally to deprive the dealers to avail the benefit of tax adjustment on account of credit notes.

Conclusion

Given the above backdrop, the government should recognize that the provisions relating to issuance of credit and debit notes under GST are not in sync and suffer from basic fair-play component. There might be genuine reasons because of which monies have to be returned to the recipients even after time limit to issue credit notes under GST is expired.

Moreover, since the provisions under Service tax laws were beneficial to the taxpayers and were also revenue neutral, the same may be brought into GST law as well by way of an amendment to section 34(2) in line with section 34(4). This will provide a huge relief to the taxpayers given the current scenario of liquidity crunch across industries.

By continuously evolving and improving the law, GST can be said to be successful when it really attains maturity in the times to come. MA

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Kind Attention !!!

UGC Approved List of Journals has been revisited by UGC-CARE (University Grants Commission - Consortium for Academic and Research Ethics) w.e.f. 14.06.2019. We are in the process of getting enlisted in it and will inform as soon as we get enlisted.

GOODS & SERVICES TAX: ISSUES & CHALLENGES

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Shillong

Abstract

GST was essential for the Indian Economy, there are lots of shortcomings relates to technical issues, invoicing, ITC, accounts & records, returns etc, In Indian economy, the MSME plays a vital role , the professional like CMA & CA are required to spend considerable energy and time to comply with GST requirements. It is a simple taxing process, remove multiple tax system; corruption free tax system. Its object is to achieve revenue target and growth of economy. Let concentrate some issues & challenges after introduction of GST in our country.

Fundamentals:

"The main aim of GST, which Prime Minister Narendra Modi termed as Good and Simple Tax, is to simplify the taxation process, reduce the burden of taxes (which will eventually happen automatically) and ensure compliance of tax payment."

In the emerging economic scenario, the introduction of a unified Tax system was felt and this pushes the Government of India to introduce GST by replacing the multiple tax structures of Central and State Taxes.

GST is a consumption based tax i.e. tax will be payable in the State in which goods and services are finally consumed. But, separation of taxation of goods and services requires splitting of transactions that leads to more complexities in administrating and compliances costs etc.

It was a challenge to integrate the various central and state taxes into the GST system and make it a success in reformation of tax system in the country, some of which are narrated below:

1. To make the entire tax system of both Central & State into a single frame;
2. To avail of full credit for inputs tax collected (ITC) and to plug the misuse of ITC;
3. To remove the economic distortions caused by the GST (Goods & Service Tax), which is a consumption tax based tax on VAT (Value added tax) principle,
4. GST is an improvement over the previous system of VAT and disjointed service tax;
5. GST requires sound accounting policies, transparency;
6. To administer and to ensure proper compliance that requires a support of a robust electronic controls;
7. To bring down the peak rates of taxation and enhance revenue earning.

If the Value Added Tax (VAT) is a major improvement over the sales tax system, then the Goods and Services Tax (GST) is the next logical step towards a comprehensive indirect tax reforms in the country and to make Indian economy more vibrant and competitive.

The important objectives of the GST as follows:

1. Removal of cascading of effect of taxes; 2. Reduction of the compliance cost of the tax payers; 3.Introduction of seamless flow of credit, 4.Minimisation of time for compliance, 5. Removal of multiple taxes, 6. A transparent and corruption free tax regime, 7. Increase competition at Domestic and International Market, 8.Increase in revenue collection ; 9.Minimum impact of tax on inflation; 10.Simplification of tax structure ;

GST & its issues:

On July 1st, 2017, India had taken a giant step towards a new order in its taxation history i.e. introduction of GST in exchange for a large future gains. Initially there were numerous errors, higher tax rates; number of tax slab i.e. (0, 0.1, 0.25, 1, 1.5, 3, 5, 7.5, 12, 18 and 28 percent), mismatch and complex taxation system which were a burden on various issues to the tax payers, to deal with, it requires a lot of knowledge and training etc.

The items like Petroleum products, power, and real estate are kept outside the said tax ambit.

Let throw some light on the burning two issues that currently plague the following:

1. The technical issues on GST i.e. filing Returns & Forms ;
2. The other issues i.e. taxpayer's grievances;

1. Technical Issues on GST i.e. Filing of Returns and Forms related thereon

The technical issues in handling the GST may be categorize as follows: i.e.

a. GST return filing issues and;

b. Forms related issues and its consequences thereon;

The GST council and the Finance Ministry's attention is required immediately on the issues in order to make the GST more effective.

GST Returns related issues:

In the GST system, there are number of Returns i.e. GSTR 1, 2, 3, 3A, 3B, 4 / CMP08, CMP02, 5, 6, 7, 8, 9, 9A, 9C, 10 & 11 and this is apart from some other various Forms and a dealer has to file minimum 37 returns annually.

i. Allow the revised returns to remove technical mistakes

The GST is a new one to the corporate as well as in the Indian business environment. It is very essential to allow a chance to remove the mistakes in filing of returns etc so that dealers are fearless in handling the new GST requirements.

ii. Interest on Gross Tax, Section 50(1)

It is better to collect the interest on Net due payment instead of Gross tax amount in case of delay in filing the returns.

iii. Waiver of late fee due to delay in submission of returns

Late fees for delayed submission of returns are a very big problem. The dealers who did not file their returns are waived. If a late fee is waived for the defaulters, the late fees collected from the dealers who are regular in submitting returns should be refunded.

iv. Accept the payment of tax in bank as the date of payment to the government

The day one, tax deposited in the Bank and it is transferred to the Government exchequer but the interest is charged till the date of set off of the tax. Setting off the tax is just a technical procedure but charging interest till that date is not justified.

v. Removal of illogical and impractical provision in RCM (Reverse Charge Mechanism), Section 9(4)

The RCM is a just technical issue and zero revenue effect in most of the cases, once the dealers has made default in paying but they have paid the full tax as per their tax liability.

vi. Input credit time expired please give one more chance to dealers :-Section 16(4)

Section 16(4) provides that input credit can only be taken up to a definite period, but the numbers of dealers failed to take the credit within stipulated time, the Government has received the tax .

If this credit is not allowed, it will be tantamount to double taxation on a single transaction because:

a. At the first stage, the purchaser has paid the tax to the Seller ;

b. At the second stage, department is not giving him the credit so he is required to pay it again.

It is a hardship to those dealers though GST itself is at initial stage was not fully stabilised.

vii. September Return Due Dates

Extension of the Claim and Unclaimed ITC is required before matching the invoice; it is wrong to the taxpayers to submit claim of the ITC (Input Tax Credit) before matching the invoice, for the date being shortened of October 20th.

viii. Credit Reversal

To keep a note of the credit of purchases which the payment has not been given to the suppliers may indulge an extra burden on the organization within the 180 days that must be reversed.

Forms related issues:

i. GSTR 2A Availability

Downloading and viewing monthly the annual GSTR 2A (if the recipient is of normal registration), creates difficulties and also to match the returns with the books of accounts with 2A returns. Further, the compliance of Rule 36(4) on a mandatory basis also creates a problem.

ii. GSTR 3B Issues

Under this return type, there is no scope of either modification or amendment opportunity and in such case, the changes are to be made and it invites one month period time for the amendment and as a result, its interest liability for the said month.

iii. GSTR 1 Issues (Furnishing details of outward supplies)

It is a difficult task in modifying the details of the credit note, debit note or B2C sales while filing the GSTR 1.

iv. TRAN 1 Form

The department issues notices in Trans 1 in Form 603 to everyone which is a troublesome for the real taxpayers because said notice requires all the previous records to be available which makes everyone a tiresome issue for the taxpayer to provide the details again.

v. Issues on E-way Bill

E-way bill is required for movement of goods and can be generated GSTN portal. To generate E way bill through internet makes the dealers disappointed. A simple e-way bill generation procedure which has been effective from April 1, 2018.

vi. GSTR 10 & Cancellation of Registration

Once the dealer cancelled their registration and the application of surrender of RC, the submission of GSTR 10 has no value. Hence, it should be made optional for the dealers.

2. Other Issues on GST i.e. Tax Payers Grievances

i. Issues for Small Traders

In case of the SME, the following difficulties need attention:

a. The handling the GST records and filing etc invites an additional operational expenditure;

b. High rate of GST rate on some products forces the potential buyers to opt for unregistered dealers.

c. It is also difficult to assign MRP to handmade products or locally made products. The artisans are finding difficult to follow the MRP formalities or do any paperwork required.

d. The small turnover organizations are exempted to pay GST, but the dealers find themselves hard to collect exemption certificate in need.

ii. Agricultural Commission Agent & Joint Development Agreement Issues

The tax liability has to be paid on the commission according to the taxable goods but when the goods are rated NIL and the commission is not taxable, it would be relevant for the taxpayers to agree upon exact scope of services under the JDA to determine its tax liability.

iii. Service sectors threshold limit

GST is "One nation One Tax" and exemption was up to Rs.20.00 Lakhs both for Goods and Services but this threshold limit was enhanced to Rs. 40 lakhs and is only for Goods including interstate trade. Small service provider should also be given benefit of the same to a certain level to make it "One Nation One Tax**".**

iv. Issues for E-commerce Companies

The 1 percent Tax to be collected at source while payment to the sellers in e commerce business. Hence, E-commerce giants like Flipkart, Amazon etc also have not escaped the after effects of GST rollout. The capital blockage will hamper day to day operational costs due to TCS (Tax Collected at Source) provisions.

v. Issues of Tax Collection

The glitch in GSTN Network resulted massive tax evasion. The benevolent composition scheme, windows for filing quarterly returns, raises concerns. The numbers of registered taxpayers has increased but it had very little impact on Revenue generation.

vi. Issues of Tax Evasion

Due to complex nature of returns and forms, the following difficulties are noticed:

a. A considerable numbers of dealers are not able to file their returns regularly, that invites tax evasion ;

b. But the present GST structure has no mechanism for checking discrepancies found between GST Returns for July-Dec and Final Returns.

c. The discrepancies and e-way bill failure invites the menace of tax evasion through under-invoicing.

Vii. Issues on the Fiscal Gap & the Government

The Government is looking to improve revenues requirement to the tune of Rs 1 lakh crore per month but the revenue shortfall gap is big problem to the Centre and also in managing the budget every year.

viii. Issues on the IT system

It will be difficult to expect from small-scale business firms to make the transition to an online IT platform and expect no errors in return filing. It is a difficult task for them to get experienced hands with IT solutions. Further, the cost of SRP is a major concern for micro-small-medium scale enterprises.

ix. Make GST A Simple Tax

GST is the vehicle to help the smooth running of the economy and its purpose should be to help the Trade and Industry and the ultimate aim is to make strong economy of the country. GST should be the **"As Simple as Possible"**.

Challenges under GST

The roll-out of the Goods and Services Tax Act (GST) in India is followed by the beginning of the following;

1. Online GST Registration ;
2. E-filing of GST Return filing ;
3. Digitalization of tax-related tasks;
4. Regular Amendment & issue Notifications in order to bring the system in a comfortable situation ;

In order to cope up with various technical and other related problems thereto, the Cost Accountants & the Chartered Accountants who are engaged themselves in handling the GST issues, are constantly facing various challenges i.e.

1. Using the online GST mechanism ;
2. Keep track of various Returns & related Forms ;
3. Alignment of their books & records in order to meet the new GST requirements;
4. Keep track of various Amendments & Notifications;

This led to the increased efforts and time by the CMA's and the CA's that leads to the following activities in order to the GST compliance:

1. **Registration Process**: Incorporation of customers' details i.e. (a) customer's address, (b). GST Number etc,
2. **Class of activities** : Manufacturing, trade or supply chain etc
3. **Classification of Goods & Services**; (a) HSN Code (Harmonized System of Nomenclature) for products,

(b). SAC Code (Services Accounting Code) for services in the invoices etc ,

4. **Sales Policies, Billing & Invoicing:** (a) Invoicing (b) Issuance of documents such as a Debit note & Credit note, (c) Receipt Vouchers, (d) Bill of Supply & E-Way Bill under the various circumstances. Suppliers terms & conditions;
5. **Logistic Model:** GST is a destination based tax resulting there is an impact of logistic % taxes to be levied: strategize the supply is very important; ,
6. **Returns Management** : The volume of administrative work of the CMA's and the CA 's has also been increased due to mandatorily filing of several returns, based on following:
   a. The constitution of the firm ;
   b. The sales turnover of the business;
   c. Books & Accounts ;
7. **GST Software**: Apart from manually furnishing details & entering all invoices & bills into different tools or company's software or spreadsheet to adhere to the GST mechanism,
8. **Reports & Associated activities**: Moreover, the following activities also invite attention:
   a. Creation of GST reports;
   b. Cross-verification of company's purchases, sales & ITC details;
   c. Correction of mismatches etc;
   d. Reconciliation of data between the seller and his supplier to be done on monthly or quarterly basis depending on the turnover of the company in order to claim full ITC and avert unnecessary payment of taxes.
   e. Upload of information to Government's GST portal.
9. **Timely submission of documents**: To comply with the GST return system, the tax payers has to resort new methods in order to upload all the invoices and other related documents into the portal regularly on real-time basis in GST ANX-1, filing of TRAN 1 & 2 etc. ;
10. **Track of Invoice details** : The uploading of regular invoice may sometimes invite complications i.e. losing the regular credit of the goods purchased from a quarterly return filer if the seller misses to upload or misses to uploaded the invoices on a regular basis;
11. **Matching of invoices & ITC** :
    a. Matching of the invoices uploaded by the supplier in order to claim Input Tax Credit (ITC) and this is apart from matching the invoices with the books of account on a daily basis,
    b. Chasing the suppliers who missed to upload the invoices that is required to claim accurate or wrong ITC is different problem to the tax payers;
12. **Refunds:** It is a challenge to file refund claim especially for the exporter due to another technical reason.
13. **Communication**: Communication with the vendors or dealers plays a very important role in order to follow up the invoices missed or not uploaded in the portal and reconciles the differences, if any.
14. **Audits of GST:** Make ready the necessary facilities and details in order to timely completion of audit ;
15. **Fines & Appeal:** Filing an appeal against any decision aggrieved by the dealer,

Conclusion

It is a bold step of the Government of India i.e. Introduction of the GST in July, 2017 in the country amidst a lot of deliberation but it is a fact, GST was essential for the Indian Economy and whole economy is dependent on the success of the GST.

The gross revenue collection out of GST since the year of implementation is stated below:

Financial Year: 2017-18: Rs. 7.41 lakh crores;
Financial Year : 2018-19: Rs.11.77 lakh Crores;
Financial Year : 2019-20: Rs.12.22 lakh Crores; :

The GST is not fully settled in the country and once difficulties will be over and the Trade and Industry of the country is able to participate fully in the growth in economy as expected.

To make it a success, the GST Council needs to pay attention on the taxpayer grievances and other associated problems. Attention is necessary to make it simple to understand and easy to implement as well as cost effective to the majority of the tax payers.

The stringent procedures against evasion of tax are required in order to plug the loopholes of tax evasion. The Government, GST Council, bodies of trade and commerce and also the professional share their hand to make the GST a success and to improve the economic scenario of the country. MA

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APPLICABILITY OF GST ON THE POWER TRANSMISSION

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Abstract

Under the new GST regime, while various goods & services have been covered for charging GST under various rates, certain goods & services have been excluded from the GST regime.

Transmission and distribution of electricity by transmission and distribution utility is exempt from GST. India being the third largest producer and third largest consumer of electricity, the impact of no GST on above is to be noted with regard to the 3 sub sectors of power sector- power generation, transmission and distribution. This article analyses the impact of GST on the Power Sector as well as educate the reader about generation, transmission and distribution of electricity.

Finally, overall impact of no GST on power sector and consumers has been analysed.

INTRODUCTION

GST was introduced w.e.f the midnight of 1st July 2017 in India on the supply of goods & services. Under the GST regime, various indirect taxes were subsumed, thus eliminating cascading effect of taxes. This led to the "One Nation One Tax" concept.

GST was introduced as divided into various tax slabs for collection of tax- 0%, 5%, 12%, 18%, 28% based on the type of goods or services.

While most of the goods and services are covered under the GST regime, certain goods & services are exempted from GST (those covered under exemptions).

ELECTRICITY - A GOOD OR A SERVICE?

A customer's electric meter measures the amount of electricity sent from the electricity provider and consumed by the consumer. So, electricity can be termed as "goods", it being 'moved electricity' being used to generate the customer's bill. [Under the Uniform Commercial Code (UCC), "goods" means all things which are movable at the time of identification to the contract for sale]

On the other hand, it can be argued that if electricity exists in a high voltage transmission line, then electricity will not be "goods" as per the UCC.

The Hedger Court focussed more on the existence of a transaction as opposed to the characteristics of electricity.

APPLICABILITY OF GST ON ELECTRICITY

As per Notification 12/2017-Central Tax (Rate), the Central Government has exempted the intra state supply of certain services. Similar exemption has been provided under Section 6 of the IGST Act, 2017 vide entry no. 26 of Notification No. 9/2017-Integrated (Rate) dated 28.06.2017.

As per the above notifications, transmission/distribution of electricity by transmission & distribution utility is exempted from GST. GST is levied on activities ancillary to transmission of electricity (provided by Distribution companies to consumers) like Application fees for releasing connection of electricity, Rental Charges against metering equipment, Testing fees for meters/transformers, capacitors etc, Labour charges from customers for shifting of meters or shifting of service lines, Charges for duplicate bill.

APPLICABILITY & IMPACT OF GST ON POWER SYSTEM

India is the world's third largest producer and third largest consumer of electricity. The power sector can be further classified into 3 sub sectors including power generation, transmission and distribution.

Electricity generationis the process of generating electric power from sources of primary energy like coal, water etc. Companies like NTPC, NHPC are some generators of electricity in India.The total installed capacity of India's power generation, upto March 2020, is 370 GW out of which 64.14 % is from Thermal & Nuclear and balance 35.86% is from hydro and renewable sources. Electricity generation is outside the GST regime.

Electricity transmission is the bulk movement of electrical energy from a generation site, such as a power plant, to an electrical substation through interconnected lines which facilitate this movement (transmission network). Powergrid Corporation of India Limited (PGCIL) &Power System Operation Corporation Limited (POSOCO) are two major companies playing a vital role in transmission of electricity to state users and consumers.

Powergrid Corporation of India Limited (PGCIL) is a Public Sector Undertaking and also Central Transmission Utility engaged in power transmission business by maintaining inter-state transmission system.

The power transmitted through the transmission lines constructed by Power grid or any other user is required to be controlled and monitored to a certain level of frequency in order to maintain grid stability. Power System Operation Corporation Limited (POSOCO), which had been formed to perform the functions of National Load Despatch Centre (NLDC) & all Regional Load Despatch Centre (RLDC) to facilitate transmission of electric powers within & across regions &transnational exchange of power vide Notification dated 27th September, 2010, is performing the function of optimum scheduling and despatch of electricity while carrying out real time grid operations. Thus, POSOCO performs the work of mainly scheduling, having no commercial role in execution of contracts entered into with the licensees or generating companies. Hence, POSOCO may be covered under Exemption list for GST applicability and thus may not be liable to pay GST on the services related with transmission of electricity.

Based on the above, PGCIL and POSOCO are not paying GST on its electricity transmission services. Transmission companies like Power Grid and POSOCO, while raising bill for the above services, are not charging GST as these being covered under "electricity transmission services" performed by an "electricity transmission or distribution company".

For an organisation/entity/person to claim exemption under GST for electricity, the following two conditions must be satisfied:

a. There should be transmission or distribution of electricity

b. It should be performed by an electricity transmission or distribution utility

Electricity distribution is the final stage in the delivery of electric power; it carries electricity from the transmission system to the individual consumers. Electricity distribution in general, is exempt under GST and GST is not applied on distribution (Distribution companies billing electricity to ultimate consumers). However, GST is levied on the developmental charges levied by the distribution companies.

OVERALL EFFECT/IMPACT OF NO GST ON POWER SECTOR & CONSUMERS

The power sector is a mesh of contracts for engineering, procurement, construction to generate electricity, boost energy efficiency and shore up renewable power.

Also, power generation has grown rapidly in the recent years, which is a considerable shift from fossil fuels based electricity generation towards renewable sources of power generation.India has huge potential for electricity generation from renewable sources of energy with its huge diversity of sources for hydro power, solar power, wind power, biomass power, geothermal energy, tidal power and other renewable resources.

Due to exclusion of electricity from the GST regime, the power producers cannot claim credit for the tax paid (5% GST on coal) on the huge amount of coal required daily and its transportation cost while having to pay tax for buying the coal required daily. Thus, they charge more for electricity generation, the effect of which passes on to the ultimate consumers. Though Indian households are not charged GST on their electricity bills, still Indian consumers ultimately lose and have to pay more out of their pockets for electricity consumption. MA

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IMPLICATIONS OF GST: A PERCEPTIONAL STUDY OF TRADERS

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Abstract

Tax system plays a stupendous role in the economic activities and growth of any country. Within the broader tax system, indirect taxes constitute major source of public revenue. The Government of India replaced the Value Added Tax (VAT) with Goods and Services Tax (GST) which is reckoned as a unique tax system integrating central and state tax administration. Founded on the philosophy, 'one nation, one tax system, it has brought in drastic changes in the country impacting different sections of economy including traders. In this backdrop, an attempt is made here to examine the perceptions of select traders on a few dimensions of GST.

Introduction

GST which has replaced state VAT, Central Excise, Service Tax and a few other indirect taxes is a broad-based, single and comprehensive tax levied on goods and services. It is a destination-based taxation system levying tax on final consumption. It is expected to reduce compliance costs, broaden the tax base, foster a common market across the country and promote exports. However, the new tax system demands a well-designed and robust IT system for realizing its potential in reforming indirect taxation in India.

To some extent, GST is expected to avoid the adverse phenomenon of double taxation. Implementation of GST ensures that India provides a tax regime that is almost comparable to the rest of industrialized world. Introduction of GST has done much more than just allocating the tax burden from one sector/group in the economy to another. It also provides an unbiased tax structure as it is neutral to business processes and geographical location.

VAT *Vs* GST System – A Comparison

GST helps in achieving uniformity in taxes across the territory even with the place of manufacture or distribution. Consequently, international cost competitiveness of domestic goods and services is ensured. It ensures greater transparency in taxing as well as ensures tax compliance across the country with precise accuracy. New tax regime removes some of the drawbacks of the old system like cascading, double taxation and complexity. This new regime is also more beneficial to end users. A hypothetical example presented below gives an idea about the benefits to the customers under GST as against VAT (Table – 1).

Table – 1: VAT *Vs* GST – A Hypothetical Example

VAT	Amount (Rs)	GST	Amount (Rs)
Price of Goods	60,000	Price of Goods	60,000
Add: Excise duty at 12.5%	7,500	CGST at 9%	5,400
Sub-total	67,500	SGST at 9%	5,400
Add: VAT at 14.5%	9,788		
Amount payable by the customer	77,288	Amount payable by the customer	70,800

It is obvious from the above that the customers were paying, under VAT system, both excise duty and VAT, and therefore, for price of goods worth Rs. 60,000, the customer was required to pay Rs. 77,288. That means, on price of goods worth Rs. 60,000, the customer was required to pay tax to the tune of Rs. 17,288. On the other hand, under GST, for the same goods, the customer is required to pay only Rs. 70,800 which includes Rs. 10,800 of tax. The difference in tax between the two systems amounts Rs. 6,488 (i.e., Rs. 17,299 – Rs. 10,800) in favour of GST.

Objectives, Methodology, etc

In the light of the above, an attempt is made in this paper to examine the implications of GST on traders. For this purpose, opinions were obtained from 75 traders of Shivamogga city which is one of the business hubs of Karnataka State through the administration of a well-structured questionnaire. For selecting the respondents, random sampling technique is used. In the process of analysing the perception of traders, the study also makes an attempt to sketch out the comparison between VAT and GST. The study is based on the material collected from both the primary and secondary sources. Primary data are collected from the sample respondents who are the traders trading varieties of goods and services. And the necessary details are also collected from secondary sources such as journals, websites, etc. For the purpose of analysing the opinions obtained from the respondents, a few descriptive statistics are used.

Perception of Traders towards GST – An Analysis

In the light of the above, an attempt is made to analyse and present the perception of traders selected for the study on a few dimensions of GST with a special focus on the implications as compared to VAT. This analysis of perception is made under five heads wherein under each head two variables are considered.

(1) Awareness about GST and Opinion about GST Rates: It may be noted here that the GST Rates vary between 16 and 28% depending upon the nature of products, etc. The responses were obtained from the trader-respondents about two aspects viz., awareness about GST and also whether they feel GST rates are reasonable. These responses are presented below (Table – 2) followed by a brief analysis.

Table – 2: Awareness about GST and Opinion about GST Rates

GST Rates are Reasonable	Aware of GST		
	Yes	No	Total
Yes	61	0	61
No	1	0	1
Not responded	13	0	13
Total	75	0	75

Source: Survey Data

It is obvious from the above that all 75 respondent-traders are aware of GST and possess adequate knowledge about GST. Of course, this is obvious as they (i.e., traders), directly or indirectly, deal with GST. However, what is important is 61 traders out of 75 accounting for 81⅓% of total traders selected felt that the GST rates are reasonable. This is a good sign as the traders are happy about the GST rates. Out of the remaining, 13 traders have not provided their opinions about the GST rates, and the remaining lone respondent felt negatively.

(2) Transparency in GST and Support for GST: The respondent-traders were requested to provide their views about two more aspects viz., whether the GST system is simple to understand, transparent in its operation and easy to implement, and whether they support GST system when compared to VAT. The responses obtained from the respondents are tabulated below (Table – 3).

Table – 3: GST – Transparency and Supporting

GST as Simple, Transparent and Easy	Support GST		
	Yes	No	Total
Yes	15	3	18
No	45	0	45

Not responded	12	0	12
Total	72	3	75

Source: Survey Data

It is obvious from the above that 72 out of 75 respondent-traders accounting for 96% supported the introduction/implementation of GST system by the Government of India. And only the remaining three respondents working out to 4% of the total number of traders selected for the survey did not support the introduction/implementation of GST. Surprisingly, though 72 respondents supported the implementation of GST, 45 respondents accounting for 60% felt that the system is not simple to understand, not transparent in its operation and not easy to implement. Out of the remaining, 15 respondents (20%) supported the view that the system is simple, transparent and easy. And the remaining 12 respondents accounting for 16% did not respond to these questions. Only three respondents (4%) who did not support GST implementation felt that the system is simple, transparent and easy to implement.

(3) Support for GST and Trader-friendly: Besides asking the respondents as to whether they support GST or not, they were requested to provide their opinion about whether the GST system is beneficial to traders. The responses received from them about this query are summarised below (Table – 4).

Table – 4: GST – Trader-friendly and Supporting

Number of Respondents who felt,	Support GST		
	Yes	No	Total
GST is Beneficial	61	0	61
VAT is Beneficial	11	3	14
Total	72	3	75

Source: Survey Data

Out of 75 respondents, 61 respondents (81⅓%) felt that GST system is beneficial to the traders. On the other hand, 11 respondents opined that the VAT was beneficial to the traders. It may be observed from the above that out of 72 traders who supported GST system, 61 respondents working out 84.72% were of the opinion that GST system is beneficial to the traders.

(4) GST – Awareness and Beneficial: Besides awareness about GST system, the respondents were requested to provide their opinion as to whether they feel it beneficial to traders. The responses received from them are tabularized below (Table – 5).

Table – 5: Awareness about GST and Opinion about Trader-friendly

Number of Respondents who felt,	Aware of GST		
	Yes	No	Total
GST is beneficial	61	0	61
VAT is beneficial	14	0	14
Total	75	0	75

Source: Survey Data

It is apparent from the above, out of 75 respondent-traders, 61 (81⅓) felt that GST system is beneficial to traders when compared to VAT. On the other hand, 14 respondents accounting for 18⅔% felt that VAT was more beneficial than the GST system.

(5) Rating for GST System: The respondents were also requested to assign rank, on a 10-point scale, the GST system. The responses obtained from them show that majority of the respondents (48 respondents out of 72 who supported GST system accounting for 66⅔ %) assigned 7th and 8th ranks in terms of importance. On the other hand, three respondents who did not support GST system assigned 4th to 6th ranksto GST system from the point of view of importance.

From the above analysis of responses of traders, it is obvious that majority of them are aware of GST system, they support GST system and they also feel that the GST system is beneficial to the traders than the earlier VAT system.

COVID-19 and GST Swing

COVID-19 has been spelling devastating effects on different sectors of the economy besides hardships to innumerable people throughout the world including India. And the Government of India has been designing and introducing packages after packages to rejuvenate different sectors of the economy. Some of these developments are summarised below:

1. Disunion between essential and non-essential goods may percolate to GST during covid-19.
2. The Government has recognised the crucial role of ATM in further the cause of financial inclusion. The ATM industry has pitched for a stimulus package along with several relaxations including lowering of the GST rate.
3. The Government has given a relaxation to taxpayers for GST compliance for filing annual returns and audits increasing the time duration. Date of filing GSTR 3B has been extended from November 2019 to March 2020 for the state of Jammu and Kashmir.
4. Changes are made to the Insolvency and Bankruptcy (IBC) clarifying that the resolution professional shall be liable to take a new registration in each of the states or union territories where the corporate

debtor was registered earlier, within the 30 days of its appointment or by June 30, 2020, whichever is later.

5. GST officers have to audit and assess taxpayers via video-conference instead of undertaking physical visits amid the coronavirus pandemic, and the current guidelines need to be reviewed for this, according to experts.
    - Large and medium units are compulsorily under premises-based audits.
    - For small units, desk-based audit has been suggested.
    - Non-cooperative taxpayers or any inherent weakness of the internal control system, officers could shift back to the premises-based audit.
6. The parliamentary panel suggested to lower the GST for auto sector at least till the revival of the sector, and uniform road tax across all states against the backdrop of negative growth in the automobile production.

Concluding Remarks

GST which is the biggest reform in indirect tax system in the country is perceived even by the traders as a better substitute for VAT. It is also viewed as benefiting traders more than the earlier VAT system. It is expected to have positive impact on the Indian retail industry. It is also beneficial for the Government to administer. It is expected to improve the indirect tax revenue of both the Central and State Governments on the one hand, and minimizes, to some extent, the costs of goods and services on the other. It, directly or indirectly, adds wealth to the retailers.

However, it is necessary for the Government to focus on rationalization of tax rates and to make it clearer and easier as it merges all goods and services taxes into one GST. Besides, awareness about threshold exemption limit needs to be created among retailers as many of them have not responded on threshold exemption limit. MA

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(Statutory Body under an Act of Parliament)

www.icmai.in

The Institute Welcomes Government Nominees to its 20th Council

The Institute of Cost Accountants of India has received two government nominations to the 20th Council from the Ministry of Corporate Affairs, Government of India, in pursuance of the provisions of the Cost and Work Accountants Act, 1959.

Shri Makarand Lele

Shri Mukesh Singh Kushwah

We welcome them and are sure that their presence and guidance will help the Institute to move ahead to achieve a new heights and function effectively for the cause of the CMA profession.

IMPLEMENTATION OF GST E-INVOICING SYSTEM: A NAVIGATION

Abstract

In GST, E-Invoice, E means 'Electronic' which indicates the contribution of computer because it generates an invoice electronically. In simple words, e-invoicing is a practice under which invoices are digitally generated in an approved format and the GST invoice information can be circulated electronically within the group of apprehensive individuals. The invoice information automatically gets saved in the software decreasing the need for fresh entries.

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"GST is transparent and fair system that prevents black money and corruption and promotes new governance culture."

- Narendra Modi

Goods and Services Tax Act: An Introduction

GST is an indirect tax which is launched in replacement of many other indirect taxes in India. The Goods and Service Tax (GST) Act was passed on 29th March, 2017 by the Parliament. GST came into consideration on 1st July, 2017; Goods & Services Tax Law is a comprehensive, multi-stage and destination-based tax that levy on every value addition. In simple words, Goods and Service Tax (GST) is an indirect tax levied on the Mixed Supply and Composite Supply of goods and services. This law is a mixture of all the taxes which existed earlier in India.

Composite Supply in Goods and Services Tax means that a supply consist of two or more goods and services, which are physically bundled and supplied with each other in ordinary course of business. Products supplied with two or more goods and services are sold as a combination, out of which one of the products is a principle supply and the combination will not be separated from each other. A supply of goods and services is a composite supply when the following conditions are true:-

- Supply should be between two or more goods and services.
- It should be naturally bundled because it is provided

in the normal course of business.

- The combination of goods and services cannot be separated.

Mixed supply is a combination of supply where two or more goods and services are combined together to make a single price. Each of these products can be sold separately and are not dependent on each other. In this supply the tax rate will depend on the product which has the higher price. For example-A Diwali gift box consisting of canned foods, sweets, chocolates, cakes, dry fruits, and aerated drink and fruit juices supplied for a single price is a mixed supply. All are also sold separately. Since drinks have the highest GST rate of 28%, drinks will be treated as the main product on which GST will be charged.

E-Invoice in Goods and Services Tax Act: An Introduction

"E-invoice system is being designed so that it can handle approximately 1 crore invoices in a day, which is more than the current daily average reported in GSTR-1. If needed, it will be possible to enhance this capacity to even 10 crore invoices in a day,"

Pankaj Dikshit, Senior Vice President-IT Infrastructure at GSTN

The government in December 2019 stated implementation of e-invoicing in a phased mode. Taxpayers with a turnover of over Rs 500 crore can implement it on voluntary (trial) basis from January 1, 2020 while those with a turnover of over Rs 100 crore can adopt it (on voluntary trial basis) from February,1 2020. It shall be made mandatory for all taxpayers with a turnover of over Rs 100 crore from April 1, 2020.

"Experts assume discrepancy in e-invoicing can knock businesses in an immense way, hence it is vital that GSTN is fully ready-to-go for this"

*- In an interview with **ETCFO**, Dikshit however highlighted the readiness of GSTN*

Objective of the Study-

- To determine the core stand point of implementation of e-invoice in GST Act.
- To state the amendment of GST E-invoice and its impact on business.

Common Levy and Charge of GST

1. Intra Supply of Goods and Services

   This supply of goods and services happens when both the supplier and buyer have the same location. In this supply, seller needs to collect both CGST and SGST because the delivery of the goods and services is in the same location.

2. Inter Supply of Goods and Services

   This supply of goods and services happens when the location of supplier and buyer is not same. In this supply, seller needs to collect IGST only because the delivery of goods and services is not in the same location.

General Components of GST

CGST- CGST is collected by the Central Government through Intra-State sale.

SGST- SGST is collected by the State Government through Intra-State sale.

IGST- IGST is collected by the Central Government through Inter-State sale.

E-invoicing under New GST

GST e-invoice is referred as the digital invoice for goods and services provided by the business firm produced by the government GST portal. The concept of **GST e-invoice generation system** has been launched for the reduction in GST evasion. The GST officers have decided to provide the businesses with a system through which they can generate 'e-invoice' for every sale on the government GST portal. This system is applicable only to those whose turnover threshold is above the limit mentioned by the government.

Purpose of E-invoice under GST

To observe the movements of goods for monitoring any tax evasion, e-way bill system has been introduced in GST system. Under this regime, wherein any registered person prior to movements of goods via conveyance would notify detailed information about each transaction to the tax department.

Current Scenario of issuing E-Invoice

In today's time businesses issue invoice through many software's and the details of those invoice are recorded in GSTR-1return. Information of invoice is further available on GSTR-2A for the recipients to cross check the transactions. Apart, from this transporters have to generate e-way bill by importing invoice in excel. Keeping the new return system in mind, an annexure form GST ANX-1 will take place in GSTR-1 return. But the process of generating and uploading an e-invoice will remain the same.

Process of getting an E-Invoice

Process of getting an E-Invoice in GST is-

1. Taxpayer must make sure to use the reconfigured ERP system according to PEPPOL standard. He must manage with the software service provider to integrate the standard set for e-invoicing and must maintain the mandatory parameters. It should be competent of generating the JSON file for multiple invoices at the same time. Those taxpayers not having the software will be provided with the offline utility. At a future date when e-invoicing is applied to small taxpayers, they can select from 8 different accounting and billing software's all engaged with the GSTN.
2. The taxpayer must later raise a normal invoice on the particular software. He must give all the necessary details such as, billing name and address of the

customers, GSTN of the supplier, total transaction value, Item rate, GST rate applicable, tax amount, etc.

3. Upload the details of invoice especially in mandatory fields onto the IRP using only the JSON file. It can be done in two ways like, GSPs or APIs software. Here, the IRP will act as central registrar for e-invoicing. There are several modes to interact with IRP such as web-based, API-based, SMS based, mobile app-based, etc.
4. IRP will authorize the details of B2B invoice, checks whether there is any duplications and generates an e-invoice reference number for reference. There are four parameters in this:
   - Seller GSTIN
   - Invoice number
   - FY in YYYY-YY
   - Document type (INV/DN/CN)
5. IRP generates the e-invoice reference number, it has a digitally sign in the invoice and creates a QR code in Output of JSON for the supplier. However, the seller of the product will get the e-invoice through email, if email is provided in the invoice.
6. IRP have to send the authenticated payload to GST portal for their GST returns. In addition, all the details will be forwarded to the e-way bill portal, if it is applicable. ANX-1 of seller and ANX-2 of the buyer will be auto-filled for the relevant tax period. In turn, it will determine the tax liability.

E-Invoice – Invoice Registration Portal

CGST Notification 69/2019 advises an e-invoicing portal that will admit e-invoices, confirm the invoice and produce a unique Invoice Reference Number. The approved list of websites of this e-invoice portal includes:

- www.einvoice1.gst.gov.in
- www.einvoice2.gst.gov.in
- www.einvoice3.gst.gov.in
- www.einvoice4.gst.gov.in
- www.einvoice5.gst.gov.in
- www.einvoice6.gst.gov.in
- www.einvoice7.gst.gov.in
- www.einvoice8.gst.gov.in
- www.einvoice9.gst.gov.in
- www.einvoice10.gst.gov.in

This portal is also known as Invoice Registration Portal (IRP). The first IRP approved by the Government of India is the National Informatics Centre (NIC).

Impact of GST E-Invoice on Business

GST is proposed to bring every indirect tax under one roof. For businesses, owners or manufacturers have to maintain different taxes and have to scamper to various departments to fulfill all the tax-related documents. Some businesses file different taxes quarterly, annually, half-yearly, etc. when there are more departments, the more is the harassment. In present, the total tax levied by the central and the state governments comes up to 32%, but with the execution of GST, the business owners have to pay a lower tax of 18-22 percent. Additionally, they do not have to pay taxes for various departments.

Conclusion

E-invoicing as a concept is undeniably the next level frontward in India's GST journey. E-invoicing denotes the system which operates with B2B invoices uploaded electronically and authorized by a nominated portal.

The espousal of e-invoicing standards will certainly impact the standardization of invoices for easy and speedy data access and retrieval without any impact on its physical or printed appearance. To sum up, taxpayers will continue to use their existing ERP systems to generate their invoices just as they have done before, however, with the new standard being embraced by the specific software in place, data exchange process and readability at present becomes easier. MA

GST goods service tax!!!
Grows service trading….
Act of tax…
Tax for buy…
Economy developing…
Harmony integrating…
Comforts gaining
Luxuries draining
People are paying…
India is raising…
-Sharmistasree

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THE DUAL GST MODEL IN INDIA: EMANATING OPPORTUNITIES AND CHALLENGES

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Abstract

GST model in India is a switch over from the origin based taxation system to the destination based. It has also systematically shifted the federal fiscal relation between the Centre and the States to cooperative federalism. It is expected to have direct impact on fiscal disciplines of the States. For the transition period the revenues of the State Governments are protected however scene after five years are dark and unpredictable. The paper discusses the mechanism and implications of tax revenue sharing between the Centre and the States under dual GST model and emanating opportunities and challenges therefrom.

Introduction

Before GST came into operations Indian indirect system was suffering from various shortcomings. Bagchi, A., (1994) denoted trade taxes existed in India as archaic, irrational and complex necessitating immediate reforms. Further Chelliah (2006) described then prevailing indirect tax laws as irrational and bringing cascading effects. The existing confusions and complexities were acting as barriers in ease of doing business.

Goods and Services tax (GST) was introduced in India with effect from 1st July 2017. GST is an integrated system of taxing goods and services at national level. It is grounded on the notion of "one country one tax." Starting from France in 1954 it has now spread around in 160 countries in the world. It takes its form from Value added tax (VAT) which first appeared in the form of Modified value added tax (MODVAT) in the year1986. Thereafter, it was introduced in services tax in the year 1994 and then, in the sales tax at the States level in the year 2006.

One of the common problems of consumption taxes is that it may turn out to be regressive if tax rates are not structured properly. To defeat this regressive nature of consumption taxes, most of the countries in the world have implemented two rate structure; standard and preferential. However, in India five rates structure has been devised for goods and seven rates structure for services. GST is not just combined VAT and services tax rather it binds most of the multiple indirect taxes into one unified whole. It incorporates many distinguishing features that makes it unique in the world.

GST has been implemented to overcome many problems including rampant tax evasion practices, cascading effects, multiplicity of taxes and complex procedures. GST is based on the premise of destination principle which encourages geographic fragmentation leading towards generating more tax revenue. It thus taxes only final consumption and other stages of production and distribution are only treated as mere pass through (Thirteenth Finance Commission Report, GOI, 2009).

GST is the next logical step leading towards comprehensive tax reform in the country which is expected to bring gains for trade and business, consumers and the Government collectively (First discussion paper on GST, 2009). Further Government of India (2014) described the GST as the historic reform introduced with the objectives of widening tax base, bringing overall tax rate at lower level, ensuring better compliance and avoiding cascading effects. However, GST has brought a paradigm shift in power structure in fixing tax rates and more particularly revenue sharing mechanism between the Centre and the States.

2. New Centre and State relationship emanating from Cooperative federalism principle

Before GST introduced in India, article 246 of the Constitution of India had brought into application the federal principle by clearly distributing the power to tax goods and services between the Centre and the States by virtue of corresponding lists in seventh schedule. However, our constitution was amended vide 101th Amendment Act, 2016. As per article 246A, of the Constitution of India, Parliament and State legislature have powers to make laws with respect to Goods and Services tax imposed by Union or by the State and the Parliament has exclusive power to make laws with respect to Goods and Services tax for supply of goods or services or both in the course of interstate trade. Further, Article 269A explains that in case of inter-state supply, tax shall be levied and collected by Government of India and apportioned between Union and States in the manner provided by parliament on recommendations of GST Council. Here the GST Council has been entrusted with the role of facilitator in grand bargain process between the Centre and the States (Kelkar, 2019).

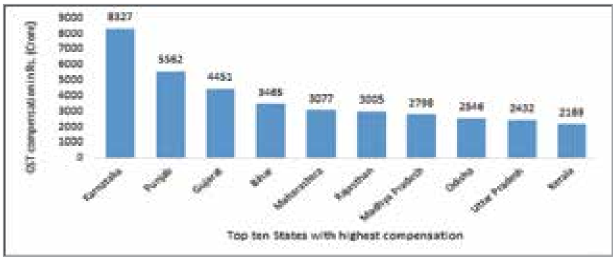
The concept of "cooperative federalism" emanates from report of Thirteenth Finance Commission, Government of India (2009) which implies a system wherein both the Centre and the States work together in harmony to achieve the common national goal. It is made operationalized by a system wherein each transaction is to be taxed simultaneously by the Central Government and the States at the same tax rate and on the same tax base.

3. Revenue sharing between the Centre and the States in India: mechanism and implications

Flavor of GST flows from the philosophy of cooperative federalism where both the Centre and the States join to work for the nation. GST being a destination based tax, the major cause of concern for the States remains the revenue sharing mechanism under it and more particularly when it is a case of either manufacturing or exporting State (Panda, 2019). Despite ambiguity, it has however been argued that producing and exporting States will also be benefitted from GST because both the production and exports have the capacity to generate income and thus boost revenue growth (CBIC, GOI, 2019). Since, consumption depends on marginal propensity to consume and thus to some extent this argument is valid. However to equate the revenue of manufacturing or exporting State with consuming the direction of consumption should be towards taxable goods and services. In other words, if majority of consumption goes towards nontaxable goods and services, sufficient revenue generation cannot be guaranteed for manufacturing and exporting States.

Further for initial five years, the revenues of the States are protected because of transfer of GST compensation by the Centre to the States. However, the scene after five years are dark, and unpredictable. Mukherjee (2020) identified Karnataka, Punjab, Goa, Odisha and Chhattisgarh as major States where the impact of withdrawal of GST compensation would be substantial. On analyzing the amount of GST compensation released by the Union Government for financial year 2017-18 and 2018-19, it can be seen that all these ten States are among top manufacturers and exporters (Figure-1).

Figure-1: Top ten States having higher total share of GST compensation for the Financial Year 2017-18 and 2018-19



Source: Author's computation based on data collected from pib.gov.in

Bagchi (1994) had apprehended that this dual model of GST might confine taxation powers to the Central authorities only. Now under present system, GST rates are decided by GST council and hence controlling powers of the States has been transferred to GST council. As a result, the States have lost their autonomy in fixing rates. Mukherjee (2020) also pointed out that as compared to Union, the State Governments have lesser power to generate additional revenue to meet shortfall of the tax revenue and thus revenue protection through GST compensation plays important role in motivating the States.

4. Challenges and opportunities emanating from GST for the Union and the State Governments

By virtue of section 7 of GST (compensation to States) Act, 2017 the Union Government shall compensate to the States for any loss of revenue during the transition period at projected annual growth rate of 14%. However, the growth rate in GST collection on year on year (YOY) basis is ranging in between 4% to 6% only and even negative in September, October and March 2020 (Figure-2). Now, NRR of 14% in these circumstances is going to huge burden on the exchequer of the Union Government. In these scenarios, probably exploring a new design of GST compensation to States may not only provide a proper revenue protection for the States but may also relieve the burden of Union Government (Mukherjee, 2020).

Figure-2: Growth rate in GST collection YOY basis

Source: Author's computation based on data collected from pib.gov.in

As per the report of World Bank (2018) however, the consecutive twin shocks of GST and demonetization have rendered the consumption level to go down in India. Postponing GST on five petroleum products is creating cascading effects. If five petroleum products is included in GST, the burden of the States will become unbearable. Thus, there is a vicious cycle. It can further be noted that after implementation of GST, the State Governments are permitting more and more alcoholic liquor shops. For example, as per report of The Hindu, (13 September 2017) Telangana has licensed 2216 liquor shops during the year 2017-19. Noticeably the social costs of demerit good like alcohol is a substantial and harmful to the society. Now, only two and half years are left for the GST compensation for the States. Arguably there is huge disparity in per capita income in different States of India which always poses the challenges for bringing balanced regional growth (Kelkar, 2019). Thus, there is a challenge for the States to bring up the consumption level in short time span to increase GST revenue. However, there is opportunity also if the States are able to increase consumption levels since GST has the potentiality to minimize tax evasion to a great extent.

5. Concluding remarks

The aim of any revenue sharing system should be bringing balanced growth across all the States and Union territories. However, GST being a destination based tax and hence it may shift some revenue from the producing States to the consuming States. At the same time since exports are treated zero-rated under GST, the exporting States may also face loss of revenue. This, loss will be unbearable if five petroleum products are brought within the purview of GST. It is thus high time to work upon a new design of revenue sharing for relieving both the Centre and the States from fiscal pressures and ensure balanced growth across the different provinces. GST is a great reform, however, to ripe its full benefits some adjustments are needed both from the Centre and the States front to make it a success. MA

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A STUDY ON THE IMPACT OF GST ON THE ECONOMY OF INDIA

Abstract

Goods and Services Tax (GST) came into effect from 1st July'2017 through the implementation of the One Hundred and First Amendment of the Constitution of India by the Indian Government. The GST replaced multiple taxes such as Central Excise Tax (CST), Service Tax, Value Added Tax (VAT) and Entertainment Tax levied by the Central and State Government. It is a comprehensive, multistage, destination-based tax. In this study we analyze the impact of GST on Indian Economy. The present study attempts to evaluate the impact of GST on GDP growth rate, Consumer Price Index (CPI), Revenue and Fiscal Deficit of India. The study also highlights the role of a CMA with regard to GST.

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Introduction

GST is a single National uniform tax levied all over India on all goods and services. In GST all indirect taxes such as Excise Duty, Central Sales Tax (CST) and Value Added Tax (VAT) etc have came under one umbrella. Introduction of GST is a very good step towards a comprehensive indirect tax reforms in India which is expected to lead India in the economic growth. The tax rates, rules and regulations are governed by the GST council. GST council is an apex member committee to modify, reconcile or to procure any law or regulation based on the context of goods and services tax in India. The GST council is responsible for any revision or enactment of rule or any changes of the goods and services in India and for effective monitoring of GST, a network has been created, named as Goods and Services Tax Network (GSTN) which is formed for creating a sophisticated network, accessible to stakeholders, Government, and taxpayers to access information from a single source (portal). It is accessible to the tax authorities for tracking down every transaction. Table 1 shows the journey to GST.

Table 1: Journey to GST

Year	Details
2000	Vajpayee Government started discussion on GST by setting up an empowered committee.
2006	Announcement to GST for the first time was made by the then Union Finance Minister, during budget of 2007-08 that it would introduce from 1st April 2010.
2009	First discussion paper was released by the Empowered Committee.
2011	Constitution (115th Amendment) Bill introduced and subsequently lapsed.
2013	GSTN, a private company was set up to provide the IT backbone for GST.
2014	The Constitution (122nd Amendment) Bill was introduced in the Lok Sabha.
2016	In August, The Constitution (One Hundred and First Amendment) Act was enacted.
	In September, 1st GST Council Meeting was held.
2017	In March, GST Council Recommends the CGST, SGST, UTGST and Compensation Cess Act.
	In April, The CGST, IGST, UTGST and Compensation Cess Acts passed.
	In May, GST Council recommends rates and rules.
	In June, All States except J&K passed their SGST Act.
	On 30th June, 8th GST Council Meeting held.
	On 1st July, GST Launched.
	On 8th July, SGST Act passed by J&K; CGST and IGST Ordinances promulgated to extend GST to J&K.

(Source: www.gstcouncil.gov.in, The GST Saga)

Research Objective

1. To study the impact of GST on GDP growth rate, CPI, Revenue Collection and Fiscal Deficit.
2. To find out the role of CMA with regard to GST.

Research Methodology

The present study is conclusive and descriptive. The study was conducted on secondary sources of data collected from books, articles, journals, e-sources, etc.

Analysis and Findings

The impact of GST on India Economy can be seen by looking at three macroeconomic fundamentals .i.e., GDP growth rate, Consumer Price Index (CPI), Revenue Collections and Fiscal Deficit.

1) Impact on GDP Growth

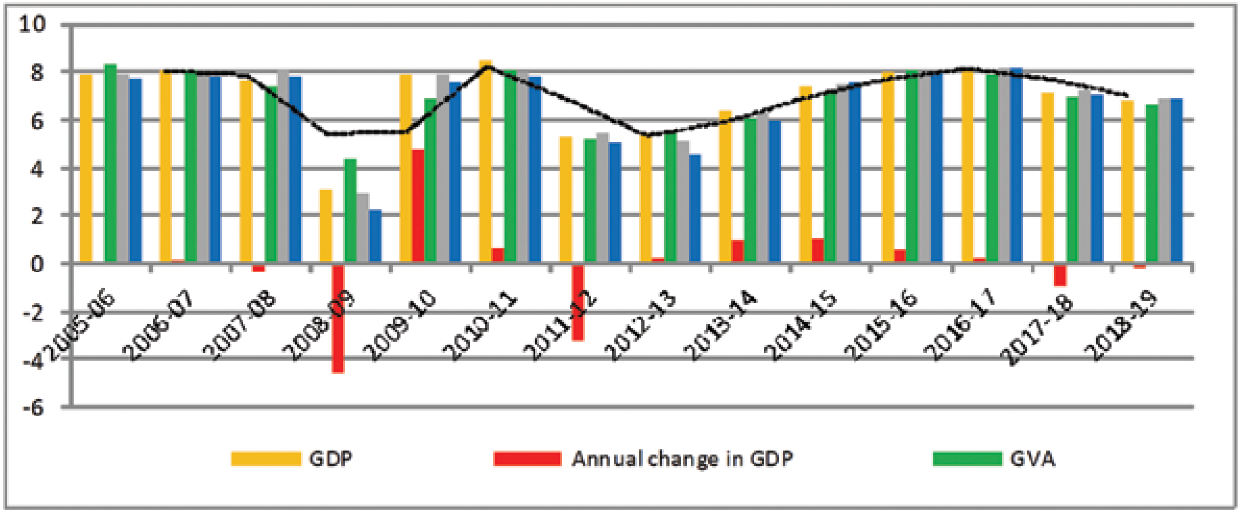
One of the focus areas of the Government is to assess the impact of GST on Indian economy. GST expands the tax payer base which will bring revenue for the Government and subsequently it will raise public investments and thereby having an impact on GDP. GST will also reduce cascading effect of multiple indirect taxes which will make Indian products competitive in the international market leading to increase in export which will again impact GDP. Initially the economy witnessed a slight dip in the GDP on implementation of GST. However, GDP growth picked up gradually within first year of implementation of GST. The GDP growth rate for 2018-19 was 6.81%, while in the year 2017-18 the actual GDP stood at 7.17%. Table 2 shows growth rate of GDP, GVA, GNI, NNI and annual change in GDP.

Table 2: GDP, GVA, GNI, NNI growth rate and Annual change in GDP

Year	GDP	Annual change in GDP	GVA	GNI	NNI
2018-19	6.81	-0.19	6.63	6.89	6.92
2017-18	7.17	-1.00	6.94	7.24	7.04
2016-17	8.17	0.17	7.88	8.18	8.12
2015-16	8.00	0.59	8.03	7.99	8.02
2014-15	7.41	1.02	7.15	7.48	7.53
2013-14	6.39	0.93	6.05	6.31	5.98
2012-13	5.46	0.22	5.42	5.14	4.54
2011-12	5.24	-3.26	5.22	5.45	5.00
2010-11	8.50	0.64	8.03	7.96	7.83
2009-10	7.86	4.78	6.86	7.86	7.53
2008-09	3.09	-4.57	4.31	2.91	2.24
2007-08	7.66	-0.40	7.38	8.05	7.77
2006-07	8.06	0.14	8.05	7.99	7.83
2005-06	7.92	0.00	8.28	7.90	7.74

(Source: https://m.statisticstimes.com) (GVA- Gross Value Added, GNI- Gross National Income, NNI-Net National Income)

Chart 1 : GDP, GVA, GNI, NNI growth rate and Annual change in GDP



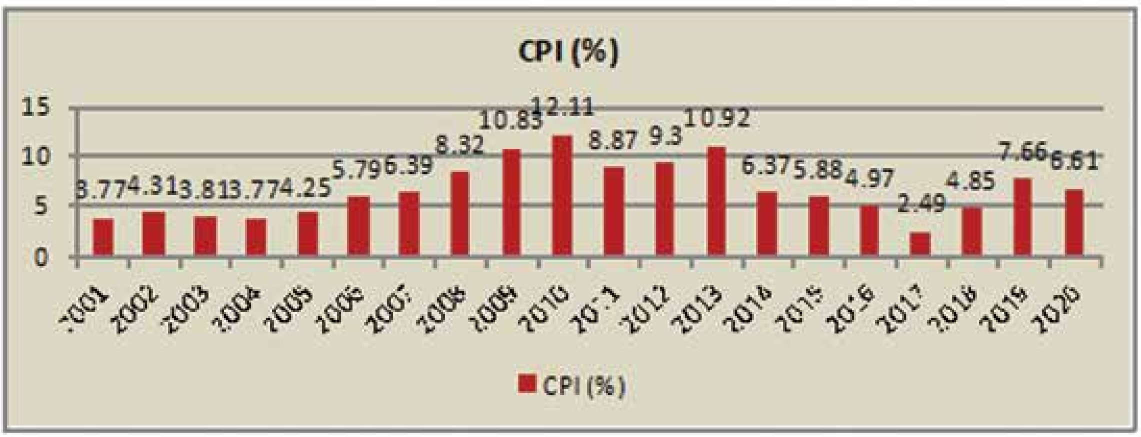
Findings:

GDP at constant (2011-12) prices in the year 2018-19 is estimated at 6.81 percent as compared to the growth rate of 7.17 percent in 2017-18. The growth in GDP in 2018-19 was lowest since 2014-15. The moving average of GDP shows a rise from the year 2012-13 to 2016-17 and from 2016-17 it started declining i.e., from 8.17% in 2016-17 to 6.81% in 2018-19 which is matter of concern. Since the implementation of GST in the year 2017-18 the GDP, GVA, GNI and NNI has shown a fall. The annual change in GDP has become negative from 2017-18 onwards. Overall GVA, GNI and NNI growth rate in 2018-19 at constant prices are 6.63%, 6.89% and 6.92% respectively. The GVA, GNI and NNI show a declining trend from the year 2016-17.

2) Impact on Consumer Price Index (CPI)

CPI is a macroeconomic indicator of inflation and used as a tool by Central banks for inflation targeting and monitoring price stability, and as deflators in the national accounts. A large number of products in the Consumer Price Index (CPI) basket being exempt from GST compensated for the rise in the tax rates on other items. Table 3 shows the Consumer Price Index (CPI) or Average Inflation India year wise.

Table 3: Consumer Price Index (CPI) or Average Inflation India - by year



(Source: https://www.inflation.eu)

Findings:

From Table 3 it is observed that from 2001 to 2010 the CPI shows an increasing trend as a sign of continuous inflation in each year. But from 2010 to 2017 (except 2013) there is declining trend in CPI which shows a control on inflation. The CPI in 2017 stood at 2.49% moved up and arrived at 4.85% in 2018 after the implementation of GST and it moved to 7.66% in the year 2019.

3) Impact on Revenue Collections and Fiscal Deficit

Fiscal Deficit is the difference between the total income of the Government (total taxes and non-debt capital receipts) and its total expenditure. It occurs when the Government's expenditure exceeds its income. This difference is calculated as a percentage of GDP of India. GST will increase the total taxes collected by the Government thereby increasing the total income of the Government which will reduce the Fiscal Deficit. GST plays an important role in increasing the revenue collections of the Government. Table 4 shows quarter-wise collections of GST.

Table 4: Quarter-wise GST Revenue Collection (₹ in crores) (All States and Union Territories)

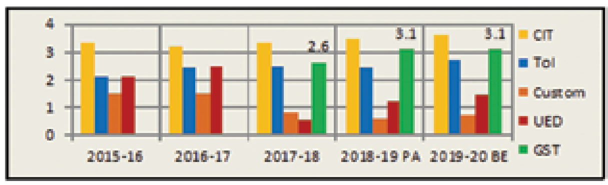
Year	2017-18			2018-19				2019-20			
Quarter	July-Sept'17	Oct-Dec'17	Jan-Mar'18	April-June'18	July-Sept'18	Oct-Dec'18	Jan-Mar'19	April-June'19	July-Sept'19	Oct-Dec'19	Jan-Mar'20
CGST	30427.63	42850.33	45902.69	50457.92	46948.40	49716.80	55745.10	57342.06	52273.90	57135.09	60693.44
SGST	45304.05	62338.34	64218.32	69393.70	64507.58	68354.70	76542.05	78608.46	71844.29	77610.67	81169.64
IGST	51981.90	70599.07	70564.74	78972.10	73224.49	76419.62	79634.92	82252.16	73478.19	79953.49	83739.19
CESS	13909.71	20875.10	21534.87	21685.65	21570.20	21284.87	22748.57	22868.84	21077.71	21175.46	23184.68
TOTAL	141623.29	196662.84	202220.62	220509.37	205800.67	215775.99	234670.64	241071.52	218674.09	235874.71	248786.95

(Source: https://www. gst.gov.in)

Findings:

From Table 4 it is observed that in the year 2017-18 the total GST collection has increased on comparing each quarter, so it shows an increasing trend in the collection of GST in 2017-18. While in the year 2018-19 it can be seen that the collection on GST shows a fall from quarter April-June'18 to July-Sept'18 and then it shows a rise in collection from quarter Oct-Dec'18 to April-June'19 and again in July-Sept'19 quarter there is a fall in collection of GST. So, necessary step is required to be taken for increasing the collection in July-Sept quarter as in every year this quarter shows a fall in GST collection. While January-March Quarter shows the highest collection in each year.

Chart 2: Taxes as a percent of GDP



(Source: Economic Survey 2019-20) (Here PA represents Provisional Actual, BE represents Budgeted Estimate, CIT- Corporation Tax, ToI- Taxes on Income other then Corporation Tax, UED- Union Excise Duties)

From Chart 2 it is observed that GST as a percent of GDP has increased from 2017-18 to 2018-19 i.e., from 2.6% to 3.1 % indicating a higher revenue for the Government. It can be seen that after the implementation of GST, the Customs Duty and UED as a percent of GDP has fallen i.e., from the year 2017.

Table 5: Showing Revenue receipts, Gross Net Tax receipts, Fiscal Deficit, Revenue Deficit and Primary Deficit

Details	2014-15	2015-16	2016-17	2017-18	2018-19 (PA)	2019-20 (BE)
Revenue Receipts (in ₹ Lakh Crore)	11.01	11.95	13.74	14.35	15.53	19.63
Gross Tax Receipts (in ₹ Lakh Crore)	12.45	14.56	17.16	19.19	20.80	24.61
Net Tax Receipts (in ₹ Lakh Crore)	9.04	9.44	11.01	14.42	13.17	16.50
Fiscal Deficit (as a % of GDP)	4.1	3.9	3.5	3.5	3.4	3.3
Revenue Deficit (as a % of GDP)	2.9	2.5	2.1	2.6	2.4	2.3
Primary deficit (as a % of GDP)	0.9	0.7	0.4	0.4	0.4	0.2

(Source: https://www.indiabudget.gov.in, Economic Survey 2019-20)

From Table 5 it is observed that gross tax receipts and revenue receipts shows an increasing trend from the year 2014-15 and fiscal deficit and revenue deficit has started to fall from the year 2017-18 i.e., after the implementation of GST.

Role of a CMA

A CMA can-

» Interpret the proposed GST law and may provide required guidance and advisory services to eradicate bottlenecks in finance, production, taxation, administration, supply chain management, etc.

» Maintain systematic records of credit of input/output service and its proper utilization.

» Assess the impact on business plans, contract review for cost reduction/price revisions, transaction structuring by mapping existing business model.

» Assist the businesses entities in providing assistance towards GST registration, claiming tax credits, ensuring all necessary legal compliances, procedural formalities and other administrative follow ups.

» Make representations before the Appellate Tribunals for Dispute Resolution of GST.

» Perform Audit functions like review of record & procedural aspects, verification of returns, reconciliation between submissions to various authorities, statutory compliances & Audit, Internal Audit & System improvement.

» Aid technician in designing of software modules like ERP, SAP, Tally, etc

Conclusion

The growth of collection of GST and the growth of Indian Economy both are positively correlated to each other. In the present scenario when the whole world is struggling due to COVID 19, Indian Economy went down, factories are temporarily shutdown, some businesses have been compelled to close and unemployment is increasing day by day. As a result of it collection of GST is lower. Though GST is a good source of Government revenue but due to less consumption GST collection is also lower. GST would be instrumental in economic distortions, which in turn, would provide necessary impetus to Indian Economic growth. In this study we mainly focus on three macroeconomic fundamentals .i.e., GDP growth rate, Consumer Price Index (CPI), Revenue Collections and fiscal Deficit. Though GST has positive impact on Fiscal Deficit and has also increased the total taxes and revenue of the Government but the GDP factor is still to be worked on and necessary measures are required for improving GDP growth rate and one such measure is to increase the exports. CPI inflation is required to be controlled for which the Government has been rationalizing the GST rates on items of daily use by common people for removing the tax burden from lower income group and also to curb leakage of revenue the Government has introduced E-Way bill system but yet there is long way to go, and GST plays a significant role for improving the Indian Economy. MA

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OBITUARY

The institute and its members deeply mourn the demise of CMA Syamal Kumar Datta (M/4872) a Practicing Member who left for heavenly abode on 09th June, 2020.

He was retired as project Head of Finance from NTPC.

May God bless the family have the courage and strength to overcome the loss.

DECODING THE IMPACT OF GST LAW ON INDIAN SHARE MARKET OPERATIONS

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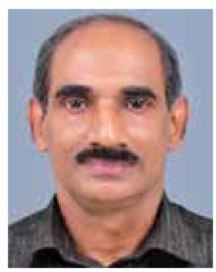

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Abstract

The present study focuses on unravelling the implications of GST on the share broking business, which constitutes a substantial component of financial services in the Indian financial market. It brings a comparison of the pre and post GST impact on the share broking services. The authors find that the act resulted in both benefits and hazards to the whole sector.

I. INTRODUCTION

Goods and Service Tax, being a consumption based taxation system, brought radical changes in the indirect tax regime of the country. The law demanded substantial transformations in the procedural and compliance level of various sectors. As service sector constitutes around 54.04% of the country's GVA (Ministry of Statistics, 2019), GST had a major impact on it. The previous Service Tax enacted through Finance Act, 1994 got subsumed with GST law. Though conceptually the two appears to be similar, GST reduced the cascading effect of the Service Tax law.

Financial services, a growing sector and a major constituent of service industry, gained greater concern when the law was introduced. The trend seen globally is that there is complete or partial submission of financial sector to GST. In areas where partial taxing is imposed, fee based activities are charged to GST but with restricted Input Tax Credit (ITC). In India also the financial sector is partially taxed under GST.

The growing preference of share markets as an investment option makes the share broking business a prominent financial service. To check if GST has an impact on share broking business it's necessary to evaluate the chargeability under the act (Kothari, 2017). Section 9 of CGST Act imposes tax on supply except for the exempt supply, zero rated supply or non-taxable supply. Supply, as defined in Section 7 of the Act, "consists of all forms of supply of both goods and services". Goods are defined in Section 2(52), "to include any movable property other than money and securities". Services are defined in Section 2(102), "to include anything other than goods, money, and securities but includes activities relating to use of money or its conversion by cash or other mode from one form to another form for a separate consideration". This reveals two important results. Firstly securities like shares, bonds, etc. doesn't fall under the definition of either goods or services and hence are outside the ambit of GST, making them non-taxable supplies. Hence no GST is charged on the purchase, sale or trading of securities in share market. Secondly, the share trading services provided by brokers, investment advisors, etc. for which separate consideration is charged in the form of brokerage, fees, etc. would be subject to GST, as they would take the nature of supply of services.

II. OBJECTIVES OF THE STUDY

The present study aims at the following

1. To evaluate the overall impact of GST on the share market investors.
2. To analyse the implications of GST on stock broking business of the country.

III. METHODOLOGY AND DATA COLLECTION

The study is conceptual in nature. The research explains both the positive and negative effects of GST introduction on share broking services in India. The study evaluates pre and post GST situations in the sector. The provisions under various relevant sections are interpreted. The study uses secondary data obtained from the reports of share brokers, professionals, etc.

IV. RESULTS AND DISCUSSION

Chanakya (2nd Century BC) propounded that tax should be equitable, convenient to pay, easy to calculate, inexpensive to administer and not to inhibit growth. Adam Smith (1776) conceptualised the famous Canons of Taxation which constitutes Equity, Certainty, Convenience and Economy. Thus any taxation system should follow these fundamental principles. Past studies on the implications of introduction of modern taxation system reveals that it results into heavy burden on tax payers. The three elements of this burden are the tax itself, the efficiency costs and the operating costs (Evans, 2008). Thus, the present work on the impact of GST on broking business can be analysed from three angles:

A. Compliance Burden,

B. Compliance Cost, and

C. Expenditure

Figure 1: Impact of Taxation System

(Source: Primary Source)

A. COMPLIANCE BURDEN

Compliance Burden means any requirement imposed on tax payers related to registration, filing of return, payment of tax and claiming the ITC. Additionally, any tax law including processes required by such law, that makes compliance by tax payers overly difficult due to complexity is compliance burden (Evans C et.al, 2019).

A study conducted by KPMG opines that the compliance burden has increased under GST on the basis of survey conducted among 232 CEOs, co-founders and CTOs of companies (KPMG, 2019). A thorough evaluation in this respect with special reference to the share broking firms was conducted by the authors.

(i) ***Registration****:* The concurrent dual GST model, where tax is levied by both central and state government, expands the registration requirement under GST to each state where a taxable supply is offered, from the earlier Centralised Registration scheme. This would increase the burden of filing returns for all the registered branches. Also the new requirement leads to maintenance of separate financial

records. The state wise registration would result in charging GST on transactions between branches, though later on credit can be claimed.

*(ii)**Return filing**:* Filing returns is a tedious task under GST. The monthly returns of GSTR1, GSTR 2B and GSTR 3B and annual return (GSTR-9) should be filed under GST. The compliance burden has increased due to the periodicity of returns, number of returns, changing formats and level of details required in each. Comparing with the previous regime of Service Tax, where only half yearly returns were required one can imagine the level of effort and time required now.

*(iii)**Adjudication**:* Under GST since more than one adjudicating authorities will be involved, each authority may hold different opinions on the same underlying issue. This differences will prolong the adjudication procedure. Unfavourable adjudications result into appeals, and hence adds to the compliance costs.

*(iv)**Place of supply**:* The place of supply of stock broking services provided domestically is specified in Section 12 of IGST Act, as the location of recipient of services, as per the records of supplier of service, provided the services are linked to their accounts. Otherwise it is the location of supplier of services. In case of services rendered to foreign investors consisting of FIIs or FPIs, the place of supply shall be the location of service provider as per Section 13(8) of the Act as share broking services would take the nature of intermediary services. As per Section 2(13) of IGST Act, 2017, an intermediary means, "a broker, agent or any person who arranges or facilitates the supply of goods or services or securities between two or more persons and not on his own account". Since Place of Supply lies in India, these services lose their status as an export of services and hence GST is chargeable. These provisions were replicated from Service Tax.

*(v)**Valuation under GST**:* The Act considers the Transaction value as the value of supply as per Section 15 of the CGST Act, 2017, provided the supplier and buyer are unrelated and price is the sole consideration. But the CGST (Determination of Value of Supply) Rules, 2017 should be used in case of violation of the specified conditions. In case of stock broking business, the transactions between the various business verticals of the share broking business and those between brokers and sub brokers are subject to these rules as they fall in the definition of Related Persons, as per Explanation to Section 15 of CGST Act.

B. COMPLIANCE COSTS

Compliance burden automatically adds up to the compliance cost of the business. Most research have failed to focus on the compliance costs of taxation until Sandford (1973) referred compliance costs as the hidden costs of taxation system. Compliance costs are those costs incurred by tax payers in meeting the requirements laid upon them in complying with a given structure and level of tax (Sandford, Godwin and Hardwick, 1989, p.10). Thus compliance costs, in case of GST, is the sum of administrative costs, invoicing requirements, training and consultation costs and penalties (Eichfelder and Hechtner, 2017).

*(i)**Administrative cost**:* The procedural and compliance requirements under GST increases the administrative costs of the business. It required upgradation and redesigning of existing Enterprise Resource Planning (ERP) and accounting softwares. GST follows a cent percent online system thus resulting in structural changes in all the businesses. Tax administrative costs also hike due to continuous amendments.

*(ii)**Invoicing**:* Normally invoice is issued in case of taxable supply of service under GST within 30 days from the date of supply of service. The law relaxes the provision by allowing financial institutions to issue document in lieu of the tax invoice. It mandates that the document to be issued at the end of every month, physically or electronically, and should contain the prescribed information. Since broking firms fall under the definition of Financial Institutions, the above provision will be applicable to it. Thus, the new law has reduced the time limit for the issuance of invoice as under Service Tax, it was to be issued only within 45 days from the date of completion of taxable service.

*(iii)**Training cost and Consultancy charges**:* Every change results into updatations and when the change is in taxation matters it demands professional consulting. The business houses have to go through consultations which continues even now owing to the never ending circulars, notifications, and change of applicable laws. It also necessitates continuous training to work force.

*(iv)**Penalties**:* If penalties are evaluated GST would be called a penalising tax as many penalties are charged per day. Taking an example, the Act charges Rs. 25 per day for CGST and SGST each if the returns are not filed on due dates. Likewise all the penalties charged under GST is more burdensome than that under the Service Tax provisions.

Researches unveil the fact that compliance costs are significant for indirect taxes like VAT, GST, etc. Studies suggest that compliance costs are high in absolute terms as well as relative to tax yield, GDP or administrative costs of Government. Most studies confirm that size of a business is a key determinant of compliance costs (European Commission, 2004).

C. EXPENDITURE

Increase in GST rates doesn't affect the supplier of service, i.e. share broking businesses as it's a destination based tax. But the operational and non-operational expenses incurred by the business were subjected to rate hikes affecting the share broking business, being a recipient.

*(i)**Input Tax Credit**:* Under the Service Tax regime, the industry was not allowed to claim the VAT and sales tax paid on goods. With the onset of GST, the taxes paid on goods could be claimed by a service provider. Thus, stock broking business can set off CGST, SGST, UTGST and IGST as per the ITC provisions under the Act subject to the Blocked Credit provisions under section 17(5) of CGST Act, 2017. Also the concept of Input Service Distributor further reduces the cascading impact.

*(ii)**Refund**:* Refund of tax paid in respect of services exported can be claimed by the business. Under Service tax, the time limit for filing refund claim of CENVAT credit

on inputs used for export services is one year. But under GST the time limit is extended to two years, thus being a favourable change.

V. SUGGESTIONS AND CONCLUSION

GST is a revolutionary movement in the tax regime of our country which solved many issues connected with the earlier indirect taxes. But the lack of a planned implementation brought hardship to the country. On this basis, the researchers' analyse the impact GST brings on share market operations. Interestingly, GST is both a boon and bane for share broking businesses. The enhanced ITC helped the sector to reduce its tax expenditure. But the compliance burden and compliance costs intensified in the GST era.

The following suggestions are made by the authors to the authorities and the share broking businesses:

1. It's high time that the GST council reduces the compliance burden and compliance costs of this taxation system by addressing base issues like the return filing, clarity of provisions, website maintenance, etc.
2. There is necessity to provide specific place of supply provision in case of services rendered to foreign investors by share broking businesses. Treating these services as exports makes them zero rated supply and this would attract more investments.
3. The share broking businesses can take separate registration for their branches in order to enjoy the benefits of ISD and ITC provisions.
4. With respect to application of valuation rules, since principal agent relationship exist between the stock brokers and sub brokers, Rule 29 of the CGST (Determination of Value of Supply) Rules, 2017 can be applied.
5. The sector can take the advice of professionals for proper tax compliance and tax planning.

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GST RELIEF MEASURES DURING GLOBAL PANDEMIC (COVID-19)

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Abstract

In light of the spread of the COVID-19 pandemic, various countries got affected by this including India. It causes a huge loss to the lives and the economy of every country. The outbreak of novel coronavirus also put a negative impact on every sector of the Indian economy. The financial sector of India is also influenced by this situation. The government of India has taken various steps to prevent the spread of this virus. Lockdown is one of the measuring steps taken by the Government. This study has addressed the various indirect tax amendments of GST. Researchers have also suggested some tax relief options given by the Government.

Introduction

The Corona Virus Disease is a pre-eminent health crisis. Various countries have provided relaxation in compliance. Singapore has increased the time limit until 11thMay 2020. Italy has also increased the deadline for VAT return until 30th June 2020. Similarly, France has also extended the due dates of the return, which ranges from 30th June to 30thSeptember 2020 and also deferred payment of tax. Spain has also given the six-month time limit extension. The Indian Government has also provided the taxation assistance to businesses affected due to new virus. Ministry of Finance has extended the due dates of filing the returns. The income tax return due date has also been increased up to 30thNovember 2020.

Literature Review

As this disease is new in the world, fewer studies have been conducted so far related to its impact on the fiscal sector. Researchers have reviewed some research papers to know the implication of this virus on countries economy, review of some papers has been given below.

Balajee, A., Tomar, S., &Udupa, G.in their study entitled, "Fiscal Situation of India in the Time of COVID-19" and found that the Central government has declared a fiscal package of Rs. 1.7 trillion for mitigating the effects of shut down of the economy. Researchers have also suggested that subsidy rationalization can reduce the fiscal deficit. This study forecasted that fiscal deficit will be as high as to 8.4%.

Cano, M. C. in his research entitled, "Taxpayers Say Governments Can Do More to Fight COVID-19". This study concluded that the current steps taken by the Government are not enough to improve the economy. Researcher has found that tax concession, subsidy, and, rebate given by the Government are only the temporary solutions to affected business or industries. These measures will help only in the short run of the business but not in the long run. This research paper has suggested that Governments should do more efforts for the enhancement of the economy.

Chakraborty, L., & Thomas, E .studied, "COVID-19 and Macroeconomic" and suggested the innovative sources of financing to reduce the deficit. This paper also discussed the relief packages announced by the finance ministry. This paper reported that 40% of the relief amount is for construction welfare fund and district mineral fund. Researchers have also focused on the monetary policy of RBI and found that the repo rate has been reduced by 0.75 base points, the reverse repo rate has also been reduced by 0.90 base points, and, CRR (Cash Reserve Ratio) has been cut to 3%.

China, K. P. M. G., & Lu, L. studied, "China Announces Tax Relief Measures to Tackle Coronavirus Disruption" and found that the Finance Ministry of China has extended the VAT return filing date to 28 February. The State Taxation Authority of China is solving the tax matters through e-tax bureau. This study has also found that tax authorities have exempted the various consumer services from value-added tax. These services are laundry, medical, catering, housing, etc.

Chopra, R. in his study titled, "Battling the Coronavirus Crisis: A Case of India's Real Estate Sector" attempts to focus on the impact of coronavirus especially to the real estate of India. Researcher has reported that during the lockdown unavailability of the raw material, labor, and other supplies affected the process of housing projects. This study pointed the RBI;s announcement of relaxation given to financial markets, exporters, and, banks. RBI has given the relaxation to the exporters in the repatriation limit from 9 months. The researcher has quoted the results of the NAREDCO report which states that prices of the property will decrease by 10-15% and this sector will be in the loss of one lakh crores.

Dev, S. M., &Sengupta, R. studied, "Covid-19: Impact on the Indian economy" and reported that the Indian economy has been badly affected by the lockdown. Researchers have also given concentration to the economy before the pre lockdown. They found that previously economy was also stuck but with the spreading of this disease, all the segments of the economy are dreadful. This research paper also focuses on the policies suggested by the Central Government and Reserve Bank of India for the boost of the Indian economy.

Gumber, A., &Bulsari, S. studied, "COVID-19 Impact on Indian Economy and Health" and found that lockdown results in closure of businesses which put an adverse effect on industries. This study reported that the healthcare industry is under immense pressure. This paper also discussed the nudge theory, which should be implemented in the healthcare system.

Haines, A. studied "Singapore Announces Tax Measures to Manage COVID-19" and found that the Singapore Government has given the tax concession in corporate tax along with the rebate in Goods and Services Tax. This paper has also concentrated the measures to boost the economy and alleviate the results of the new virus.

Schleich, T., &Paquet, J. in their study entitled, "Policy Update–Tracking the Global Policy Response to COVID-19" have focused on the North American Policy report during this crisis. Researchers have reported that the Government of Canada has increased the GST credit limit to 5515 million Canadian dollars. This study found that the Canadian Government has deferred the payment of indirect tax (30 billion Canadian dollars) till June for giving the benefit to self-employed persons and businessmen. Researchers have also covered the area of fiscal and monetary policy.

Venkateswaran, A. researched, "The Impact of Covid-19 on India" and focuses to know the attitude and awareness level of new viruses among the public. Researcher has also focused on the role of Government, politician, and, healthcare officers. This study also suggested that tax concession should be given to small industries, GST relief, guarantee of wages, and, easy accessibility of credit. This research found that coronavirus put a destructive effect on every country of the world.

Every study concluded that it put a negative impact on each sector. Researchers have been found that various researches have been done on coronavirus, but none of the studies has been done related to GST amendments or relaxation during this Covid-19 pandemic.

Objective

This research paper aims to study the major relaxation of GST during global pandemic.

Research Methodology

This research study is based on qualitative data, which has been collected from the literature, websites, reports, and, notifications/circulars issued by the Government.

Relaxation in GST Compliances During Covid-19 Circumstances

To counter the impact of this new virus on the economy Government has taken various measures. Relaxation package of GST is one of the measures. Due to sudden lockdown taxpayers and professionals are facing various challenges for fulfilling the tax activities. The Central Government has introduced various concessions and relaxation in GST compliances to provide relief to affected persons. All the GST relaxations have been discussed below.

Due Dates of GST returns: The Central Government has taken this lead to give more time to taxpayers for filing the returns. As per the notifications number 30/2020 to 36/2020 issued by the Government in the view of the novel coronavirus, the time limit of indirect tax returns has been extended. Table 1 shows the list of all the returns and their extended due dates.

Table 1: Extended Due Dates of GST Returns

Returns	Period	Extended Dates	Turnover
GSTR-3B	February to April 2020	24th June 2020	Turnover >5Cr.
	May 2020	27th June 2020	
GSTR-3B	February to March 2020	29th June 2020	5 Cr.≤Turnover>1.5Cr.
	April 2020	30th June 2020	
	May 2020	12th July 2020 (Group-1 States)* 14th July 2020 (Group-II States)**	
GSTR-3B	February 2020	30th June 2020	Turnover ≥1.5 Cr.
	March 2020	03rd July 2020	
GSTR-1	March to May 2020	30th June 2020	All Turnovers
GSTR-4	2019-20	15th July 2020	NA
GSTR-5	March to May 2020	30th June 2020	NA
GSTR-6	March to May 2020	30th June 2020	NA
GSTR-7	March to May 2020	30th June 2020	NA
GSTR-8	March to May 2020	30th June 2020	NA
CMP-02	2020-21	30th June 2020	NA
CMP-08	January to March 2020	07th July 2020	NA
ITC-03	2019-20	31st July 2020	NA

* Chhattisgarh, MP, Gujarat, Maharashtra, Karnataka, Goa, Kerala, TN, Telangana, AP, Puducherry, Lakshadweep, Daman & Diu and Dadra & Nagar Haveli, Andaman and Nicobar Islands.

** HP, Punjab, Uttarakhand, Haryana, Rajasthan, UP, Bihar, Sikkim, Arunachal Pradesh, WB, Jharkhand, Odisha, J&K, Ladakh, Chandigarh, Delhi, Nagaland, Manipur,Mizoram, Tripura, Meghalaya, and Assam.

GSTR-3B is a monthly return, which includes the consolidated details of inward and outward supplies. **GSTR-1** is a bill wise detail of outward tax supplies, which has to be filed monthly or quarterly basis depending upon the turnover limit of a business. **GSTR-4** is a quarterly return, which is filed by the composition tax person. **GSTR-5** is a periodic tax return, which is filed by the non-resident foreign taxpayer. **GSTR-6** is a monthly return filed by the ISD (Input Service Distributor). **GSTR-7** is a monthly tax return, which is filed by the tax person who deducted the TDS (Tax Deducted at Source). **GSTR-8** is a monthly tax return, which is filed by the E-Commerce Service Operators who collect the TCS (Tax Collected at Source). **CMP-02** is filed by the tax persons who want to opt for the composition scheme under GST. **CMP-08** is a summary of the tax of a quarter, which is filed by the composition tax person. **ITC-03** is a return form, which contains the ITC (Input Tax Credit) reversal amount. It has been paid through e-cash or e-credit ledger.

Waiver of Late Fees: Late fees for filing the returns has also been waived by the Government, till the date of extended due dates of tax returns.

Waiver for the Interest: The Government has also waived the interest, if all the return will be filed by the extended due dates. If a taxpayer unable to file the return within the extended deadlines then interest will be levied at the rate of 9% and 18%.

Opting Composition Scheme: Due to this crisis the central government has issued an advisory which states that registered taxpayers who already in the composition scheme are not required to register themselves again for the financial year 2020-21. The date for opting composition scheme has also been increased to 31 March 2020, for new taxpayers who want to opt the composition scheme through GST CMP-02.

Reduces the Compliances: As per the rule 67A a registered taxperson can file his nil amount tax return (GSTR-3B) by typing a short message from a registered mobile number. This return will be verified through the EVC (Electronic Verification Code). Through this no login required, just by SMS return will be filled.

EVC Return Filing of Companies: Previously GST return-3B under section 39 of the companies were filed through DSC (Digital Signature Certificate) only, but now the indirect tax returns of companies can be filed by EVC also till 30 June 2020.

Unclaimed Transition Credit Date Extended: The Central Government has extended the date of TRAN-1 till 30th June 2020.A registered person, who has not taken the transition input or unclaimed ITC by not filing the TRAN-1, will be allowed until 30th June.

Validity of EWB: As per the notification no. 40/2020-Central Tax, the validity of an E-Way Bill has increased till 31st May 2020. It will apply to those e-Way Bills, which have been generated before 24th March 2020, and its expiry is in between 20th March to 15th April 2020.

IRP/RP Registration Time Limit Extended: As per the notification no. 39/2020- Central Tax, the time limit of registration of Interim Resolution Professional (IRP) and Resolution Professional (RP) has been increased to 30th June 2020 or within 30 days of the appointment of IRP/RP whoever is later.

Merchant Exports: A merchant exporter has to export within the 90 days of invoice date, but due to lockdown they are unable to export. In view of this the Central Government has issued a circular, which states that merchant exporters will get the extension to 30th June 2020. It will applicable to those exporters whose 90 days period comes in between 20th March to 29th June 2020.

Validity of LUT: As per the circular 137/7/20, the validity of a LUT (Letter of Undertaking) has also been extended. A LUT, which has been expired on 31st March 2020, it will be valid up to 30th June 2020.

Conclusion

In the time of this global health crisis, the Indian Government is providing statutory relief in tax compliances. The Central Government has extended the date of filing the tax returns including direct and indirect tax returns. This paper seeks to study the modification made by the Central Government in GST due to the situation of a health crisis. This study concludes that these amendments or relaxations will help taxpayers, professionals, traders, and all the concerned persons. It will reduce the time pressure for filling the indirect tax returns. This research study also suggested that the Government should also waive the tax liability for the next six months and also exempt the late fees, interest, and penalties for the last quarter (2019-20 F.Y.). MA

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ADVANCE RULING UNDER GST REGIME
A SIMPLER AND QUICKER WAY TO AVOID LITIGATIONS AND NON COMPLIANCES OF LAW

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Abstract

Now-a-days, there is an increase in the violations of laws. Most of such violations arise due to lack of knowledge on such laws. This has increased cost of litigations as well as wastage of time because of involving in such litigations as it takes years to put a fullstop to such litigations. So, the Central government has taken a step to establish legal bodies which are called Advance Ruling authorities wherever necessary under respective Acts. Such authorities so established provides guidance on transactions for which such application is made to them, thereby avoiding litigations and non-compliances of law which arise due to lack of knowledge on such laws.

In India, most of the violations of laws are due to lack of knowledge on such laws. This paved way to establishment of authorities under respective laws which can decide over the transactions in litigation well before in advance before commencing of such transactions. Such authorities are known to be Authority for Advance Ruling. An advance ruling means written opinion or decision by an authority which was empowered to render it with reference to tax consequences of a transaction of proposed transaction or assessment of such transactions thereto. The concept of advance ruling was first introduced in the year 1993 in Income tax Act through Finance Act brought in that year. Such authorities for advance ruling are considered to be independent adjudicatory bodies. The rulings issued by authorities for advance ruling are generally binding on applicants and departments.

Under the Goods and Services Tax(GST) regime, the advance ruling helps applicant in planning and performing his activities which are liable to payment of GST well in advance and within the scope of law. It helps assesses in avoiding litigation costs which arise in future due to non-compliance of such law. Advance ruling can be obtained for a proposed transaction and also for a completed transaction

Objectives of Advance ruling:

The broad objectives for setting up a mechanism for advance ruling are:

- To provide certainty in taxability and tax liability well in advance to the activity proposed to be undertaken
- Attract Foreign Direct Investments into India
- Reduce non-compliances of law in advance and costs of such non-compliances thereto.
- Access to authority and obtain ruling in timely and transparent manner

Matters specified for ruling:

Section 97(2) specifies matters to be dealt by Authority for Advance Ruling (AAR) whereas Section 100(1) specifies matters to be dealt by Appellate Authority for Advance Ruling (AAAR). Such sections are contained in CGST Act, 2017.These authorities are legally constituted bodies. Hence, AAR and AAAR have the power to regulate their own procedure.

Matters in relation to determination of Place of supply of goods or services or both cannot be decided by the advance ruling authorities as such matters are specified in IGST Act, 2017 and no such provision with relation to advance ruling has been specified in the IGST Act, 2017. Moreover, the ruling given by AAR or AAAR shall be confined to the state or union territory in which such applicant resides.

The following are the matters that are specified for ruling in GST Act, 2017:

- Classification of any goods or services or both
- Determination of Time of Supply of goods or services or both
- Determination of Value of Supply of goods or services or both
- i.Admissibility of Input Tax Credit (ITC)
- i.Applicability of notification issued under provisions of the CGST Act
- i.Determination of Tax liability on goods or services or both
- i.Matters regarding registration requirements of applicants
- i.Any other things done by applicant which results in acts done in relation to supply of goods or services or both

Authority for Advance Ruling (AAR):

Sections 95-106 of Chapter XVII of CGST Act, 2017 discuss about advance ruling.

As per Section 96, the authority for advance ruling shall be constituted under respective State Goods and Services Tax Act (SGST) or Union territory Goods and Services Tax Act (UTGST). Such authority so constituted shall be deemed to be constituted under CGST Act. This is the reason behind confinement of decision to such state or union territory in which applicant resides.

Procedure of obtaining ruling from Authority for Advance ruling:

The Applicant desirous of making an application shall apply in common GST portal in Form ARA-01 and shall be accompanied with a fee of Rs. 5,000/- to be deposited in manner specified in Section 49 i.e.; through electronic cash ledgers. The application must be filled and verified properly before submission in common portal and must accompany all the relevant supporting documents and such application must be electronically signed through Digital Signature (DSC) or through Electronic Verification Code (EVC).

AAR composes of two members, one member CGST and one member from SGST/UTGST. They will be appointed by Central government and State governments respectively. Such members so appointed shall not be below the rank of Joint commissioner. Upon receipt of application for ruling, AAR shall examine the application along with documents accompanied to such application. Where in if AAR found that the application is incomplete in any manner or the matter to be decided is already pending or decided in any proceedings in which such applicant is involved, AAR may reject the application. AAR shall give the applicant an opportunity of being heard before rejecting such application. If the application is complete in all respects, then AAR accepts the application. Upon admission or rejection, AAR passes an order of admission or rejections stating reasons thereto, if any. Before admission or rejection of application, AAR shall call for furnishing of relevant information and records from the concerned officer.

Upon successful admission of application, the ruling shall be pronounced within 90 days from date of receipt of application. AAR shall examine the application and further information or records furnished by applicant or concerned departmental officer and must hear the applicant or his authorized representative and jurisdictional officers of CGST/SGST before pronouncing such ruling. A copy of every order shall be signed by members of AAR and to be sent to applicant and to concerned officer.

If there is any difference of opinion within the members of AAR, the matter shall be referred to Appellate Authority for Advance ruling. For such referral, no extra fee is to be paid by the applicant.

Appellate Authority for Advance Ruling (AAAR):

As per Section 99 of CGST Act, 2017; the appellate authority for advance ruling shall be constituted under respective State Goods and Services Act (SGST) or Union territory Goods and Services Act (UTGST). Such appellate authority so constituted shall be deemed to be constituted under CGST Act.

AAR composes of two members, one member CGST and one member from SGST/UTGST. They will be appointed by Central government and State governments respectively. Such member appointed by Central government shall be Chief Commissioner of Central Tax or officer with equal rank and member appointed by state or union territory shall be Commissioner of State or union territory having jurisdiction.

If the appellant is aggrieved by the ruling of AAR, he can file an appeal to Appellate Authority for Advance Ruling (AAAR).The appellant desirous of making an appeal shall make an appeal in common GST portal in Form ARA-02 and such form shall be accompanied with a fee of Rs. 10,000/- to be deposited in manner specified in Section 49 i.e.; through electronic cash ledgers. The appeal must be filled and verified properly before submission in common portal and must accompany all the relevant supporting documents including copy of ruling pronounced and communicated by AAR to the appellant and such application must be electronically signed through Digital Signature (DSC) or through Electronic Verification Code (EVC).

Similarly, if the officer of concerned jurisdiction is aggrieved by the ruling pronounced by AAR, such officer may file an appeal to AAAR in Form ARA-03 in common portal and no fee is to be deposited for such appeal made by the officer. The application shall be verified by an officer authorised in writing by such officer.

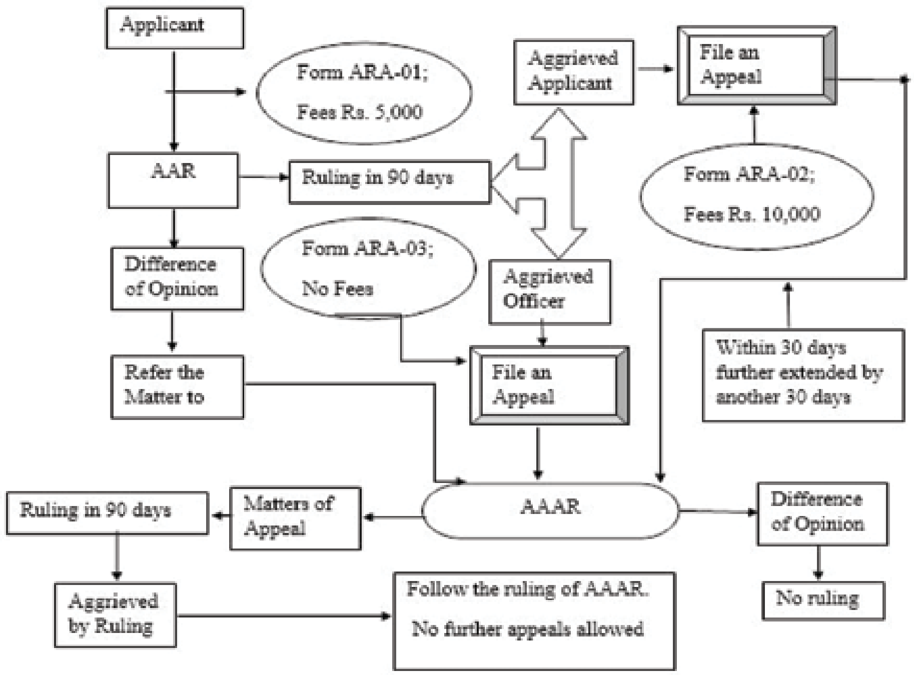
Where in if AAAR found that the appeal is incomplete in any manner, AAAR may reject the application. AAAR shall give the appellant an opportunity of being heard before rejecting such appeal. If the appeal is complete in all respects, then AAAR accepts the appeal. Upon admission or rejection, AAAR passes an order of admission or rejections stating reasons thereto, if any. Before admission or rejection of appeal, AAAR shall call for furnishing of relevant information and records from the concerned officer and AAR, if necessary.

The time limit for filing an appeal to AAAR is 30 days from date of communication of ruling from AAR to the appellant or concerned officer as the case may be. However, if AAAR is satisfied that appellant is prevented by a sufficient cause from presenting the appeal within said period, AAAR may allow appellant to file appeal within further period not exceeding 30 days.

Upon successful admission of appeal, the ruling shall be pronounced within 90 days from date of receipt of appeal. AAAR shall examine the appeal and further information or records furnished by appellant or concerned departmental officer and must hear the appellant or his authorized representative and jurisdictional officers of CGST/SGST before pronouncing such ruling. A copy of every order shall be signed by members of AAAR and to be sent to appellant and to concerned officer.

The ruling pronounced by AAAR will be final and no further appeals are allowed to be made because the Act didn't provide for appellate mechanism for rulings pronounced by AAAR. In the case of JSW Energy Ltd, Bombay High Court declined to examine even merits of the case, merely because the GST law didn't provide for any appellate mechanism for rulings pronounced by AAAR. Also, it has been further noted that any examination of merits of case would tantamount the Article 226 of Indian constitution.

Further, if there is any difference of opinion within the members of AAAR, no advance ruling shall be pronounced and the applicant will be refunded back his fees. Similarly, AAAR shall also consider referral from AAR in case of difference of opinion of members in AAR. If there is no difference in opinion of members of AAAR regarding such referral from AAR, then the ruling is pronounced. Otherwise the ruling will not be pronounced even by AAAR and applicant will be refunded his fees.



Application of Rulings obtained and time limits:

The rulings obtained shall be binding on the applicant and only applicant shall use the ruling and no other party shall use the ruling. However, GST authorities may use the rulings provided facts of the case are identical or similar to original case in which such ruling is pronounced. The ruling is binding unless there is an amendment in law or change in the facts. Act didn't specify any time limits regarding ruling applicability. The AAR/AAAR may specify in such ruling the time limit for which it applies to. If no time limit is specified, then the ruling shall be valid until there is amendment in law or change in facts of case. If applicant has specified that such ruling is for completing a transaction, then the ruling is applicable till such transaction is complete.

Rectification of Mistake in ruling:

AAR or AAAR has power to rectify mistake apparent from records within 6 months from date of pronouncement of ruling. Such rectification may be done on suomoto basis or on application by officer or on application of applicant/ appellant. If the rectification leads to increase in tax liability or decrease in input tax credit availed, then such order may be rectified upon giving an opportunity of being heard to the applicant or appellant.

What if the ruling is obtained by Fraud, Misrepresentation or Suppression of Facts?

The ruling shall be declared as void-ab-initio by AAR or AAAR if it is obtained due to fraud, misrepresentation or suppression of facts. Once ruling become void, all the provisions of the Act shall apply as if no ruling is made with regard to such matter. Before declaring the ruling as void-ab-initio, applicant/appellant must be given an opportunity of being heard. Copy of such orders shall be sent to applicant and concerned officer. Moreover, no appeal can be filed regarding such order made by AAR/AAAR.

Powers of AAR and AAAR:

The AAR and AAAR shall have the same powers as of Civil Court under Civil Procedure Code,1908. The following are the powers of AAR/AAAR (list being illustrative):

- discovery and inspection of documents and records;
- enforcing the attendance of any person and examining such person on oath;
- issuing commissions and compelling the production of books and other records

Role of CMAs in advance rulings:

The advance ruling application to AAR or appeal to AAAR shall be made by person or his authorized representative. As per the CGST Act, 2017; the term Authorized representative includes relative, regular employee, Cost Accountant (CMA), Company Secretary (CS), Chartered Accountant (CA) or any person with prescribed qualifications.

Hence, the CMAs are recognised officially by the Act to act as authorized representatives for filing application or appeal for ruling. Not only in this role, but also the Cost Accountants in practice are officially recognised as Tax Auditors under GST. Therefore, now-a-days the Cost Accountants have an emerging and dynamic role to play in the regime of GST. Thanks for the system and law of GST for officially recognising Cost Accountants. MA

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DIGITAL TRANSFORMATION – SIMPLICITIES OF THE SIMPLE TASK

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Introduction and Objective

In the 10th column, published in June 2020 volume of this Journal, several emerging dimensions of digital transformation in the new world order post Covid-19 Pandemic have been dealt with. That volume has identified key functional areas of certain industry sectors for digital transformation, and correlated digital tools befitting transformation requirements of those functions. Implementation is, however, the critical task that also needs metamorphosis of various other facets of any organisation.

In a lay man's language digital transformation (DT) is nothing but driving changes in business, operating and revenue models by leveraging digital competencies. The irony is that DT is generally a misunderstood or partly understood subject by stakeholders and employees across hierarchical levels of any entity. The point that is quite often not accepted with open mind is that integrating digital tools for DT and abandoning and / or modifying legacy policies, systems and processes are the first two critical steps for digital transformation.

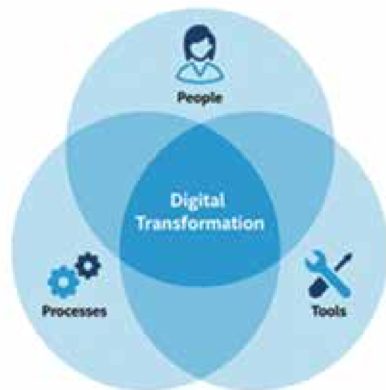
Objective of this paper, therefore, is to revisit and bring out simplicities of the simple task of DT and bring out various actions needed for implementation with informed judgment without fear of unknown. It will also deal with the approach and steps which business managers need to follow with the open mind for creative destruction.

Digital Transformation Revisited

Jon Kabat-Zinn, a famous professor of medicine and propagator of mindfulness said, *"You can't control the waves, but you can learn to surf!"* This pearl of wisdom aptly describes the contemporary situation when Novel Corona Virus has caused waves and high tides of cruellest crisis in the history of mankind. The clarion call of present time is to first learn surfing for revival and survival, and then grow. One of the most critical tasks for saving the entity from drowning is implementation of DT befitting the emerging way of living and operating in the new world order. This is a journey and not a destination to be reached just for once.

4 Ds, 2 Ps and 1 T for DT

Any organisation can lay the foundation of digital transformation on 4Ds, viz., Discover, Design, Deliver and De-risk as suggested by McKinsey[1]; 2 Ps, i. e, People and Process and 1 T, i. e., Tools. Those can briefly be discussed in the following graphics:



Source: https://which-50.com/four-ds-digital-transformation-according-mckinsey-company/ // **Source:** Unknown

If the above graphics are to be understood in actionable terms the following measures can be listed for orchestrated planning and execution across hierarchical levels, length and breadth of the organisation:

- Integration of digital technologies with functional areas that will bring metamorphosis in the process of conducting business operations with the ultimate objective of improving stakeholders' relationship and experience management.
- Challenging the status quo of policies and standard operating practices for driving towards the inevitable metamorphosis.
- Training of existing human capital with different capabilities and redeployment for dealing with digital tools consciously being mindful of the requirement of cultural change and removing fear of unknown to embrace the new.
- Conducting experiments with digital technologies to assess suitability vis-à-vis the specificities of the needs of business and its stakeholders with the ultimate objective of incremental contributions for profit and profitability.
- Approaching the long-drawn task with a mindset of creative destruction of long-standing business policies and processes in favour of relatively new digitally driven practices that are still being defined, adopted, and stabilised.
- Providing the DT team, a free environment with committed assistance for innovative applications of various digital tools, if not 'innoventing' new tools, and establishing collaboration with man and digitally operated machines, which are artificially intelligent.
- Ensuring data privacy, cyber security, and information safety as an integral part of the entity's policy and processes for risk-enabled performance management.
- Permitting implementation team to make mistakes and not penalising them for the same. Instead incentivise every attempt irrespective of success or failure so that the environment is congenial for innovating and delivering the best.
- Unwavering commitment of funds and other resources, as well as extending help and support to the dedicated DT team by every single functional area of the organisation.

Therefore, digital transformation is an orchestrated combination of people, process and technology for discovering, designing, and delivering with risk enabled process management what the stakeholders want. Through deductive logic one can explore out of the above narratives five essential elements of digital transformation, viz., stakeholders' relationship and experience, operational agility, culture and leadership, workforce enablement and integration of digital technologies for revival and sustainable growth with prosperity. The author reiterates that DT should be considered as a journey and not a destination because it is a task in eternity.

Data and DT

Antonio Grasso, the founder of Digital Business Innovation Srl. was asked an interesting question and that was, *"What is that one no one talks about in digital transformation but is very important."* The reply was equally fascinating. He said, *"Well in my opinion many people create abuzz around it and the most of them think about the Digital Transformation as something you can achieve or generate in a business environment. That's wrong. Digital Transformation is a consequence of two phenomena. Digitization and Digitalization, both enabled by the Digital Diffusion'* (Source – Twitter)

This diffusion of digitization and digitalization is at the core of the tasks in this era of DT. Making meaning out data and drawing inferences for strategic planning and deciding tactics for execution are the two critical drivers for attaining competitive advantages. An attempt has been made to simplify this mission in the following lines that defines a series of simple tasks:

- ***Innovation***: Come out from the aura of this buzz word. Conduct exploratory analysis for identifying hitherto unattended / unresolved problems and latent demands of society from the perspective of the business domain and beyond. Apply ground-breaking thoughts to determine cost-effective ways for meeting those demands and solving problems with a win-win approach for both customers and the business entity. This may cause disruptions to existing players.
- ***Digitization***: Convert all analogue data, generated by operating machinery and legacy systems, devices, physical documents, etc. into digital data and records. Take steps to ensure that all data to be used in the process of business transformation are relevant, generated from first-hand sources and trustworthy.
- ***Digitalization:*** Use digital technologies befitting the needs for changing business, operating and revenue models with the objective to generate more turnover and achieving maximisation of value creation as well as minimisation of value destruction. For example, brick and mortar business models is added with and / or replaced by virtual marketplace for eCommerce.
- ***Digital Transformation***: Embark upon the journey with strategically planned tasks for managing changes and applying digital technology to stay ahead of competition with an agile mindset. Take all possible measures for training / upskilling of workforce and inculcating digital agility.

It is evident from the above that two major tasks for digital transformation are Digitization and Digitalization as opined by Antonio Grasso. A simple example for this can be drawn from manufacturing industries. Lots of analogue data are generated in industrial units by various counters, flow meters, etc. to count / measure throughputs, output generations, and consumption of utilities like steam, power, chilled water, etc. Voluminous data are also generated in physical records maintained by workmen / supervisors including for maintenance of machines, consumption of spare parts and deployment of technicians. However, such data are not digitised with the help of IoTs and APIs, and stored for conducting analytical studies that may provide meaningful help in planning, monitoring, controlling, deriving trends and patterns, etc., and drawing inferences by cross functional data analyses. All these when done can help in making strategic decisions and execution thereof which may in turn help in maximisation of value generation and minimisation of value creation.

Pillars of Digital Transformation

Study of several papers of research scholars and digital scientists reveal the following five internal and four external pillars of digital transformation:

Internal Pillars

The five internal pillars can be explained in the form of tasks for leadership team on which the edifice of digitally transformed business can be built:

1. Define the *Why* of DT - Have business strategies beyond technology, bearing in mind that technology will serve only as an enabler. Identifying the problems and imperatives of business in contemporary business ecosystem, what actions are to be initiated to stay ahead of competition, generating higher value additions, and dos and don'ts for change management are more important tasks. Selection of the digital technology that will best suit to implement those strategic initiatives is relatively an easier task and for that professional services for digital scientist can be availed of.
2. Create a dedicated DT Strategy Team - Allow them to make mistakes. This point has been elaborated in a previous segment of this article
3. Focus on SR&XM - Take into consideration relationship and experience management of all stakeholders. Overemphasizing customers' relationship and experience management, leaving all other stakeholders away from business strategies, may drive the business into lopsided areas for digital transformation.
4. Be in PDP Loop - The first 'P' is physical spaces for operations. Gather all available data from physical spaces where operations are conducted, e. g., markets for inputs and output products, manufacturing, service delivery and logistics operations, financial markets, human capital management, etc. The next 'D' stands for digital. Gather all data and securely store in digital form for analytical studies using tools like AI and ML. Objective would be to make cognitive meaning out of data and drawing inferences for formulation of business strategies and tactics for implementation of the same. The second 'P' is again physical. It indicates that the strategies and tactics decided at step 'D' are to be taken to those named physical operating areas for implementation and thus close the loop. This process should be repeated with evolution and emergence of newer business ecosystem
5. Digital Journey - Take DT as a journey without any distraction. At best there can be milestones for monitoring and controlling implementation. DT should not be also considered as a tool for beautification of business and brand building. Beautification and Destination oriented thoughts on DT will make the first pillar, i.e., 'Why of DT' weak. The weakest pillar will determine the combined strength and efficacy of the edifice of digital transformation.

Four External Pillars

The four external pillars for DT are essentially the stakeholders of business as ideated by Tek Siong[2] (July 2019). Not many narratives are needed to appreciate the importance of these pillars keeping in mind that they are the sources from which data will be available and generated.

1. Partners in business ecosystem, i. e., customers, vendors, service providers, bankers, financial institutions and so on,
2. Employees and their experience from external environment,
3. IoTs and APIs used for connecting with external devices and systems, including those of the stakeholders, and

4. Stakeholders experience and feedback which are also to be gathered and stored in digital form for analyses and drawing inferences.

Layers of Digital Transformation

For simplifying the task of DT it is essential to understand and appreciate the layers of DT. The following seven layers have conceptually been borrowed from Lauren Cahn (June 2019) [3]. A few of these may sound to be a bit of repetition of some of the earlier points, albeit stated with different narratives for understanding from diverse contextual aspects of DT:

1. Data aggregation - Aggregation of business relevant data from reliable sources, including conversion of analogue data to digital form and store for easy retrieval.
2. Data management - Categorising and organising the digitised data and making it ready for application of further processes.
3. Workflow automation - Application of algorithms and utilising the data for the business process to be envisioned.
4. Process component - Application of algorithms and start utilising the data for the business process.
5. Platform interface integration - Integrating the digital system with the core systems for smoother operations.
6. End to end processing - Conducting end to end processing and ensure error free transformation.
7. Front end software - Integrating with the front end of stakeholders' devices so that she / he can get seamless services in a technologically collaborated mode.

These seven points are to be revisited every time there is a change in business ecosystem, if not at least annually coinciding with the timing for formulating every annual business plan for the organisation.

In this journey of DT with data one must be inquisitive about and careful in understanding and managing various fountains of data which is also called the Meta Data. In the following section let this be understood with clarity.

Meta Data Management

A simple definition of meta data drawn from Wikipedia is *"Metadata is «data that provides information about other data". In other words, it is "data about data." Many distinct types of metadata exist, including descriptive metadata, structural metadata, administrative metadata, reference metadata and statistical metadata."* It is said in lighter vein that in any organisation many types of expenses walk on two legs. In other words, expenses are incurred for and by employees, e. g., salaries and wages, travelling expenses, welfare expenses, etc. Therefore, creation and maintenance of meta data for employees at different hierarchical levels is important.

Mariann McDonagh, (July 2019)[4] suggested the following steps for meta data management:

- Discover - Discover, detect, and probe metadata from different operating processes and sources of meta data storage.
- Harvest - Mechanize the process of metadata collection from various isolated systems for data management and logically gather and store at a single source.
- Structure and deploy sources - Link metadata of physical elements and from physically maintained data sources to specific data models, operating terminologies, definitions, and reusable design standards.
- Analyse - Understand and appreciate what characteristic features the data has, how any data is related to the models for business, operations and revenue, and how purposefully those could be used for cross functional analysis that may help informed judgement while taking decisions without fear of unknown.
- Map data flows - Identify where to integrate data and track how it moves and transforms.
- Framework for Data Governance – Articulate Policies, Standards and SOPs for data management at the organisation level and ensure with insightful oversight that those are followed in real life practices.
- Socialize – Share data with external stakeholders and people in general, as well as provide access rights for employees and business associates to data sources on a need to know and need to use basis.

Conclusion

Digital transformation is a silent revolution with inherent need for cultural change internally within the organisation. It is a journey in search of the unknown excellence. Efforts have been made in the above discourse to simplify various facets of the journey with DT and tasks that are to be performed to make DT to happen with total success. Prima facie a few terminologies and narratives may appear to be a little technical or unknown. These could not be explained due to shortage of space. If the reader familiarises with those by knowledge mining from cyberspace, gathering take home points from this paper will become that much easy. The author would urge upon the readers to also read his previous columns in this Journal to know about what all are happening in the world of digital transformation in this Industry 4.0 which has now been disrupted by Covid-19 Pandemic. MA

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CITY COMPOST – NEED TO INCENTIVISE USE FOR SUSTAINABLE AGRICULTURAL GROWTH

Siba Prasad Mohanty
Chairman & Managing Director
HIL (India) Limited
Delhi

CMA Abhay Kumar
Dy. Manager Finance
RCF Limited
Delhi

"Let us try to protect our Mother Earth by reducing the use of chemical fertilizers and products. I want to demand something from my farmers today. I cannot let my Mother Earth be degraded. I want to appeal to all my farmers to reduce the use of chemical fertilisers by 30-40 Percent.

The Prime Minister Mr. Narendra Modi from the ramparts of Red Fort in his Independence Day speech on August 15, 2019

Abstract

The share of agriculture sector is 15.87% of GDP in India (2018-19). The development of agriculture based product only increases percentage of GDP by using scientific method to recycle its waste product into more productive commodity. Organic farming is well- known for well- being of land fertility and agriculture product. In this context organic fertilizer produced especially from biodegradable solid waste also known as city compost produced.

Introduction

The Union Ministry of Urban Development has launched its new publicity campaign under the **"SWACHH BHARAT MISSION"** aimed at encouraging people to convert kitchen waste into compost for scientific processing of municipal solid.

The campaign entitled **'Compost Banao, Compost Apnao'** has Superstar of the Century **Mr Amitabh Bachchan** as its brand ambassador. The scientific processing of solid waste in all urban areas is one of the key initiatives being carried out under Swachh Bharat Mission.

The regular, committed and increasing use of city compost is a boon to the entire mankind. Many health related hazards vanish and at the same time it improves in cities and villages healthy life, healthy soil and increases employability with sustainable agriculture in India. City compost reduces the adverse effect of greenhouse gases especially methane. The use of city compost has become important to improve physical and biological property of soils carbon essential component of fertility.

Benefits of Application of City Compost

As it is clear, Indian soils losing their fertility in terms of carbon content and other biological nutrients, application of organic fertilizer will increase productivity and nutrients. High carbon content of city compost improves the soil quality as well as efficacy of fertilizers through which we gain high yield and ultimately high gains to our farmers. The important thing about the use of organic fertilizer is that they release their nutrients very slowly in comparison to inorganic fertilizer and the complex molecule in it not leaches away with the first rain.

Promotion Policy of City Compost

Department of Fertilizers, Ministry of chemicals & Fertilizers, vide their circular dated 10th February 2016 brought forward the promotion and policy of city compost. Salient features were –

- Market Development Assistance (MDA) Rs. 1500 per MT of city compost will be given for scaling up production & consumption of the product.
- The MDA will be channelized through marketer, fertilizer companies and marketing firms will also support city compost with chemical fertilizers through their dealers.
- Companies are eligible to get 50% of amount on the basis of first point sale from respective fertilizer marketing companies at the district level. The balance amount is released on receipt of retailer's acknowledgement & certificate of quantity and quality by respective state governments.
- Many Govt. and other Organisations like ICAR, State Agriculture Universities, Department of Agricultural Corporation and farmers welfare will carry out information, education, communication, field demonstration etc. to educate farmers.
- Ministry of Urban Development will take right measures to increase setting up of compost plants across Indian states.
- According to the circular of Department of Agriculture dated 08th March, 2016 , top fertilizer supplier company will be primarily responsible for the marketing of city compost in the states where they lead.
- Department of Agriculture also circulated the detail procedure for submission of bills and for claiming market development assistance (MDA) payment regarding sales of city compost dated 03rd June , 2016. This circular has proforma for claiming on account payment of MDA & balance payment of MDA. Here, compost producers are allowed to market their product directly to farmers and claim MDA of Rupees 1500/= MT.
- The first payment as per notification is 50% on account, with proforma B1, for quantity certification by the municipality.
- The balance payment is released after receipt of the quantity certification i.e. proforma B2 from the concerned state government as per FCO specification. The clause "The state government shall also certify that the bags containing city compost released by the unit also has the stamp of quality certified on each bag" has been removed.

Availability & Sale of City Compost

The current annual capacity of city compost manufacturing units in our country is about 15,00,000 MT, however our country has the potential of 54,00,000 MT.

Due to the initiatives taken by the Government of India, several fertilizer producing companies have also come to the fore and started afresh, marketing of city compost. Earlier, this activity was restricted to a few companies. In 2015-16 a steady decrease in sale of city compost was visible due to glut like situation cropped up in the fertilizers market. In 2017-18 **(Table1),** the situation has some what changed and the sale was showing upward sign. This upward sign was because of the following reasons:

i). The MDA scheme Initiative taken by Government of India.

ii). Frequent and timely follow up by Department of Fertilizers.

iii). Initiative by fertilizers companies to boost the sale of city compost.

iv). Promotional activities by fertilizers companies.

S. No	Company Name	Table -1 Sale of City Compost (MT)								
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	KRIBHCO	37600	41500	23130	24459	19929	12234	20866	26979	39632

2	RCF	0	905	0	0	0	2023	12448	35621	40329
3	NFL	1198	9594	0	0	0	3260	11785	21315	25045
4	MFL	0	0	0	0	0	1745	8651	8088	12040
5	IPL	344	114	0	0	182	1323	7421	14214	11707
6	Coromandel	140460	123082	91828	63330	17343	20099	7133	23296	23899
7	GNFC	0	0	0	0	0	7025	6647	12991	4005
8	TCL/YARA	Nil	365	7175	14402	16933	1262	6506	0	331
9	NFCL	0	0	2535	3692	2387	5602	6069	528	0
10	FACT	5198	3866	5773	4871	4421	4177	6000	9371	13103
11	Green Star/ SPIC	Nil	3500	3500	3045	524	3920	5685	5530	3774
12	MCFL	0	0	0	0	0	3743	5492	5600	5654
13	Grasim	0	0	0	0	0	1338	4656	4322	2833
14	GSFC	0	0	0	0	9082	768	3544	7162	7009
15	IFFCO	0	0	0	0	0	2543	3449	1529	2460
16	CFCL	0	0	0	0	0	2875	1969	1715	1413
17	ZACL	1080	577	1042	5433	0	2098	1839	987	1287
18	PPL	0	0	0	0	0	15	1493	2684	5934
19	Others	1717	996	441	183	236	901	1917	10893	15271
	Total	**187597**	**184499**	**135424**	**119415**	**71037**	**76951**	**123570**	**192825**	**215726**

Source: www.mfms.nic.in

Quality of City Compost

There is no systematic method of segregation and formation of urban and villages waste into organic and inorganic components. They all go in waste without their proper use. In summer and winter the moisture present in the waste somewhat adjust into final formation, but the problem of high moisture content arises during rainy season. This causes impediment to forming compost for which equal quantity of moisture coupled with temperature. If such situation arises it will result into improper composting, also result in carryover of pathogens to soil, creating health hazards. For making foul/obnoxious smell free city compost, the city waste has to be properly decomposed to make it free of any thing that leads to unworthy of use as well as to keep them in godown. Before coming to the market, the city compost also passes through several testing parameters so as to fulfill FCO specification (**Table2)**.

Table 2. City Compost Specification (As per FCO, 1985)

1	Moisture, per cent by weight	Maximum 25
2	Particle size	Minimum 90% material should pass through 4.0 mm IS sieve
3	Bulk density (g/cm3)	<1.0
4	Total organic carbon per cent by weight, minimum	12.0
5	Total nitrogen (as N), phosphate (as P2O5) and potash (as K2O), per cent by weight, minimum	1.2
6	C:N ratio	<20
7	pH	6.5-7.5
8	Conductivity (as dS m-1) not more than	4.0
9	Heavy metal content (as mg/kg), minimum Arsenic (as As2O3) Cadmium (as Cd) Chromium (as Cr) Copper (as Cu) Mercury (as Hg) Nickel (as Ni) Lead (as Pb) Zink (as Zn)	 10.0 5.0 50.0 300.0 0.15 50.0 100.0 1000.0

Source : FCO 2018. Fertilizer Control (Order) 1985 as amended up to January 2018. FAI, New Delhi

Maximum Retail Price (MRP) of City Compost

The MRP of city compost prevalent in the market is Rs. 4000/ MT (Rs. 200/bag). While some Fertilizer producing Companies have, the MRP at Rs. 3000/MT (Rs. 150/bag). The purpose of the above-said is to promote and enhance sales of city compost. Despite this price, the farmers are still reluctant to accept and use them rampantly. The farmers' feedback is the price of city compost should not be higher than Rs. 800-1000/MT (Rs. 40-50/bag). Only then it will be acceptable.

To overcome the deterrent cost economics for using city compost, suggestions are as follows:

Suggestion 1:

City compost must be subsidized to an extent for 3 consecutive years to follow to reap the benefits of its usage. This subsidy might be taken that slowly and slowly in a phase-wise manner. The same thing may be adopted when it comes to promoting gypsum for bringing that the soil potential.

Suggestion 2:

In order to promote the wide use of city compost, the prices must be below Rs.4000/MT (Rs. 200/bag) to Rs. 1000/MT (Rs. 50/bag), for which the present subsidy amount could be increased from Rs. 1500/MT (Rs. 75/bag) to Rs. 4500/MT (Rs.225/bag). If farmers keep on using the city compost to a wider extent than many companies as a long term CSR may adopt city compost promotion act.

Concerted and increased Efforts are needed in sale and promotion of city compost which will be continued by fertilizers marketing company so that farmers can accept it with arms open wide. Meanwhile, larger perspective shall always be to increase the organic carbon content of the soil in order to enhance the fertilizers use efficiency, by making city compost usage by farmers more affordable and attractive.

Going down the memory lane, the **Prime Minister Narendra Modi** in one of his monthly address to the nation, **in Mann Ki Baat,** mentioned the rollout of the GOBAR-Dhan (Galvanizing Organic Bio-Agro Resources) Yojana in the 2018-19 Budget." In this budget, emphasis was laid on 'waste to wealth' and 'waste to energy' through bio-gas for villages under 'Swacch Bharat' initiative 'GOBAR-Dhan' has been rolled out," PM Modi said.

The objective of the GOBAR-Dhan scheme is primarily to ensure cleanliness in villages and to generate wealth and energy by converting cattle dung and solid agricultural waste into compost and bio-gas.

Conclusion

Chemicals, pesticides and fertilizers increased the production of crops at the cost of health, soil and environment degradation. Besides, all their costs are too high to be affordable for the poor and needy farmers. Constant change in environment also forces farmers to opt for city compost as the global change in environment results in less precipitation. So, keeping all these in views the advantages of city compost on agriculture have been inevitable. The Government is also aware of the repercussions of chemicals, pesticides and fertilizers. So, there have been efforts by both Government of India and fertilizers companies to promote sale of city compost to a wide and remote level. This will prove to be a boon for the environment and public at large. MA

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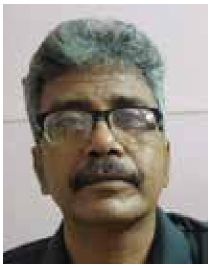
EXPLORING THE ECONOMIC IMPACT OF COVID-19 INDUCED LOCKDOWN - A STUDY WITH SPECIAL REFERENCE TO SOME SELECTED INDUSTRIES IN INDIA



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Abstract

This paper deals with the economic impact of COVID-19 which shattered the lives and livelihoods of people throughout the world causing unimaginable and unexplainable plights and miseries to the humankind specially the millions of people of lower-income group and people working in the unorganised sector. All the 188 countries of the world have been affected and the global economies have been slowed down to almost standstill situation. Impact will be felt by India's most vulnerable in terms of job loss, poverty increase and reduced per-capita income which in turn will result in a steep decline in gross domestic product, sales, revenues of the companies. Incomes of the common men have been dented by the 'lockdown', the resultant of this deadly disease. The common policy decisions of lockdown have been taken by all the countries because of the non-availability of medicines and treatments of the pandemic. Fiscal and monetary policy measures based on each countries' financial conditions and parameters have been taken by the respective governments to ease out the problems of the people expecting that the science would be able to discover vaccines and treatment within 6 to 8 month till then a new world order would emerge where everyone would have to follow the health and medical guidelines for keeping themselves away from the tentacles of COVID-19.

Introduction

Table no.1

Total population, confirmed cases of Covid-19, number of deaths, fatality rates and deaths per 100K population[1]

Country	Total Population (Estimated 2020)	Confirmed Cases	Deaths (Fatality Rate)	Deaths per 100K population
U.S.A	33,10,02651	20,10,391	1,13,757 (5.66%)	34.4
Brazil	21,24,83,982	8,02,828	40,919 (5.01%)	19.3
Russia	14,59,31552	5,11,423	6829 (1.37%)	4.68
India	138,00,04385	2,97,535	8498 (2.9%)	0.62
U.K	6,78,68549	2,91,413	41279 (14%)	60.8

A pneumonia of unknown cause detected in Wuhan, China was first reported on 31st December of 2019. World Health Organisation declared a Public Health Emergency of International Concern on 30th January 2020 and name was given COVID-19, a global pandemic the world had witnessed on 11th February 2020. Science is working day and night to combat the speed of this challenging disease and it is also working to develop innovative treatments and vaccines to arrest the number of deaths internationally. In the meantime, disease has spread its tentacles and has affected almost 188 countries throughout the world that can be easily understood through the following information of number of confirmed cases (7,653,993) and number of deaths (4,25,903)[2]. The number of mortality rates in different countries is different. Mortality rates are higher in older population and mortality rises as hospitals become less equipped. More people with milder cases are identified and hence lower the mortality rate. Little evidence showing a slowdown in new cases and global official deaths have been almost half of a million. New cases are continuing to moderate in Europe and North America with the focus shifting more and more to Latin America and India. In India, the mortality rate reported as of now below 3 per cent but the plights and miseries of the artisans and workers in unorganised sector and specially that of the migrant workers are beyond imagination and explanation.

Objectives

1. To understand the severity of COVID-19 and its impact on the lives and livelihoods of people.
2. To analyse the impact of COVID-19 induced lockdown on the gross domestic product in India.
3. To explore the impact of COVID-19 on some selected industries in India.
4. To have an insight into the role of governments, non-government organisations and individuals in combating the disease and resultant miseries of the people.
5. To suggest some remedial measures to save the and the economy.

Methodology

This paper is an explanatory and commentary type in nature and based on the data and information collected from various secondary sources like journals, websites and newspapers etc. A global picture has been drawn by the compilation of data considering the severity of the pandemic and the economic impact on the economy in general and on the four selected industries in particular. The selected industries are; automobile, oil and gas, transport, travel and tourism industry as these are highly related to one another and linked with the movement of the people and the goods. The data procured from the different sources have been compiled and graphically presented to get a clear view of the situations Apart from that, the data from various sources were also analysed with the help of some mathematical tools.

Impact on Gross Domestic Product of India

Table No.2

Annual GDP Growth[3] in %

Year	Rate	Change
2012-2013	5.5	-----
2013-2014	6.4	1.1
2014-2015	7.4	1.0
2015-2016	8.0	0.6
2016-2017	8.3	0.3
2017-2018	7.0	-0.7
2018-2019	6.1	-0.9
2019-2020	4.2	-1.9

In 2019, Gross Domestic Product of India was 3.202 trillion ranking 5th in the world when the GDP growth was 4.2 % (2019-2029). Indian Central statistical office on May 2020 show that India's Gross Domestic Product grew 3.1% during January to March this year. "The GDP growth in the financial year 2019-20 came in at 4.2 % against 6.1% in the financial year 2018-19. It could get worse as restrictions and lockdown continue to constrain people's movements, hurting economic activity. The nationwide lockdown kicked in from March 25 and its actual impact on the economy will show up in the subsequent months when business screeched to a standstill".[4] The real or inflationary adjusted GDP growth rate has been reached at 3.1%, the lowest in last 44 quarters.

So, a grim picture of Indian economy has been coming out from the above table. On 29th may 2020 in the website of International Monetary Fund in economic outlook report stated that the COVID-19 pandemic is inflicting high and rising human cost worldwide and the necessary protection measures are severely impacting economic activity as a result of the pandemic. The global economy is projected to contract sharply by - 3% in 2020, much worse than that of 2008 and 2009 financial crises. So, the Indian reality has been corroborated by the IMF's prediction on global economic scenario.

Table No.3

% Annual Growth of several sectors in India [5]

Sectors	2018-2019	2019-2020	Q4 (2019-2020)
Agriculture	2.4	4	5.9
Industry	4.9	0.9	-0.6
Manufacturing	5.7	0.03	-1.4
Services	6.1	1.3	4.4

Only agriculture sector is the exception and industry, manufacturing and services sector recorded declining trend and decimated from 4.9% to 0.9%, 5.7% to 0.03% and from 6.1% to 1.3% respectively. Eight core sectors showed a decline of growth rates where 86% in cement output followed by steel industry by 83.9%. Only two sectors that witnessed a single digit drop are crude oil 6.4 % and fertilizer 4.5%. So, the overall industrial production has been at all time low and taken a toll on economic activity these are the results of COVID-19 induced lockdown.

Table No.4

Core Industry Sectors (COVID-19 Impact)[6]

Industry	(% Annual Growth Rate) w.r.t 2018-2019
Coal	-15.5
Crude Oil	-6.4
Natural Gas	-19.9
Refinery Product	-24.2
Fertilizer	-4.5
Steel	-83.9
Cement	-86.0
Electricity	-22.8

International Management consultancy firm Arthur D Little stated in their report that the worst of COVID-19 will be felt by India's most vulnerable in terms of job loss, poverty increase and reduced per capita income which in turn will result in a steep decline in the Gross Domestic Product that means a GDP contraction of 10.8% in the financial year 2020-21 and GDP growth of 0.8% in the financial year 2021-22. Unemployment may rise 35% from 7.6% resulting in 136 million jobs cost and total of 174 million unemployed and putting 120 million people into poverty and 40 million into abject poverty.[7]

Impact on Automobile Industry in India

Automobile industry in India is one of the important drivers of economic growth and April 2020 will be remembered as the darkest month in the history of Indian automobile industry. This industry in India is in the 4th position in the world in terms of manufacture of cars and it is the seventh largest manufacturer of commercial vehicle in 2017. The industry accounts for 7% of countries GDP, 49% of manufacturing GDP, 15% of GST and employs over 3.7 crore people directly or indirectly have been in the grip of an intense slowdown for 15 months which only been exacerbated by the coronavirus - induced lockdown.[8] The industry is witnessing a revenue loss of rupees 2300 crore per day. Autocar India reported that study has soon the decline of global vehicle sales in March 2020 is 39% and in terms of sales unit it is 55.5 lakh units compared to 90.3 lakh units a year ago due to nationwide lockdown in various countries for arresting the spread of coronavirus and this industry will be required special assistance from the government to get back to shape.[9]

Impact on Travel and Tourism Industry in India

The world travel and tourism Council predicted that 50 million jobs are at risk globally and it is the biggest challenge that could adversely affected by up to 25% this year. Corporate India is working from home, air and rail connectivity have been shuttered, the hotel industry will have to face a loss of revenue of around rupees 1.10 lakh crores. BW Hotelier stated that in the world context of global growth is 'negative 3%' with India's projections of 'no growth' zero per cent by Barclay's and 'negative 0.4%' by Nomura providing no succour of hopes a quick recovery, especially for this sectors which contributes about 10% of India's GDP and employing directly and indirectly more than 40 million people.[10]

Impact on Oil and Gas Industry in India

Oil and gas industry in India contributes 5.2 % of global oil demand. Indian Oil market is highly input dependent which imports 84% and gross imports 53% of the annual domestic demand. The COVID-19 has made the oil and gas industry in India sit up.[11] The growth of India's petroleum demand has been severely dented the consumption of fuel. In March 2020 the consumption fell 18% to 16083 thousand tonnes (TMT) as compared to the same a year ago. Other than LPG, the demand for all petro products declined in March 2020 which resulted a loss of revenues of the companies. Indian Oil Companies specially the Exploration & Production Space (upstream) like, ONGC and Oil India are facing tough times because of increased pressure to sell their products at lower prices. As per the data of Reserve Bank of India, India's current account deficit (CAD) stands at 2% of GDP in December quarter the financial year 20 as compared to 2.7% in the same quarter in the financial year 2019. Sanjoy

Kumar Kar in an article "the oil industry survive COVID-19 effects?" in energy world.com stated that it has been observed that 84% of the COVID-19 infections and 94% of human casualties through COVID-19 happened to be in top 22 well consuming nations with GDP of 68 trillion dollar. So it is needless to mention that the restricted economic activities in these countries will lead to economic slowdown followed by severe global recession. Lockdown resultant restricted movement of people and goods within the country, grounding of international flights and global travel ban have led to huge reduction of fuel consumption which forced the industry to stand to a spot of alarming condition.

Impact on Transport Industry in India

It is one of the most affected victims of COVID-19 and the pandemic will have a long term effect on people's travel behaviour because of the risk of communities spread of the virus. The government issued guidelines with increasing restrictions and as a result of this, a drastic fall in public transport usage in many cities is evident. All the modes of transport like Air, Rail, Road, Water transport have been affected because of the resultant lockdown and it has affected the millions of people. It is estimated by the Moneycontrol 2020 that Indian Railways will lose around Rs.12500 crore to 6500 crore from passenger traffic and Rs.600 crore from freight services. Because of the grounding of all flights both the domestic and international it is expected that a loss of about 3 to 3.6 billion US dollar for Indian aviation industry in June quarter.[12] Within cities local transport operators such as, Metros, City buses, Auto rickshaws, Taxi cab aggregators have also stopped operation and they will continue to get affected by continued norms of social distancing.[13]

Government Initiatives

The most common policy initiative has been a lockdown from time to time for a period of almost 10 weeks. Initial responses were based on modelling the direct impact of COVID-19 but not other impact to the well being of the economy or society. But, both the central government and the state governments took several measures to combat the pandemic as well as to save the people from the economic distress. Several monetary and fiscal measures including the stimulus package for (MSMEs, NBFCs, EPFO, PDS, Housing, Education, Coal, Power, Defence, Agriculture and Allied sectors etc.) various sectors have been taken by the government to strengthen the economic pillars of the country.[14] Tracing, Testing and Treating the people affected by the deadly disease has been one of the utmost priorities of the government and to help to trace the affected person, ArogyaSetu App has been developed. Awareness campaign for use of masks for the individuals, use of PPE for the persons who are directly in contact with the patient, cleaning of hands, use of sanitizers, banning of public spitting etc. were done by the government to help the public not to get affected by this pandemic. Several state governments supplied foods to 54.15 lakh people during the lockdown of 68 days and the governments also provided 22567 shelter homes 60.86% of 10.3 lakh needy people. The government also arranged special trains for the migrant workers to help reach the people during the period of crisis and about 4000 trains were run by Indian Railways.

Other Initiatives

Non-governmental organisations in 13 states and union territories distributed foods to 30.11 lakh people. Apart from providing food, the non-governmental organisations also provided shelter homes or relief camps to the 39.14% of 10.37 lakh affected people. Though there is no official estimate of numbers of how many individuals have helped the institutes but the reports to media confirmed that many individuals by their personal capacities contributed and donated money, provided meals and shelters and arranged buses and even charter flights to reach them homes for the needy people who have been severely affected by this global pandemic. Many corporate houses of India also contributed huge sum of money either to the PM care relief fund or to the various Chief Ministers' emergency relief funds to tide over this crisis.

Suggestion and Conclusion

For a country like India where a higher percentage of workers with less privileged healthcare system likely the impact of lockdown on the lives and livelihoods of the people are more detrimental than the fallout of the disease itself. Like Germany, Italy, France, Spain, United Kingdom etc., India also have loosen the restrictions of lockdown in order to save the livelihood of the people as the daily cases rising on the one hand and the world being in the grip of recession on the other have forced and pushed the policy-makers in a quandary. As the treatment, medicine rather solution to cut off the disease is unknown to the world and every country is trying their level best to combat the spread of the disease in their own ways with the help of the guidelines of World Health Organisation. In the economic front similarly every country has taken monetary and fiscal measures based on their own economic conditions and parameters to ease out the economic downturn, the resultant of the global pandemic. Special assistance from the government would be required for every sectors of the economy in general including the selected industries considered in this study for bringing them back to shape.

In India, apart from other initiatives taken, the government also injected 20 lakh crores of money into the economy through various fiscal and monetary measures but the various renowned economists including the Nobel laureates and the corporate bosses suggested direct cash transfer to the destitutes for creating demand in the economy. The government has not yet taken that path rather the government has taken various measures for boosting the supply side of the economy and expecting that the fallout would be the rising demand. But at this juncture, it can be said that the economy needs a four wheel drive car type of system because neither the front wheel drive car type nor the back wheel drive car type of system will be able to pull out the wheels of the economy from this deep muddy covid stuck situation and so, the direct cash transfer to the needy and destitute persons as suggested by the economists as well as the decisions taken by the government through stimulation package of 20 lakh crore of money both are needed to propel the economic wheels of the country. In the meantime, it can be expected that science will be able to discover vaccine and medicine for treating the people and preventing the people and a new world order would emerge with all the hopes and aspirations of the people where all the flora and fauna of the universe would be safe and flourish in their own way. Needless to mention that the medical and heath guidelines regarding infection preventing measures and social distancing are to be followed seriously in this neo-normal situation. MA

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COVID-19 PANDEMIC- ECONOMIC IMPACT, *RECOVERY & SUSTAINABLE GROWTH FOR INDIA*

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Abstract

The Covid 19 crisis has greatly impaired the world economy including India. However based on the intrinsic strength and some suggested reforms, focused policy directions along with concentrated implementation and monitoring, India is poised to make a faster recovery from the same. The Stimulus package announced is also commendable considering India's precarious Debt to GDP ratio. But we should sooner get back to the path of a sustainable growth provided we remain sincere for implementation of the course corrections indicated in the opportunities and learning from the crisis.

Covid-19 has forced complete lockdown and massive economic disruptions in more than 200 countries thus impairing the world economy in a massive way.

Disrupted global supply chain, depressed demand, loss of income, consumer psychology to spend less on discretionary items etc. may result in a world recession of a magnitude similar to the Great Depression of 1930s especially as most economies dependent on global trade.

A) Impact for World: World GDP vs. Covid-19 numbers are as under.

Table 1: World GDP Top Countries vs. Covid-19 cases up to 31/5/20 (ref #1)

Sl.	Country	GDP in Trln $ (2019)	% of World GDP	Covid-19 cases on 31/5/20	% of World Total	Deaths	Death %
1	USA	21.14	23.60%	1734040	28.62%	102640	5.92%
2	CHINA	14.14	15.50%	84588	1.40%	4645	5.45%
3	JAPAN	5.15	5.70%	16884	0.28%	892	5.28%
4	GERMANY	3.86	4.20%	181815	3.00%	8511	4.68%

5	INDIA	2.94	3.20%	190535	3.15%	5394	2.83%
6	UK	2.83	3.10%	274766	4.54%	38489	14.01%
7	FRANCE	2.71	2.98%	148524	2.45%	28746	19.35%
8	ITALY	1.99	2.19%	233019	3.85%	33415	14.34%
9	BRAZIL	1.85	2.04%	498440	8.23%	28834	5.78%
10	CANADA	1.73	1.90%	90516	1.49%	7092	7.84%
11	RUSSIA	1.64	1.81%	414878	6.85%	4855	1.17%
12	REST OF WORLD	30.57	33.78%	2189898	36.15%	107653	4.92%
	WORLD TOTAL	**90.85**	**100.00%**	**6057853**	**100.00%**	**371166**	**6.13%**

***Inference**: Top 11 countries (with 66% of the world GDP) have 64% of Covid-19 cases (71% of deaths) and resulting lockdown disrupted economic activities all over the world*.

The redeeming factor, however, is that the minimal destruction to the physical infrastructure makes recovery faster provided g*eo political tension which may lead to war and further blow to world economy is avoided at all cost.*

Indian Position: lockdown from March 2020 resulted in drastic impact on the short term. ***However, advantage of huge domestic market, reduced crude prices and expectation of better agricultural output might result in faster recovery compared to other economies dependent on global trade.***

B) The Way Forward for Indian Economy Based on Segmental Analysis of GDP till now

As detailed under Table 2 below, the components of the Indian GDP indicate the challenges and scope for the recovery of Indian economy.

Table 2: GDP of India - Breakup Percentage of various Segments (Ref #2)

Expenditure side of GDP	GDP 18-19	19-20 Prov.	Supply Side breakup of GDP	GDP 18-19	FY 19-20 Prov.
Private Consumption	57%	57%	Agriculture, Forestry & Fishing	14%	15%
Govt. Expenses	11%	11%	Manufacturing	18%	17%
Gross Capital Formation	32%	30%	Mining & Quarrying	3%	3%
Change in Stock	1%	2%	Power & Utilities	2%	2%
Net Exports (Exports-Imports)	-5%	-2%	Financial, Real Estate & Professional services	22%	22%
Valuables	2%	1%	Trade, Travel, Tourism, etc.	19%	19%
			Construction Services	9%	8%
Misc/Discrepancies	2%	1%	Public Admin, Def. & others .	13%	14%
TOTAL	**100%**	**100%**	**TOTAL**	**100%**	**100%**

Crucial inferences to note from the above are as under:

1. ***The Service sector bias, unlike the manufacturing sector orientation of countries like China and South Korea, would delay the recovery as everything from Call centre, Hotels, Airlines, Business Support Services, Trade and Travel etc. have been massively disrupted by lockdown.***
2. The slow growth rate in Agriculture and the stagnation in Manufacturing, i***n my opinion, have stressed the need as well given a chance for focused correction.***
3. Also the ***Private consumption (now almost 57%) will be impaired due to higher unemployment.***
4. The gross ***capital formation and governmental expenditure will be hit as public debt to GDP is already at 70% level***.
5. ***However the Net Exports, which is minus 4% level may reach a positive level in FY 20-21 due to lower crude price and increased efforts for import substitution.***

C) Specific GOI Stimulus for Revival are:

I) Short Term Support /GOI Spending & Tax Relief (Ref #3)

Sl.	**Beneficiary**	**Number and Rate**	**Amount (Rs Cr.)**
1	Women JanDhan A/c	20.40 cr @500pm for 3 months	30,600

2	Food Security Scheme	Free ration for 80 crore people	45,000
3	MNREGA	Extra 200 cr mandays @202	40,000
4	Rate inc. MNREGA	From Rs 182/day to Rs 202/day	5,000
5	PM Kissan Samman	Frontload Rs 2000 for 8.7 cr farmer	17,400
6	Construction Labour	3.5 crore	35,000
7	Ujjala Gas Holder	Free gas for 8 crore beneficiaries	5,000
8	Elder/Widow/ Divyng	One time grant of 1000 for 3 crore	3,000
9	Health Infra. Covid	Lumpsum Provision for all states	15,000
10	Covid Exp	From District Mineral Funds	10,000
11	PF Members of SME	24% contribution for 3 months	3,000
12	MUDRA loan holders	Interest subsidy for SHISHU loans	1,500
13	Migrant Workers	Free Ration for 2 months	3,500
14	Health Workers	Insurance of Rs 50 lakh for 22 lakh	5.000
15	Income Tax payers	Tax relief given in March last week	7,800
16	PF Members	Further contribution paid by govt	2,800
17	Tax payers	Reduction on TDS rates	50,000
18	Agriculture Infra	New Fund for infra expendityre	100,000
19	Rural Allied areas	Animal husbandary, Fisheries etc.	50,000
20	Health Infra in Pvt.	Additional Viable Gap Funding	8,100
	Total		**Rs.437,700 Cr**

II) Other Support Measure for Liquidity Boost:

Sl	**Details of Loans/ Liquidity Initiatives**	Amount (Rs. Cr)
1	RBI Measures for liquidity	8,01,603
2	Collateral free loans to MSME guaranteed by GOI	3,00,000
3	Kissan Credit Cards for 2 crore additional farmers	2,00,000
4	Discoms liquidity from REC/PFC	90,000
5	Liquidity support for NBFC/MFI/HFC	75,000
6	Housing loan subsidy scheme extension for middle class	70,000
7	Funds of Funds & Support for MSME distressed loans	70,000
8	Additional farm loans through NABARD	30,000
9	PF Withdrawal (5000) & Reduction in PF rates (6750)	11,750
10	Hawkers loan (5000) & SHG Additional loans (6000)	11,000
	Total Loans and liquidity measures	**Rs 16,59,353 Cr.**

The above measures adds up to nearly Rs 21 lakh crore which is roughly 10% of GDP.

III) Other Initiatives & Reforms Measures Announced By GOI

Apart from the above, GOI has also taken additional steps to boost the economy like:

1. Advance release of SDRF to State governments Rs 11,000 cr. in April.
2. MSME's outstanding dues ordered to be released within maximum 45 days.
3. State government annual deficit limit -raised from 3% of the state GDP to 5%.
4. Ways and Means Advances of the states increased by 60%.
5. Radical changes in the definition of MSMEs including exclusion of export turnover enables even big units eligible for policy benefits.
6. Radical reforms in the agricultural marketing including withdrawal from the Essential Commodity Act 1952 would enhance farmer's income.
7. Defense production -greater degree of indigenous level to curtail imports.
8. Strategic sector opened for private sector and limiting the number of PSUs. Also PSUs in non strategic sectors to be privatized.
9. Commercial production of coal & other minerals opened for private sector.
10. Insolvency laws to be amended for suitable relief for MSMEs as well as exclusion of Covid-19 related debt from the scope of "Default" under IBC.

In my opinion, though the Opposition and some

economists say that the stimulus does not have much to boost the demand factor, given India's precarious Debt to GDP ratio, GOI & RBI has finalized a well balanced stimulus package as of now.

Also, as the impact of the crises is only emerging, it is only prudent to keep something in reserve to meet the future eventualities.

D) Further Suggestions for Focused Sustainable Growth of Indian Economy

In addition to the measures already initiated, further suggestions as under would not only to redress the immediate impact but also to speed up long term goal of a 5 Trillion dollar GDP:

I) Agriculture , Forestry, Fishing and Allied Sector :

1). Since Agriculture is ***State subject there should be a consultative approach*** for evolving unanimous policy.

2). MSP trends (Table 3A) ***indicate hardly any growth and hence focused rectification needed***.

Table 3A- MSP for Paddy & Wheat in last 10 years (Rs per Quintal) (Ref#4)

FY	Paddy MSP	% Inc.	Wheat MSP	% Inc.	Productivity Paddy (kg / hectare)	Prod Wheat (kg//hectare)
2016-17	1510	4%	1525	5%	3200	2494
2017-18	1590	5%	1625	7%	3367	2576
2018-19	1770	11%	1735	7%	3507	2659
2019-20	1835	4%	1840	6%		
2020-21	1888	3%	1925	5%		
Average %		6%		6%	5%	4%

3). MSP to curtail import of ***oilseeds to be enhanced for better incentive*** (Table 3B) (Ref #5)

Crops	2019-20 MSP	2020-21 MSP	% Increase in MSP
Soyabean	**3710**	**3880**	**5%**
Sunflower	**5750**	**5885**	**4%**
Groundnut	**5090**	**5275**	**3%**
Paddy	1835	1888	3%
Wheat	1840	1925	5%
Cotton	5515	5825	5%
Bajra	2000	2640	32%
Urad Dal	5700	6000	5%

In-spite of the stated objective the hike of just 3%-5% may not be adequate.

4) Specific Area Development for increasing the percentage of cultivated area in deficient states:

Table 4 (All figures in Thousand Hectares) (Ref#6)

States	Cultivable land	Cultivated	% land used
All India	181886	1401190	77%
Meghalaya	1056	283	27%
Jharkhand	4343	1385	32%
Uttarakhand	1549	700	45%
Tamil Nadu	8112	4819	59%
Telangana	6877	4377	64%
Odissa	6784	4474	66%
Rajasthan	25511	17521	69%
Andhra	9047	6236	69%

5) Tax holidays/incentives for encouraging Corporate sector participation in farming & food processing industries needed for scaling up agricultural growth.

6) Integration of the various rural schemes like MNRGA, Food Security scheme, Rural roads construction, Housing for all, potable water projects, micro irrigation schemes etc. to ensure overall poverty reduction. Table 5 (Ref #7)

State	% below National Poverty Line	MNRGA Deployed vs. Demand %	MNRGA mandays in 2018-19
All India	22%	85%	268.00 crore
Bihar	34%	77%	12.34 crore
UP	29%	84%	21.21 crore
Odissa	33%	86%	8.30 crore
Chatisgarh	40%	80%	13.86 crore
Jharkhand	37%	75%	4.53 crore
Rajasthan	15%	83%	29.42 crore
Madhya Pradesh	32%	78%	20.30 crore

West Bengal	20%	88%	33.83 crore
Assam	32%	87%	5.33 crore

7) ***Since RBI repo rate is 4%, NABARD's gross rate @ 9% for crop loans needs to be reduced***.
8) ***Organic farming/medicinal crops to be encouraged***. Sikkim (98%) & Meghalaya (17%) can be benchmark for other NE states (4%), HP (2%) and Uttarakhand (0.3%) (Ref#7)
9) ***Areas under Forestry to support legal utilization for promoting Indian brands of furniture*** for better royalty and employment prospect ***subject to compulsory reforestation by such industry***.
10) Incentivize projects and schemes for ***large scale fish farming & export oriented units***.
11) Cooperative farming convergence with SHGs. While there is almost 50% growth of SHGs (18.32 lakh in 15-16 to 26.98 lakh in 18-19) ***SHGs related to farming to be further incentivized***.
12) Encourage ***export oriented ventures and dedicated farms*** including possible tie up with desert countries for ***their long term food security at committed price***.

II) Manufacturing, Mining, MSMEs, Foreign Investments .

1) ***District-wise monitoring of the Covid is a learning curve*** to be replicated for tracking Industrial developments too.
2) **Growth of industries and manufacturing to be integrated with various schemes** e.g. Smart City projects, PM Awas Yojana, Infra investments etc. under Atma Nirbhar Abhiyaan.
3) ***Aspirant district approach*** to be enhanced **for lowering of all India growth disparities**.
4) ***Strengthening of statistical/other demographic details*** for focused planning of governmental policies/ ***support schemes in emergencies such as current lockdown***.
5) ***Strategic investments/FDI in Rare Earths minerals*** to be expedited ***as 90% of the world need is now met by China and hence this has huge export potential.***
6) Also it ***should be ensured that export of value added products to replace ore exports.***
7) **Productivity, Quality, Price-Rationalization & EVA factors – core factors for competition needs constant improvements at global standards.**
8) Skill/deficit mapping/expansion of vocational training- ***aligned to / adopted by big companies.***
9) ***Redeeming environmental repairs seen during lockdown to be consciously preserved***.
10) ***MSME specific credit, labour policy, managerial competence, market reforms to be monitored.***
11) Despite industrial growth, unemployment rate is high & share of employment in Manufacturing sector is too low ***for the following states calling for focused policy to correct the same***:

Table 6: Unempl. Rate vs. Employment in Manufacturing as % of Total Employment (Ref#8)

States	Unemployment Rate 2017-18	Mgf/ Total Employment
All India	6.0%	12%
Karnataka	11.4%	12%
Uttar Pradesh	6.4%	11%
Telengana	7.6%	12%
Tamil Nadu	7.6%	20%
Rajasthan	7.8%	9%
Odissa	7.1%	7%
Jharkhand	7.7%	9%
Haryana	8.6%	19%

12) ***FDI in technology deficit segments to be leveraged with the joint venture*** prospects with big PSU (e,g,EOI recently floated by BHEL). ***However technology transfer clause to be ensured.***
13) Renewable energy/transportation e.g. International Solar Alliance has huge export potential. ***Incidentally EU confirmed their recovery plan will be accompanied with green efforts to achieve Climate neutral continent by 2050. Germany announced doubling of the capital subsidy of Euro 6000 per car in their Stimulus packages.***
14) ***Idle land with PSUs needs to be recouped by governments to supplement their non tax revenue.***

III) Service Sector Reforms and Consolidation:

1) Statutory limits on the Managerial remuneration to be rationalized to create more employment. ***Kotak Mahindra Bank cut for top managers pay to retain all jobs/ salary of those below CTC of Rs 25 lakh. Tata companies also announced 20% cut for top management. Cognizant announced to cut some highly paid seniors positions to increase entry level posts so that overall cost is down while manpower number is increased.***
3) ***At 14% of the GDP, the Govt. Administrative and Defense spending*** can be reduced ***by limiting senior post and increasing ground level staff***.
4) The current crisis ***gives more frontline opportunity to youngsters in the health and police departments and reduction of staff in the 50 plus age*** should curtail manpower cost.
5) ***Social security scheme for service sector persons under the category of Trade, Travel, Tourism and Broadcasting services needs to be expedited***.
6) More ***policy incentives for expansion of the manpower intensive units like call centre*** and service centre to expand the employment propensity.

IV) Other suggested measures for Structural Correction in the Economy

1) Our Debt to GDP and Tax to GDP both needs to be improved through long term measures.
2) Tax to GDP can be improved by focused effort to broaden the taxpayer's base and unavoidable increase of tax rate on super rich citizens.
3) GST rate revision and rationalization seems to be inevitable to broaden the revenue.
4) Perennial burdens of direct/indirect subsidies and expenditure of government to be cut.
5) ***Per capita GDP ($2000) will be only $3000 even if we attain GDP of $5 Trillion due to high growth rate of population and hence population policy is of significant concern.***

E) Recent Strategies and Real times Flexible Solutions to Sail over Covid-19:

1) **Strategic shift in Economy – Mr. N Venkatraman,CEO of Deloitte India believes that** India must now intelligently restructure its economy in line with the following major objectives:
   a. Development should be Plural and focused for Rural;
   b. Regional developments to be balanced ;
   c. Leveraging India's strength and policies for attracting FDIs
   d. Modernizing Agriculture, Rural value-addition & aspirations to increase rural consumption.

   GOI's recent policy initiatives for sectors like Food processing, pharmaceuticals, defense production, electronics, leather industries and textiles are welcome beginning. Focus to remain on those investments that generate growth, value and scale of production. (Ref. #9)

2) **Reliance Industries limited experiments with rejig of their product mix** in their Oil to Chemicals (O2C) business and quickly change their exports quantum is an example of out of box solution.

   As the global price for refined petro products plummeted, RIL quickly increased their petrochemical products in place of the refined petro products and also finalized next 6 months export orders to optimize capacity utilization in lockdown period and increase profit.

   PPE producing units taken over by RIL also enabled opportunities given by Covid. ***(Ref. #10)***

3) **Atma Nirbhar Bharat (Self Reliant Bharat)** is aimed to give emphasis on local manufacturing, local market and local supply chain so that the disruption seen due to snapping of imports during such times can be avoided as well as more employment is generated through local activities. Phase I of the scheme would encourage sectors such as Medical Textile, Electronics, Plastics and Toys, Phase II may give specific push for Gems & Jewellary, Pharma and Steel etc.

4) **Indo Pacific nations** consisting of USA, Japan, India, Australia, South Korea, New Zealand, Vietnam will not only extend mutual cooperation in the fight against Covid but also share their capabilities for medium term economic recovery. They will make all cooperation amongst these 7 nations for restructuring and reorganizing their required supply chains but also converge the same with other multilateral groups such as the G20 and the East Asian Summit . ***(Ref # 11)***

Conclusion

The unprecedented pandemic and the resultant lockdown ***will definitely have economic damage in the short run***. However, ***the sooner we can shift from the current Disaster Management Act (DM Act) and get into "Economic Management" (EM)*** acts, ***the lesser will be the damaging impact on the long run***. ***Actual success of the policy initiatives would really hinge on war-footed implementation*** of the recovery acts ***and effective monitoring of the same***.

The Covid-19 crisis has challenged not only the medical as well as the administrative set up but also questioned the resilient power of the Indian economy and once again India SHALL OVERCOME. MA

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7. *Ref #6- Page 231- Area sown vs. Cultivable Area; Page 232- Organic Farming data state-wise%*
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9. *Ref #8- Page 340-Unemployment rate; Page 355- Employment data in Manufacturing Sector*
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IMPACT OF 'WORK FROM HOME' ON EMPLOYEE PERFORMANCE / PRODUCTIVITY IN SOFTWARE INDUSTRY DURING COVID 2019 LOCKDOWN - RESULT OF PERCEPTION SURVEY IN INDIA

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Abstract

The issue of 'Work from home' has been studied by several researchers but most of the studies enquired from the psychological aspect associated with 'Work from home'. A few have studied to examine its effect on employee productivity / performance. Whatever findings have been reported in the extant literature are based on studies for limited number of people at work from home. This is the first time the whole world is giving a try to implement 'work from home' with large scale employee involvement. Particularly in software industry, the practice is being followed by all most all the software industries in India during the ongoing lockdown for the COVID 19 pandemic. In order to quickly get the views of the software professionals on the impact of 'work from home' on employee productivity / performance a short survey was carried out. As it is a perception based and self-reported study the result is not quantitatively substantiated but it gives an idea to take call as to whether such a practice could be a new normal in the IT industry. Descriptive statistics have been used as the responses are very limited. But nevertheless, the study period is very current and responders have given real-time feeling hence it is more reliable. The result shows that at least, if not increased, the employee productivity level has not been reduced.

Introduction

Ever since the high-speed internet technology has cropped into business arena, industries particularly IT and ITIL sectors trying to get some jobs done by employees working from home. The drivers of this move are employee satisfaction through work-life balance and reduction in overheads by reducing number of people working at the office. Working from home is particularly feasible in this sector as it does not need regular face to face interaction and interaction can take place on virtual mode, even sharing the screens of lap tops or desk tops. Working from home was not for all at a time. It is for some people for a few days in a month or week. But it is increasing. As for example, in 2009 more than 20 % of German firms were working from home for a few days in a month (Rupietta, K et.al 2018).

As per Gallup employees working remotely for some times have gone up from 39% in 2012 to43% in 2016 (Mann et al.2017).

But to what extent working from home affects employee productivity is not clear from the extant literature and not many literatures is available in this space. The results presented in different papers are also conflicting with each other.

Dutcher (2012) and Bloom et al. (2014) reported significant increase in productivity when employees work from home, based on a laboratory experiment involving limited number of subjects. It cannot be generalised. Bloom et al. (2014) conduct RCT (Randomised **Controlled Trial**) involving control group and experimental group using Chinese call centre employees and found that the employee productivity was higher where employees were working from home. The increased productivity was explained by a "quieter working atmosphere at home. Moreover, employees take fewer breaks at home". Call centre work is by design a very routine type of work. It may be noted that Dutcher (2012) finds that working from home decreases the productivity if the task is repetitive but productivity is improved when working from home if the work is more creative. On the contrary Hodari J (2015) finds that people are more creative when working with their co-workers at office physically due to better social interaction and deep relationship, which is possible only when people are physically working together.

Gajendran and Harrison (2007) finds that only a small portion of the employees permanently working from home and majority spend only a few days in month work from home. In such a situation it is difficult to know the effect of working from home as a policy on employee productivity. But factoring the frequency of working from home they empirically found working from home improves employee productivity, which is statistically significant.

It is interesting to note that Yahoo, Google, Best Buy Co. and Hewlett-Packard reversed their policy of working from home as they find employee creativity is reducing. The assumption behind such a move is "When people work together in an office they communicate better.They are also likely to understand better and appreciate interdependencies within their projects. Seeing colleagues face to face also improves collaboration and helps to transfer good practice across projects. Informal conversations, often around the coffee machine, can trigger new ideas." Pathak et al. (2015). The result of the policy reversal is yet to be found.

COVID 19 Lockdown

Government of India ordered nationwide lockdown initially for 21 days on 24 th March 2020. This was extended till 3rd May 2020 and most likely will be extended but may not be a full lockdown. But certain states of India like Maharashtra imposed lockdown since March 14 2020. The anecdotal evidence suggests almost 100% software companies are working from home from middle of March 2020. This is a great opportunity for the companies and the researchers to study the phenomenon, work from home, particularly in the IT and ITEL sector.

Therefore, the present research was undertaken to study the impact of work from home on employee productivity based on self-reporting perception of the employees.

The primary research question is:

How the perceived employee productivity is affected due to work from home in software industry?

The sub questions are:

What is the segment wise impact on the productivity-Product development companies and IT services companies?

What are the causes for the change, if any, in productivity level?

Methods

I have given importance to specificity in literature search. The key word used: Software, Productivity, Performance, Work from home, Telework, Remote work, Review, Meta-analysis. PROQUEST, EBSCO and Google scholar database are used. By using PICOC (People, Intervention, Outcome and Context). I have finally got only 10 papers in last ten years (from January 2009 to April 2020), which were relevant and specific.

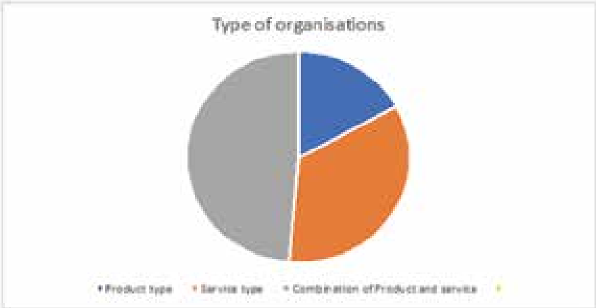
A short questionnaire was designed in Google Form and circulated thrice among 250 HR executives from Indian software companies. And the survey link was also uploaded in LinkedIn and Facebook. The survey was launched on 31st March 2020 and closed on 29th April 2020.The response was very poor. Only 35 responses obtained. So, the results are indicative only. Descriptive statistics have been used for analysis.

Result and Analysis

The analysis of the survey responses indicates the below points:

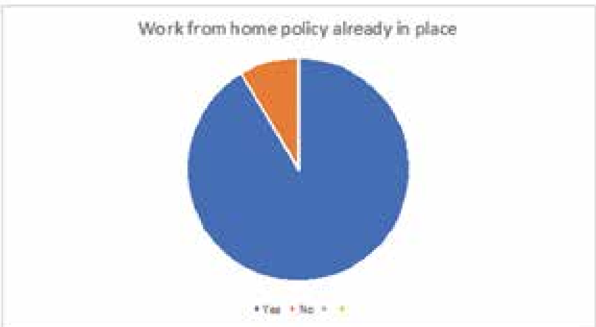
1. The majority of the organisations belong to the group-Combination of products and services (Fig 1.). A few are product type-about 17% and 34 % are service type.90 % of the organizations are having work from home policy in place (Fig.2).

Fig. 1 Type of organizations



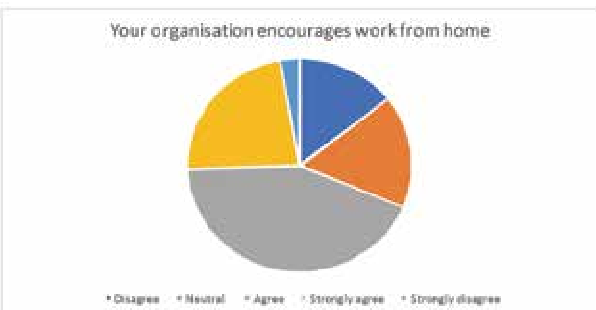
2. 90 % of the organizations are having work from home policy in place (Fig.2)

Fig. 2Work from home policy



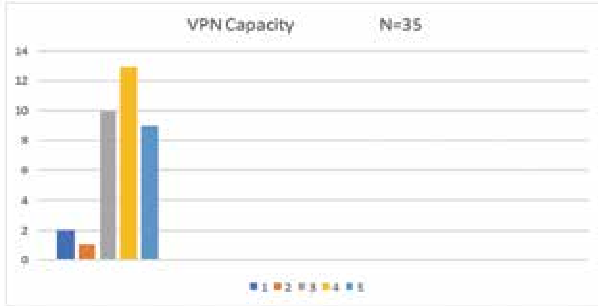
3. While organizations have policy of working from home but not all encourage work from home. The survey findings suggest that 23 % strongly agree and 43% agree with the statement "Your organization encourages work from home" and 17 % disagree with the statement (Fig.3).

Fig. 3Work from home encouraged



4. About 60% feel VPN (**Virtual private network**) capacity is adequate (Fig.4).

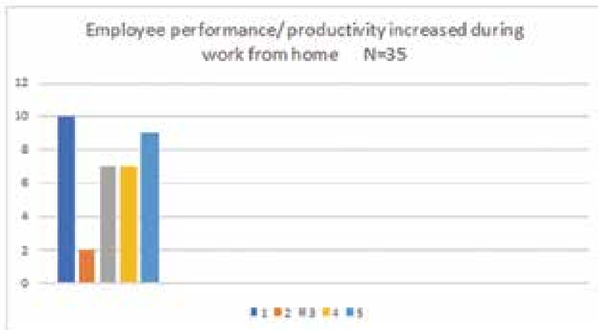
Fig. 4 VPN Capacity



Scale: Highly inadequate: 1 Perfect: 5

5. About 30 % feel there is no change in productivity / performance level while work from home. And about 45% (20 % agree and 25% strongly agree) feel the productivity has improved while working from home (Fig. 5).

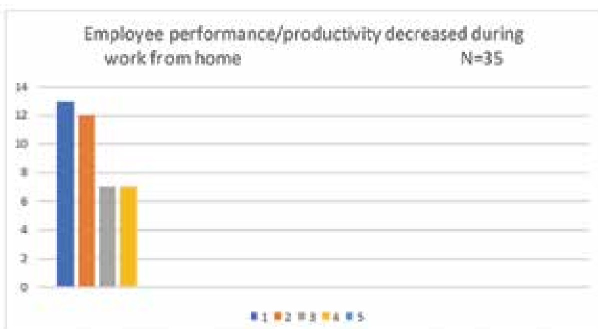
Fig. 5Work from home increased performance/productivity



Scale: No change: 1 Highly: 5

6. In response to the question, "Do you think employee performance/productivity has decreased during 'work from home", 37 % feel no change in productivity level while working from home. 54 % feel there is a slight decrease in productivity while working from home (Fig.6).

Fig. 6Work from home decreased performance/productivity



7. From point 4 and 5 we may safely conclude that productivity level at least has not changed while working from home. It cannot be concluded that the productivity level is increased while working from home.

By analysing the open-ended question:

"Give two most important reasons as to why employee productivity has improved, decreased or not changed for 'work from home' "the below points may be inferred:

Saving commuting time and the avoiding travel associated tiredness came out as a major factor for favouring work from home and it goes in line with the factors mentioned in the extant literature. Flexibility to choose when to work and define one's own work environment help improve productivity. Work from home help concentrate on work better than working at office and also motivated to work longer hours. This may be a temporary effect as at present there is a lockdown and there is hardly any option to go out. Instead of sitting idle at home, working more time may be a better option. Another important factor,which have not yet appeared in the extant literature is that they are able to pursue their other interests which in turn increases their productivity. For some of the responders, the organizations were not ready to switch over to work from home initially, resulting less productivity at the beginning. The network band width and non-availability of electricity is an impeding factor to maintain the productivity level.

Conclusion

Because of paucity of data I could not examine the industry segment wise impact on productivity due to work from home. Though the survey was very limited but it gives a clear direction that companies may thin for introducing large scale deployment of work from home in software industry, which will be cost saving for the company by reduced requirement of office space and employees will also be happy. This will also increase their carbon foot print. In fact, several IT industries in India is seriously considering work from home is a new normal as per various media report.

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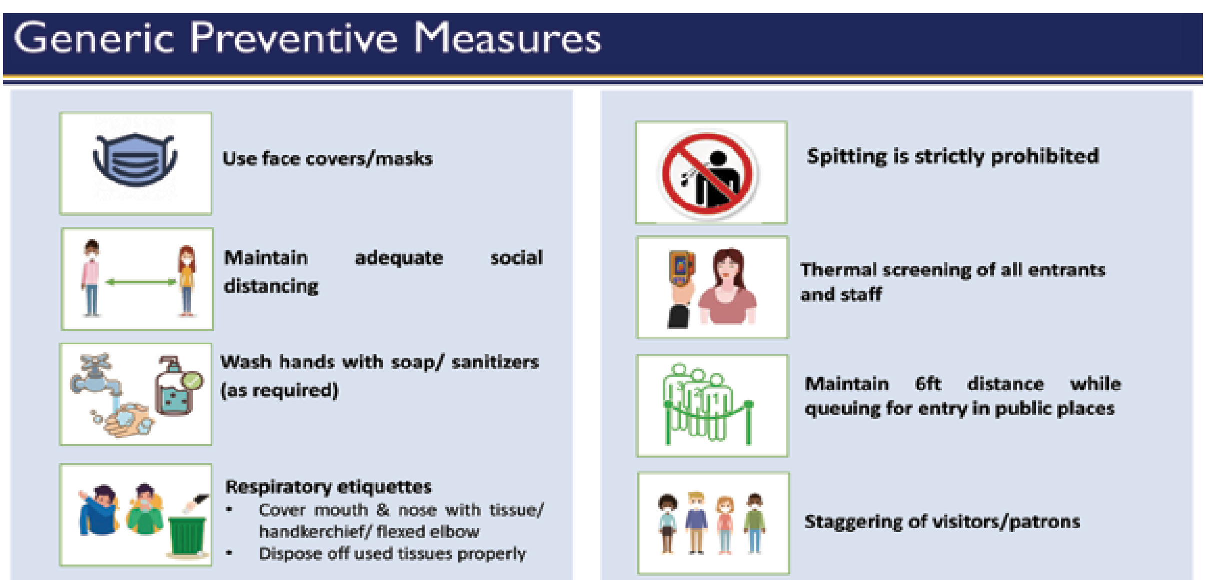

Source: https://www.mohfw.gov.in/pdf/OfficesGuidelines11thJune.pdf

CAPITAL GAINS – INCOME TAX & TDS PROVISIONS; WITH SPECIFIC REFERENCE TO NRI's

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Abstract

Taxability of NRI's on Capital Gains is a big issue, when more & more Indian youngsters are venturing into foreign lands for greener pastures. More so, TDS provisions relating to such cases are bit harsh. However, the tax authorities offer opportunities to NRIs to reduce TDS Liability, if a specific process is followed. Few paragraphs on the issue will be quite informative for effected NRI's & Professionals involved in Income Tax practice.

TAXABILITY OF CAPITAL GAINS (LAND/ BUILDING or BOTH)

Capital Gains from Immovable Property **i.e., Residential House Property** (being Land or Building or Both, whose income is taxable under the head "Income from House Property), generated/earned are subject to Income Tax in India. It has lot many intricacies, as far as different categories of tax payers are concerned .

WHETHER LONG TERM OR SHORT TERM

First of all you have to ascertain, whether Capital Gain is Long Term or Short Term. Effective from 01.04.2017, Residential House Property (being Land or Building or Both), if it has been held for more than 2 years, shall be treated as Long Term Capital Asset (Ref. section 2(42A). Before 01.04.2017 the period of holding was 3 years instead of 2 years. This cut-off date is the date of sale of property.

INCOME TAX RATES

Tax Rates are different for LTCGs & STCGs. LTCGs are taxed at a fixed rate of 20%, where as STCGs are taxed at normal rates of tax slabs. Besides these basic rates, Surcharge & Education Cess are also chargeable, at the applicable rates from time to time. However, these Income Tax rates (including Surcharge & Education Cess) are same for both NRIs & Resident Citizens.

TDS PROVISIONS

TDS provisions are bit different for both Indian citizens selling the immovable property and NRIs.These TDS provisions are bit harsh for NRIs. Reason behind this seems to be the intention of the department to cover/collect tax at the highest slab, as tax collection from NRIs at latter stage may not be an easy job. Department don't mind allowing refund at a later stage, if excess TDS was deducted.

TDS FOR INDIAN RESIDENTS

The provisions of TDS under I.T Act are very simple for Resident citizens, which have been summed up as under :

a. Rates of TDS (u/s 194-IA;on Sale Value of Property/ Immovable Asset) :

   - If Sale Value of Property is below Rs.50,00 lakhs : Nil
   - If Sale Value of Property is above Rs.50,00 lakhs : 1%

b. This TDS rate is same, irrespective of whether it is LTCG or STCG.

c. TDS is to be deducted by the Purchaser of property, from the sale proceeds being paid to the seller, at the time of making payment.

d. Purchaser shall deposit the tax with the department, within 7 days from the close of month, in which tax was deducted.

   However, practical situation is all together different. Unless proof of payment (copy of challan/receipt) is enclosed along with registration papers, Registration of property is normally not accepted by the Registrar. In view of this, practically, purchaser has to deposit TDS before he gets the property transferred in his favour.

e. Purchaser has to file Form 26QB, providing full details of the Purchaser of Property, Seller of Property & all relevant details of the property in question/ consideration.

f. Form 26QB can be filled at the time of making payment of tax by purchaser of the asset.

g. No TAN number is required (u/s203A) to be taken by the purchaser of property. His PAN number will serve the purpose.

h. Seller is entitled to claim credit of the TDS, at the time of filling his/her Income Tax Return.

TDS FOR NRI's (NON-RESIDENT INDIANS)

In case of NRI's selling property in India, provisions of TDS (section 195) under Income Tax Act are not so simple, as detailed here under :

a. Rates of TDS (on Sale Value of Property):

   - LTCG's 20% &
   - STCG's 30%.

   (Besides these basic rates of tax, Surcharge & Education Cess is also applicable at the prevalent rates).

b. TDS is to be deducted on Sale Value of Capital Asset & not on Long/Short Term Capital Gain.

c. TDS is to be deducted by the Purchaser of property, from the sale proceeds being paid to the seller, at the time of making payment.

d. Purchaser shall deposit the tax with the department (Challan No.ITNS 281; Nature of payment – 195 Other Sums).

e. Purchaser has to file TDS Return in Form 27Q, within one month, from the close of quarter, in which TDS was deducted. Full details of the Purchaser of Property, Seller of Property & all relevant details of the property in question/consideration, are to be provided in this Return.

f. Late filing of TDS Return may attract a penalty (u/ s271-H) of Rs.10,000.00, which can be extended upto Rs.1,00,000.00.

g Purchaser shall also issue TDS Certificate on Form 16-A (u/s 203(1) to the NRI Seller, confirming the deposit of TDS with the department, against his PAN. This certificate needs to be issued within 15 days, from the due date of filling of TDS Return.

g. Seller is entitled to claim credit of the TDS, at the time of filling his/her Income Tax Return.

i. TAN number (u/s 203-A) is required to be taken by the purchaser of property. He can apply TAN online on Form No.49-B.His PAN number will not be sufficient for this purpose.

j. TAN number may be surrendered to the department (if it is not required subsequently), after TDS return has been filed & Form 16-A, issued to the NRI Seller of property. TAN cancellation request may be submitted to concerned/jurisdictional Assessing Officer (TDS), on plain paper.

TDS ON REDUCED RATES - NRI CASES ONLY

There is provision for NRIs Selling Property to opt for Reduced Rates of TDS, which is as under:

Concerned Assessing Officer can issue a Certificate (u/s 197) to the applicant (NRI seller of Property), for deduction of TDS at Reduced Rates in case of Capital Gains, may be LTCGs or STCGs, if the following procedure is adopted :

1. Online application can be filled on Form No.13, for issue of Certificate (under section 197) for NO DEDUCTION or DEDUCTION OF TAX AT LOWER RATE. Form No.13 requires lot of information and refers to many documents like, ITRs of last 5 years, Any outstanding Tax Liability of Income/Wealth Tax, Self Assessment Tax paid & TDS/TCS in the relevant previous year etc. If ITRs were not filed electronically, copy of ITR needs to be attached. If no ITR was filed during any of these years, Computation of Income for that year needs to be uploaded, along with Form-13.
2. Some relevant documents like: Documents establishing ownership of property, Sale Agreement etc., needs to be filed along with Form-13. These are

required for verification by the Assessing Officer.

3. ITO may take 30 days from the date of application, to issue the certificate.

HOW TO REDUCE YOUR TAX LIABILITY

There is reasonable scope for tax savings or reducing one's tax liability for the Income generated/earned under the Income Head Capital Gains, may be long term or short term.

(a). IN CASE OF RESIDENTIAL HOUSE PROPERTY

Exemption can be claimed from Capital Gain by investing the amount of Capital gain (may be upto100% or less) in any of the following investments, subject to conditions detailed here under:

- Long Term Capital Gain can be invested in **Purchase of one Residential House** (Sec.54), with in 1 year before or within 2 years after the sale of property.
- LTCG can also be invested in **Construction of one R/House** (Sec.54), within 3 years from the date of sale of property. Construction should be completed within a period of 3 years. However, date of commencement of construction is irrelevant, which could even be before date of sale also.
- LTCG if invested in a Flat, date of **Allotment of Flat, under self financing scheme** of any Government agency/department or Co-op. Society, shall be treated as construction of house for the purpose of exemption under this section.
- Long Term Capital Gain can also be invested (subject to a maximum of Rs.50,00,000.00) in **Capital Gain Bonds** (Section 54EC) of National Highways Authority of India (NHAI) or Rural Electrification Corporation (REC), under Capital Gains Scheme. These Bonds are issued for 5 years and can also be Re-deemed after 5 years from the date of sale of property. You may invest in these bonds within 6 months or before last date of filing ITR, whichever is earlier. Exemption under this section is also available in respect of any Long Term Capital Asset (Residential house, Agricultural land, Commercial property or any other Asset).

(b). IF THE ASSET SOLD IS OTHER THAN RESIDENTIAL HOUSE PROPERTY

There are cases when the asset sold is other than a residential house. Such cases can be clubbed under 3 broad categories, i.e., Agriculture Land, Industrial Units and Other Assets, like any Commercial or Industrial building/shop/Shed etc. Exemption to these categories are admissible, as detailed hereunder:

- In case the Capital Gain (may be Long term or Short term) is from sale of **Agriculture Land** (u/s 54B), Agriculture Land (Rural/Urban area) can be purchased within a period of 2 years, from the date of sale. This is subject to condition that agriculture land sold should have been used for agriculture, for more than 2 years
- In case the Capital Gain (may be Long term or Short term) is from sale of **Industrial Undertaking which is compulsorily Acquired** by the Government (u/s 54D), Land or Building for Industrial purposes, can be purchased within a period of 3 years, from the date of sale. This is subject to the condition that such industrial unit sold should have been used for industrial purposes, for more than 2 years
- **Industrial Undertaking shifting from Rural to Urban area (u/s 54G) or shifting from Urban area to SPECIAL ECONOMIC ZONE (u/s 54GA),** the Capital Gain (may be Long term or Short term) arising from sale of Industrial Undertaking (Land, Building OR Plant & Machinary), can be invested in purchase of Land, Building or Plant & Machinary for Industrial purposes, within a period of 1 year before or 3 years after the date of sale.
- In case the Long Term Capital Gain is from sale of **Capital Asset (other than a Residential House Property** (section 54F), the amount can be invested in purchase of one Residential House (1 year before or 2 years after) or construct a new house (with in 3 years after), from the date of sale of property
- Any **Commercial or Industrial property** (excluding covered u/s 54D, 54G & 54GA, as explained above) shall be covered under this section.
- Exemption under section 54F can only be availed, if the assessee don't own more than one residential house, excluding the new house. He should also not purchase any other house with in 2 years or construct another house within 3 years from the date of sale of property.

OTHER IMPORTANT POINTS

- **Exemption can be taken back**, if the newly purchased property is sold within 3 years, from the date of purchase.
- New House purchased or constructed, should be **situated in India** only.
- In case of **compulsory acquisition,** the time limit of 1 or 2 years shall start from the date of compensation received only and not from the date of acquisition.
- In case where assessee could not make investment till the date of filling of ITR, the amount can be kept in a bank account, as per "The Capital Gains Account Scheme-1988" and the same can be withdrawn, at the time of making the investment. In such cases also, you can claim the deduction. MA

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NATURAL RESOURCE ACCOUNTING: THE WAY AHEAD

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Abstract

Natural resources are that exist without any actions of human being. The natural resources are the foundation of any nation and if not protected properly, the nation cannot sustain for a long time. The business organizations in every nation should realize the importance of natural resources and its effective utilization. With the increased awareness regarding Natural Resource Management (NRM), the process of Natural Resource Accounting (NRA) has also become important than ever before . The process of NRA is not just recording the natural resources in monetary terms, but its interpretation also. One should clearly understand that process of natural resource accounting cannot be done in isolation for effective results. It has to be linked with Natural Resources Sustainability Information and with Community &Household Consumption and Production Decision Framework. For effective linkage among these components, Environmental Management System (EMS) and Environmental Management Accounting (EMA) should be in place. Accounting Professionals including CMAs can be a part of the creators of EMS and EMA within an organization.

Introduction:

Natural resource accounting (NRA) is the process of collecting,recording, analyzing and summarizing data related to natural resources within an accounting framework. It has become more important than ever before considering the growing needs of the mankind.It should be noted that the process of natural resource accounting also covers interpretation and reporting of the relevant data. The process of natural resource accounting may involve either physical quantities or stocks valued in monetary terms. The basic objective of the natural resource accounting is to provide information on the state of natural resources and the changes affecting them so as to make concerned people aware about the related facts. The terms 'natural resource accounting' is also termed as 'green accounting' or 'environmental accounting' by many researchers. Natural resource accounting can be applied at a macro-economic level i.e. at national level as well as at micro level also. Thus it can have top down approach or bottom up approach depending upon need of the problem.

The ultimate aim of the natural resource accounting should be creating linkages between the environment and the economy.

History

There has been lot of academic and research work in this area. There have been activities in many countries to establish natural resource accounts of various kinds. It was started in the World Commission on Economy and Development's report (WCED, 1987)[i] wherein the importance of natural resource accounting was highlighted. The conference in Rio de Janeiro in 1992 (UNCED) also highlighted the need of green accounting. The process of revising the system of national accounts (SNA) considering environment accounting was discussed in Commission of the European Communities, 1993. This commission considered and discussed cost of establishing even rudimentary resource accounts, and in particular the demand it put on educated man-power in the developing countries undertaking the exercise.

Initially, efforts were made to establish resource accounts for energy, fish and land use[ii]. In later stage, less detailed accounts were made for minerals, forests and sand and gravel. Thus, the ambition level of the accounting project was quite high from the outset, covering a large number of different resources. The main reason for this was, of course, a generally growing concern for the scarcity and mismanagement of these resources, but also a belief that one of the greatest stumbling blocks for a rational management was the lack of adequate and systematically organized data.

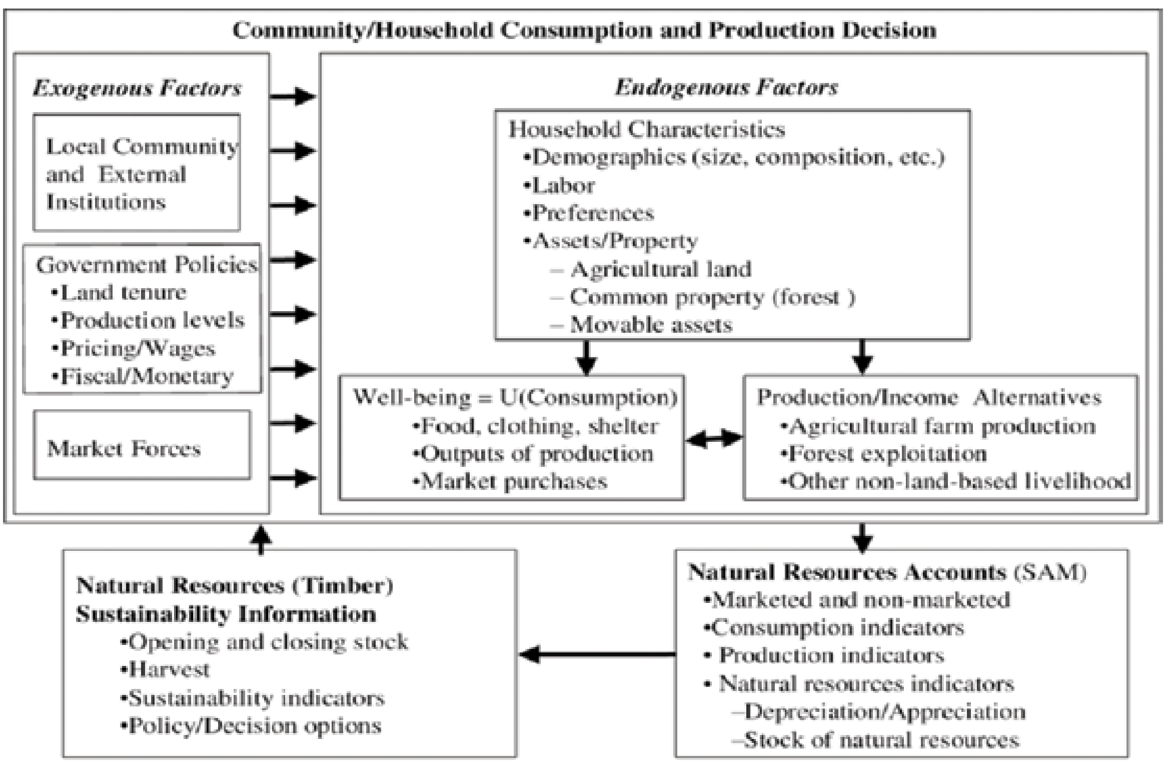
Components of Natural Resource Accounting

The process of natural resource accounting includes three major components[iii]. The first component is Natural Resource Accounting Framework, the second one is Natural Resources Sustainability Information and the last component is Community / Household Consumption and Production Decision Framework.

All these three components reflect changes in the status of environmental resources. Figure one shows relationship between these three components.The first component (natural resource accounting) defines the accounting framework and its link to various external factors that change over time. This system ensures the linkage between Market prices of exports or imports affecting household production. It also establishes relationship between savings/ investment and government actions in the form of policy change, institutional arrangements or regulation. The second component Natural Resources (Timber) Sustainability Information gives the details of natural resources opening stock , closing stock and consumption .

The last component Community /Household Consumption and Production Decision focuses on wellbeing of the mankind, production and income alternative using lesser natural resources and using non-land-based livelihood. It also focuses on effective utilization of assets like agricultural land,forests and non-land based livelihood.

Figure 1



(https://www.researchgate.net/figure/Components-of-natural-resource-potential)

Awareness in the corporate world

Many corporates have realized the importance of NRA and have initiated steps regarding the same. For example,Canon has established a Canon Group Environmental Charter [iv]to help optimum utilization of resources. The company has already started Green Action and categorized its environmental costs into R&D cost, production and sale cost, and marketing cost.The company does analysis of three financial years with regard to environmental costs and benefits. The outcome has indicated that the program was successful since the gain is increasing.

Another example is of IBM [v]who conducted similar analysis, reflecting that the company has savings and benefits from its green programs exceeding the initial costs and expenditures.

Environmental costs and benefits – Example of Toshiba[vi]

Toshiba initiated the environmental accounting online wherein total environmental costs are broken down into several by business segments. After collecting data, yearly data are compared with the previous year to analyze the trend. Environmental costs include the cost for reduction in environmental impact, green procurement and recycling, Environmental education, EMS maintenance,

In the year 2018 their total environmental costs increased by 23% as compared to last year. The breakdown of environmental costs by business segment shows that the social infrastructure business incurred the largest costs, followed by the electronic device business and then by the energy business. The total amount of environmental benefits was 6.7 billion yen. The breakdown of the total is as follows: actual economic benefits were 2.8 billion yen and assumed economic benefits were 3.9 billion yen.

The details published by Toshiba are as follows.

Environmental Cost (FY 2018)
Toshiba Group Unit: - Million Yen

Category	Description	Investments	Costs
Business area costs	Reduction in environmental impacts	2395	6306
Upstream/ downstream costs	Green procurement, recycling, etc.	355	636
Administration Costs	Environmental education, EMS maintenance, tree planting on factory grounds, etc.	133	2626
R&D costs	Development of environmentally conscious products, etc.	637	13279
Public relations costs	Support for local environmental activities, donations, etc.	9	20
Environmental damage restoration costs	Restoration of polluted soil, etc.	20	151
	Total	3549	23018

(Source - https://www.toshiba.co.jp/env/en/management/account.htm)

Above table indicates the details of amount which is invested and spent by Toshiba group in environmental damage restoration and related research work. To maintain and to interpret this huge data professionals in accounting and costing are highly required who can utilize can utilize their professional skills to conduct the analysis. Following are additional details provided by Toshiba indicating the monetary benefits derived from environmental initiatives.

Category	Description	Reduction in environmental impacts		Monetary benefits (million yen)
(A) Actual Benefits	Directly measurable costs	Energy	-423568(GJ)	- 2502
		Waste	41139(t)	4841
		Water	597015(m³)	457
		Total		2796
(B) Assumed Benefits	Monetary value of reductions in environmental impacts.	Reduction in amount of chemicals discharged	154 (t)	3915
	Total Monetary benefit			6711

(Source - https://www.toshiba.co.jp/env/en/management/account.htm)

Toshiba Group proudly mentions that they adopt environmental accounting to quantitatively understand environmental conservation costs and benefits, and utilize the quantitative data as guidelines for business activities.

Role of CMAs

NRA is relatively new concept and there are no set rules for its accounting. Cost and Management Accountant (CMA) can play a vital role in it .CMAs can act as initiator, participants, practitioner, and analyzer in the course of natural resource accounting.

The natural resources are the foundation of any nation and if not protected properly, the nation cannot sustain for a long time. The business organizations in the nation should realize the importance of natural resources and its effective utilization. Further, business organizations should acquire relevant and comprehensive understanding and information regarding the ecosystem and natural conditions. CMAs can play direct role in promoting all such elements which are the part of sustainability report. According to a report by KPMG in 2016, there are almost 400 instruments for sustainability reporting[vii] in place in more than 60 countries, including U.S., France, Spain, and Australia.

CMAs can provide guidelines on the verification, validation, and assurance of environmental and sustainability for reporting purpose.

With the increased emphasis of environmental impact and corporate social responsibility, the stakeholders also see the environmental disclosure performance as an indicator of an organizations' ability to sustain in the long run and an influential factor of its image and credibility.

Practitioner of NRA

CMAs can use their professional knowledge and experience in traditional financial accounting, cost accounting and management accounting to conduct environmental accounting. Many organizations introduce this type of accounting approach to collect data with respect to the investment and cost for its environmental programs. In addition, they aim to analyze the data in order to further evaluate the investment results and the cost-benefit pertaining to managerial decision making.Once costs and benefits are measured and recorded, companies can measure and evaluate the environmental programs based and cost and benefit analysis. CMAs can provide their expertise in this process.Since the ultimate goal of a business organization is to maximize the shareholder value, CMAs have to carefully evaluate the effect, cost and benefits of all such green programs in order to maintain investors' satisfaction.

Establishment of environmental management systems (EMS)

In the process of natural resource accounting, CMAs can be a part of the creators of the environmental management systems within an organization. As like traditional information management system such as financial accounting information system, cost management system and human resources management system, environmental management system records involve all aspects related to the environment.

CMAs can play important role in establishing the basic system support and information support in order to conduct future accounting record and analysis. In addition, they can act as channels to communication and exchange information with outside environmental information system.

Since this system has to be in compliance with legal requirements and environmental regulations, CMAs can be involved to practice due diligence examinations. In addition, this system consists budgeting, cost evaluation, and other estimation related to financial information, CMAs who are equipped with solid foundation in financial accounting and information, can provide the best consulting service in the course of creating the new system.

CMAs can be part of Environmental Management Accounting[viii]team which focuses on identifying and estimating the costs of environment-related activities. Depending on the type of organization, environmental impacts[ix] could include production effluent, recycling, water and power consumption, and carbon footprint etc. It monitors the use and cost of resources such as water, electricity and fuel, so costs can be reduced. It also tries to benchmark activities against environmental best practices

NRA supported by EMA will benefit the organization in following ways.

1) Improving income of the organization through consumer awareness of products and services' environmental impact

2) Reducing wasteful consumption of input resources

3) Reducing the cost of failure

4) Improving the image of the organization

Conclusion

Natural resource accounting has gained attention and importance in recent time. The society as a whole is becoming aware of environmental issues. NRA is an integral part of this awareness process as everything needs to be converted into monetary terms. NRA helps the company to comply with the accounting rules as well as to keep the momentum high by providing the gains achieved through various environmental awareness initiatives. Professional accountants can play a major role in the process of setting up an Environmental Management System. Accountants can be a great source of knowledge and information on environmental related issues as well as on the effectiveness of processes and procedures in the organization. MA

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GREEN ACCOUNTING STANDARDS AND TAXABILITY OF CARBON CREDIT CERTIFICATE

Abstract

In Green Accounting, unlike developed countries, Indian companies are lagging behind in booking of costs on environment under appropriate heads in in absence of Accounting Standards. Moreover, there is insufficient Disclosures on Environment in Annual Accounts. Except few elite companies, Indian corporates are shying away from disclosures on reduction of carbon emission. On the contrary, in USA and in EU including U.K. have sufficient Accounting Standards under GAAP and IFRS coupled with Disclosure Norms of SEC and EU Securities Market Regulation.

Carbon Credits is a financial offer in form of a certificate to an emission prone company for reduction of the emission of Green House Gases and also carbon dioxide. This certificate is known as Certified Emission Reduction (CER) certificate. This certificate is tradable in MCX in India and European Climate Exchange, Chicago Climate Exchange, NASDAQ OMX etc. The aspects of Taxation of Carbon Credit under GST and Income Tax have been debated here.

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In the commercial world, Envirnoment has two aspects. One is (1) Green Accounting also known as Envirnomental Accounting and the other is (2) Carbon Credit. We will elaborate here one by one.

(1) Green Accounting

Green Accounting is same as Environmental Accounting. Conventional accounting ignores the environment and pollution emission cost. In its contention, it skips destruction of resources of nature. On the contrary, Green Accounting focuses on impairment of natural resources and pollution reduction expenses. To cut the matter short, Green Accounting eyes on cost of deterioration and quality booster expenses of environment of a company or a nation.

When Annual Account of a country's GDP or a company does ignore cost of environment from all perspectives, they look pale and are severally criticized.

Why Green Accounting

Calculating the economic activity under National Income Accounting or under Corporate system of Accounting is erroneous in view of the reasons below:

a. Environmental aspects are absent in the Conventional accounting, .

b. Destruction of natural resources is nowhere in Normal system of Accounting,

c. Conventional economists think that that fossil fuels, water, wind, sunlight, forests, animals, minerals, valuable metals and even tides are resources and endowment of nature and are free. They are wrong since quality of all such things have a direct connection with quality of our life.

d. The expenses incurred on upkeep of the environment is wrongly perceived as investment in the System of National Income Accounting (SNA)

e. Reduction of natural resources is an irreparable process and can not be substituted. Measures to ascertain and combat this environmental disaster are priority and should be given importance in Conventional Accounting.

Accounting Standards of Corporate Green accounting can be divided into two disciplines:

1. Corporate India Green Accounting and
2. Corporate Global Green Accounting,

Why Accounting Standards are important?

Accounting standards guarantee that the Financial Accounts from different companies are comparable. Since all companies adopt the identical guidelines, **accounting standards** lift the financial statements' credential up and allow for more business decisions based on accurate and uniform accounting data. In absence of any **Accounting standards**, bases of Accounting information become erratic, booking heads of expenses are not appropriate and financial performance of companies can not be graded on merits and hence problematic.**From Table 1 below**, you can guess that when there is no **Accounting standards** on Green Accounting as in India, all the expenses on Envirnoment be it Statutory Cost or Upfront Cost,Contingent Cost, Image Cost or Voluntary Cost can not be booked under uniform and appropriate heads of Account. This is because in India there is only conventional format of accounting under Companies Act,2013 and nothing separate for Green Accounting. **(Please see Table 1)**

Table1 - Such Systematic Booking of Envirnomental Costs Under Appropriate Heads Not Possiable In Absence Of Accounting Standards

Statutory Cost	Upfront Cost	Contingent Cost	Image Cost	Voluntary Cost
Notification	Site studies	Future Cost	Corporate Image	Training
Reporting	Permitting R&D	Penalties/ Fines	Vendor Relation	Audit
Monitoring/testing	Engineering	Remediation	Investor Relation	Envirno. Report
Studies/modeling	Procurement	Property Damage	Lender Relation	Recycling
Record keeping	Installation	Legal Expense	Insures Relation	R&D
Training	Equipment	Resource	Regulator Relate	Landscaping
Inspections	Materials	Damage	Supplier Relation	Financing NGOs
Protective equip.	Labor	Economic Loss	Worker Relation	Monitor Testing
Medi- surveillance	Supplies	Personal Injury		
Environ. insura				

Source- https://shodhganga.inflibnet.ac.in/bitstream/10603/28706/9/09_chapter4.pdf

Indian Accounting Standards of Corporate Green Accounting

As on date, in India, financial reporting or auditing standard on social, environmental or sustainability related issuesby Institute of Chartered Accountants of India do nor exist.In absence of The Accounting Standards of Corporate India's Green Accounting ,conventional financial accounting structure in India lacks the platform to book environmental cost under correct heads of Account which has been already explained in **Table 1 above**. Such routine accounting format as per Companies Act,2013is hardly any match to support the data needed by different stakeholders regarding environmental expenses, liabilities, environmental risks . It also includes their investments, social costs and measures adopted by companies to dwarf global warming and boost sustainability.

However, in 2016,Institute of Cost Accountant of India, issued Guidance Note which provided guidance on recognition, measurement, presentation and disclosure of costs relating to CSR activities, as defined in Section 135 of the Companies Act 2013. It covers Envirnomenal Cost so far as per requirement of Section 135.

In 2011, SEBI made it mandatoryfor listed companies to announce on Environmental, Social and Governance (ESG) measures adopted by these companies, as per the main points articulated in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'. The Companies Act 2013 made a provision under Section 135 on Corporate Social Resposibility. Under **SCHEDULE VII of Companies Act, 2013**, activities which may be included by companies in their Corporate Social Responsibility Policies Activities among others relating to:—"(iv) ensuring environmental sustainability, ecological balance,protection of flora and fauna, animal welfare, agroforestry,conservation of natural resource and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set up by the Central Governmentfor rejuvenation of river Ganga]."

That is all about Indian Accounting Standards on Green Accounting. A very few firms in India submit necessary data on the environmental issue. Barring few exceptions, the practice of Green Accounting has not been welcomed by Indian Corporate World. Companies feel it a burden on the bottomline of the companies rather than it contributes to the welfare of the human being and next generation whom we will leave behind after some years.

Based on such requirements of SEBI, JSW Steel Limited made disclosure as below (Please Table 2 below)

Table 2 - Envirnomental Performance of JSW STEEL Limited during 2014- 2017

Particulars	Units	2014-15	2015-16	2016-17	Comments
Environmental Expenditure	Million Rupees	1091	5027	5421	- --------
Solid Waste Disposed	Tons Per Year	318	1485	1921	----------
Specific Water Consumption	m^3/tcs	4.57	4..52	3.61	(m^3 = cubic meter, tcs=tones of Crude Steel)
Specific Dust Emission	Kg/tcs	1.50	1.24	1.06	(kg=kilogram, tcs=tones of crude steel)
Specific NOx Emissions	Kg/tcs	0.90	0.98	1.24	NOx =Nitrogen Oxides, Kg. =Kilogram Tcs= Tones of Crude Steel
Specific Energy Consumption	Gcal/tcs	6.72	7.71	6.29	(Gcal=Giga calorie, tcs = tones of crude steel)

Source-https://www.researchgate.net/publication/332902793_A_Case_study_of_Environmental_Accounting_in_India_with_reference_to_JSW_Steel

Global Accounting Standards of Corporate Green Accounting

In USA, the FASB is a board of accounting veterans that formulates Accounting Standards for public companies and nonprofit organizations. Those standards follow the Generally Accepted Accounting Principles, or GAAP.While Accounting in EU is governed by International Accounting Standards Board (IASB) which vetoes International Financial Reporting Standards (IFRS).

USA Accounting Standards of Corporate Green Accounting

The Financial Accounting Standards Board (FASB) has been explaining **different environmental standards** and publishing explanations to clarify those standards. Those standards are relating to environmental matters and can be summarized as : FAS 5, FAS 157 and FAS 141-R .

1. **FAS 5**: Accounting for contingencies .

   It saysthat "disclosure should be made when an entity believes its environmental liability for an individual circumstance or its environmental liability in aggregate is material."

2. **FAS 157**: Fair Value Measurements. This standard was meant for clarity on the fair value theory, on environmental obligations, and otherobligations. It says that there are three levels where companies can work on, depending on the amount of data that they have for calculating the fair value.

3. **FAS 141-R**: Business Combinations. Standard is meant for environmental aspects.That standard points out that when a company takes over assets and liabilities of other company, consisting of contingent assets and liabilities including environmental items, have to value based on their fair value. Such valuation at fair value or otherwise varies on the type of contingency. It should be on fair value in case of contractual contingency.In case, there is no contractual contingency and possibility of event is certain, it is to be valued at fair value. However, if such possibility is not a certainty then valuation at fair valueis ruled out. In that case,companies need not recognize it and append it in the form of notes.

U.S. Securities and Exchange Commission (SEC) Envirnomental Compliances -

A Form 10-K is an annual report as per regulations of the U.S. Securities and Exchange Commission (SEC). These regulations exhaustively shows a company's financial position. The relevant items on Envirnomental aspects are Item 101, 103 and 303.

Item 101.

"Appropriate disclosure also shall be made as to the material effects - - - -- ------ enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment,--------------------".

Item 103.

Legal Proceedings: "Notwithstanding the foregoing, an administrative or judicial proceeding (···)---------- ---------------- -- regulating the discharge of materials into the environment or primary for the purpose of protecting the environment shall not be deemed ordinary routine litigation incidental to the business"

Item 303.

Management discussion and analysis: here, the company should explain regarding the financial position which will include data on the environmental contingencies.

EU (including UK) Accounting Standards of Corporate Green Accounting

International Accounting Standards Board (IASB) monitors International Financial Reporting Standards (IFRS).

IFRS 1: First-time Adoption of IFRS. Environmental assets, liabilities and provisions have to be presented at their fair value.

IFRIC 3: Emission Rights.

IFRS 6- This standards are related to only in environmental scheme,

IFRIC 5 -Exploration for and Evaluation of Mineral Resources; Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

IAS 1: Presentation of Financial Statements. Companies that operate closer to environment, have to present an environmental report.

IAS 37- Provisions, Contingent Liabilities and Contingent Assets. This standard can be easily related to environmental concepts.

IAS 38 - Other Standards centered their issue in aspects that are related to environmental issues, Intangible Assets. It deals with emissions rights, among other things.

IAS 41 - Agriculture. It deals with a specific sector which is akin to environment.

Table 3 - Unilever Envirnomental Global Data,2018, 2019

	2019	2018
Manufacturing (scope 1 and 2)[a]		
Scope 1 (tonnes CO_2)	607,829	711,875
Scope 2 (tonnes CO_2)[b]	361,669	726,167
Total Scope 1 & 2 (tonnes CO_2)[b]	969,498	1,438,042
Intensity ratio (kg CO_2 per tonne of production)[c]	50.76	70.46
Total energy (MWh)	6,648,048	7,196,599
Non-manufacturing (scope 1 and 2)[a] [d]		
Scope 1 (tonnes CO_2)	18,843	20,052
Scope 2 (tonnes CO_2)[b]	48,490	100,924
Total Scope 1 & 2 (tonnes CO_2)[b]	67,333	120,976
Total energy (MWh)	462,670	499,446
Upstream and downstream of Unilever operations (scope 3)		
Total scope 3 (tonnes CO_2e)	58,558,031	59,250,469
Top 3 scope 3 by emission source:		
Consumer use (tonnes CO_2e)[e]	39,730,116	39,895,946
Ingredients and packaging use (tonnes CO_2e)[f]	14,448,186	14,985,897
Distribution and retail use (tonnes CO_2e)[g]	4,379,729	4,368,626

Source – Unilever Limited Annual Account,2019

(2) Carbon Credit

What are Carbon Credits to corporate?

Carbon Credits is a financial offer to an emission prone company for dimuntion of the emission of Green House Gases, and also carbon dioxide. Such reduction of emission of Green House Gases is achieved through a number of ways like using of wind and solar energy, forest regeneration, employing of energy efficient machinery, landfill methane capture, etc.

Thus, in case a company wants to surpass its given limit of carbon-dioxide emission, it can do so only if it compensates another company that has required credits in the balance. It is actuallythe financially making up of the damage done to the environment by this particular offending company.

In India, Coal India tops the list the highest CO2 emission followed by Reliance Industry, NTPC and ONGC. Mining, Chemical, Electricity, Non-metallic minerals, Transport Equipment are the front-runners in the list of most pollutant industries.

Actually, one Carbon Credit is equal to dimuntion of one metric tonsof carbon dioxide emissions. This incentive scheme of Carbon Credits play a crucial part in terms of backing the environment in as much as boosting the bottomline of the companies who are in carbon trading. In India, we already have a excellent market for such trading.

Certified Emission Reduction (CER) Certificate

A dimuntion in emissions gives right the companyto an incentive in the form of a Certified Emission Reduction (CER) certificate.

Whether Certified Emission Reduction (CER) are tradable?

The CER is tradable and its owner can deliver it to a company/organisation which is short of Carbon Credits to compensate an adverse position on carbon credits.

Now if a company has excess carbon credits, then it may dispose of them to one who is in short to take up production through an Emissions Trading market like the European Climate Exchange, Chicago Climate Exchange, NASDAQ OMX etc.

Figure 1 - <u>European Climate Exchange Carbon Price (London,UK)</u>

<u>Trading Price on 21st February,2020</u>

CO2 EUROPEAN EMISSION ALLOWANCES Commodity

25.15 -0.35 (-1.37%)

Official Close 2/21/2020 MI Indication

In India,the price of 1 Metric Tonne GHGE(equivalent to trading 1 Carbon credit) has ranged from INR 800 to 900 in the recent past.In India, the **Multi Commodity Exchange** (MCX), is the country's main commodity stock exchange, wherefutures trading in carbon credits happen. Though we are likely the biggest market for carbon credits on the MCX, however, we still need to frame required policies for smooth trading of certified emission reductions (CERs), carbon credit. For boosting the market for carbon trading, Forward Contracts (Regulation) Amendment Bill has been placed in the Parliament. This new bill will assist the traders and farmers to use NCDEX as a base for trading of carbon credits.

Which countries are fascinated in carbon credit and why?

- Carbon markets are lucrative for countries that have problems in reaching target of the deep decarbonisation set in the Paris Agreement, which promised to stick to the global average temperature increase below 1.5ºC.
- Such countries are mostly Brazil, India and China.
- Though the US is in the way to pull out from the Paris treaty, it also has a major interest in global carbon market.

India's concerns

- Indian corporates have recorded in official list 1,669 projects under CDM and rewarded 246.6 million credits; another 526 projects were recorded in official list under the 'voluntary' market and these have fetched 89 million credits.
- Thus, in all, Indian companies got roughly 345 million credits. Under CDM, they are termed 'certified emission reductions', or CERs.

TAXABILITY OF CARBON CREDITS UNDER GST LAW

GST is levied on goods or services or both.Thus, for levying GST, the CER/Carbon Credit should be goods or services. Section 2(52) of the **Central Goods and Services Tax Act, 2017** ("CGST Act") says the term "goods" as "goods means every kind of movable property other than money and securities but includes actionable claims, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply."

As per definition of *"services", "services means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged."*

Thus, it is evident that both money and securities have been placed out of purview of goods and services. Thus, CERs to be exempted fromlevy of GST, it should be either *"money"* or *"securities"*. The term *"money"* as per Section 2 (75) of the Central Goods and Services Tax Act, 2017 ("CGST Act") (75) reads as - "money" means the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any other instrument recognised by the Reserve Bank of India when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value";

Thus, it is evident thatCERs are neither money not also they are any other instrument recognised by the Reserve Bank of India.

For taxability of CER, there are two opinions. First opinion considers CERs as *"goods"* and hence taxable as GST, and second opinion considers CERs as *"securities"* and accordingly GST is not payable on CERs.

To term CERs as "goods", it should be "movable," " marketable" and not "money" or "securities".

Supreme Court *In Vikas Sales Corporation vs Commissioner of Commercial Taxes handled the aspects of taxability of "replenishment licenses or R.E.P. licences" issued under the EXIM policy which enables exporters to import the required materials for producing the finished products for export. It was decided that such Import Licence is easily transferable and is equivalent to goods as per GST.*

In Yasha Overseas vs. Commissioner of Sales Tax and Ors., the Supreme Court decided that DEPB is identical to REP licenses and considered as goods since it is transferable and has market value and have an inherent value.

Accordingly, it is concluded that CERs like *R.E.P. licences and DEPB,as explained above,* are considered as *"goods"* as they have marketability,*inherent value.* and mobility hence easily transferable.Further,Central Government vide the Circular No. 34/8/2018-GST dated 01.03.2018 and **Circular No. 46/20/2018-GST dated 06.06.2018**, fixed the imposition of GST on PSLCs and RECs @ 12% and by default on CERs.

Further,the Central Government vide Notification No. S.O.3068(E) dated September 27, 2016 notified carbon credits as goods for the purposes of clause (bc) of section 2 of Securities Contract (Regulation) Act,1956.i.e. to be treated as commodity derivative which is not a security.

Accoringly, CER is taxable under GST.

TAXABILITY OF CARBON CREDITS UNDER INCOME TAX ACT

Income-tax Department has been earlier considering the income on transfer of carbon credits as Business Income and taxable @ 30%. However, there were different views by the Courts on the subject whether the income on transfer of carbon credit is a receipt of revenue or capital nature.

To boost environment protection and to avoid confusion over capital vs. revenue receipt, with effect from 1st April 2018, a section 115BBG was brought in to charge any income from transfer of carbon credit, at the discounted rate of 10% (plus applicable surcharge and cess) on the gross amount of such income provided .no expenditure or allowance in respect of such income shall be allowed under the Act.

Contrary to such legislation,the Bengaluru bench of the Income Tax Appellate Tribunal (ITAT) recently decided that the Sale of Carbon Credits would not fall under Income Tax as it is a capital receipt as per the Income Tax Act. In this case, Assessing Officer additionally charged Rs.6,35,04,451/- against the assessee, M/s. Ambuthirtha Power P. Ltd, in view of sale of carbon credits by deciding it as revenue receipt. The assessee put relianceon an previous order of the Tribunal wherein the bench held that the sale of carbon credits is not taxable as it is a capital receipt.

To conclude on Tax issues on CERs, it is seen that both GST@12% and Income Tax @ 10% are double swords for players of Carbon Credit. Such Taxation will kill enthusiasm of corporates/organizations for reducing emission. Such reluctance will be counterproductive for the cause of environment protection. By definition, CERs may be item subject to several taxation, however, when question of environment protection comes, a rethinking on imposition of both GST and Income Tax by concerned authorities should be definitely done. MA

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TALENT MANAGEMENT AND RETURN ON TALENT (ROT) FROM THE LENS OF ENGINEERING CONSULTANCY

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Abstract

Human talent plays an indispensable role in business of intellect services like engineering consultancy, management consultancy, legal consultancy, financial consultancy, tax consultancy, health care, etc. In such industries, the relevance of people (talent) management is un-debatable and its practice quintessential as talent constitutes the central force and forms the nucleus of the business. Congruously, in engineering consultancy, a Consultant's identity in the industry is established through its people (engineers) involved in rendering detailed engineering and project management consultancy (DEC-PMC) services to Clients. However, managing talent from recruitment to retention is not a cakewalk. This calls for resorting to contemporary practices encompassing a myriad of novel facets. In this back drop, the paper dwells upon issues like understanding role of human capital (engineers), talent management system, talent life cycle, return on talent (ROT), etc. to achieve HR objectives and organizational goals in the context of engineering consultancy.

Engineering Consultancy (EC)

Engineering consultancy (EC), as the name suggests, implies rendering intellect services to Clients as a connoisseur in imparting value added engineering & technological advises and recommending appropriate course of action to implement the recommendations. It is basically the people (Engineer) based idea imparting services. An engineering Consultant plays advisory role as the *owner's design engineer* and participatory role as *owner's site engineer* during the project engineering and project management consultancy (PMC) phase respectively. [*Chatterjee & Chatterjee, 2019 Jan]* The scope of services of an engineering Consultant include the entire gamut of activities related to setting up of projects in green as well as brown fields. The engineers of Consultant are expected to play the role of a partner, reviewer, facilitator, executor, etc. to give shape to the ideas into realities in line with the best industry practice. In EC, the relationship between the Consultant and the Client seldom ends. It is an ongoing process which continues till project completion phase and helps determine Client's choice the next time around. For engineering consultant, the name of the game is 'manage a strong Client base and flourish'. Instead of running after the clients, consultants need to run along with them. *[Chatterjee and Prasad, 2003 July – December]*. Engineering consultancy have a number of unique features which makes its marketing idiosyncratic. Features like multi-disciplinary knowledge and expertise based profession, co-existence of service provider (Consultant) and service receiver (Client), inseparability, Client's participation; co-operation and role contribution, variability/heterogeneity, intangibility, etc. makes marketing of engineering consultancy distinct. *[Chatterjee and Prasad, 2002 Jan- March]*

Role of Human Capital (Talent) in Engineering Consultancy

Human capital (talent) plays an indispensable role in business of intellect services like engineering consultancy, management consultancy, legal consultancy, financial consultancy, tax consultancy (Indirect & direct), health care, etc. In such services, the relevance of people (talent) is un-debatable and its practice quintessential as people form the nucleus of the business and constitute the central force in the marketing mix. Congruously, in engineering consultancy, a Consultant's identity in the industry is established through its engineers involved in rendering detailed engineering (DEC) and project management consultancy (PMC) services**.** The engineers are considered to be an intrinsic part of the project by the Client from concept to commissioning and even during the post implementation phase.

In engineering consultancy, engineers are the face of the Consultant, their knowledge, competence, skill, expertise, attitude, personal traits, etc. are organization's USPs (Unique Selling Proposition). For Client, Consultant's engineers are the most sought after marketing mix. Being intrinsic part of the project/service offering, they work in a close-knit and synchronous manner with Client's project team during different phases of project. It may be at design & engineering office of the Consultant, or at the office of the statutory authorities for defending the project report, or at works/shop floor of Contractor-vendor-equipment manufacturer during inspection, or at project site of the Client, etc. The Consultant's team who work for the project and render services to Client are perceived to be an essential stanchion of the service offerings, as they being directly involved in service offerings. In fact, in Client's opinion, Consultant's engineers, who are either at the front line or supporting the front line from behind the scene are the product/service. They view the engineering Consultant through the disposition of these engineers and judge engineering Consultant's performance by their performance. If these personnel don't meet the Client's expectations, neither does the service. *[Chatterjee and Chatterjee, 2019 May]*.

Engineers involved in service transaction creates ***moments of truth*** *[Carlzon, 1987]*. Their expression, attitude, competence, knowledge, talent, etc. creates an impression, reinforces Client's beliefs and strengthens Client's perception. A series of moments of truth leads to Client elation or annoyance. The engineers usher cutting edge and ultimately create service differentiation which results in Client delight, referrals, repeat orders or orders on nomination basis. If consultant's engineers are not persuasive, then, for the Client, the organisation is not persuasive. Variance on these traits by any one of them at any instance has the potential to either gain Client's trust or have the opposite effect. It is the moment where the Consultant's image is built or **.....??** and provides/deprives future business opportunity.

Engineers are the cynosure of the engineering consultancy and are organization's greatest assets. They give birth to innovative ideas which results in quality services, processes & effort economy, time & cost economy, Client elation, etc. Only when these engineers of the Consultant deliver the services in quality way, with utmost concern for Client and completion of the project in time-without cost over-run, the likelihood of Client patronage and placing additional responsibilities increases. To run with Clients and to solicit Client's co-operation, it is essential that Consultant's engineers are talented, have Client centric mind set, have an attitude to work in consonance with Clients team and enjoy their confidence. Like any other physical and financial asset, they have value creation ability. In engineering consultancy, brand is built by all the people (engineers), whereas branding is by few personnel of the corporate communication department. *[Chatterjee and Chatterjee, 2019 Jan]*. In addition to personnel belonging to marketing department *(full time marketers),* each and every engineer of Consultant, irrespective of the discipline/department they belong to, is a man of marketing *(part time marketers)* in a subtle way.

Thus, aspects like nature of service (intellect), unique features, the associated quality elements, limited Client base, strategic dependence on a few Clients, ongoing relationship with Client, etc. establishes the indispensable role the engineers play and augments the need for strong talent management system encompassing a myriad of novel facets like understanding role of human capital, talent life cycle, ROT, etc. to achieve HR objectives and organizational goals.

Talent Management System (TMS)

TMS is an effective tool for creating a symbiotic relationship between talent and the organization to dramatically accelerate performance improvements. TMS is an important functional area of management to enhance the human value that can be delivered. TMS ~~It~~ deals with following four broad elements: **(i)** Attracting right talent towards the organization **(ii)** Keeping or retaining talent (iii) Managing talent (iv) Identifying talent. *[Chowdhury, 2002]* Attracting right talent (engineers) describes how to become a strong magnet for talent (engineers). Keeping or retaining talent describes how to create and maintain conducive working environments in which talents can productively pursue the joy of work and financial benefits from contributions to achieve corporate objectives. Managing talent describes how to treat talents as an important business resource and create opportunities and freedoms for talents to stretch for their dream, for the things that make big differences for the organization. Identifying talent describes ways to identify visible and hidden talents, say, by noticing the obvious talents, by using a performance-based identification tool, using a test-based identification tool, etc. The important sub-elements within talent management are recruitment & selection, training, re-training and development to keep tab on contemporary issues and to cope up with the environmental changes, proper job specification & allotment, empowerment, motivation (monetary & non-monetary), mechanism to recognise and applaud great work, opportunities to help achieve fullest potential, career planning & path visibility, personal development & growth prospect, transparent working environment, job satisfaction, proper compensation preferably above industry practice, etc.

Talent Life Cycle (TLC)

Like a product/brand having life cycle (PLC), a talent has a life cycle too which can be used to analyze talents (engineers) of various disciplines/ departments. The TLC concept may help CHROs interpret talent and industry dynamics, conduct planning and control. A talent's performance/productivity passes through few distinct stages, each posing different challenges, opportunities and problems to the organization. The phenomena of cut-in work experience and cut-out work experience are observed in TMS. Cut-in work experience means the work experience beyond which the productivity rises rapidly whereas Cut-out work experience means the work experience beyond which productivity remains more or less stagnant. The productivity of an employee during the trainee stage (initial phase) is usually negligible (Clustered as Phase I- Introduction phase). Introduction phase is a period of slow rate of knowledge growth. Concrete outputs are almost non-existent. After the completion of on the job trainee period (classroom as well as shop floor/field), the productivity starts increasing rapidly. This can be termed as cut-in work experience. Now onwards, productivity continuously goes on increasing usually with the square of work experience in years till a peak is attained (Clustered as Phase II- Growth Phase). Growth is a period of rapid knowledge enhancement and upward drift as employee has momentum through own initiative, diligence, enthusiasm, word of mouth, appreciation/ accolade, cohort/ peer learning, interaction with seniors-colleagues-subordinates, etc. After that, the productivity remains more or less stagnant for quite some years till retirement i.e. it does not change much with time (Clustered as Phase III - Maturity Phase). Maturity is a slowdown in knowledge acquisition/assimilation rate because of biological constraints. This can be termed as cut-out work experience. The productivity function (w.r.t. time in number of years worked) in Phase I and Phase III are usually linear in nature whereas in Phase II it is quadratic in nature. The productivity function is continuous throughout all the 3 phases but not differentiable at the boundary/ transition zone between each of the individual phases. Phase I can be represented numerically by the formula $y = k_1 w$, where k_1 is productivity constant for a talent in phase I and tending to zero. Phase II can be represented numerically by $y = 0.5\ k_2\ w^2$ where is k_2 is the productivity constant for a talent in phase II and tending to a sizeable finite value (varying value) depending upon talent's personal traits. Phase III can be represented numerically by $y = n$ where n is numerically constant and its value is equal to $0.5\ k_2\ (w_{cutout})^2$. However, it is prudent to mention that unlike product life cycle (PLC), the 4th stage (i.e. decline phase) is not apposite in the case of TLC as talent is non-depreciating and non-plummeting in nature.

However, from recruitment to retention and managing talent is not enough. To achieve HR goals, in addition to understanding TMS and apprehending TLC, calculating contribution (return) by the people/talent in terms of ROT is mandatory.

Calculating Return on Talent (ROT)

Mathematically, ROT is the ratio of contribution (return) by the people/talent and total capital invested in the people/talent with an aim to achieve qualitative and quantitative business goals. It quantifies the payback from investment in talent and shows whether right people (HR) are being recruited and how effectively they are being utilized to achieve organization's qualitative and quantitative business objectives.

ROT has different version/definition for different person. It is the ratio of knowledge generated & applied and investment made in the talent. Without investment in talent, an organization becomes motionless. ROT measures the return on human capital instrumental in achieving organization's qualitative and quantitative business goals. The qualitative goals that directly influence business success-could be the engineering-technology leader in the market in terms of innovativeness & contemporariness (i.e. state of the art technically efficient–economically viable- environmentally sustainable service). These include innovation, growth, service quality enhancement, zero service defect, new product-service development, new patents-trademarks-copyrights, Client delight, Client loyalty, Client retention, repeat orders, orders on nomination basis, negligible Client defection, increased employee morale & hence productivity, improved learning rate, employee retention, negligible employee attrition, etc. The quantitative goal parameter that directly determines/quantifies business success include increased market share, competitive position: market leader, new brands, revenue turnover growth, PBT/ PAT growth, EPS growth, market capitalization, etc.

Mathematically, ROT is given by the following formula:

$$\text{ROT} = \frac{\textbf{Knowledge Generated and Applied by the Talent}}{\textbf{Invested in Talent}}$$ *[Chowdhury, 2002]*

$$\text{ROT} = \frac{\textbf{Return (Benefits) on Talent}}{\textbf{Total Cost in Talent}}$$ *[Banerjee, 2013 March]*

Taking a lead from the above academicians , ROT could be redefined as given below.

$$\text{ROT} = \frac{\textbf{Contribution (Return) by the People (Talent)}}{\textbf{Total Capital Invested in People (Talent)}}$$

$$\text{ROT} = \frac{\textbf{Revenue Earned by the Talent – Total Invested Capital in Talent}}{\textbf{Total Capital Invested in Talent}}$$

$$ROT = \frac{E - C}{C}$$

$$ROT = \frac{E - (C_P + C_T + C_I + C_C + C_R + C_O)}{(C_P + C_T + C_I + C_C + C_R + C_O)}$$

Where,

E = Revenue earned by the Talent (earning per respective employee)

C = Total capital invested in Talent = (Cp + C_T + C_I + C_C + C_R + C_O)

C_P = Cost of identifying and recruiting candidate/Talent

C_T = Cost of training, re-training & developing Talent

C_I = Cost of required environment in which Talent can work (Infrastructure Cost- H/w & S/w, specialized chatbots, AI, IoT, ML, ICT, deep learning, data analytics cloud computing, edge computing, analytics & data mining, simulation & computational modeling, etc.

C_C = Cost of compensation to the Talent

C_R = Cost of retaining the Talent) (Personal & spouse rewards, recognition, special perks, career aspirations as motivator, etc),

C_O = Overhead Cost apportioned to the Talent

All the above cost data can be had from the financial module of SAP.

The ROT computation helps management to monitor/evaluate performance of the talent, determine the profitability of their investment in people (talent), to forecast opportunities in a congenial atmosphere, etc. which reflects the profitability of the organization. To make investment more profitable, organization must constantly calculate ROT, continuously improve ROT and nurture, develop, and refresh talented people. The ROT calculated should be then compared with the ROT rate prevailing in the organization's other similar strategic business units (SBUs), ROT rate prevailing in the same industry, ROT rate prevailing in the similar industry, etc. for drawing inference.

ROT has an uniqueness. Unlike, return on physical asset, which is a scalar quantity, ROT is a vector. It has both *magnitude* and *direction*. *[Banerjee, 2013 March]*. A high talent, directed to a right or priority direction, will yield return which may be important or even relevant. Such talents which are valuable and incredible assets of the organization may become non performing asset (NPA), if not utilized properly and will affect organization's health growth. If talent management is conducive, personnel moral will be high and personnel turnover will be negligible or minimum, that too the inevitable ones. ROT can be both a quantitative and qualitative measure, based on managerial viewpoint. For quantitative measurement, pricing of talent in the form of skills, expertise, experience, knowledge, etc. would be required. While qualitative measures may be in terms of organizational profile drawn on the basis of opinions of the Clients, industry associations, multi lateral funding agencies, etc.

Conclusion

People (Engineers-Talent) are the cynosure of the engineering consultancy business. As their role is vital and indispensable, it warrants distinct attention. For CHROs of engineering consultancy organization, TMS is not a cakewalk for HR team as it is no longer fettered to merely hiring, appraising and compensating people/employees. TMS must define the people essence of the organization- how it is unique and what it stands for in the industry. It must encompass the principal mission that make people proud to work and stay to achieve better efficiencies and output from employees. When integrated into all functional areas of management, a strong TMS encompassing employee value proposition, employee analytics, People Capability Maturity Model Integration (PCMMI) V2.0 to achieve maturity level 5, etc. will help retain top performers and attract the best external talent. It is important to comprehend that it's the people of the organization who develop ideal organizational culture from vision to reality. A robust HR vision is required to achieve optimum business performance/ objectives, be it for current or future. MA

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PRODUCTIVITY MEASUREMENT USING PRODUCTIVITY ACCOUNTING MODEL: A CASE STUDY OF REFINERIES SECTOR COMPANIES INCLUDED IN NIFTY 50

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Abstract

Research Issue: *Productivity is the relationship between output and one or more of the physical or monetary inputs used in the production process. It is denoted as a ratio of monetary value of output to the monetary value of input. In the present research, an attempt has been made to measure, analyse and compare intra company and inter company productivity of Refineries sector companies from 2010-11 to 2017-18 i.e. for eight years.*

Research Findings: *Intra company comparison has been drawn with the help of chi- square test and results indicate that hypothesis drawn is accepted in all the cases of refineries sector companies. This means that the overall productivity indices of the Refineries sector companies for the study period are approximately same and can be represented by straight line trend or line of best fit. Inter company comparison has been drawn with the help of Kruskal Wallis One Way Analysis of Variance Test and results indicate that null hypothesis isaccepted which means that there is no significant difference in the overall productivity ratios of the companies.*

Introduction

Productivity serves as the benchmark to ascertain the efficiency of any type of organisation. As efficiency should get reflected in productivity measures, it can be considered as an effective proxy for efficiency. According to International labour organisation, "the basic principal of productivity is to make the best use of limited factors of production, like- land, capital, labour, raw material and management etc. so that maximum production becomes possible on to minimum economic and social costs."

The most integral purpose of the productivity analysis are comparing an enterprise with its competitors, determining the relative performance of the department and workers and comparing relative benefits of various types of inputs for collective bargaining and gain sharing.

Productivity is the relationship between output, may it be a physical or measured in monetary terms and one or more of the physical or monetary inputs used in the production process. It is expressed as a ratio to reflect how efficiently resources are used in creating outputs. Hence, this study aims to measure productivity in terms of material, labour, overheads and in aggregate.

Review of Literature

Many studies on productivity trends in India and abroad have been carried out over the last few decades. Few studies are being summarised below:

Reddy and Naidu (2013) in their research paper studied the productivity trends of 12 Indian cement companies for the period from 2000 to 2009. The labour, capital productivity, capital intensity, labour, capital productivity indices and capital intensity indices have been calculated to determine the efficiency of an individual factor input.

Deb and Ray (2014) have analysed in their paper total factor productivity growth in Indian manufacturing sector. The paper compares the pre and post reform performances of Indian manufacturing related to total factor productivity growthfrom1970-71 to 2007-08.

Maheshwari and Taparia (2019)investigated in their paper the material productivity of automobile sector companies included in Nifty 50. The study analysed the material productivity of eight years from 2010-11 to 2017-18.

Research Gap: As per the above reviews and many more studies studied related to the topic, there is no study on productivity of refineries sector companies included in Nifty 50 for this particular study period and by measurement of productivity by productivity accounting model.

Research Methodology

Main Objectives of the Research

The main objectives are being summarized as follows:-

1. To measure, analyse and compare the intra company and inter company overall including material, labour and overhead productivity.
2. To suggest ways for the improvement in material, labour, overhead and overall productivity.

Sample and Collection of Data

This research is based on the secondary data. The data and informationhave been obtained from the annual reports of theselectedsampled refineriessector companies viz., BPCL, HPCL, IOCL, RIL included in Nifty 50.The index numbersused in the study have been collected from the various bulletins published by Reserve Bank of India on its website.

Selection of Base Year

The study covers a period of eight years i.e. from 2010-11 to 2017-18. The year 2010-11 has been taken as the base year. The revaluation of output and input is done as per the base year.

Model to be used

In the present research, Productivity Accounting Model has been used for measuring productivity because it considers all the elements of output and input, ignoring the effect of inflation.

Hypotheses

Keeping in mind the objectives of the research, following hypotheses have been developed and tested.

Intra Company Comparison- Non Parametric Chi-Square Test

Null Hypothesis (H_0): There is no significant difference in the material, labour, overhead and overall productivity indices of the sampled company for the study period and can be represented by straight line trend or line of best fit.

Inter Company Comparison- Kruskal Wallis One Way ANOVATest

Null Hypothesis (H_0): There is no significant difference in the material, labour, overhead and overall productivity ratios of sampled companies.

Calculation of Index Numbers and Conversion Factors

Index numbers published by various RBI Bulletins and conversion factors accordingly have been used,forthe revaluation of data on the base year's prices for eight years from 2010-11 to 2017-18.Here the year 2010-11 has been taken as base year. Backward Splicing technique has been used for calculating the index numbers of 2010-11.

Following formula has been used to calculate conversion factors:

$$\frac{\text{Index number of the base year}}{\text{Index number for the current year}}$$

Table 1: Index Numbers and the Conversion Factors for Revaluation of Data

Year	Wholesale Price Index Base year 2011-12 = 100	Conversion Factors	Consumer Price Index for Industrial Workers Base Year 2001 = 100	Conversion Factors	Fuel and Power Index Base Year 2011-12 = 100	Conversion Factors
2010-11	91.80	1.000	180.00	1.000	87.75	1.000
2011-12	100.00	0.918	195.00	0.923	100.00	0.878
2012-13	106.90	0.859	215.00	0.837	107.10	0.819
2013-14	112.50	0.816	236.00	0.763	114.70	0.765
2014-15	113.90	0.806	251.00	0.717	107.70	0.815
2015-16	109.70	0.837	265.00	0.679	86.50	1.014
2016-17	111.60	0.823	276.00	0.652	86.30	1.017
2017-18	114.90	0.799	284.00	0.634	93.30	0.941

Source: *Authors Calculation with the help of RBI Bulletin*

Revaluation of Output

The output of the companies has been revalued by multiplying the output values with the conversion factors based on wholesale price index. Output includes sales, other income and change in the inventories of finished goods, work in progress and traded goods.

Revaluation of Input

The respective input values have been revalued bymultiplying the input values with the conversion factors.

Labour- revalued by Consumer Price Index,

Power and Fuel- by Fuel and Power Index

Rest of the Cases- by Wholesale Price Index

Depreciation and Amortisation-Not revalued.

In the present research assets approach is followed for calculating the capital employed or investment. Fixed assets have been taken on the historical values as shown in the balance sheet of the respective company.

Base Year Rate of Return: The base year rate of return based on industry standard for intercompany comparison has been calculated with the help of the following formula:

$$R_I = \frac{R_1 + R_2 + R_3 + R_4 (\text{Rate of Return of Sector Companies}) X100}{AI_1 + AI_2 + AI_3 + AI_4 (\text{Average Investment of Sector Companies})} = 5.55\%$$

Productivity: Productivity indicates that how much has been produced as output by a unit of input. It has been shown inAppendices.

Table 2: Hypothesis Testing and Interpretation of Productivity

Company	Table Value	Material Productivity Chi Square Value	Material Productivity Result (Null Hypothesis)	Labour Productivity Chi Square Value	Labour Productivity Result (Null Hypothesis)	Overhead Productivity Chi Square Value	Overhead Productivity Result (Null Hypothesis)	Overall Productivity Chi Square Value	Overall Productivity Result (Null Hypothesis)
Bharat Petroleum Corporation Ltd.	14.067	0.650	Accepted	69.482	Rejected	6.302	Accepted	0.368	Accepted
Hindustan Petroleum Corporation Ltd.	14.067	0.353	Accepted	32.335	Rejected	9.032	Accepted	0.312	Accepted
Indian Oil Corporation Ltd.	14.067	0.575	Accepted	33.676	Rejected	8.073	Accepted	0.612	Accepted
Reliance Industries Ltd.	14.067	2.918	Accepted	19.682	Rejected	23.860	Rejected	0.385	Accepted

If the calculated value of chi square is less as compared to the table value hence null hypothesis is accepted. This reveals that the productivity indices of the company for the study period are approximately equaland can be represented by straight line trend or line of best fit.

Kruskal Wallis One Way ANOVA Test

The productivity of all the samples is combined and arranged in increasing order, given a rank number and value of H is calculatedand result indicated in table 3.

Table 3: Kruskal Wallis One Way ANOVATest of Refineries Sector

Particulars	H Value	Table Value	Result
Material Productivity Ratios from 2010-11 to 2017-18	17.739	7.815	Null hypothesis is Rejected
Labour Productivity Ratios from 2010-11 to 2017-18	11.514	7.815	Null hypothesis is Rejected
Overhead Productivity Ratios from 2010-11 to 2017-18	16.395	7.815	Null hypothesis is Rejected
Overall Productivity Ratios from 2010-11 to 2017-18	6.352	7.815	Null hypothesis is Accepted

The null hypothesis is rejected by applying H Test on material, labour, overhead productivity ratios while it is accepted in case of overall productivity ratios. This means that there is a significant difference in material, labour, overhead productivity ratios of the refineries sector companies whilethere is no significant difference in overall productivity ratios of the refineries sector companies of Nifty 50.

Possible Savings

Possible savings has been calculated to analyse what would have been saved if optimum utilisation of resources is made.

Possible Saving in input = Actual input – Standard input

Standard input = minimum requirement of Input per unit of output X Actual Output revalued according to the base year.

Table 4: Possible Savings from 2010-11 to 2017-18

Amount in ₹ crore

Companies		Bharat Petroleum Corporation Ltd.			Hindustan Petroleum Corporation Ltd.			Indian Oil Corporation Ltd.			Reliance Industries Ltd.		
		Material	Labour	Overhead	Material	Labour	Overhead	Material	Labour	Overhead	Material	Labour	Overhead
2010-11	Standard	127605	1149	7154	114045	1117	6439	260459	3755	18436	163790	1959	19442
	Actual	141028	2803	8012	126019	1982	7035	299786	6436	18436	198076	2624	26195
	Saving	13423	1654	858	11974	865	596	39327	2681	0	34286	665	6753
2011-12	Standard	165029	1487	9252	142246	1393	8039	318399	4597	22555	203259	2431	24126
	Actual	181706	2087	9668	152954	1461	8039	362046	4597	22664	256799	2642	24594
	Saving	16677	600	416	10708	68	0	43647	0	109	53540	211	468
2012-13	Standard	174172	1569	9773	155542	1523	8782	305154	4400	21616	207077	2477	24580
	Actual	192016	2318	9773	164658	2114	8870	351690	6086	23769	266658	2807	25538
	Saving	17844	749	0	9116	591	88	46536	1686	2153	59581	330	958
2013-14	Standard	178654	1609	10016	158405	1549	8943	309459	4462	21921	215299	2571	25550
	Actual	196106	2210	10984	169305	1549	9619	346723	5050	27586	272775	2571	25550
	Saving	17452	601	968	10900	0	676	37264	588	5665	57476	0	0
2014-15	Standard	166470	1495	9333	148357	1453	8376	289216	4170	20487	180865	2163	21468
	Actual	170667	1495	11742	149845	1731	9573	310164	5094	26533	215874	2643	27952
	Saving	4197	0	2409	1488	278	1197	20948	924	6046	35009	480	6484
2015-16	Standard	135606	1222	7603	131401	1287	7419	237967	3431	16857	135406	1619	16071
	Actual	135606	1955	12701	131401	1572	12898	240796	5186	32127	135406	2893	30384
	Saving	0	733	5098	0	285	5479	2829	1755	15270	0	1274	14313
2016-17	Standard	138341	1246	7756	131488	1288	7424	229015	3302	16223	133666	1599	15866
	Actual	149883	2236	11537	138400	1921	10618	247462	6337	34148	143569	2891	30785
	Saving	11542	990	3781	6912	633	3194	18447	3035	17925	9903	1292	14919
2017-18	Standard	161548	1455	9057	153937	1508	8691	273895	3949	19402	155699	1862	18481
	Actual	165480	2175	13910	154915	1812	11681	273895	6390	31045	168328	3005	32376
	Saving	3932	720	4853	978	304	2990	0	2441	11643	12629	1143	13895
Total Savings		85067	6047	18384	52075	3024	14221	208996	13110	58811	262423	5394	57790

Note: Amount has been rounded off to nearest ₹

Above table suggests that the total possible savings in material input for a period of eight years would have been ₹ 85067 crore of BPCL, ₹ 52075 crore of HPCL, ₹ 208996 crore of IOCL and lastly ₹ 262423 crore of RIL.The total savings in labour input for a period of eight years would have been ₹ 6047 crore of BPCL with 2014-15 as a base year, ₹ 3024 crore of HPCL with 2013-14 as a base year, ₹ 13110 crore of IOCL with 2011-12 as a base year and lastly ₹ 5394 crore of RIL with 2013-14 as a base year. The total savings in overhead input for a period of eight years would have been ₹ 18384 crore of BPCL, ₹ 14221 crore of HPCL, ₹ 58811 crore of IOCL and lastly ₹ 57790 crore of RIL.

Comparative Average Analysis

To analyse between the companies of a particular sector it is better to analyse its average performance for the study period.

Table 5: Comparative Average Productivity Ratios from 2010-11 to 2017-18

Base Year 2010-11

Companies	Total Material (Input Output Ratio)		Material Productivity Ratio		Total Labour (Input Output Ratio)		Labour Productivity Ratio		Total Overhead (Input Output Ratio)		Overhead Productivity Ratio		Overall Input Output Ratio		Overall Productivity Ratio	
	Average	Rank	Average	Rank	Average	Rank	Average	Rank	Average	Rank	Average	Rank	Average	Rank	Average	Rank
Bharat Petroleum Corporation Ltd.	0.9006	3	1.112	3	0.0120	3	88.513	3	0.0604	2	17.118	2	0.9877	3	1.013	3
Hindustan Petroleum Corporation Ltd.	0.9088	4	1.102	4	0.0110	2	94.110	2	0.0602	1	17.162	1	0.9916	4	1.009	4
Indian Oil Corporation Ltd.	0.8700	2	1.133	2	0.0165	4	63.130	4	0.0796	3	13.489	3	0.9834	2	1.018	2
Reliance Industries Ltd.	0.7741	1	1.302	1	0.0109	1	96.546	1	0.1106	4	9.676	4	0.9574	1	1.045	1

The total material average input output ratio and average material productivity ratio is the best of RIL, followed by IOCL, BPCL and lastly HPCL.The total labour average input output ratio and average labour productivity ratio is the best of RILfollowed byHPCL,BPCLand lastly IOCL The total overhead average input output ratio and average overhead productivity ratio is the best of HPCLfollowed byBPCL, IOCL and lastly RILThe average overall input output ratio and average overall productivity ratio is the best of RILfollowed byIOCL, BPCLand lastly HPCL

Conclusion

It may be concluded from the above analysis that the refineries sector companies included in Nifty 50 are able to utilize its resources efficiently as for each amount of input more amount of output is obtained. But this should not be the only criteria for analyzing the productivity. Material productivity may increase by optimally utilizing its raw material without any wastage or spoilage, technology used in processing the material should be of high quality so that there is low wastage of material, use of good quality equipment, etc. The labour cost can be optimally utilised by adopting techniques such as incentive schemes, workers participation in the management, job enrichment, flexitime, etc. Overhead productivity can be improved by reducing the expenses in overhead cost. Overhead cost such as power and fuel expenses can be reduced by avoiding the wastage and optimally utilising it. By reducing the cost it ultimately increases the productivity and hence the company becomes more productive. MA

Appendices

1: Material Productivity of BPCL

Base Year 2010-11 — Amount in ₹ crore

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	151243.98	195601.15	206438.48	211751.09	197308.95	160737.40	163969.29	191476.02
2	Raw Material and Components (₹ in Crore)	62869.68	78690.25	83879.68	89240.03	76227.25	51225.12	55870.33	65235.11
3	Raw Material and Components (Input Output Ratio)	0.4157	0.4023	0.4063	0.4214	0.3863	0.3187	0.3407	0.3407
4	Stores and Spares (₹ in Crore)	53.25	53.64	57.24	53.31	96.40	68.43	9.48	0.00
5	Stores and Spares (Input Output Ratio)	0.0004	0.0003	0.0003	0.0003	0.0005	0.0004	0.0001	-
6	Purchases of Traded Goods (₹ in Crore)	78105.10	102962.10	108079.04	106812.66	94343.68	84312.68	94003.13	100244.72
7	Purchases of Traded Goods(Input Output Ratio)	0.5164	0.5264	0.5235	0.5044	0.4782	0.5245	0.5733	0.5235
8	Total Material Input (₹ in Crore)	141,028.03	181,705.99	192,015.96	196,106.00	170,667.32	135,606.24	149,882.95	165,479.84
9	Total Material (Input Output Ratio)	0.9325	0.9290	0.9301	0.9261	0.8650	0.8437	0.9141	0.8642
10	Material Productivity Ratio	1.0724	1.0765	1.0751	1.0798	1.1561	1.1853	1.0940	1.1571
11	Material Productivity Indices/ Observed Indices (O)	100.00	100.38	100.25	100.68	107.80	110.53	102.01	107.89
12	Computed Value /Expected Values (E)	99.47	100.68	101.88	103.09	104.30	105.50	106.71	107.92
13	Chi-Square $(O-E)^2/E$	0.0028	0.0009	0.0262	0.0561	0.1178	0.2392	0.2071	0.0000

Average Material Productivity Indices=103.69, a=103.69, b=0.60, χ^2=0.650, S.D.=4.02, C.V=3.88%.

2: Material Productivity of HPCL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	131403.70	163897.08	179216.63	182515.82	170937.91	151402.12	151501.59	177367.29
2	Raw Material and Components (₹ in Crore)	40505.43	52440.66	54431.16	50735.36	45450.21	34159.34	37148.29	40897.85
3	Raw Material and Components (Input Output Ratio)	0.3083	0.3200	0.3037	0.2780	0.2659	0.2256	0.2452	0.2306
4	Stores and Spares (₹ in Crore)	116.66	111.45	134.34	136.93	196.83	193.05	243.79	195.23
5	Stores and Spares (Input Output Ratio)	0.0009	0.0007	0.0007	0.0008	0.0012	0.0013	0.0016	0.0011
6	Purchases of Traded Goods (₹ in Crore)	85396.86	100402.33	110092.82	118432.57	104198.36	97048.84	101008.22	113822.14
7	Purchases of Traded Goods (Input Output Ratio)	0.6499	0.6126	0.6143	0.6489	0.6096	0.6410	0.6667	0.6417
8	Total Material Input (₹ in Crore)	126,018.95	152,954.44	164,658.33	169,304.86	149,845.39	131,401.22	138,400.31	154,915.22
9	Total Material (Input Output Ratio)	0.9590	0.9332	0.9188	0.9276	0.8766	0.8679	0.9135	0.8734
10	Material Productivity Ratio	1.0427	1.0715	1.0884	1.0780	1.1408	1.1522	1.0947	1.1449
11	Material Productivity Indices/ Observed Indices (O)	100.00	102.76	104.38	103.39	109.40	110.50	104.98	109.80
12	Computed Value /Expected Values (E)	101.32	102.55	103.79	105.03	106.27	107.51	108.75	109.99
13	Chi-Square $(O-E)^2/E$	0.0171	0.0004	0.0033	0.0258	0.0922	0.0831	0.1306	0.0003

Average Material Productivity Indices=105.65, a=105.65, b=0.62, χ^2=0.353, S.D.=3.58, C.V.=3.38%.

3: Material Productivity of IOCL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	326553.94	399196.39	382590.88	387987.09	362608.32	298354.22	287130.68	343394.88
2	Raw Material and Components (₹ in Crore)	143241.25	186045.37	189137.57	185614.76	165854.80	119447.64	129523.77	151158.94
3	Raw Material and Components (Input Output Ratio)	0.4386	0.4660	0.4944	0.4784	0.4574	0.4004	0.4511	0.4402
4	Stores and Spares (₹ in Crore)	833.64	823.73	904.21	978.67	1216.53	1130.96	1133.11	1194.62
5	Stores and Spares (Input Output Ratio)	0.0026	0.0021	0.0024	0.0025	0.0034	0.0038	0.0039	0.0035
6	Purchases of Traded Goods (₹ in Crore)	155710.85	175176.81	161648.51	160129.51	143092.32	120217.31	116804.68	121541.92
7	Purchases of Traded Goods(Input Output Ratio)	0.4768	0.4388	0.4225	0.4127	0.3946	0.4029	0.4068	0.3539
8	Total Material Input (₹ in Crore)	299,785.74	362,045.91	351,690.29	346,722.95	310,163.65	240,795.91	247,461.57	273,895.48
9	Total Material (Input Output Ratio)	0.9180	0.9069	0.9192	0.8936	0.8554	0.8071	0.8618	0.7976
10	Material Productivity Ratio	1.0893	1.1026	1.0879	1.1190	1.1691	1.2390	1.1603	1.2537
11	Material Productivity Indices/ Observed Indices (O)	100.00	101.22	99.87	102.73	107.33	113.75	106.52	115.10
12	Computed Value /Expected Values (E)	98.38	100.50	102.63	104.75	106.88	109.00	111.12	113.25
13	Chi-Square $(O-E)^2/E$	0.0267	0.0051	0.0742	0.0391	0.0019	0.2068	0.1907	0.0302

Average Material Productivity Indices=105.81, a=105.81, b=1.06, χ^2=0.575, S.D.=5.61, C.V.=5.30%.

4: Material Productivity of RIL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	247978.66	307735.63	313516.10	325963.44	273830.44	204990.51	202371.59	235728.97
2	Raw Material and Components (₹ in Crore)	193233.88	252279.25	262963.09	268719.41	206334.39	127867.65	135177.75	158225.17
3	Raw Material and Components (Input Output Ratio)	0.7792	0.8198	0.8388	0.8244	0.7535	0.6238	0.6680	0.6712
4	Stores and Spares (₹ in Crore)	3378.02	3196.48	3263.34	3627.94	3789.81	3988.31	4143.81	4295.42
5	Stores and Spares (Input Output Ratio)	0.0136	0.0104	0.0104	0.0111	0.0138	0.0195	0.0205	0.0182
6	Purchases of Traded Goods (₹ in Crore)	1464.31	1322.84	431.22	427.58	5750.00	3549.72	4247.50	5807.13
7	Purchases of Traded Goods (Input Output Ratio)	0.0059	0.0043	0.0014	0.0013	0.0210	0.0173	0.0210	0.0246
8	Total Material Input (₹ in Crore)	198,076.21	256,798.57	266,657.65	272,774.93	215,874.20	135,405.68	143,569.06	168,327.73
9	Total Material (Input Output Ratio)	0.7988	0.8345	0.8505	0.8368	0.7883	0.6605	0.7094	0.7141
10	Material Productivity Ratio	1.2519	1.1984	1.1757	1.1950	1.2685	1.5139	1.4096	1.4004
11	Material Productivity Indices/ Observed Indices (O)	100.00	95.72	93.91	95.45	101.32	120.92	112.59	111.86
12	Computed Value /Expected Values (E)	93.38	96.40	99.43	102.46	105.49	108.51	111.54	114.57
13	Chi-Square $(O-E)^2/E$	0.4697	0.0049	0.3064	0.4793	0.1645	1.4195	0.0099	0.0640

Average Material Productivity Indices=103.97, a=103.97, b=1.51, χ^2=2.918, S.D.=9.28, C.V.=8.92%.

5: Labour Productivity of BPCL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	151243.98	195601.15	206438.48	211751.09	197308.95	160737.40	163969.29	191476.02
2	Salary, Wages, Bonus and Benefits (₹ in Crore)	1507.28	1552.71	1793.44	1657.02	1002.20	1395.67	1473.49	1594.03
3	Salary, Wages, Bonus and Benefits (Input Output Ratio)	0.0100	0.0079	0.0087	0.0078	0.0051	0.0087	0.0090	0.0083
4	Contribution to Provident and Other Funds (₹ in Crore)	969.09	252.80	276.70	251.32	163.00	289.51	523.55	239.54
5	Contribution to Provident and Other Funds (Input Output Ratio)	0.0064	0.0013	0.0013	0.0012	0.0008	0.0018	0.0032	0.0013
6	Employees Welfare Expenses and Others (₹ in Crore)	326.48	281.46	247.41	301.57	330.18	269.70	238.96	341.66
7	Employees Welfare Expenses and Others (Input Output Ratio)	0.0022	0.0014	0.0012	0.0014	0.0017	0.0017	0.0015	0.0018
8	Total Labour Input (₹ in Crore)	2802.85	2086.97	2317.54	2209.92	1495.38	1954.87	2236.01	2175.24
9	Total Labour (Input Output Ratio)	0.0185	0.0107	0.0112	0.0104	0.0076	0.0122	0.0136	0.0114
10	Labour Productivity Ratio	53.9608	93.7251	89.0764	95.8187	131.9461	82.2239	73.3313	88.0252
11	Labour Productivity Indices / Observed Indices (O)	100.00	173.69	165.08	177.57	244.52	152.38	135.90	163.13
12	Computed Value/ Expected Values (E)	152.29	155.65	159.00	162.36	165.71	169.06	172.42	175.77
13	Chi-Square $(O-E)^2/E$	17.9553	2.0920	0.2321	1.4259	37.4832	1.6472	7.7361	0.9098

Average Labour Productivity Indices=164.03, a=164.03, b=1.68, χ^2=69.482, S.D.=38.38, C.V.=23.40%.

6: Labour Productivity of HPCL

S.No	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	131403.70	163897.08	179216.63	182515.82	170937.91	151402.12	151501.59	177367.29
2	Salary, Wages, Bonus and Benefits (₹ in Crore)	1246.26	1011.76	1402.58	1169.68	1242.32	1111.40	1294.88	1453.77
3	Salary, Wages, Bonus and Benefits (Input Output Ratio)	0.0095	0.0062	0.0078	0.0064	0.0073	0.0073	0.0085	0.0082
4	Contribution to Provident and Other Funds (₹ in Crore)	75.91	71.00	112.58	89.29	82.66	82.25	84.56	89.77
5	Contribution to Provident and Other Funds (Input Output Ratio)	0.0006	0.0004	0.0006	0.0005	0.0005	0.0005	0.0006	0.0005
6	Employees Welfare Expenses and Others (₹ in Crore)	659.67	378.45	598.74	290.15	406.34	377.91	541.40	268.77
7	Employees Welfare Expenses and Others (Input Output Ratio)	0.0050	0.0023	0.0033	0.0016	0.0024	0.0025	0.0036	0.0015
8	Total Labour Input (₹ in Crore)	1981.84	1461.20	2113.89	1549.12	1731.31	1571.57	1920.84	1812.30
9	Total Labour (Input Output Ratio)	0.0151	0.0089	0.0118	0.0085	0.0101	0.0104	0.0127	0.0102
10	Labour Productivity Ratio	66.3039	112.1660	84.7803	117.8191	98.7332	96.3384	78.8724	97.8685
11	Labour Productivity Indices / Observed Indices (O)	100.00	169.17	127.87	177.70	148.91	145.30	118.96	147.61
12	Computed Value/ Expected Values (E)	137.53	138.79	140.05	141.31	142.57	143.82	145.08	146.34
13	Chi-Square $(O-E)^2/E$	10.2434	6.6486	1.0600	9.3697	0.2822	0.0151	4.7051	0.0109

Average Labour Productivity Indices=141.94, a=141.94, b=0.63, χ^2=32.335, S.D.=23.97, C.V.=16.89%.

7: Labour Productivity of IOCL

S.No	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	326553.94	399196.39	382590.88	387987.09	362608.32	298354.22	287130.68	343394.88
2	Salary, Wages, Bonus and Benefits (₹ in Crore)	3916.26	3289.91	3629.58	3858.21	3542.07	3559.49	4349.34	4803.49
3	Salary, Wages, Bonus and Benefits (Input Output Ratio)	0.0120	0.0082	0.0095	0.0099	0.0098	0.0119	0.0151	0.0140
4	Contribution to Provident and Other Funds (₹ in Crore)	1625.57	660.18	1547.68	699.64	879.05	1202.33	1410.20	961.49
5	Contribution to Provident and Other Funds (Input Output Ratio)	0.0050	0.0017	0.0040	0.0018	0.0024	0.0040	0.0049	0.0028
6	Employees Welfare Expenses and Others (₹ in Crore)	893.72	646.50	908.80	492.42	673.00	423.76	577.19	625.36
7	Employees Welfare Expenses and Others (Input Output Ratio)	0.0027	0.0016	0.0024	0.0013	0.0019	0.0014	0.0020	0.0018
8	Total Labour Input (₹ in Crore)	6435.55	4596.60	6086.05	5050.27	5094.13	5185.58	6336.74	6390.35
9	Total Labour (Input Output Ratio)	0.0197	0.0115	0.0159	0.0130	0.0140	0.0174	0.0221	0.0186
10	Labour Productivity Ratio	50.7422	86.8461	62.8635	76.8250	71.1816	57.5353	45.3121	53.7365
11	Labour Productivity Indices / Observed Indices (O)	100.00	171.15	123.89	151.40	140.28	113.39	89.30	105.90
12	Computed Value/ Expected Values (E)	141.52	136.63	131.75	126.86	121.97	117.08	112.19	107.31
13	Chi-Square $(O-E)^2/E$	12.1821	8.7204	0.4686	4.7490	2.7490	0.1166	4.6723	0.0184

Average Labour Productivity Indices=124.41, a=124.41, b=-2.44, χ^2=33.676, S.D.=26.12, C.V.=20.99%.

8: Labour Productivity of RIL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	247978.66	307735.63	313516.10	325963.44	273830.44	204990.51	202371.59	235728.97
2	Salary, Wages, Bonus and Benefits (₹ in Crore)	2179.21	2245.66	2448.23	2195.15	2240.63	2532.67	2535.63	2571.50
3	Salary, Wages, Bonus and Benefits (Input Output Ratio)	0.0088	0.0073	0.0078	0.0067	0.0082	0.0124	0.0125	0.0109
4	Contribution to Provident and Other Funds (₹ in Crore)	243.31	198.45	182.47	177.78	212.95	153.45	149.31	155.96
5	Contribution to Provident and Other Funds (Input Output Ratio)	0.0010	0.0006	0.0006	0.0005	0.0008	0.0007	0.0007	0.0007
6	Employees Welfare Expenses and Others (₹ in Crore)	201.65	197.52	176.61	198.38	189.29	206.42	206.03	277.69
7	Employees Welfare Expenses and Others (Input Output Ratio)	0.0008	0.0006	0.0006	0.0006	0.0007	0.0010	0.0010	0.0012
8	Total Labour Input (₹ in Crore)	2624.17	2641.63	2807.30	2571.31	2642.86	2892.54	2890.97	3005.16
9	Total Labour (Input Output Ratio)	0.0106	0.0086	0.0090	0.0079	0.0097	0.0141	0.0143	0.0127
10	Labour Productivity Ratio	94.4979	116.4948	111.6790	126.7694	103.6113	70.8687	70.0013	78.4414
11	Labour Productivity Indices / Observed Indices (O)	100.00	123.28	118.18	134.15	109.64	74.99	74.08	83.01
12	Computed Value/ Expected Values (E)	123.79	117.61	111.43	105.26	99.08	92.90	86.72	80.54
13	Chi-Square $(O-E)^2/E$	4.5727	0.2728	0.4085	7.9319	1.1269	3.4505	1.8432	0.0756

Average Labour Productivity Indices=102.17, a=102.17, b=-3.09, χ^2=19.682, S.D.=21.45, C.V.=20.99%.

9: Overhead Productivity of BPCL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	151243.98	195601.15	206438.48	211751.09	197308.95	160737.40	163969.29	191476.02
2	Power and Fuel (₹ in Crore)	475.89	628.72	741.13	915.62	1414.94	1584.19	1331.62	1646.28
3	Power and Fuel (Input Output Ratio)	0.0031	0.0032	0.0036	0.0043	0.0072	0.0099	0.0081	0.0086
4	Depreciation and Amortisation (₹ in Crore)	1655.40	1884.87	1926.10	2246.82	2516.02	1854.30	1891.32	2648.48
5	Depreciation and Amortisation (Input Output Ratio)	0.0109	0.0096	0.0093	0.0106	0.0128	0.0115	0.0115	0.0138
6	Repairs and Maintenance (₹ in Crore)	537.51	584.61	678.83	823.21	709.67	763.00	785.73	875.35
7	Repairs and Maintenance (Input Output Ratio)	0.0036	0.0030	0.0033	0.0039	0.0036	0.0047	0.0048	0.0046
8	Business Service Input (₹ in Crore)	5342.97	6570.06	6427.37	6998.46	7101.38	8499.79	7528.43	8740.20
9	Business Service Input (Input Output Ratio)	0.0353	0.0336	0.0311	0.0331	0.0360	0.0529	0.0459	0.0456
10	Total Overhead Input (₹ in Crore)	8011.77	9668.26	9773.44	10984.12	11742.01	12701.29	11537.10	13910.31
11	Total Overhead (Input Output Ratio)	0.0530	0.0494	0.0473	0.0519	0.0595	0.0790	0.0704	0.0726
12	Overhead Productivity Ratio	18.8777	20.2313	21.1224	19.2779	16.8037	12.6552	14.2123	13.7650
13	Overhead Productivity Indices /Observed Indices (O)	100.00	107.17	111.89	102.12	89.01	67.04	75.29	72.92
14	Computed Value /Expected Values (E)	111.37	105.46	99.55	93.64	87.72	81.81	75.90	69.98
15	Chi-Square $(O-E)^2/E$	1.1615	0.0277	1.5302	0.7688	0.0190	2.6675	0.0049	0.1228

Average Overhead Productivity Indices=90.68, a=90.68, b=-2.96, χ^2=6.302, S.D.=16.02, C.V.=17.67%.

10: Overhead Productivity of HPCL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	131403.70	163897.08	179216.63	182515.82	170937.91	151402.12	151501.59	177367.29
2	Power and Fuel (₹ in Crore)	339.56	455.60	519.81	83.77	137.67	233.34	139.18	333.45
3	Power and Fuel (Input Output Ratio)	0.0026	0.0028	0.0029	0.0005	0.0008	0.0015	0.0009	0.0019
4	Depreciation and Amortisation (₹ in Crore)	1406.95	1712.93	1983.52	2201.94	1978.76	2659.44	2535.28	2752.75
5	Depreciation and Amortisation (Input Output Ratio)	0.0107	0.0105	0.0111	0.0121	0.0116	0.0176	0.0167	0.0155
6	Repairs and Maintenance (₹ in Crore)	648.82	628.93	698.31	718.64	840.43	940.63	995.81	1088.85
7	Repairs and Maintenance (Input Output Ratio)	0.0049	0.0038	0.0039	0.0039	0.0049	0.0062	0.0066	0.0061
8	Business Service Input (₹ in Crore)	4640.11	5241.45	5668.03	6614.57	6616.61	9064.27	6948.09	7505.89
9	Business Service Input (Input Output Ratio)	0.0353	0.0320	0.0316	0.0362	0.0387	0.0599	0.0459	0.0423
10	Total Overhead Input (₹ in Crore)	7035.44	8038.91	8869.66	9618.92	9573.47	12897.69	10618.35	11680.94
11	Total Overhead (Input Output Ratio)	0.0535	0.0490	0.0495	0.0527	0.0560	0.0852	0.0701	0.0659
12	Overhead Productivity Ratio	18.6774	20.3880	20.2056	18.9747	17.8554	11.7387	14.2679	15.1843
13	Overhead Productivity Indices /Observed Indices (O)	100.00	109.16	108.18	101.59	95.60	62.85	76.39	81.30
14	Computed Value /Expected Values (E)	110.08	104.88	99.68	94.48	89.28	84.08	78.89	73.69
15	Chi-Square $(O-E)^2/E$	0.9232	0.1744	0.7247	0.5348	0.4466	5.3628	0.0789	0.7863

Average Overhead Productivity Indices=91.88, a=91.88, b=-2.60, χ^2=9.032, S.D.=15.54, C.V.=16.92%.

11: Overhead Productivity of IOCL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	326553.94	399196.39	382590.88	387987.09	362608.32	298354.22	287130.68	343394.88
2	Power and Fuel (₹ in Crore)	1880.24	3337.93	4362.76	4753.67	4990.81	4672.38	3987.81	4494.69
3	Power and Fuel (Input Output Ratio)	0.0058	0.0084	0.0114	0.0123	0.0138	0.0157	0.0139	0.0131
4	Depreciation and Amortisation (₹ in Crore)	4546.67	4867.79	5200.99	5760.09	4528.66	4852.79	6222.97	7067.01
5	Depreciation and Amortisation (Input Output Ratio)	0.0139	0.0122	0.0136	0.0148	0.0125	0.0163	0.0217	0.0206
6	Repairs and Maintenance (₹ in Crore)	1468.63	1574.51	1738.07	2040.16	2247.67	2631.88	2468.47	2912.12
7	Repairs and Maintenance (Input Output Ratio)	0.0045	0.0039	0.0045	0.0053	0.0062	0.0088	0.0086	0.0085
8	Business Service Input (₹ in Crore)	10540.88	12883.74	12467.08	15032.50	14765.81	19969.46	21469.18	16571.00
9	Business Service Input (Input Output Ratio)	0.0323	0.0323	0.0326	0.0387	0.0407	0.0669	0.0748	0.0483
10	Total Overhead Input (₹ in Crore)	18436.42	22663.97	23768.90	27586.42	26532.94	32126.51	34148.43	31044.81
11	Total Overhead (Input Output Ratio)	0.0565	0.0568	0.0621	0.0711	0.0732	0.1077	0.1189	0.0904
12	Overhead Productivity Ratio	17.7124	17.6137	16.0963	14.0644	13.6663	9.2869	8.4083	11.0613
13	Overhead Productivity Indices /Observed Indices (O)	100.00	99.44	90.88	79.40	77.16	52.43	47.47	62.45
14	Computed Value /Expected Values (E)	102.83	95.21	87.59	79.97	72.34	64.72	57.10	49.47
15	Chi-Square $(O-E)^2/E$	0.0780	0.1881	0.1234	0.0039	0.3204	2.3333	1.6229	3.4023

Average Overhead Productivity Indices=76.15, a=76.15, b=-3.81, χ^2=8.073, S.D.=19.08, C.V.=25.06 %.

12: Overhead Productivity of RIL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output (₹ in Crore)	247978.66	307735.63	313516.10	325963.44	273830.44	204990.51	202371.59	235728.97
2	Power and Fuel (₹ in Crore)	2255.07	3594.53	5868.95	7767.05	10023.69	9874.33	10322.55	12764.67
3	Power and Fuel (Input Output Ratio)	0.0091	0.0117	0.0187	0.0238	0.0366	0.0482	0.0510	0.0541
4	Depreciation and Amortisation (₹ in Crore)	13607.58	11394.00	9465.00	8789.00	8488.00	9566.00	8465.00	9580.00
5	Depreciation and Amortisation (Input Output Ratio)	0.0549	0.0370	0.0302	0.0270	0.0310	0.0467	0.0418	0.0406
6	Repairs and Maintenance (₹ in Crore)	904.05	941.87	820.35	853.54	1014.75	1160.92	1199.93	1333.53
7	Repairs and Maintenance (Input Output Ratio)	0.0036	0.0031	0.0026	0.0026	0.0037	0.0057	0.0059	0.0057
8	Business Service Input (₹ in Crore)	9427.82	8664.08	9383.72	8140.42	8425.12	9782.86	10797.76	8697.91
9	Business Service Input (Input Output Ratio)	0.0380	0.0282	0.0299	0.0250	0.0308	0.0477	0.0534	0.0369
10	Total Overhead Input (₹ in Crore)	26194.52	24594.48	25538.02	25550.00	27951.56	30384.11	30785.24	32376.11
11	Total Overhead (Input Output Ratio)	0.1056	0.0799	0.0815	0.0784	0.1021	0.1482	0.1521	0.1373
12	Overhead Productivity Ratio	9.4668	12.5124	12.2764	12.7579	9.7966	6.7466	6.5737	7.2810
13	Overhead Productivity Indices /Observed Indices (O)	100.00	132.17	129.68	134.76	103.48	71.27	69.44	76.91
14	Computed Value /Expected Values (E)	130.62	122.51	114.39	106.27	98.16	90.04	81.92	73.81
15	Chi-Square $(O-E)^2/E$	7.1791	0.7625	2.0436	7.6386	0.2892	3.9141	1.9022	0.1306

Average Overhead Productivity Indices=102.21, a=102.21, b=-4.06, χ^2=23.860, S.D.=25.96, C.V.=25.39%.

13: Overall Productivity of BPCL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output	151243.98	195601.15	206438.48	211751.09	197308.95	160737.40	163969.29	191476.02
2	Material Input	141028.03	181705.99	192015.96	196106.00	170667.32	135606.24	149882.95	165479.84
3	Labour Input	2802.85	2086.97	2317.54	2209.92	1495.38	1954.87	2236.01	2175.24
4	Overhead Input	8011.77	9668.26	9773.44	10984.12	11742.01	12701.29	11537.10	13910.31
5	Total Input (Company Standard)	151842.65	193461.22	204106.94	209300.03	183904.71	150262.40	163656.06	181565.39
6	Normal Investor Input @ 5.55% (Industry Standard)	1155.13	1275.93	1307.79	1836.45	4278.33	4217.66	3726.87	3508.47
7	Total Input (Industry Standard)	152997.78	194737.15	205414.73	211136.48	188183.04	154480.06	167382.93	185073.86
8	Overall Input Output Ratio (Industry Standard)	1.0116	0.9956	0.9950	0.9971	0.9537	0.9611	1.0208	0.9666
9	Overall Productivity Ratio (Industry Standard)	0.9885	1.0044	1.0050	1.0029	1.0485	1.0405	0.9796	1.0346
10	Overall Productivity Indices (Industry Standard) (O)	100.00	101.61	101.66	101.45	106.07	105.26	99.10	104.66
11	Computed Value /Expected Values (E)	101.00	101.42	101.84	102.26	102.69	103.11	103.53	103.95
12	Chi-Square $(O-E)^2/E$	0.0099	0.0003	0.0003	0.0064	0.1112	0.0448	0.1899	0.0048

Average Overall Productivity Indices=102.48, a=102.48, b=0.21, χ^2=0.368, S.D.=2.38, C.V.=2.32%.

14: Overall Productivity of HPCL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output	131403.70	163897.08	179216.63	182515.82	170937.91	151402.12	151501.59	177367.29
2	Material Input	126018.95	152954.44	164658.33	169304.86	149845.39	131401.22	138400.31	154915.22
3	Labour Input	1981.84	1461.20	2113.89	1549.12	1731.31	1571.57	1920.84	1812.30
4	Overhead Input	7035.44	8038.91	8869.66	9618.92	9573.47	12897.69	10618.35	11680.94
5	Total Input (Company Standard)	135036.23	162454.56	175641.88	180472.90	161150.17	145870.48	150939.50	168408.46
6	Normal Investor Input @ 5.55% (Industry Standard)	1402.86	1539.20	1767.77	2186.55	2250.72	2259.00	1725.08	2075.60
7	Total Input (Industry Standard)	136439.09	163993.76	177409.65	182659.45	163400.89	148129.48	152664.58	170484.06
8	Overall Input Output Ratio (Industry Standard)	1.0383	1.0006	0.9899	1.0008	0.9559	0.9784	1.0077	0.9612
9	Overall Productivity Ratio (Industry Standard)	0.9631	0.9994	1.0102	0.9992	1.0461	1.0221	0.9924	1.0404
10	Overall Productivity Indices (Industry Standard) (O	100.00	103.77	104.89	103.75	108.62	106.13	103.04	108.02
11	Computed Value /Expected Values (E)	102.23	102.96	103.69	104.41	105.14	105.87	106.60	107.32
12	Chi-Square $(O-E)^2/E$	0.0487	0.0064	0.0140	0.0042	0.1152	0.0006	0.1186	0.0046

Average Overall Productivity Indices=104.78, a=104.78, b=0.36, χ^2=0.312, S.D.=2.62, C.V.=2.50%.

15: Overall Productivity of IOCL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output	326553.94	399196.39	382590.88	387987.09	362608.32	298354.22	287130.68	343394.88
2	Material Input	299785.74	362045.91	351690.29	346722.95	310163.65	240795.91	247461.57	273895.48
3	Labour Input	6435.55	4596.60	6086.05	5050.27	5094.13	5185.58	6336.74	6390.35
4	Overhead Input	18436.42	22663.97	23768.90	27586.42	26532.94	32126.51	34148.43	31044.81
5	Total Input (Company Standard)	324657.71	389306.47	381545.24	379359.63	341790.72	278108.00	287946.73	311330.64
6	Normal Investor Input @ 5.55% (Industry Standard)	4147.71	4337.25	5321.29	6132.80	6573.33	6735.49	6707.98	7381.33
7	Total Input (Industry Standard)	328805.42	393643.72	386866.53	385492.43	348364.05	284843.49	294654.71	318711.97
8	Overall Input Output Ratio (Industry Standard)	1.0069	0.9861	1.0112	0.9936	0.9607	0.9547	1.0262	0.9281
9	Overall Productivity Ratio (Industry Standard)	0.9932	1.0141	0.9889	1.0065	1.0409	1.0474	0.9745	1.0774
10	Overall Productivity Indices (Industry Standard) (O)	100.00	102.11	99.58	101.34	104.81	105.47	98.12	108.49
11	Computed Value /Expected Values (E)	99.96	100.68	101.41	102.13	102.85	103.57	104.29	105.01
12	Chi-Square $(O-E)^2/E$	0.0000	0.0202	0.0330	0.0061	0.0373	0.0347	0.3654	0.1150

Average Overall Productivity Indices=102.49, a=102.49, b=0.36, χ^2=0.612, S.D.=3.27, C.V.=3.19%.

16: Overall Productivity of RIL

S.No.	Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Output	247978.66	307735.63	313516.10	325963.44	273830.44	204990.51	202371.59	235728.97
2	Material Input	198076.21	256798.57	266657.65	272774.93	215874.20	135405.68	143569.06	168327.73
3	Labour Input	2624.17	2641.63	2807.30	2571.31	2642.86	2892.54	2890.97	3005.16
4	Overhead Input	26194.52	24594.48	25538.02	25550.00	27951.56	30384.11	30785.24	32376.11
5	Total Input (Company Standard)	226894.90	284034.68	295002.97	300896.24	246468.62	168682.32	177245.27	203709.00
6	Normal Investor Input @ 5.55% (Industry Standard)	12229.74	11569.65	11722.01	13364.56	15250.94	16973.86	20097.67	21536.07
7	Total Input (Industry Standard)	239124.64	295604.33	306724.98	314260.80	261719.56	185656.18	197342.94	225245.07
8	Overall Input Output Ratio (Industry Standard)	0.9643	0.9606	0.9783	0.9641	0.9558	0.9057	0.9752	0.9555
9	Overall Productivity Ratio (Industry Standard)	1.0370	1.0410	1.0221	1.0372	1.0463	1.1041	1.0255	1.0465
10	Overall Productivity Indices (Industry Standard) (O)	100.00	100.39	98.56	100.02	100.89	106.47	98.89	100.92
11	Computed Value /Expected Values (E)	99.79	100.07	100.35	100.63	100.91	101.19	101.47	101.75
12	Chi-Square $(O-E)^2/E$	0.0005	0.0010	0.0317	0.0037	0.0000	0.2760	0.0656	0.0068

Average Overall Productivity Indices=100.77, a=100.77, b=0.14, χ^2=0.385, S.D.=2.30, C.V.=2.28%.

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Annual Reports of Companies from 2010-11 to 2017-18

- BPCL
- HPCL
- IOCL
- RIL

Various Bulletins of Reserve Bank of India

- Wholesale Price Index, Consumer Price Index and Fuel and Power Index

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EASTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
BHUBANESWAR CHAPTER

To enhance further branding of the CMA Profession, CMA Niranjan Mishra, Council Member and Chairman, Indirect Taxation Committee, CMA Uttam Kumar Nayak, Secretary, EIRC and CMA Saktidhar Singh, Chairman of the Chapter met and felicitated to Shri Samir Mohanty, Hon'ble BJP Party President, Odisha on 25.05.2020 and discussed various professional development issues, specifically expertise of CMAs to support Government in the Pandemic Situation of COVID -19 and Post Factor Covid-19 also. Due to prolonged lockdown to contain spreading pandemic COVID-19, it is not possible to conduct Seminar/Evening talks through physical presence at its Conference Hall. For educative and updating the skills & knowledge of members, a webinar has been conducted on 06.06.2020 on the theme "Disallowance of Expenditure - Income Tax –Vs- Ind As". CMA Niranjan Swain, Advocate & Tax Consultant, Bhubaneswar delivered in detail as "Resource Person" on the Occasion. More than 100 numbers of Members/ Stakeholders actively participated in the webinar, CMA Saktidhar Singh, Chairman of the Chapter extended formal vote of thanks. Due to Pandemic (COIVID-19), Notification of the Ministry of AYUSH, Govt. of India and subsequent communication received from ROC-cum- Official Liquidator, Odisha, this Chapter has observed 6th International Yoga Day through online mode on 21st June, 2020 (Sunday) from 7.30 A.M to 8.30 A.M to encourage our esteemed members and Stakeholders to pursue Yoga from their homes to serve the twin objective of: Health Promotion including building of immunity through Yoga and Providing relief from stress and improving the sense of Well-being by practice of yoga. Yoga Guru Jugajyoti Jadabanand Choudhury demonstrated various Yoga Asana's with its merit/importance on body and mind to the Participants. Around 50 (Fifty) Members and Staffs of the Chapter actively participated in the Campaign. CMA Saktidhar Singh, Chairman of the Chapter delivered welcome address and extended vote of thanks .

NORTHERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
JAIPUR CHAPTER

The Chapter organised a Webinar on 17th May, 2020 on "Impact of COVID-19 on SMPs and Precautions in Office". In the beginning of the Program Chairman of the Chapter CMA S.L. Swami welcomed the Key Speaker and all the participants. Key Speaker CA Vijay Agrawal explained in details about precautions to be taken for preventing from COVID-19. He also explained about scope for CMAs and Finance Professionals to help clients in implementing various recent announcements by Union Finance Minister. In the interactive session explaining the queries of large number of members, he guided about managing work from home. At the end of the program CMA Swapnil Bhandari, Secretary of the Chapter thanked Key Speaker and all the participants. The chapter organised a Webinar on 27th May, 2020 for CMA Students. Purpose of this Webinar was to motivate students regarding how to crack CMA examination in July 2020. Key Speaker of the first Technical Session was CMA Sudarshan Nahar, Vice-Chairman of the Chapter. He gave valuable tips for preparation in the examination for the Subjects "Cost and Management Audit" in Final, "Operations Management and Strategic Management" in Intermediate and "Statistics" in Foundation.Key Speaker of the second Technical Session was CMA Rakesh Yadav, Past Chairman of Jaipur Chapter. He gave useful tips for preparation in the examination for the Subjects "Strategic Cost Management" in Final and "Financial Accounting", "Cost Accounting" and "Cost and Management Accounting" in Intermediate. CMA Swapnil Bhandari, Secretary of the Chapter was Key Speaker for third technical session. He gave tips for "Direct and Indirect Taxation", "Auditing" and "Corporate Laws". He also gave tips for daily routine and to maintain health during stress period for preparing examination, especially for upcoming CMA exams.The student Webinar was conducted by Executive Member, CMA Purnima Goyal.The Chapter organised Webinar on 13th June, 2020 on ITR Forms and GST updates. In the beginning of the Seminar CMA S.L.

Swami, Chairman of the Chapter welcomed the Key Speakers and participants. In the first technical session Key Speaker CA Anoop Bhatia explained in detail on the topic "Recent Changes in ITR Forms and Form 26 AS."Second session of Webinar comprised of deep discussion about the subject "Updates in GST with Precautions in Finalisation of Accounts for 2019-20" where learned Speaker CMA Ayush Gupta explained the issue in light of latest amendments. Large number of Members attended the Seminar. At the end of the program CMA Swapnil Bhandari, Secretary of the Chapter thanked the Key Speakers and all participants.

SOUTHERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA HYDERABAD CHAPTER

On 05th May, 2020 the chapter discussed Practical issues in Real Estate Sector under GST + Impact of Covid 19 on Real Estate Sector. GST in real estate has been a debatable issue in India facing a tough time over the last few years, for issues like GST on sale of flats to owners, sale after occupancy certificate etc., avoiding input tax credit, purchase from unregistered dealers etc. In this programme CA Subba Reddy has dealt with major issues mentioned above and explained well with suitable examples. On 13th May, 2020, CMA's role in creating Customer Value was discussed. Knowing what customers value, and why, is the foundation of a sound business. CMA A.N. Raman, Former President of SAFA emphasized the role of CMAs role in creating customer value. He explained what global CMA bodies have done about customer value, Role of a CMA in Monitoring CV, Tools and Techniques of CV Monitoring, Cost Management Tools to align with Business Strategy, Target Costing Characteristics, Cross-Functional Team, Target Costing Process, Establishing the Target Cost, Achieving the Target Cost. On 17th May, 2020 – Agencies for Specialized Monitoring –Emerging Opportunity for CMA was organized by the chapter. This is an emerging opportunity for CMAs. CMA P.S. R. Prasad detailed about Empanelment of Agencies for specialized Monitoring(ASM),Eligibility criteria, submission of documents, approval stage, post approval stage, termination, Confidentiality and Non- disclosure agreement, fee, terms and conditions, expectations from ASM, Scope of work for ASM, in case of Working capital, in case of Term Loan(Project Monitoring), General Parameters for monitoring, general terms and conditions.On 22nd May, 2020- The Challenge of Corona Virus – Economic and Financial Issues. This event was initiated by the Chapter and organized by the Institute on online platform. This event was attended by CMA Balwinder Singh – President, Central Council Members CMA Dr. K. Ch.A.V.S.N. Murthy, CMA H. Padmanabhan and CMA Chittaranjan Chatopadyaya. Dr.Subba Rao garu, Past Governor of RBI has elaborated on 10 issues i.e The Rs. 20 trillion stimulus package - and what it accomplishes, The time for reforms, the government's fiscal problem, RBI support , RBI's monetary easing policies, Bank NPAs, Steps to restart the economy , Atmanirbhar Bharat, Crisis management of example of co-operative federalism, India's long term growth story in tact.

WESTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA KALYAN AMBARNATH CHAPTER

The Chapter organized a Report of One Day Golden Jubilee Conference on 22nd February 2020, at Hotel Heritage Residence, Kalyan.CMA Neetu S. Kapoor, Secretary of the chapter, welcomed the Chief Guest and Guest of Honor ,dignitaries and delegates attending the conference. The Conference was inaugurated by lighting of lamps at the hands of Chief Guest Dr. Mrs. Vaidehi Daptardar , Principal, Adarsh College of Commerce, Badlapur and Babaji Patron and Guest Of Honor, CMA S. G. Narasimhan , Chairman of Conference, CMA P.V. WANDREKAR , Past Chairman WIRC, CMA Harshad Deshpande Regional Council Member, CMA (Dr.) Gopichand B. Shamnani, Secretary of Conference ,CMA Gopal U. Keswani Treasurer of Chapter, CMA N. Rajraman, Past Chairman of Chapter , CMA Anirudh Gupta, Chairman of Indore Dewas Chapter . Delegates and guests were shown a ten minutes Power Point presentation, summarizing and highlighting achievements of Kalyan-Ambernath during the last 50 years , Powerpoint presentation was prepared by a team of students led by Mr. Pratik Banjan . CMA Neetu S. Kappor invited Prof. Krishna Naidu , anchor , Corporate

Trainer to carry out the Conference .CMA S.G. Narasimhan, Chairman of the Conference delivered a welcome address . He brought to knowledge of delegates attending conference, the efforts , sacrifices of CMA M.R.Dudani Chairman of chapter, and other founder members and role of successive Chairmen's in past who helped in promoting profession of Cost & Management Accountancy in suburban region of Kalyan Ambernath, Ulhasnagar, and adjoining areas up to Karjat and Kasara.Babaji, Guest of Honor and Patron Member of Chapter appreciated the efforts of CMA M.R.DUDANI Founder Member and Chairman of chapter in setting up of chapter office at Ulhasnagar and starting Oral Coaching of CMA Foundation, Inter and Final levels and also establishing CMA examination n centre at Ulhasnagar. He also appreciated efforts of CMA M.R, Dudani in guiding, helping in Audit of Accounts and other compliance of many Trusts, Educational Institutes, Religious and Charitable organizations by doing timely compliance of govt rules. Dr.Mrs.Vaidehi Daptardar, Principal, Adarsh College of Commerce, Badlapur Chief Guest delivered the inaugural lecture . There were two technical sessions. On the occasion CMA Balwinder Singh President, CMA Biswarup Basu, Vice President, CMA Niraj D. Joshi , Chairman WIRC, were felicitated and presented memento by CMA S.G.Narasimhan, Chairman of Conference, CMA Gopichand B. Shamnani, Secretary of Conference, CMA Gopal U. Kewani Treasurer of Chapter respectively . On the occasion CMA Ashish P Thate, CMA P. Raju Iyer, CMA V. Murali , CMA Chitranjan Chattopadhyay Central Council Members and CMA Harshad S. Deshpande , CMA Vinayak B. Kulkarni, CMA Chaitanya L. Mohrir, Regional Council Members, and CMA Gupta Chairman of Indore Devas were also felicitated and presented memento by CMA Neetu S. Secretary of Chapter.CMA Balwinder Singh President , informed delegates about improvements in functioning of institutes for giving better services to members and students. He informed that now because of improvement in functions of Membership Department processing time of application for associate membership certificate of practice reduced to few days. For continuous updating of knowledge of members post online qualification courses have been announced. CMA Biswarup Basu, Vice President, congratulated Office bearers, Managing Committee members, faculty members and students for completing 50 years.CMA Neeraj D. Joshi , Central Council Member , and Chairman WIRC , informed that he was happy to attend of Golden Jubilee Conference of the Chapter. On the occasion Souvenir of conference was released at the hands of President, Vice President, Central Council Members and Chairman of WIRC. CMA Neetu S. Kapoor, secretary of Chapter introduced , welcomed and presented memento to Smt.(Dr.) Manju Lalwani Pathak, Principal , Smt. C.H.M. College of Arts Science and Commerce, Ulhasnagar-3 (West) who was chief guest of Valedictory session. Smt.(Dr.) Manju

Lalwani Pathak, delivered valedictory lectures congratulating and expressing happiness on completion of 50 years of chapter. She appreciated the efforts CMA M.R. Dudani, Chairman and Founder member of chapter for branch for promoting Cost and Management Course at Ulhasnagar and surrounding areas.CMA M.R.Dudani, Chairman of chapter attended the Valedictory session and informed delegates and students about the time when he joined CMA course. There were no study notes and coaching facilities. Students had to visit the Mumbai Office for admission and appear for examinations. For solving problems of students he and many others members from the area wrote letters to the head office for establishing a branch at Kalyan. Because of continuous efforts the institute granted permission to establish branch Kalyan. Subsequently when the institute started oral coaching Kalyan –Ambernath chapter applied for granting permission for conducting oral coaching for CMA course. In 1979 the institute granted permission for conducting oral coaching. With the increase in number of students Chapter also started coaching for Foundation. With the introduction of Computer Education in the CMA course chapter established Computer Lab. For computer training Chapter also perused head office for transfer of exam centre from Mumbai to Kalyan which has helped to save time and difficulty for appearing examination. He informed about his Dream Project to Complete "CMA Bhavan" at Ulhasnagar. Students and delegates appreciated the efforts of CMA M. R. Dudani by non stop clapping and standing ovation.CMA V.C. Kothari , Past Chairman of WIRC and Central Council Member presented a paper on " Resource Management of Infrastructure Projects " . He informed the delegates about the Dream project of construction of "CMA BHAWAN " of CMA M.R. Dudani , Chairman of Chapter . He requested delegates and students to support the project for providing better infrastructure facilities for future aspiring students pursuing CMA course. CMA V.C. Kothari felicitated CMA P.V. Wandrekar , Past Chairman of WIRC.CMA N. Rajaraman , Chief Financial Officer, OCS Services (India) Pvt. Ltd., and Past Chairman of Kalyan Ambernath Chapter, informed the delegates and students about constant changes taking place in different parts of the business environment. Technology updating is taking place at a fast rate. He motivated students for adoption of CHANGE MANAGEMENT for continuous success in profession.At the end of Valedictory session Smt.(Dr.) Manju Lalwani Pathak, Principal , Smt. C.H.M. College of Arts Science and Commerce, Ulhasnagar-3 (West), felicitated CMA M.R.Dudani, Founder member and Chairman, CMA S.G.Narasimhan, CMA Neetu S. Kapoor, CMA Gopal U. Keswani, Treasurer, CMA (Dr.) Gopichand B. Shamanani, Mr.Raju P.C. Executive Secretary, Mr. Ravi Rohra Office staff for providing valuable services for making Golden Jubilee Conference a Grand Success .

DIRECT & INDIRECT TAX UPDATES - JUNE 2020

DIRECT TAXES

- **Notification No. 32/2020 dated 12th June 2020**: —In exercise of the powers conferred by clause (v) of the Explanation to section 48 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following further amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue), Central Board of Direct Taxes, published in the Gazette of India, Extraordinary, vide number S.O. 1790(E), dated the 5th June, 2017, namely:—

  2. In the said notification, in the Table, after serial number 19, the following serial number and entries relating thereto, shall be inserted, namely:—

Sl No.	Financial Year	Cost Inflation Index
20	2020-21	301

  3. This notification shall come into force with effect from 1st day of April, 2021 and shall accordingly apply to the assessment year 2021-22 and subsequent years.

- **Notification No. 33/2020 dated 23rd June 2020:** In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Greater Noida Industrial Development Authority', (PAN AAALG0129L), an authority constituted by the State Government of Uttar Pradesh, in respect of the following specified income arising to that Commission, namely:—

  (a) Grants received from the State Government;

  (b) Moneys received from the disposal/90 years lease of immovable properties;

  (c) Moneys received by the way of lease rent & fees or any other charges from the disposal/90 years lease of immovable properties;

  (d) The amount of interest earned on the funds deposited in the banks;

  (e) The amount of interest/penalties received on the deferred payment received from the Allotees of various immovable properties; and

  (f) Water, sewerage and other municipal charges from the Allotees of various immovable properties.

  2. This notification shall be effective subject to the conditions that Greater Noida Industrial Development Authority,- (a) shall not engage in any commercial activity

  (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and

  (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

  (d) shall file the Audit report along with the Return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied.

  3. This notification shall be deemed to have been applied for the period from 01-06-2011 to 31-03-2012 in the assessment year of 2012-2013 and also from the assessment years 2013-2014, 2014-2015, 2015-2016 and 2016-2017.

- **Notification No. 34/2020 dated 23rd June 2020**: —In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Maharashtra Electricity Regulatory Commission', Mumbai (PAN AAAGM0004R), a commission established by the State Government of Maharashtra, in respect of the following specified income arising to that Commission, namely:- (a) Grants from Government of Maharashtra; (b) Fees for annual licence; (c) Interest on Fixed Deposit and Savings Account; (d) Fees for application/petition filed; (e) Fees for Documents; (f) Penalty for delayed payment of Annual Licence Fees; (g) Fees for RTI; (h) Sale of Scrap; (i) Interest on Loans and Advances given to employees; (j) Fees for annual performance review; (k) Fees for determination of tariff; and (l) Fees for initial licence.

  2. This notification shall be effective subject to the conditions that Maharashtra Electricity Regulatory Commission, Mumbai,- (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. (d) shall file the Audit report along with the Return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied.

  3. This notification shall apply with respect to the assessment years 2021-2022, 2022-2023, 2023-2024, 2024-2025 and 2025-2026.

- **Notification No 35/2020 dated 24th June 2020:** Extension of time limit under the Income Tax Act 1961 and related tax. Provided that where the specified Act is the Income-tax Act, 1961 and the compliance relates to-

(i) furnishing of return under section 139 thereof, for the assessment year commencing on the -

(a) 1 st day of April, 2019, the end date shall be extended to the 31st day of July, 2020;

(b) 1 st day of April, 2020, the end date shall be extended to the 30th day of November, 2020;

(ii) delivering of statement of deduction of tax at source under sub-section (2A) of section 200 or statement of collection of tax at source under sub-section (3A) of section 206C thereof for the month of February or March, 2020, or for the quarter ending on the 31st day of March, 2020, as the case may be, the end date shall be extended to the 15th day of July, 2020;

(iii) delivering of statement of deduction of tax at source under sub-section (3) of section 200 or statement of collection of tax at source under proviso to sub-section (3) of section 206C thereof for the month of February or March, 2020, or for the quarter ending on the 31st day of March, 2020, as the case may be, the end date shall be extended to the 31st day of July, 2020;

(iv) furnishing of certificate under section 203 thereof in respect of deduction or payment of tax under section 192 of that Act for the financial year 2019-20, the end date shall be extended to the 15th day of August, 2020;

(v) section 54 or 54GB referred to in item (I) of sub-clause (i) of clause (c) of sub-section (1) of section 3 of the Ordinance or sub-clause (ii) of the said clause, the end date in respect of the time limit for the completion or compliance and the end date for making the said completion or compliance, shall be the 29th day of September, 2020 and the 30th day of September, 2020 respectively;

(vi) any provisions of Chapter VI-A under the heading "B.- Deductions in respect of certain payments" thereof, referred to in item (I) of sub-clause (i) of sub-section (1) of section 3 of the Ordinance, the end date in respect of the time limit for the completion or compliance and the end date for making the said completion or compliance, shall be the 30th day of July, 2020 and the 31st day of July, 2020 respectively; and

(vii) furnishing of report of audit under any provision thereof for the assessment year commencing on the 1st day of April, 2020, the end date shall be extended to the 31st day of October, 2020:

Provided further that the extension of the date as referred to in sub-clause (b) of clause (i) of the first proviso shall not apply to Explanation 1 to section 234A of the Income-tax Act, 1961 in cases where the amount of tax on the total income as reduced by the clauses (i) to (vi) of sub-section (1) of the said section exceeds one lakh rupees :

Provided also that where the specified Act is the Direct Tax Vivad se Vishwas Act, 2020, the 30th day of December, 2020 shall be the end date of the period during which the time limit specified in, or prescribed or notified there under falls for the completion or compliance of the action and the 31st day of December, 2020 shall be the end date to which the time limit for completion or compliance of such action shall stand extended.

2. This notification shall come into force from the 30th day of June, 2020.

- **Notification No 36/2020 dated 25th June 2020**: — In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Real Estate Regulatory Authority' as specified in the schedule to this notification, constituted by Government in exercise of powers conferred under subsection (1) of Section 20 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016) as a 'class of Authority' in respect of the following specified income arising to that Authority, namely:-

  (a) Amount received as Grant-in-aid or loan/ advance from Government;

  (b) Fee/penalty received from builders/ developers, agents or any other stakeholders as per the provisions of the Real Estate (Regulation and Development) Act, 2016;

  (c) Interest earned on (a) & (b) above.

  2. This notification shall be effective subject to the conditions that each of the Real Estate Regulatory Authority –

  (a) shall not engage in any commercial activity;

  (b) activities and the nature of the specified income shall remain unchanged throughout the financial years;

  (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of Section 139 of the Income-tax Act, 1961; and

  (d) shall file the audit report along with return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied.

- 3.This notification shall apply to the Real Estate Regulatory Authority, mentioned at column (2) below, with respect to the assessment years mentioned in column (4) below.

Schedule

Name of the real estate regulatory authority	PAN	Assessment Years
Real Estate Regulatory Authority, Karnataka	AAAGR0572D	2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024

Andhra Pradesh Real Estate Regulatory Authority	AAAGA0918E	2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024

- **Notification No 37/2020 dated 25th June 2020:** — In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Real Estate Regulatory Authority' as specified in the schedule to this notification, constituted by Government in exercise of powers conferred under sub-section (1) of Section 20 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016) as a 'class of Authority' in respect of the following specified income arising to that Authority, namely:—

  (a) Amount received as Grant-in-aid or loan/advance from Government; (b) Fee/penalty received from builders/developers, agents or any other stakeholders as per the provisions of the Real Estate (Regulation and Development) Act, 2016; (c) Interest earned on (a) & (b) above.

  2. This notification shall be effective subject to the conditions that each of the Real Estate Regulatory Authority – (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of Section 139 of the Income-tax Act, 1961; and (d) shall file the audit report along with return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied.

  3. This notification shall apply to the Real Estate Regulatory Authority, mentioned at column (2) below, with respect to the assessment years mentioned in column (4) below.

Schedule

Name of the real estate regulatory authority	PAN	Assessment Years
Odisha Real Estate Regulatory Authority	AAAGO0648F	2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025
Jharkhand Real Estate Regulatory Authority	AAALJ2126L	2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025

- **Notification No 38/2020 dated 26th June 2020:** — In exercise of the powers conferred by sub-section (2) of section 115BAC read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules,1962, namely:–

  (1) These rules may be called the Income-tax (13th Amendment) Rules, 2020.

  (2) They shall come into force from the 1st day of April, 2021 and shall accordingly apply in relation to the assessment year 2021-22 and subsequent assessment years.

  In the Income-tax Rules, 1962,-

  (a) in rule 2BB, after sub-rule (2), the following sub-rule shall be inserted, namely:— "(3) Notwithstanding anything contained in sub-rule (1) and (2), an employee, being an assessee, who has exercised option under sub-section (5) of section 115BAC shall be entitled to exemption only in respect of the allowances mentioned in sub-clauses (a) to (c) of sub-rule (1) and at serial no.11 of the Table below sub-rule (2) to the extent and subject to the conditions, if any, specified therein.";

  (b) in rule 3, in sub-rule (7), in clause (iii), after the proviso, the following proviso shall be inserted, namely:—

- "Provided further that the exemption provided in the first proviso in respect of free food and non alcoholic beverage provided by such employer through paid voucher shall not apply to an employee, being an assessee, who has exercised option under sub-section (5) of section 115BAC.".

- **Notification No 39/2020 dated 29th June 2020:** —In the notification of the Government of India, Ministry of Finance, (Department of Revenue) (Central Board of Direct Taxes), number 35/2020, dated the 24th June, 2020, published, vide, number S.O. 2033(E), dated the 24th June, 2020 in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii), at page 3,-

  (i) in line 30, for "section 54 or 54GB" read "sections 54 to 54GB";

  (ii) in line 35, for "sub-clause (i)" read "sub-clause (i) of clause (c)".

INDIRECT TAXES

CUSTOMS

- **Notification No. 26/2020 -Customs dated 2nd June 2020**: Seeks to further amend notification No. 50/2017-Cus dated 30.06.2017 so as to temporarily reduce the import duty on Lentils (Mosur) till 31st Aug 2020. In exercise of power conferred by subsection (1) of section 25 of Customs Act 1962(52 of 1962) and subsection (12) of section 3 of Customs Tariff Act 1975 (51 0f 1975) The Central Government on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of Government of India in the Ministry of Finance (Department of Revenue) No 50/2017 Customs dated 30th June 2017

  In the said notification:

  (a) In the table, after serial no 21D and the entries relating thereto, the following serial number and entries to be inserted:

(1)	(2)	(3)	(4)
21E	07134000	Lentils (Mosur)	10%
21F	07134000	Lentils(Mosur) origination in or exported from United States of America	30%

(b) In the first proviso, after clause (d) the following clause shall be inserted namely:

"(e) the goods specified against serial number 21E and 21F of the said table after 31st day of August , 2020."

- **Notification No. 27/2020-Customs dated 9th June 2020:** Seeks to further amend notification No. 50/2017-Cus dated 30.06.2017 so as to withdraw the concessional rate of 10% available to the import of Bamboo for the manufacture of Agarbattis, and to levy a uniform rate of 25% on import of Bamboos

- **Notification No. 28/2020 –Customs dated 23rd June 2020**: In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, so to do, hereby exempts the goods of the description specified in column (3) of the Table below, and falling within the sub-heading or tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), as are specified in the corresponding entry in column (2) of the said Table in such quantity of total imports of such goods in a financial year, as specified in column (4) below (herein after referred to as the 'tariff rate quota (TRQ) quantity'), when imported into India, from so much of the duty of customs leviable thereon under the said First Schedule as is in excess of the amount calculated at the rate specified in the corresponding entry in column (5) of the said Table (herein after referred to as the In-quota tariff rate), subject to any of the conditions, specified in the Annexure to this notification, the condition number of which is mentioned in the corresponding entry in column (6) of the said Table; namely:

Sl No	Sub–heading or tariff item	Description of goods	Tariff rate quota Quantity	Inquota tariff rate	Condition No
1	0402 10 or 0402 21 00	Milk and cream in powder, granules or other solid forms, (a) of a fat content by weight not exceeding 1.5%; (b) of a fat content, by weight, exceeding 1.5% - not containing added sugar or other sweetening matter	10000 MT	15%	(i)
2	1005 90	Maize (corn), other than seed quality	500000 MT	15%	(i) &(ii)
3	1512 11	Crude sunflower seed or safflower oil and fractions thereof	150000 MT	50%	(i)
4	1514 19 or 1514 99	Refined rape, colza or mustard oil and fractions thereof	150000 MT	45%	(i)

Condition No	Condition
1	(a) The TRQ is allotted to the importer by the Directorate General of Foreign Trade, in accordance with paragraph 2.62 of the Handbook of Procedures, 2015-20. (b) The TRQ authorization shall contain name and address of the importer, IEC code, Customs notification No., sub-heading or tariff item as applicable, quantity and validity period of certificate. (c) The TRQ authorization shall be issued electronically by the Directorate General of Foreign Trade and transmitted to ICES system. (d) Imports made against the TRQ shall be allowed only upon debiting the TRQ quantity electronically in the ICES system.
2	Whereas the Hon'ble High Court of judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh vide order dated 31.12.2014 in WPMP No.43494 of 2014 and W.P.No.34771 of 2014, has permitted import of maize only on actual user condition and on payment of Customs duty prevailing, but not TRQ Customs duty, subject to further orders in the Writ Petition. Accordingly, TRQ on Maize shall be subject to order by Hon'ble High Court in the said Writ Petition.

- **Circular No 27/2020 dated 2nd June 2020**: Extension of validity of AEO certification for ease of renewal process. Validity of AEO certificates reads as follows:- Validity of AEO certificate shall be three years for AEO T1 and AEO T2 and five years for AEO T3 and AEO LO.

  The Board has decided to extend validity of all AEO certificates expired/expiring between 1.03.2020 and 31.05.2020 to 30.06.2020, except for those entities against which a negative report is received during this period.

- **Circular No 28/2020 dated 5th June 2020:** 1st phase of All India roll-out of Faceless Assessment. Kind reference is invited to Circular No.09/2019-Customs, dated 28th February 2019, which communicated Board's decision to implement the next generation reforms in the Customs clearance process under the umbrella of Turant Customs with the objectives of speedy clearance, transparency in decision making, and ease of doing business. Subsequently, Board rolled out numerous changes to the Customs clearance process, which combine together support Turant Customs. These initiatives include the self-registration of goods by importers, automated clearances of bills of entry, digitisation of customs documents, paperless clearance, etc. The stage is now set for the roll out of the most critical reform under the Turant Customs viz., Faceless Assessment.

- **Circular No 29/2020 dated 22nd June 2020:** Procedure for Transhipment of Export Cargo from Bangladesh to third countries through Land Customs Stations (LCSs) to Port/Airport, in containers or closed bodied trucks.

- **Circular No 30/2020 dated 22nd June 2020:** Paperless Customs – Electronic Communication of PDF Based Copies of Shipping Bill & e-Gatepass to Custom Brokers/Exporters. In its continuing endeavor to promote 'Faceless, Contactless, Paperless Customs' Board has decided to rely upon digital copies of the Shipping Bill and do away with the requirement of taking bulky printouts from the Service Centre or maintenance of voluminous physical dockets in the Custom Houses. This reform will yield immense benefits in terms of saving the time and cost of compliance for the trade, thereby enhancing the ease of doing business, while providing enhanced security features for verification of authenticity and validity of the electronic document.

  Board directs that w.e.f. 22.06.2020 only the digital copy of the Shipping Bill bearing the Final LEO would be electronically transmitted to the exporter and the present practice of printing copies of the said document for the exporters and also for maintaining a docket in the Customs House would stand discontinued. This reform complements the introduction of a digital pdf Outof-Charge (OOC) copy of the Bill of Entry and Gatepass w.e.f. 15.04.2020 and launch of the 1 st Phase of Faceless Assessment at Chennai and Bengaluru w.e.f. 08.06.2020.

- **Circular No 31/2020 dated 30th June 2020:** Extension of validity of AEO certification for ease of renewal process (Modification in Circular No. 27/2020 dated 02.06.2020) [Circular No. 31/2020 - Customs dated 30.06.2020].

Sources: Incometax portal, cbic.gov.in

Kolkata, the 27th April, 2020

NOTIFICATION

16-CWR (23587-23597)/2020 : In pursuance of Regulation 16 of the Cost and Works Accountants Regulations, 1959, it is hereby notified that in exercise of powers conferred by sub-section (1) (b) of Section 20 of the Cost and Works Accountants Act, 1959, the Council of the Institute of Cost Accountants of India has removed from the Register of Members, the names of :

1. Shri Prakash Anant Sevekari, FCMA, Flat A-4, 1st Floor, Hari Niwas, Rearside, L J Road, Shivaji Park, Mumbai – 400028, Maharashtra (Membership No. 5978) with effect from 1st April, 2020 at his own request;
2. Shri Mukesh Singh Kushwah, BCOM, LLB, ACMA, III-J.5O Nehru Nagar, Behind Pavan Cinema Hall, Ghaziabad – 201001, U.P. (Membership No. 17414) with effect from 18th February, 2020, at his own request;
3. Shri Venkata Krishna Vijaykumar Ogirala, BCOM, MBA, ACMA, G-1, Raghupati Sadanam Apartments, Saleem Nagar, Opp : Ghmc Park 2 Malakpet, Beside Hero Show Room Lane, Hyderabad – 500081, Telangana (Membership No. 33678) with effect from 10th October, 2019 at his own request;
4. Shri Biswanath Chakrabartty, MCOM, FCMA, Alakananda Apt., Flat 2A, 2, Haltu Main Road, Kolkata – 700078, W.B. (Membership No. 2213) with effect from 11th October 2019, at his own request;
5. Shri Srinivasan Vankataraman, BCOM, LLB, FCA, ACS, ACMA, Tennis House, 47, 7th Main, Egipura, Viveknagar, Bangalore - 560047 (Membership No. 2996) with effect from 23rd September, 2019 at his own request;
6. Shri Murali Harish Maddu, BCOM, ACMA, D No 3-29-48/3, Krishna Nagar 1/1 Lane, Guntur – 522006, Andhra Pradesh (Membership No. 44410) with effect from 9th September, 2019, at his own request;
7. Shri Bakrabail Ramakrishna Shetty, MCOM, ACMA, Shubham, Near Padua High School, Mally Compound, Kadri Hills, Mangalore – 575004, Karnataka (Membership No. 4895) with effect from 10th December, 2019, at his own request;
8. Shri Rangachari Vruna Raghavan, MA, ACMA, Flat No. 8, Rohini Srivastam, 11, O.W.A. Street, Srirangam, Tiruchirapalli – 620006, Tamil Nadu, (Membership No. 3843) with effect from 28th February, 2020, at his own request;
9. Shri Ajit Navnit Patel, BCOM, FCMA(UK), ACMA, B/4, Anand Vihar, Dr. Raghunath Road, Bandra (West), Mumbai – 400050, Maharashtra, (Membership No. 1233) with effect from 17th January, 2020, at his own request;
10. Shri Tatyabhau Dattatray Jadhav, MCOM, ACMA, Sailila, 3955, Swami Samarth Nagar, Near Old Substation, Soygaon, S. No.108/2+4, Plot - 5, Malegaon – 423203, (Membership No. 38780) with effect from 18th November, 2019, at his own request;
11. Shri N. Mariappan, MSC, ACMA, A-305, Plot No. 36, Sector 6, Daffodils Apartments, Dwarka, New Delhi – 110045, (Membership No. 8392) with effect from 18th November, 2019, at his own request.

(Kaushik Banerjee)
Secretary

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

RESCHEDULED TIME TABLE & PROGRAMME – JUNE 2020

FOUNDATION COURSE EXAMINATION

Day & Date	Foundation Course Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.
Wednesday, 2nd September, 2020	Fundamentals of Economics & Management
Friday, 4th September, 2020	Fundamentals of Accounting
Tuesday, 8th September, 2020	Fundamentals of Laws & Ethics
Thursday, 10th September, 2020	Fundamentals of Business Mathematics & Statistics

1. **The Foundation Examination will be conducted in Offline mode only. Each paper will be of 100 marks.**

2. Examination Centres: Adipur-Kachchh(Gujarat), Agartala, Agra, Ahmedabad, Akurdi, Allahabad, Asansol, Aurangabad, Bangalore, Baroda, Berhampur(Ganjam), Bhilai, Bhilwara, Bhopal, Bewar City(Rajasthan), Bhubaneswar, Bilaspur, Bikaner (Rajasthan), Bokaro, Calicut, Chandigarh, Chennai, Coimbatore, Cuttack, Dehradun, Delhi, Dhanbad, Duliajan (Assam), Durgapur, Ernakulam, Erode, Faridabad, Ghaziabad, Guntur, Guwahati, Haridwar, Hazaribagh, Howrah, Hyderabad, Indore, Jaipur, Jabalpur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kalyan, Kannur, Kanpur, Kolhapur, Kolkata, Kota, Kottakkal (Malappuram), Kottayam, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Naihati, Nasik, Nellore, Neyveli, Noida, Palakkad, Panaji (Goa), Patiala, Patna, Pondicherry, Port Blair, Pune, Raipur,Rajahmundry, Ranchi, Rourkela, Salem, Sambalpur, Shillong, Siliguri, Solapur, Srinagar, Surat, Thrissur, Tiruchirapalli,Tirunelveli, Trivandrum, Udaipur, Vapi, Vashi, Vellore, Vijayawada, Vindhyanagar, Waltair and Overseas Centres at Bahrain, Dubai and Muscat.

3. **A candidate who is completing all conditions for appearing the examination as per Regulation will only be allowed to appear for examination.**
4. **Probable date of publication of result: To be announced in due course.**

*** For any examination related query, please contact exam.helpdesk@icmai.in**

Kaushik Banerjee
Secretary

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

RESCHEDULED TIME TABLE & PROGRAMME FOR INTERMEDIATE AND FINAL EXAMINATION– JUNE 2020

	PROGRAMME FOR SYLLABUS 2016			
	ATTENTION: INTERMEDIATE & FINAL EXAMINATION (JUNE – 2020 TERM) WILL BE HELD ON ALTERNATE DATES FOR EACH GROUP.			
Day & Date	INTERMEDIATE (Time: 2.00 P.M. to 5.00 P.M.)		FINAL (Time: 2.00 P.M. to 5.00 P.M.)	
	(Group – I)	(Group – II)	(Group – III)	(Group – IV)
Tuesday, 1st September, 2020	Financial Accounting **(P-05)**	-------------------	Corporate Laws & Compliance **(P-13)**	-------------------
Wednesday, 2nd September, 2020	-------------------	Operations Management & Strategic Management **(P-09)**	-------------------	Corporate Financial Reporting **(P-17)**
Thursday, 3rd September, 2020	Laws & Ethics **(P-06)**	-------------------	Strategic Financial Management **(P-14)**	-------------------
Friday, 4th September, 2020	-------------------	Cost & Management Accounting and Financial Management **(P-10)**	-------------------	Indirect Tax Laws & Practice **(P-18)**
Saturday, 5th September, 2020	NO EXAMINATION	NO EXAMINATION	NO EXAMINATION	NO EXAMINATION
Sunday, 6th September, 2020	NO EXAMINATION	NO EXAMINATION	NO EXAMINATION	NO EXAMINATION
Monday, 7th September, 2020	Direct Taxation **(P-07)**	-------------------	Strategic Cost Management – Decision Making **(P-15)**	-------------------
Tuesday, 8th September, 2020	-------------------	Indirect Taxation **(P-11)**	-------------------	Cost & Management Audit **(P-19)**
Wednesday, 9th September, 2020	Cost Accounting **(P-08)**	-------------------	Direct Tax Laws and International Taxation **(P-16)**	-------------------
Thursday, 10th September, 2020	-------------------	Company Accounts & Audit **(P-12)**	-------------------	Strategic Performance Management and Business Valuation **(P-20)**

1. **The provisions of direct tax laws and indirect tax laws, as amended by the Finance Act, 2019, including notifications and circulars issued up to 30th November, 2019, are applicable for June, 2020 term of examination for the Subjects Direct Taxation, Indirect Taxation (Intermediate), Direct Tax laws and International Taxation and Indirect Tax laws & Practice (Final) under Syllabus 2016. The relevant assessment year is 2020-21. For statutory updates and amendments please refer to: https://icmai.in/studentswebsite/Syl-2016.php**
2. **Companies (Cost Records and Audit) Rules, 2014 as amended till 30th November, 2019 is applicable for June, 2020 examination for Paper 12- Company Accounts and Audit (Intermediate) and Paper 19 - Cost and Management Audit (Final) under Syllabus 2016. For updates and amendments please refer to the link: https://icmai.in/studentswebsite/Syl-2016.php**
3. **The provisions of the Companies Act 2013 are applicable for Paper 6 - Laws and Ethics (Intermediate) and Paper 13 - Corporate Laws and Compliance (Final) under Syllabus 2016 to the extent notified by the Government up to 30th November, 2019 for June, 2020 term of examination. Additionally, for applicability of ICDR, 2018 for Paper-13 - Corporate Laws & Compliance (Final) under Syllabus 2016 refer to relevant circular in website for June, 2020 term examination by following link: https://icmai.in/studentswebsite/Syl-2016.php**
4. **For Applicability of IND AS and AS for Paper 5 - Financial Accounting, Paper 12 - Company Accounts and Audit (Intermediate) and Paper 17 - Corporate Financial Reporting (Final) refer to relevant circulars and notifications in website for June, 2020 term examination in the given link: https://icmai.in/studentswebsite/Syl-2016.php**
5. **Pension Fund Regulatory and Development Authority Act, 2013 is being included in Paper 6-Laws and Ethics (Intermediate) and Insolvency and Bankruptcy Code 2016 is being included in Paper 13 - Corporate Laws and Compliance (Final) under Syllabus 2016 for June, 2020 term of examination. Please refer to the link: https://icmai.in/studentswebsite/Syl-2016.php**
6. **Examination Centres: Adipur-Kachchh (Gujarat), Agartala, Agra, Ahmedabad, Akurdi, Allahabad, Asansol, Aurangabad, Bangalore, Baroda, Berhampur (Ganjam), Bhilai, Bhilwara, Bhopal, Bewar City(Rajasthan), Bhubaneswar, Bilaspur, Bikaner (Rajasthan), Bokaro, Calicut, Chandigarh, Chennai, Coimbatore, Cuttack, Dehradun, Delhi, Dhanbad, Duliajan (Assam), Durgapur, Ernakulam, Erode, Faridabad, Ghaziabad, Guntur, Guwahati, Haridwar, Hazaribagh, Howrah, Hyderabad, Indore, Jaipur, Jabalpur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kalyan, Kannur, Kanpur, Kolhapur, Kolkata, Kota, Kottakkal (Malappuram), Kottayam, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Naihati, Nasik, Nellore, Neyveli, Noida, Palakkad, Panaji (Goa), Patiala, Patna, Pondicherry, Port Blair, Pune, Raipur, Rajahmundry, Ranchi, Rourkela, Salem, Sambalpur, Shillong, Siliguri, Solapur, Srinagar, Surat, Thrissur, Tiruchirapalli, Tirunelveli, Trivandrum, Udaipur, Vapi, Vashi, Vellore, Vijayawada, Vindhyanagar, Waltair and Overseas Centres at Bahrain, Dubai and Muscat.**
7. **A candidate who is fulfilling all conditions specified for appearing in examination will only be allowed to appear for examination.**
8. **Probable date of publication of result: To be announced in due course.**

*** For any examination related query, please contact exam.helpdesk@icmai.in**

Kaushik Banerjee
Secretary

Benevolent Fund

FOR THE MEMBERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

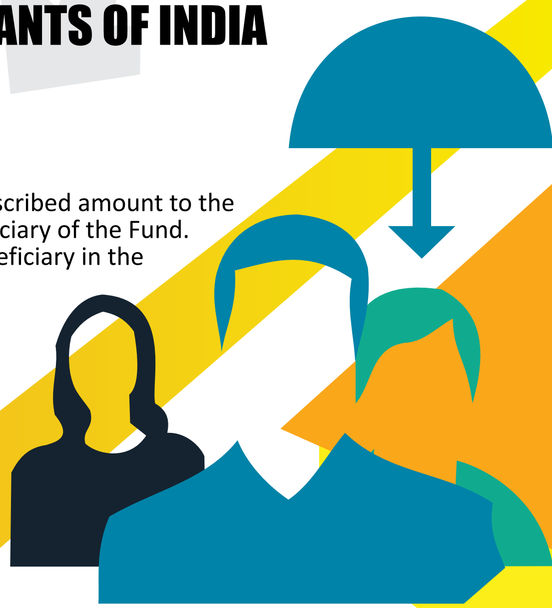
CMA Bhawan, 12 Sudder Street, Kolkata - 700016

OBJECTIVE

The Fund has been created to provide outright grant of prescribed amount to the member in the event of critical illness of a member / beneficiary of the Fund. It is also for outright grant of prescribed amount to the beneficiary in the event of death of a member of the Fund.

LIFE MEMBERSHIP FEE

Onetime payment of ₹7500/-



BENEFITS

- ***Income Tax Benefit under section 80G***
- ***Outright grant not exceeding ₹3,00,000.00/- in each case to the beneficiary in the event of death of the member.***
- ***Outright grant not exceeding ₹1,50,000.00/- in each case to the member and beneficiary for critical illness duly certified by the doctor under whom the treatment is continuing.***

Coverage of Critical Illness, leading to hospitalization, may cover the following -

- Cancer / Malignancy
- Coronary Artery Bypass Graft Surgery
- Stroke / Cerebral Attack / Paralysis
- Heart Valve Replacement Surgery
- Myocardial Infarction (heart attack) / Heart Failure / Pace Maker Surgery / Kidney Dialysis(CKD)/ Renal Failure
- Major Organ Transplant
- Hemophilia
- Thalassaemia
- Neurological Diseases
- Flue Blown acquired Immune Deficiency Syndrome
- Multiple sclerosis
- Tuberculosis / Bronchopneumonia/ Pleurisy
- Permanent disablement
- Any other disease that may be considered by the Board of Trustees to be critical in nature.

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The Directorate of Studies has taken a unique initiative of bringing all the e-services available to the CMA Students under one cover in the new portal **"Students' Connect".** Students will find this portal very effective to search and connect various student-centric e-services already available to them. Students can now view, search, and explore all students' related e-services in one place, be it an administrative or academic service. Students will enjoy navigating all sorts of e-services from anywhere to get the maximum benefit out of it. Moreover, officials are always there to assist and guide the students in case of any help.

CMA Balwinder Singh
President, ICAI

We have assembled all sorts of e-services extended to the CMA students under one umbrella in this new portal **"Students' Connect".** I am confident that students will find this portal very effective to search and connect various students-centric e-services already available to them.

CMA Biswarup Basu
Vice President, ICAI

I am extremely happy to share that the Directorate of Studies has brought all the **e-services** available to the CMA Students under one cover. I welcome your valuable feedback to shape this new portal more student friendly, vibrant and popular among the student community at large.

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Statutory Body under an Act of Parliament

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Delhi Office:
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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament
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Delhi Office: CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003
www.icmai.in

DATA ANALYTICS FOR FINANCE PROFESSIONALS
advstudies@icmai.in
033-4036-4779 / 4789

3rd Batch Starting from Oct. 2020

Organized by

Board of Advanced Studies

Online Certificate Course in Data Analytics for Finance Professionals

CMA Balwinder Singh
President
ICAI

Educated finance professionals are required in the field of data analytics in large numbers; this Course will definitely meet that need.

CMA Biswarup Basu
Vice President
ICAI

I wish every success of the Course for the professional enrichment of the members and students of the Institute.

CMA Debasish Mitra
Chairman
Board of Advanced Studies
ICAI

The Board of Advanced Studies is introducing many advanced level courses to cater professional needs and this is one of them.

CMA Rajneesh Jain
President & CFO
Reliance Jio

I welcome the timely move of the Board of Advanced Studies to launch a Certificate Course on "Data Analytics for Finance Professionals" to reach a new height.

CMA H. K. Joshi
CMD
Shipping Corporation of India

I am extremely happy that BoAS of the Institute has introduced such a beautiful course to train the finance professionals with the latest tools of data analytics to serve the industry in a befitting way.

Course Duration & Delivery

- 100 hours of integrated curriculum spreading across 3 months
- 50 hours of Pre-Recorded Video contents covering basic concepts
- 50 hours of online classes by experienced faculty over the weekends covering advanced concepts, practical application of concepts and Query Resolution
- Examination after completion of the 100 hours course
- Certificate after successful completion of the Examination

Course Fees & Eligibility

Category	Course Fees (₹)
CMA Final Level Students with Graduation	₹15,000/- + 18% GST
Qualified CMAs	₹18,000/- + 18% GST
Other Professionals* / Post Graduates	₹20,000/- + 18 % GST

* *'Other Professionals' include 'Corporate Professionals'*

*For details and online admission, please visit **Advanced Studies Portal***
https://icmai.in/Advanced_Studies/DAFP/index.php

Course Objectives

- Enrich Finance Professionals with a skill enhancing learning experience
- Empower them with efficient ways of Data Analytics
- Endeavors into cutting edge Data Presentation
- End to end: affordable with a solid return on investment

And ultimately...

- Open doors to Finance Professional into Data Analytics domain

Course Modules

1. Introduction to Data Analytics
2. Statistical Theory and Application in Data Analytics
3. Data Analytics with Excel & Advanced Excel: Case Studies
4. Introduction to Power BI
5. Introduction to Python

Course Director
CMA (Dr.) D.P. Nandy, Sr. Director - Advanced Studies; M - 96097-93616

Behind every successful business decision, there is always a CMA