Vol. LXXIV
July 2021

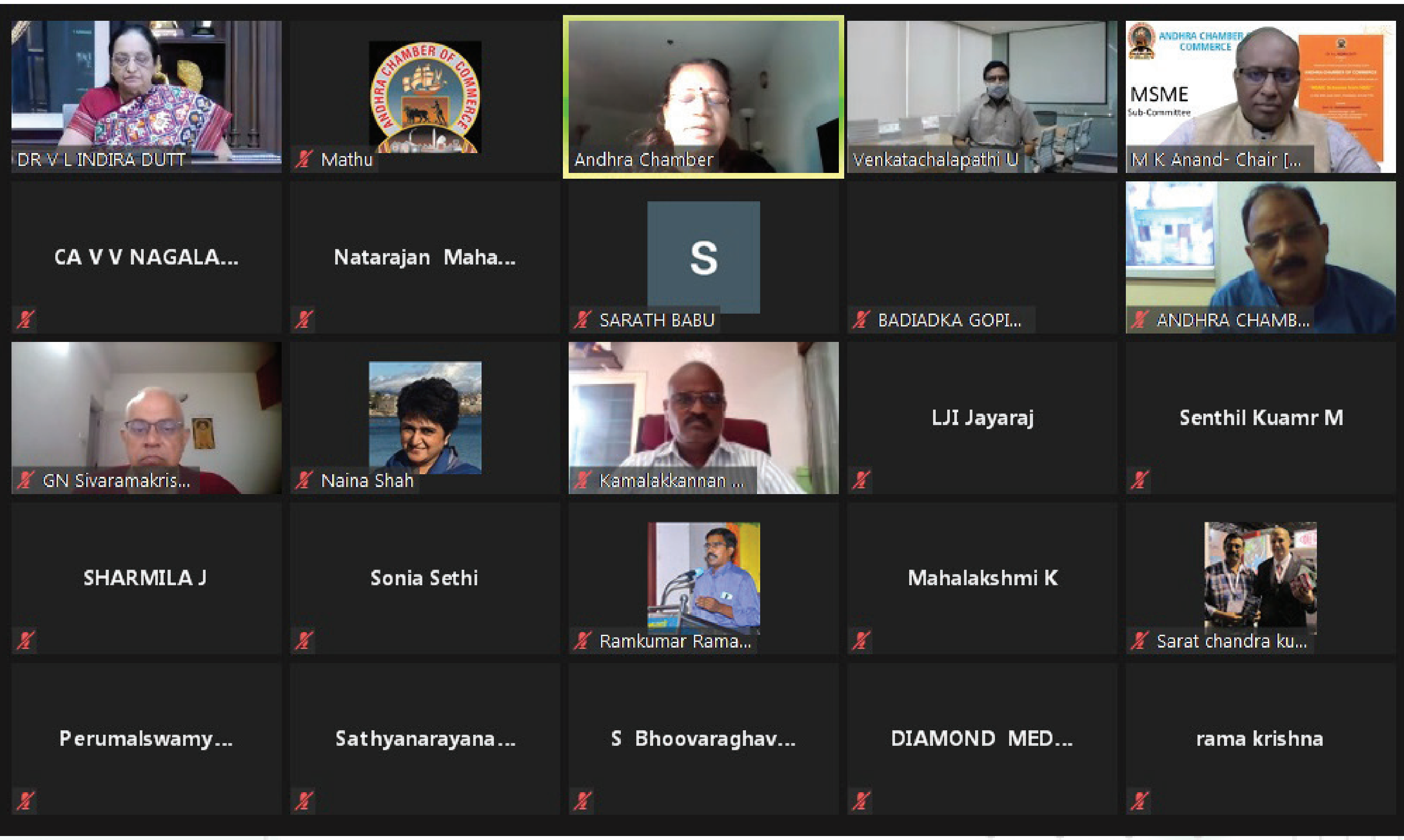
AndhraChamber andhraChamber

www.andhrachamber.com

ANDHRA CHAMBER OF COMMERCE

INFORMATION BULLETIN

PROGRESS THROUGH COMMERCE AND INDUSTRY



WEBINAR ON

"MSME SCHEMES FROM NSIC" ON THE 24TH JUNE 2021

Andhra Chamber of Commerce

Progress Through Commerce and Industry

Editor And Publisher

Andhra Chamber of Commerce,
Chennai

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PRESIDENT DESK

A year and a half since the onset of the COVID-19 pandemic, the global economy is poised to stage its most robust post-recession recovery in 80 years in 2021. But the rebound is expected to be uneven across countries, as major economies look set to register strong growth even as many developing economies lag.

All through the COVID-19 pandemic, businesses and governments faced the need to solve multiple, competing priorities simultaneously. One of the toughest: how to keep an economy going while at the same time shutting it down to protect citizens from infection.

Global growth is expected to accelerate to 5.6% this year, largely on the strength in major economies such as the United States and China. And while growth for almost every region of the world has been revised upward for 2021, many continue to grapple with COVID-19 and what is likely to be its long shadow. Despite this year's pickup, the level of global GDP in 2021 is expected to be 3.2% below pre-pandemic projections, and per capita GDP among many emerging market and developing economies is anticipated to remain below pre-COVID-19 peaks for an extended period.

With relief from the pandemic tantalizingly close in many places but far from reach in others, policy actions will be critical. Securing equitable vaccine distribution will be essential to ending the pandemic.

We still have to follow the same protocols of social distancing, wearing masks, sanitizing etc., to continue to protect us from this pandemic.

Get vaccinated and stay safe.

Dr. V.L. INDIRA DUTT
President

CHAMBER NEWS

WEBINAR ON "ALTERNATIVE FINANCING OPTIONS FOR MSMES" ON THE 4TH JUNE 2021

Andhra Chamber organised a Webinar on "Alternative Financing options for MSMEs" on the 4th June 2021.

Mr R R Padmanabhan, Chairman, Skill Development committee of the Andhra Chamber welcomed the participants.

The Speaker of the programme, Mr. Krishna Kumar A, **South Regional head, Invoicemart, (A joint venture of Axis bank and M-Junction)** in his presentation said that this was the initiative of Mr Raghuram Rajan, who thought that the successful model of Mexico is implemented in India during 2016 and created a revolution.

Invoicemart is the leading TREDS platform in the country promoted by A.TREDS Limited, a joint venture between Axis bank (holds 67% stake) and M-Junction (holds 33% stake). TREDS is a game-changing initiative by RBI & GOI to facilitate MSME vendor payments through digital mode on account of strength of the corporate/PSU/ Govt dept buyer.

TReDS is an electronic exchange that allows transparent and online selling of receivables by MSMEs through factoring. This platform allows MSME bills to be paid on time.

In his presentation, he said that the MSME Seller will have the following benefits.

- Significant reduction in receivable cycle leading to improved cash flows
- Seller leverages buyer's credit profile, thus significantly reducing cost of funds
- Without recourse financing for supplier
- No collateral, loan liability or repayment liability on supplier
- Better relationship between suppliers and buyers

Benefits for the Buyer would be

- Flexible repayment terms: Buyers can extend credit period up to 180 days
- Alternate and efficient funding method for making vendor payments.
- Seamless payments to vendors: NPCI integration enables TReDS to settle transactions
- Early payments enable buyers to negotiate favorable procurement terms with sellers. Bring down the cost of goods and services purchased
- Lower vendor administration costs

The platform is yet to have a separate login for exporters.

The presentation was well received by the participants who raised various questions about eligibility, methodology to register in the platform etc., which was addressed by the speaker.

Ms.Vijayalakshmi, Secretary General of the Chamber proposed vote of thanks.

The webinar was attended by 60 participants.

WEBINAR ON "MSME SCHEMES FROM NSIC" ON THE 24TH JUNE 2021

Andhra Chamber of Commerce organized a webinar on MSME schemes from NSIC for the benefit of MSME members, on the 24th June 2021.

In her welcome address Dr V.L.Indira Dutt, President of the Chamber said that the Micro Small and Medium Enterprises (MSMEs) sector is a major contributor to the socio-economic development of the country. In India, the sector has gained significant importance due to its contribution to Gross Domestic Product (GDP) of the country and exports. The sector has also contributed immensely with respect to entrepreneurship development especially in semi-urban and rural areas of India.

India has approximately 6.3 crore MSMEs. The number of registered MSMEs grew 18.5% Y-o-Y to reach 25.13 lakh (2.5 million) units in 2020 from 21.21 lakh (2.1 million) units in 2019. The Indian MSMEs sector contributes about 29% towards the GDP through its national and international trade. Andhra Chamber organizes programmes of interest and value to the MSMEs every now and then. NSIC is one of the supporting body to MSMEs set up under Ministry of MSMEs and that the schemes offered by them would be useful to the MSMEs.

Shri U. Venkatachalapathi, General Manager - SG, The National Small Industries Corporation Ltd., (A Government of India Enterprise), the speaker of the day, in his presentation about the schemes of NSIC said that NSIC has been working to promote, aid and foster the growth of Micro, Small and Medium enterprises in the country. NSIC operates through countrywide network of offices and Technical Centres in the Country. In addition, NSIC has set up Training cum Incubation Centre managed by professional manpower. He presented about the schemes offered by NSIC under four M viz., Marketing, Manpower, Raw Material & Bank Credit facilitation. He explained each of the above schemes in detail.

He also presented about the Single Point Registration scheme (SPRS) for participation in Government Purchases. The units enlisted under Single Point Registration Scheme of NSIC are eligible to get the benefits under Public Procurement Policy for Micro & Small Enterprises (MSEs) Order 2012 as notified by the Government of India, Ministry of Micro Small & Medium Enterprises, New Delhi vide Gazette Notification dated 23.03.2012 and amendment vide order no. S.O. 5670(E) dated 9th November 2018. The enlistment under SPRS is completely online via www.nsicspronline.com. He also urged the MSMEs to register through this website so that the MSMEs can look into the tenders and apply for the same.

NSIC organizes skill development programmes and Entrepreneurship development programmes for the aspiring entrepreneurs.

Participants were so enthusiastic and raised many questions about the schemes of NSIC.

Shri M.K.Anand Chairman of MSME Sub-Committee of the Chamber well moderated the webinar and facilitated the Q & A session.

It was a very informative programme and participants found it very useful.

Ms Vijayalakshmi, Secretary General of the Chamber proposed vote of thanks.

FOREIGN TRADE STATISTICS

India's Foreign Trade: JUNE 2021

India's overall exports (Merchandise and Services) in June 2021 estimated to be USD 49.85 Billion, exhibiting a positive growth of 31.87 per cent

India's overall exports (Merchandise and Services combined) in June 2021* are estimated to be USD 49.85 Billion, exhibiting a positive growth of 31.87 per cent over the same period last year and a positive growth of 17.17 per cent over June 2019. Overall imports in June 2021* are estimated to be USD 52.18 Billion, exhibiting a positive growth of 73.65 per cent over the same period last year and a positive growth of 1.08 per cent over June 2019

		June 2021 (USD Billion)	June 2020 (USD Billion)	June 2019 (USD Billion)	Growth vis-à-vis June 2020 (%)	Growth vis-à-vis June 2019 (%)
Merchandise	Exports	32.50	21.91	25.03	48.34	29.85
	Imports	41.87	21.11	41.03	98.31	2.05
	Trade Balance	-9.37	0.79	-16.00	-1281.86	41.43
Services*	Exports	17.35	15.89	17.51	9.16	-0.94
	Imports	10.31	8.94	10.59	15.38	-2.68
	Net of Services	7.04	6.96	6.92	1.18	1.73
Overall Trade (Merchandise+ Services)*	Exports	49.85	37.80	42.54	31.87	17.17
	Imports	52.18	30.05	51.63	73.65	1.08
	Trade Balance	-2.34	7.75	-9.09	-130.13	74.30

****Note:*** *i) The latest data for services sector released by RBI is for May 2021. The data for June 2021 is an estimation, which will be revised based on RBI's subsequent release ii) Data for 2019 and 2020 are revised on pro-rata basis using quarterly balance of payments data.*

India's overall exports (Merchandise and Services combined) in April-June 2021* are estimated to be USD 147.64 Billion, exhibiting a positive growth of 50.24 per cent over the same period last year and a positive growth of 10.92 per cent over April-June 2019. Overall imports in April-June 2021* are estimated to be USD 156.58 Billion, exhibiting a positive growth of 80.75 per cent over the same period last year and a negative growth of (-) 3.48 per cent over April-June 2019.

		April-June 2021 (USD Billion)	April-June 2020 (USD Billion)	April-June 2019 (USD Billion)	Growth vis-à-vis April-June 2020 (%)	Growth vis-à-vis April-June 2019 (%)
Merchandise	Exports	95.39	51.32	80.91	85.88	17.90
	Imports	126.15	60.44	130.10	108.72	-3.04
	Trade Balance	-30.75	-9.12	-49.19	-237.25	37.48
Services*	Exports	52.25	46.95	52.20	11.29	0.11
	Imports	30.44	26.19	32.12	16.20	-5.24
	Net of Services	21.81	20.76	20.08	5.09	8.66
Overall Trade (Merchandise+ Services)*	Exports	147.64	98.27	133.11	50.24	10.92
	Imports	156.58	86.63	162.22	80.75	-3.48
	Trade Balance	-8.94	11.64	-29.12	-176.80	69.30

***Note:** i) The latest data for services sector released by RBI is for May 2021. The data for June 2021 is an estimation, which will be revised based on RBI's subsequent release ii) Data for 2019 and 2020 are revised on pro-rata basis using quarterly balance of payments data.*

I. MERCHANDISE TRADE

EXPORTS (including re-exports)

Exports in June 2021 were USD 32.50 Billion, as compared to USD 21.91 Billion in June 2020, exhibiting a positive growth of 48.34 per cent. In Rupee terms, exports were ₹2,39,047.45 Crore in June 2021, as compared to ₹1,65,898.85 Crore in June 2020, registering a positive growth of 44.09 per cent. As compared to June 2019, exports in June 2021 exhibited a positive growth of 29.85 per cent in Dollar terms and 37.55 per cent in Rupee terms.

The commodities/commodity groups which have recorded positive growth during June 2021 vis-à-vis June 2020 are Other cereals (235.93%), Petroleum products (115.37%), Man-made yarn/fabs./made-ups etc.(81.72%), Gems & jewellery (80.53%), Meat, dairy & poultry products (61.81%), Cotton yarn/fabs./made-ups, handloom products etc.(56.88%), Handicrafts excl. handmade Carpet (55.1%), Plastic & Linoleum (53.8%), Engineering goods (52.9%), Electronic goods (45.2%), Jute mfg. including floor covering (44.93%), Iron ore (43.82%), Carpet (39.49%), Cereal preparations & miscellaneous processed items (38.64%), Ceramic products & glassware (36.97%), Organic & inorganic chemicals (36.3%), Marine products (33.74%), Leather & leather products (32.72%), Oil meals (28.16%), RMG of all textiles (24.67%), Mica, Coal & other ores, minerals including processed minerals (24.17%), Coffee (12.82%), Tobacco (9.15%), Rice (8.81%), Fruits & Vegetables (8.26%) and Drugs & pharmaceuticals (0.02%).

The commodities/commodity groups which have recorded negative growth during June 2021 vis-à-vis June 2020 are Oil seeds (-32.75%), Cashew (-24.45%), Tea (-18.54%) and Spices (-11.31%).

Cumulative value of exports for the period April-June 2021 was USD 95.39 Billion (₹7,03,545.37 Crore) as against USD 51.32 Billion (₹3,89,016.27 Crore) during the period April-June 2020, registering a positive growth of 85.88 per cent in Dollar terms (positive growth of 80.85 per cent in Rupee terms). As compared to April-June 2019, exports in April-June 2021 exhibited a positive growth of 17.90 per cent in Dollar terms and 25.01 per cent in Rupee terms.

Non-petroleum and Non-Gems and Jewellery exports in June 2021 were USD 25.65 Billion, as compared to USD 18.48 Billion in June 2020, registering a positive growth of 38.84 per cent. As compared to June 2019, Non-petroleum and Non-Gems and Jewellery exports in June 2021registered a positive growth of 33.42 per cent. Non-petroleum and Non-Gems and Jewellery exports in April-June 2021 were USD 73.24 Billion, as compared to USD 43.91 Billion for the corresponding period in 2020-21, which is an increase of 66.79 per cent. As compared to April-June 2019, Non-petroleum and Non-Gems and Jewellery exports in April-June 2021 registered a positive growth of 21.40 per cent.

IMPORTS

Imports in June 2021 were USD 41.87 Billion (₹3,08,002.48 Crore), which is an increase of 98.31 per cent in Dollar terms and 92.63 per cent in Rupee terms over imports of USD 21.11 Billion (₹1,59,892.42 Crore) in June 2020. Imports in June 2021 have registered a positive growth of 2.05 per cent in Dollar terms and 8.10 per cent in Rupee terms in comparison to June 2019. Cumulative value of imports for the period April-June 2021 was USD 126.15 Billion (₹9,30,961.10 Crore), as against USD 60.44 Billion (₹4,58,395.18 Crore) during the period April-June 2020, registering a positive growth of 108.72 per cent in Dollar terms and a positive growth of 103.09 per cent in Rupee terms. Imports in April-June 2021 have registered a negative growth of (-) 3.04 per cent in Dollar terms and positive growth of 2.88 per cent in Rupee terms in comparison to April-June 2019.

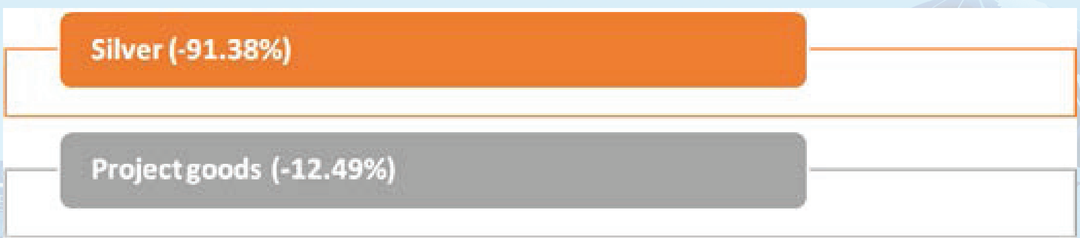
Major commodity groups of import showing negative growth in June 2021 over the corresponding month of last year are:

CRUDE OIL AND NON-OIL IMPORTS:

Oil imports in June 2021 were USD 10.68 Billion ((₹78,532.41 Crore), which was 116.51 per cent higher in Dollar terms (110.31 percent higher in Rupee terms), compared to USD 4.93 Billion ((₹37,341.70 Crore) in June 2020. As compared to June 2019, oil imports in June 2021 were 4.72 per cent lower in Dollar terms and 0.93 per cent higher in Rupee terms. Oil imports in April-June 2021 were USD 31.00 Billion ((₹2,28,756.45 Crore) which was 137.02 per cent higher in Dollar terms (130.46 per cent higher in Rupee terms) compared to USD 13.08 Billion (₹99,259.42 Crore), over the same period last year. As compared to April-June 2019, oil imports in April-June 2021 were 12.33 percent lower in Dollar terms and 6.99per cent lower in Rupee terms.

In this connection it is mentioned that the global Brent price ($/bbl) has increased by 83.00% in June 2021 vis-à-vis June 2020 as per data available from World Bank.

Non-oil imports in June 2021 were estimated at USD 31.20 Billion (₹2,29,470.07 Crore) which was 92.77 per cent higher in Dollar terms (87.24 per cent higher in Rupee terms), compared to USD 16.18 Billion (₹1,22,550.72 Crore) in June 2020. As compared to June 2019, Non-oil imports in June 2021, were 4.59 per cent higher in Dollar



terms and 10.79 per cent higher in Rupee terms. Non-oil imports in April-June 2021 were USD 95.14 Billion (₹7,02,204.65 Crore) which was 100.90 per cent higher in Dollar terms (95.53 per cent higher in Rupee terms), compared to USD 47.36 Billion (₹3,59,135.76 Crore) in April-June 2020. As compared to April-June 2019, Non-oil imports in April-June 2021 were 0.43 per cent higher in Dollar terms and 6.56 per cent higher in Rupee terms.

Non-Oil and Non-Gold imports were USD 30.23 Billion in June 2021, recording a positive growth of 94.07 per cent, as compared to Non-Oil and Non-Gold imports of USD 15.57 Billion in June 2020. Non-Oil and Non-Gold imports in June 2021 recorded a positive growth of 11.41 per cent over June 2019. Non-Oil and Non-Gold imports were USD 87.26 Billion in April-June 2021, recording a positive growth of 86.96 per cent, as compared to Non-Oil and Non-Gold imports of USD 46.67 Billion in April-June 2020. Non-Oil and Non-Gold imports in April-June 2021 recorded a positive growth of 4.76 per cent over April-June 2019.

II. TRADE IN SERVICES

EXPORTS (Receipts)

As per the latest press release by RBI dated 1 July 2021, exports in May 2021 were USD 17.36 Billion (₹1,27,170.75 Crore) registering a positive growth of 10.71per cent in Dollar terms, vis-à-vis May 2020. The estimated value of services export for June 2021* is USD 17.35 Billion, exhibiting a positive growth of 9.16 per cent vis-a-vis June 2020 (USD 15.89 Billion) and a negative growth of (-) 0.94 per cent vis-àvis June 2019 (USD 17.51 Billion).

IMPORTS (Payments)

As per the latest press release by RBI dated 1 July 2021, imports in May 2021were USD 10.23 Billion (₹74,974.84 Crore) registering a positive growth of 14.78 per cent in Dollar terms, vis-à-vis May 2020. The estimated value of services import for June 2021* is USD 10.31 Billion exhibiting a positive growth of 15.38 per cent vis-à-vis June 2020 (USD 8.94 Billion) and a negative growth of(-) 2.68 per cent vis-àvis June 2019 (USD 10.59 Billion)

III. TRADE BALANCE

MERCHANDISE

The trade balance for June2021 was estimated at USD(-) 9.37 Billion as against USD0.79Billion inJune2020, which is a decline of (-) 1281.86 percent. As compared to June 2019 (USD (-) 16.00 Billion), trade balance in June 2021 exhibited a positive growth of 41.43 per cent.

SERVICES

As per RBI's Press Release dated 1 July 2021, the trade balance in Services (i.e. Net Services export) for May 2021 is USD 7.12 Billion. The estimated trade balance in June 2021* is USD 7.04 Billion, which is an increase of 1.18 per cent over June 2020 (USD 6.96 Billion) and an increase of 1.73 per cent over June 2019 (USD 6.92 Billion).

OVERALL TRADE BALANCE

Taking merchandise and services together, overall trade balance for June 2021* is estimated at USD (-) 2.34 Billion as compared to USD 7.75 Billion in June 2020, a decline of (-) 130.13 per cent. In comparison to June 2019 (USD (-) 9.09 Billion), trade balance in June 2021 exhibited a positive growth of 74.30 per cent.

* ***Note:*** *The latest data for services sector released by RBI is for May 2021. The data for June 2021 is an estimation, which will be revised based on RBI's subsequent release. (ii) Data for 2019 and 2020 are revised on pro-rata basis using quarterly balance of payments data.*

MERCHANDISE TRADE

EXPORTS & IMPORTS : (US $ Billion)		
		(PROVISIONAL)
	JUNE	APRIL-JUNE
EXPORTS (including re-exports)		
2019-20	1,73,790.79	5,62,813.36
2020-21	1,65,898.85	3,89,016.27
2021-22	2,39,047.45	7,03,545.37
%Growth 2021-22/ 2020-21	**44.09**	**80.85**
%Growth 2021-22/ 2019-20	**37.55**	**25.01**
IMPORTS		
2019-20	2,84,925.13	9,04,933.07
2020-21	1,59,892.42	4,58,395.18
2021-22	3,08,002.48	9,30,961.10
%Growth 2021-22/ 2020-21	**92.63**	**103.09**
%Growth 2021-22/ 2019-20	**8.10**	**2.88**
TRADE BALANCE		
2019-20	-1,11,134.34	-3,42,119.71
2020-21	6,006.43	-69,378.91
2021-22	-68,955.03	-2,27,415.73

SERVICES TRADE

EXPORTS & IMPORTS (SERVICES) : (US $ Billion)		
(PROVISIONAL)	May 2021	April-May 2021
EXPORTS (Receipts)	17.36	34.90
IMPORTS (Payments)	10.23	20.13
TRADE BALANCE	7.12	14.78

EXPORTS & IMPORTS (SERVICES): (Rs. Crore)		
(PROVISIONAL)	May 2021	April-May 2021
EXPORTS (Receipts)	1,27,170.75	2,57,847.12
IMPORTS (Payments)	74,974.84	1,48,672.53
TRADE BALANCE	52,195.91	1,09,174.59
Source: RBI Press Release dated 1st June 2021		

Note: *The latest data for services sector released by RBI is for May 2021. The data for June 2021 is an estimation, which will be revised based on RBI's subsequent release. (ii) Data for 2019 and 2020 are revised on pro-rata basis using quarterly balance of payments data.*

RECENT JUDGEMENTS IN VAT CST GST

Shri V.V. Sampathkumar
Chairman, Indirect Taxes Sub-Committee, ACC

NATURAL JUSTICE: The reply objection for the proposal notice could not be filed in time as the consultant of the petitioner was affected by COVID~19. In support of this submission, medical records have been filed. This document is not in dispute. The impugned order has come to be passed on 30.03.2021 without affording an opportunity of personal hearing. The impugned order is set aside with directions. **M/s.Covestro (India) P Ltd, Vs The STO, Anna Salai Assessment Circle W.P. No.12814 of 2021 DATED: 17.06.2021**

INTIMATION: Petitioner challenged the communication dated 17.08.2020 that puts the petitioner to notice that the respondent proposes to reverse IGST of Rs.3,53,620/- and the same is payable with appropriate interest. The challenge is that the communication amounts to a demand for which no proper show cause notice or notice of any sort. Respondent stated that the impugned communication is only an intimation of IGST payable. Hence, it is directed observed by the court that the petitioner will file a reply to the same within a period of 4 weeks from today and further proceedings may be taken thereafter in accordance with law. **M/s.SLT Cement Marketers Pvt. Ltd. Vs. The Superintendent of GST and CE, Chennai Outer Commissionerate, Chennai - 40 W.P. No.12360 of 2020 DATED: 17.06.2021**

APPEAL: Though pleadings are complete in the matter, learned counsel for the petitioner states that the petitioner prefers to file statutory appeals challenging the impugned orders of assessment passed in terms of the TNVAT Act, 2006. Hence, in line with the decision of the Supreme Court in a series of judgments, viz., In Re: Cognizance for Extension of Limitation dated 23.03.2020, 06.05.2020, 10.07.2020, 08.03.2021 extending the limitation for filing of appeals, petitioner is granted 30 days' time from today to file appeals. **M/s.Parasakthi Cement Inds Ltd Vs The STO, Gudiyatham (East) Circle, W.P. Nos.886 of 2021etc DATED: 18.06.2021**

REFUND: Rejection of refund for the reason that the Form W has not been filed within the stipulated time of 180 days. Eligibility of the petitioner to zero-rated sales is not disputed. In similar circumstances, view has been taken by this Court in the case of M/s.Sri Laxmi Exports vs. AC(CT) in W.P. Nos.9674 to 9679 of 2014, drawing support from an earlier decision of this

Court in Sara Leathers (30 VST 581) that the period of 180 days mentioned in Section 18 of the TNVAT Act, is only suggestive and not mandatory. Hence, the relief sought for in this regard, the petitioner being entitled to the same, in substantive terms, is allowed. **M/s.Beekay Fabricators, Vs The AC(ST), Peelamedu (North) Assessment Circle, W.P. Nos.19318 DTD: 21.06.2021**

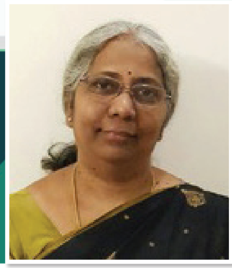
Normal Loss, ITC reversal : The reversal of ITC involving Section 17(5)(h) of the CGST Act 2017 by the revenue, in cases of loss by consumption of input which is inherent to manufacturing loss is misconceived, as such loss is not contemplated or covered by the situations adumbrated under Section 17(5)(h). **M/s.ARS Steels & Alloy Intl Pvt. Ltd.,Vs. STO, Group–I, Inspection, Intelligence–I, Chennai–6.W.P.Nos.2885 of 2020 DTD: 24.06.2021**

Input Tax Credit, Sales without C forms : Hon'ble Supreme Court in TVS Motor Co. Ltd. Vs. State of TN, (2019) 13 SCC 403, observed that " We are only concerned with clause (c) of this subsection(5) of Section 19 of TNVAT Act 2006 which provides that ITC would not be allowed on the purchase of goods sold as such or used in the manufacture of other goods and sold in the course of interstate trade or commerce falling u/s 8(2) of the CST Act. Very nature of the ITC scheme, which is a concession and not a right, and hence, would lead the Court, to the conclusion that it was open to the legislature to make such a provision. **Infra Engineers India Vs. The CTO, Mandaveli Assessment Circle, W.P.No.31730 of 2014 dated 09.04.2021 (Through Video Conferencing)**

Rate of tax, CST: Allahabad High Court in The Commissioner, Sales Tax, UP Vs The Educational Supplying Co. Ltd., (1970) 27 STC 34, wherein, it has been held that there is no requirement that the selling dealer must also be a registered dealer to sell the goods at concessional rate. The Court held that the petitioner cannot be subjected to higher tax as the officers acting as assessing officer under the CST Act, 1956 act as counterparts of each other. Under these circumstances, this Court disposed this writ petition by directing the respondent to pass appropriate orders on merits based on the submission of the petitioner in its reply dated 14.12.2010 within a period of sixty days from the date of receipt of this order. Petitioner may at its discretion file additional reply, if any, within a period of thirty days from the date of receipt of this order. **M/s.Navnidhi Steel & Engineering Co. Pvt. Ltd., Vs CTO., R.S-II(FAC), Enforcement (North),Chennai – 6. W.P. No. 28806 of 2010 dtd 27.05.2021**

C form Purchases : Purchase of High-Speed Diesel from the suppliers in other States at concessional rate of CST against C forms is covered by a decision of this Court in M/s Ramco Cements Ltd case (W.P.Nos.19458 to 19460 of 2018 dated 26.10.2018). The State has, after the date of the above order, filed a WA in W.A.No.3403 of 2019 challenging the decision in the case of Ramco Cements (Supra) that has been considered and dismissed by a Division Bench of this Court on 09.03.2020. It is also stated that the SLP filed by the Commercial Taxes Department before the SC in S.L.P. Nos.15785 to 15788 of 2020 challenging the order of this Court in the case of M/s Ramco Cements Ltd. (supra) have come to be dismissed by a three Judge Bench, vide Judgment dated 24.03.2021. **M/s.Global Calcium Pvt Limited, Hosur, Krishnagiri. Vs. AC,Hosur (North)-I, Hosur. 2.Principal Commissioner & CCT, Chennai - 5. W.P. No.20190 of 2020 DTD: 25.03.2021**

NOT FOR PROFIT HOSPITAL MODEL IN INDIA - Report by Niti Aayog



Mrs. Rama Venugopal
Chairman of Start up Business, Entrepreneurship and Co Chairman of Quality Systems & Productivity Sub-committees of the Chamber.

Healthcare Sector :

Indian population had witnessed the inadequacy of the health infrastructure built in the country, to meet the emergency health needs of communities during disasters like Covid 19 pandemic. The mad scramble for hospital beds and severe shortage of the same has resulted in many people dying without even getting admitted to hospitals for treatment. Severity was so high during the 2nd wave and the forecast is even bad for third wave that may hit the communities again.

There are serious discussions happening in industry corridors about increasing health infrastructure in the country on war footing basis to meet regular healthcare needs of communities who may experience frequent hospitalisation due to post covid health issues too. Pvt Healthcare facilities are planning to expand and widen their infrastructure to increase the capacities and communities are expecting Governments to ramp up their investments in public health infra on high priority basis as pvt health is not affordable to many.

Niti Aayog has recently published a report on various "Not for Profit Hospital Models" that could be explored while setting up of new healthcare infra in the country.

Private hospitals are largely divided into "for-profit hospitals," which account for 23.3% of treated ailments and "not-for-profit hospitals," which account for only 1.1% of treated ailments, as of June 2018. The disparity is further revealed in terms of hospitalization cases, wherein the for-profit hospitals account for 55.3% of in-patients, while the not-for-profit hospitals account for only 2.7% of in-patients in the country.

The report talks about the presence of "Not-for-Profit" Hospital Models that are prevailing in the country, which carry the reputation of providing affordable and accessible healthcare, for many years.

A not-for-profit hospital does not make profits for its owners from the funds collected for patient services. The owners of these hospitals are often charitable organizations or non-profit corporations. The fees for service at these hospitals are generally lower than for-profit hospitals and the income from fees (above the cost of service) are reinvested in the hospital.

The following Four categories are defined for the not-for-profit hospitals in the report :

- Faith-based Hospitals
- Community-based Hospitals
- Cooperative Hospitals
- Private Trust Hospitals

These hospitals utilize the resources and grants provided to them by the Government to provide cost effective healthcare to the population without being overly concerned about profits.

Niti Aayog's study covered the operating model of some of the prominent institutions across the country, including their premise of service, human resource availability, cost containment levers, and the challenges they face.

The objective of the study is to facilitate policymakers in deciding how they can assist this sector to sustain, grow, and in turn, help reach the unreached sections of society.

Some of the key findings from the report are listed below :

- Most of the not-for-profit hospitals charge lower than the for-profit hospitals
- OPD prices of Rural Community Based Hospital are lower, while Rural Cooperative Hospital prices are comparable with CGHS Delhi rates
- IPD prices of the Rural Community-based Hospital are 40–60% lower, while Rural Cooperative Hospital prices are on par with CGHS Delhi prices and ABPMJAY prices
- Most of the Not-for-profit Hospitals are empaneled with State or Central Government Healthcare schemes
- The not-for-profit hospitals use various levers to facilitate their low cost of clinical care and reduced operational expenditure
- Not for profit Hospitals have lower operating costs as compared to For-Profit Hospitals

These hospitals are a potential remedy to the challenges of unavailability and unaffordability of healthcare in India. The infrastructure, services, and charges of these hospitals are positioned to cater to the unreached and underprivileged population of the country. In addition, these hospitals have managed to create a perception of goodwill in the country not only through selfless healthcare services with a social cause, but also through various community engagement programs for education, vocational training, hygiene, sanitation, women's empowerment and employment.

There are lots of conversations, discussions happening in industry forums about the need to look at alternative hospital models that need to be explored, as private healthcare is not the only available solution to cater to communities needs. Many industry veterans are suggesting about creating co-operative models in healthcare which are followed globally in many countries to offer affordable healthcare to masses. Considering the success of Amul's cooperative movement in the country in dairy sector, similar such initiatives are suggested to be rolled out in the country in healthcare sector as well.

What are Healthcare Co-operatives?

A Reliable Enterprise Model for Communities Health and Wellbeing

The health cooperative movement is an international reality, with presence in numerous countries in different forms, with one shared goal: to improve citizens' health and healthcare professionals working conditions. Some 100 million households worldwide enjoy access to healthcare cooperatives. This enterprise model has presence in 76 countries, registering more than 3,300 health cooperatives with an overall turnover of 15 billion dollars.

Cooperatives represent an enterprise model that competes in the marketplace like any other, but does not need to pay returns to its shareholders, and so reinvests all its profits in improving services, thereby guaranteeing sustainability.

Cooperatives are capable of adapting to very different healthcare systems. This flexibility is largely due to the fact that their governance model focuses on the pursuit of solutions to the needs of people and of society at large. Cooperatives evolve and reinvent themselves in response to new problems.

Indian Scenario :

States like Kerala, Maharashtra, Andhra Pradesh and Karnataka already have cooperative hospitals. However, India is reported to have only 52 cooperative hospitals and 30 out of this are operating in Kerala alone. Country needs Sustainable Healthcare Models which can help communities tide over crisis situations like Covid -19.

Concluding Remarks:

Any new Investments into healthcare, as a capacity building exercise, can explore wider options as listed above, instead of creating "private healthcare only" models which may not be the solution to communities needs. Communities are looking for easily Accessible and Affordable Healthcare Services. Covid 19 has thrown lot of economic instability and uncertainty and public can't spend more and more on healthcare on regular basis. Some of the alternative models listed above is an eye opener and communities should start looking at availing the services of some of these health facilities too.

Country needs more such options and solutions to build more affordable and quality care facilities.

Information Source :

Report on Healthcare Cooperatives by United Nations

Study on the Not-for-Profit Hospital Model in India by NITI Aayog

(The views expressed are solely of the author)

When the winds change

Article by **Mr. S. Prakash**

In the process of living, the winds of circumstances blow on us all in an unending flow that touches each of our lives.

We have all experienced the blowing winds of disappointment, despair and heartbreak. Why, then, would each of us, in our own individual ship of life, all beginning at the same point, with the same intended destination in mind, arrive at such different places at the end of the journey? Have we not all been blown by the winds of circumstances and buffeted by the turbulent storms of discontent?

What guides us to different destinations in life is determined by the way we have chosen to set our sail. The way that each of us thinks makes the major difference in where each of us arrives. The major difference is the set of the sail.

The same circumstances happen to us all. We have disappointments and challenges. We all have reversals and those moments when, in spite of our best plans and efforts, things just seem to fall apart. Challenging circumstances are not events reserved for the poor, the uneducated or the destitute. The rich and the poor have marital problems. The rich and the poor have the same challenges that can lead to financial ruin and personal despair. In the final analysis, it is not what happens that determines the quality of our lives; it is what we choose to do when we have struggled to set the sail and then discover, after all of our efforts, that the wind has changed directions.

When the winds change, we must change. We must struggle to our feet once more and reset the sail in the manner that will steer us toward the destination of our own deliberate choosing. The set of the sail, how we think and how we respond, has a far greater capacity to destroy our lives than any challenges we face. How quickly and responsibly we react to adversity is far more important than the adversity itself. Once we discipline ourselves to understand this, we will finally and willingly conclude that the great challenge of life is to control the process of our thinking.

Learning to reset the sail with the changing winds rather than permitting ourselves to be blown in directions we did not purposely choose requires the development of a whole new discipline. It involves going to work on establishing a powerful, personal philosophy that will help to influence in a positive way all that we do, think and decide. If we can succeed in this worthy endeavor, the result will be a change in the course of our income, lifestyle and relationships, and in how we feel about the things of value as well as the times of challenge. If we can alter the way we perceive, judge and decide upon the main issues of life, then we can dramatically change our lives.

(The views expressed are solely of the author)

RATIO ANALYSIS TECHNIQUES

Article by **Mr. CS.U.Siddharth**

Financial Statements are written records of a company that shows its financial status on a particular date and for a financial year. It conveys financial performance of the company. Generally in India, Financial Year is a period starting from 1st April to 31st March next year. A company has to prepare its financial statements according to the provisions of the Companies Act, 2013 as well as keeping provisions of the Income Tax Act, 1961. The legislature has prescribed format of financial statements for each type of companies. Financial Statements of a company conveys pictures of the performance, capital position, cash flows and results of business during a particular time period. These financial statements are generally used by various stakeholders such as investors, government, exchequer, shareholders and even employees of the company. Financial Statements are a collection of summary-level reports about an organization's financial results, financial position, and cash flows.

They are useful for the following reasons

- To determine the ability of a business to generate cash and the sources and uses of that cash.
- To determine whether a business has the capability to pay back its debts.
- To track financial results on a trend line to spot any looming profitability.
- To derive financial ratios from the statements that can indicate the condition of the business.
- To investigate the details of certain business transactions as outlined in the disclosures that accompany the statements.

Items Included in the Financial Statements

The standard contents of a set of financial statements are:

Balance Sheet

Shows the entity's assets, liabilities and stockholders' equity as on the reported date. It does not show information that covers a span of time.

Income Statement

Shows the results of the entity's operations and financial activities for the reporting period. It includes revenues, expenses, gains and losses.

Statement of cash flows

Shows changes in the entity's cash flows during the reporting period.

Supplementary Notes

Includes explanations of various activities, additional details on some accounts and other items as mandated by the applicable accounting framework such as GAAP or IFRS.

These Financial Statements are required to be prepared and submitted with the authorities within a period of 6(six) months from end of financial year. In this case, the date received by various stakeholders through these Financial Statements are 6(six) months older than the date on which they are finalized. These financial statements are so complex i.e. not understandable by common person or a person not having financial knowledge. But it plays very important role for stakeholders to take appropriate decision related to company. We need some quick data and some equation to quickly understand these financial statements. We need Ratio Analysis because it is concerned with the calculation of relationship which after proper identification & interpretation may provide information about the operations and state of affairs of a business enterprise. This Ratio Analysis reduces guesswork on financial soundness and performance of a company and provide a sound basis for judgement of company on a particular date.

TYPES OF RATIOS

1. LIQUIDITY MEASUREMENT

a) Current Ratio;

b) Quick Ratio.

2. PROFITABLITY INDICATORS

a) Profit Margin Analysis Ratio;

b) Return on Assets Ratio;

c) Return on Equity Ratio;

d) Return on Capital Employed Ratio.

3. FINANCIAL LEVERAGE /GEARING

a) Equity Ratio;

b) Debt Ratio;

c) Debt-Equity Ratio;

d) Capitalisation Ratio;

e) Interest Coverage Ratio.

4. OPERATING PERFORMANCE

a) Fixed Assets Turnover Ratio;

b) Sale/Revenue Ratio;

c) Average Collection Period Ratio;

d) Inventory Turnover Ratio;

e) Total Assets Turnover Ratio.

5. INVESTMENT VALUATION

a) Price/Earnings Ratio;

b) Price/Earnings to Growth Ratio;

c) Price to Sales Ratio;

d) Price to Book Value Ratio.

1. LIQUIDITY MEASUREMENT RATIOS

Liquidity means the ability of firm to meet its short-term financial obligations when and as they fall due. The greater the coverage of liquid assets to short-term liabilities the better as it is a clear signal that a company can pay its debts that are coming due in the near future and still fund its ongoing operations. If lower coverage shows that the entity is struggling to fulfil its short-term financial commitments and it is a red-flag to the investors of the company.

CURRENT ASSETS / CURRENT LIABILITIES

Current Assets: =Cash+ Marketable Securities + Accounts Receivables + Inventories

Current Liabilities = Accounts Payable + Short Term Notes Payable + Short Term Loans+ Current Maturities of Long-Term debts+ Accrued Income Tax + Other Accrued Expenses.

The ratio shows the number of times the short term asset covers its short-term liabilities. It means higher the ratios indicate that entity is able to pay its short-term debts and expenses of its ongoing transactions easily. But very high ratio also suggest that company is not able to utilise its resources properly. 2:1 is the ideal Current Ratio.

QUICK RATIO/ACID TEST RATIO- [Cash + Cash Equivalents + Short Term Investments + Accounts Receivables]/Current Liabilities

In this ratio we generally consider most liquid assets or asset that can be converted into cash within a short period of time. Generally Inventories and Other Current Assets do not include while calculating this ratio. Please note that if Current Ratio is greater than Quick Ratio, then it indicates that the company's current asset is dependent on inventory and this is a not good indication of soundness of company. It means that company is slow in converting its inventory into finished goods and finally we can say that into cash and cash equivalents. 1:1 Quick Ratio is ideal one.

2. PROFITABILITY INDICATORS RATIOS

The overall measure of success of a business is the profitability which results from the effective use of resources. Profitability for a company is its ability to earn profit during a given period of time. The profitability ratios show the combined effect of liquidity, asset management, use of resources by the company for earning profit.

GROSS PROFIT MARGIN RATIO= [GROSS PROFIT/NET SALES] *100

This ratio is used to analyse how efficiently a company is using its raw material, labour and manufacturing activities to generate profit.

Note: Higher the ratio, the higher is the profit earned on sales.

OPERATING PROFIT MARGIN RATIO= [OPERATING PROFIT/NET SALES] *100

OPERATING INCOME= GROSS PROFIT- Selling, General & Administrative Expenses.

Note : Lower the ratio, lower the expense related to sales.

NET PROFIT MARGIN RATIO= [NET PROFIT/NET SALES] *100

Note : Higher Profit Ratio means more profitable is the sales.

RETURN ON EQUITY RATIO= [NET INCOME/AVERAGE SHAREHOLDERS EQUITY] *100

It measures how much the shareholders earned for their investment in the company.

Note: Higher Percentage indicates the management is utilizing its equity base and the better return to investors.

RETURN ON CAPITAL EMPLOYED RATIO= [NET INCOME/CAPITAL EMPLOYED]

Capital Employed= Average Debt Liabilities + Average Shareholders' Equity. This ratio complements the return on equity ratio by adding a company's debt liabilities or funded debt to equity to reflect a company's total "Capital Employed". This measure narrows the focus to gain a better understanding of a company's ability to generate returns from its available capital base.

Note: it is a more comprehensive profitability indicator because it gauges management's ability to generate earnings from a company's total pool of capital.

3. FINANCIAL LEVERAGE/GEARING RATIO

These ratios indicate the degree to which the activities of a firm are supported by creditors' funds as opposed to owners as the relationship of owner's equity to borrowed funds is an important indicator of financial strength. The debts require fixed payment of interest as well as principal amount and legal action may be taken in case of default, which may affect the image and financial strength of a company.

Financial Leverage will be to the advantage of the ordinary shareholders as long as the rate of earning on Capital Employed is greater than the rate on borrowed funds.

EQUITY RATIO = [ORDINARY SHAREHOLDERS' INTEREST / TOTAL ASSETS] *100

This measures the strength of the Financial Structure of the Company.

Note: a high ratio indicates a strong financial structure of the company. Relatively low equity ratio reflects a more speculative situation because of the effect of high leverage and the greater possibility of financial difficulty arising from excessive debt burden. Low ratio means the company is running on external debts rather than investment from shareholders.

DEBT-EQUITY RATIO = [TOTAL LIABILITIES / TOTAL EQUITY]

This ratio measures how much suppliers, lenders, creditors and obligators have committed to the company versus what the shareholder have committed. This ratio indicates the extent to which debt is covered by shareholder's funds.

Note: a lower ratio is always safer. But a too lower ratio suggests that there is inefficiency in utilisation of shareholder's funds. The higher ratio indicates that the company is running on external debts rather on shareholders' fund.

CAPITALISATION RATIO = [LONG TERM DEBT / (LONG TERM DEBT+ SHAREHOLDER'S EQUITY)]

This ratio measures the debt component of a company's capital structure of capitalisation to support a company's operations and growth. Note: We know that a low level of debt and sizable proportion of equity in the capital structure of a company is an indication of financial fitness of the company. A high level of external debt poses always restriction on progress of a company. It is better to have low level of external debt for better performance of a company.

INTEREST COVERAGE RATIO = [EBIT/ INTEREST ON LONG TERM DEBT]

This ratio indicates the number of times a company meets its interest expense liability.

Note: lower ratio means there is danger in performance of the company and may be in the future, company will not be able to serve its interest liabilities.

4. OPERATING PERFORMANCE RATIOS

These ratios indicate how well a company turns its assets into revenue as well as how efficiently a company converts its sales into cash, i.e. how efficiently and effectively a company is using its resources to generate sales and increase shareholder value.

FIXED ASSETS TURNOVER RATIO= [SALES/NET FIXED ASSETS]

It measures productivity of a company's fixed asset with respect to generating sales.

Note: Generally higher ratio is preferred because it indicates a better utilisation of fixed assets in generation of sales.

INVENTORY TURNOVER RATIO= [SALES/AVERAGE INVENTORY]

It indicates efficiency of a company in selling its products. It measures the stock in relation to turnover in order to determine how often the stock turns over in the business.

Note: High ratio indicates that there is a little chance of the firm holding damaged or obsolete stock.

TOTAL ASSETS TURNOVER RATIO = [SALES / TOTAL ASSETS]

This indicates the efficiency with which a firm utilises all its assets to generate sales. Note: higher ratio indicates that the company is utilising its assets more efficiently for generation of sales.

5.INVESTMENT VALUATION RATIOS

Valuation is a quantitative process that determines the fair value of an asset or a firm. A company can be evaluated on an absolute basis on its own or a relative basis by comparing it to competitors. There are several methods and techniques to arrive at a valuation value and the most commonly used among them are ratios. Investment valuation ratios highlight the relationship of a company or its equity's market value with some fundamental financial metrics such as earnings. Valuation ratios show the price you pay for some financial metrics such as earning streams, cash flow and revenues. Now we know that valuation is a financial process that determines a company's worth, and that investment valuation ratios provide that insight into the context of the company's financial share price, thus serving as a tool for evaluating investment potential.

PRICE TO EARNINGS RATIO

Price to Earnings (P/E) ratio, also known as price multiple or earnings multiple, is a valuing ratio that measures the firm's current share price relative to its per-share earnings. It is employed by investors to determine the value of a firm's share.

Note: If the P/E ratio is large, it indicates that investors expect earnings to increase in the future hence the company's stock is overvalued. On the contrary, a low P/E ratio indicates that the current earnings are high compared with the current share price therefore the stock could be considered as undervalued. It is worth noting that a company without earnings or making a loss doesn't have a P/E ratio, as there is nothing for the denominator.

P/E RATIO = MARKET VALUE PER SHARE/ EARNINGS PER SHARE

PRICE/EARNINGS TO GROWTH RATIO

PEG ratio is derived by dividing a stock's price to earnings ratio to the growth rate of its earnings for a specific period. Thus, PEG enhances the P/E ratio by adding the expected growth earnings factor into the calculations. Like P/E ratio PEG is also used to determine the actual stock's value.

Note: A lower PEG indicates that the company is undervalued. Keep in mind that one reported source's PEG value can be highly differentiated from others as it depends on the growth estimate employed in calculation.

PEG RATIO = (PRICE/ EARNINGS PER SHARE) / EARNINGS PER SHARE GROWTH

PRICE TO SALES RATIO

Price to sales ratio also known as a sales multiple or revenue multiple is a valuation ratio that compares a company's stock value to its revenues. It is an analysis and valuation tool that shows how much a person can willingly spend per rupee sale of a company's stock. The ratio is either derived by dividing a company's market capitalization to the total sales within a specific time or by dividing stock price to the sales per share on a per-share basis.

Note: A lower ratio implies that stocks are undervalued and vice versa. One drawback of this ratio is that it doesn't give any indication of whether the company is actually making earnings.

PRICE TO SALES RATIO= MARKET VALUE PER SHARE/ SALES PER SHARE OR

PRICE TO SALES RATIO = MARKET CAPITALIZATION / SALES

PRICE TO BOOK VALUE RATIO

This ratio compares the company's stock price or market value to the book value per share. In contrast, book value is the net asset value of any company in the intangible assets and liabilities. The ratio shows the amount that shareholders are paying for the net assets of any company. Remember that market value is generally higher than the book value.

Note: A p/b ratio of 1 is considered as a stable ratio.

P/B RATIO = MARKET PRICE PER SHARE/ BOOK VALUE PER SHARE.

Book value per share = (Total Common Shareholders Equity - Preferred Stock) /Common Shares

CONCLUSION

An investor should invest into any company after analyzing the financial statements of the company. The financial statements of a company consist of various types of reports as prescribed by the legislature during a particular period. It shows financial performance and profitability of company and its statement of assets and liabilities on a particular date. Generally, it is difficult for an investor to understand financial statements of a company. For better understanding of financial statements, we can use Ratio Analysis. Ratios provides us the sound judgment on financial position of a company. Ratios are indicators of the financial performance of the company and indicates the current strength of the company to carry on its business and projects. A good financial ratio indicates that the company is earning profit and increasing shareholders' capital.

(The views expressed are solely of the author)

CHALLENGES OF STANDARDS AND CONFORMITY ASSESSMENT

Part - 1

Mr. Anil Jauhri
Ex-CEO, NABCB

INTRODUCTION

With the advent of WTO regime in 1995, the tariff and quantitative barriers in international trade have gone down and what are called non-tariff barriers have come to occupy the centre stage. The major barriers among nontariff barriers are acknowledged to be those related to **standards and conformity assessment.**

The WTO regime recognizes that the governments have a **right to protect their populace** on grounds such as health and safety and therefore can impose product requirements by law – called **technical regulations** or **sanitary and phytosanitary (SPS) measures** in agrifood sector. In fact, it prescribes under the **Agreement on Technical Barriers to Trade,** commonly called the **TBT Agreement,** grounds such as **health** (food, drugs, medical devices), **safety** (toys, electrical appliances, LPG cylinders), environment (emission levels in vehicles, environmental laws, lead content in paints), deceptive trade practices (adulteration in cement or gold jewellery) and **national security** (telecom equipment) for regulation i.e. product requirements imposed by law.

This has led to **rise in the number of technical regulations, national and international voluntary standards, and conformity assessment procedures** which apply across all sectors to products, services, processes, management systems or personnel. Generally, these are introduced to meet the **legitimate requirements of quality and safety** that consumers, businesses, regulators and other stakeholders demand in the case of goods and services, whatever their country of origin. It is vital, not only for individuals and organisations but for national and international economic health, that products and services can cross borders to meet global demand without causing undue risk to the health and safety of individuals or the environment.

The WTO regime has thus led to creation of **two distinct segments**: one, comprising sectors amenable to **Technical Regulations/SPS measures** and another comprising sectors driven by **Standards** (which now are defined to be *per se* Voluntary). Technical Regulations/SPS measures are the responsibility of the Government which are notified in the interest of the country and its people whereas Standards, which are voluntary, are usually driven by market, industry and other stakeholders.

Any business, including MSMEs and startups, therefore need to not only be aware of the regulations and standards which apply to the sector in which they operate but also assimilate these in the product or service at the design stage itself so that their product or service meets the regulatory requirements, which are mandatory, to survive and standards prevalent in the market and demanded by buyers to succeed.

REGULATIONS

Technical Regulations lay down requirements for product characteristics or their related processes and production methods, **compliance to which is mandatory** as defined in the TBT Agreement. Regulations have to be the same for imports as well as locally manufactured goods based on the principle of **national treatment,** so that imports are not blocked due to differential regulations.WTO encourages countries to **adopt international standards as** Technical Regulations/ SPS measuresso as to avoid barriers and most developed countries adopt International Standards as Technical Regulations/SPS measures.Standards higher than International Standards can be adopted as regulations by giving proper scientific justification and this provision is currently utilized.by many developed countries increasing the challenge for Indian industry.

First and fore most challenge is to **comply with domestic regulations** depending on the sector one operates in. Typical examples are sectors such as Food, Drugs, Electrical Appliances, Electronics and IT Goods,Cement, Telecom products and Steel products.In many sectors,regulations are non existentin India but currently coordinated by the Department of Commerce, an exercise is on to bridge this deficit in regulations.Sectors such as Machinery, Toys, Medical Devices, Personal Protective Equipment, and Chemicalsare in the process of being regulated. **As a thumb rule, if one's product has health or safety implications, he should expect to be regulated.**

The next challenge for the Indian industry is to comply with **regulations of the importing countries** if it wishes to export. This challenge is compounded in some sectors such as Food and Pharma, where domestic regulations are short of International Standards or Machinery or Medical Devices or Chemicals where India is currently largely or totally unregulated. Goods are denied entry if these regulations are not complied with and typically these are more stringent than domestic regulations requiring extra effort by the Industry for compliance. WhilePharma, Automotive and Seafood sectors are successful examples where India has achieved global standards and accessed global markets, industry in most other sectors struggles to comply with the regulations of the importing countries. The challenge is even greater for MSMEs or start ups with the resource constraints they obviously face.

VOLUNTARY STANDARDS

The next challenge is that of voluntary standards prevalent in the market. Standards provide the rules, guidelines or characteristics for products or related processes and production methods and

compliance to these is voluntary as defined in the TBT Agreement as opposed to **compliance to Technical Regulations which is mandatory.**

Voluntary Standards are typically developed by the **National Standards Bodies** that are mostly governmental in developing countries and yet **standards developed by them are voluntary.** In most developed countries, national standards bodies areprivate bodies having strong connect with industry and clearl separation between regulations and standards exists. The **Bureau of Indian Standards** (BIS) is the national standards body of India with over 20000 standards including 12000 plus product standards and any entrepreneur setting up a business or in business looking for building quality is well advised to look at BIS standards available for his product or service as the first point of reference, if its not a regulated sector.

In many sectors, even in regulated sectors, buyers demand certifications to these standards and therefore it becomes necessary for Industry to adopt these. Voluntary Standards include international standards of the **International Organization for Standardization** (ISO) and **International Electrotechnical Commission** (IEC) such as ISO 9001 for quality management systems (QMS), ISO 14001 for environment management systems (EMS),ISO 45001 for occupational health & safety management systems (OHSMS), ISO 27001 for information security management systems etc and these are a growing tribe.

There is another category which is industry driven like IATF 16949 **automotive sector** ( ), TL 9000 in **Telecom,** AS 9100 in **Aerospace** which are driven by the need to upgrade suppliers to major players and OEMs in these sectors and if one operates in these sectors, they have become almost obligatory.

Yet another important category is of what were called the **Private Standards,** now increasingly being called **Voluntary or Private Sustainability Standards (VSS or PSS),** which are developed by stakeholders like retailers, industry, non governmental organizations etc. These standards may offer **protection against liability** which has become important even as global sourcing grows and/or they may address concerns about **social issues** such as child labour, fair wages, workplace safety etc. or **environmental compliance** or even **food safety.** Some examples of such standards are Global G.A.P for agri produce, Forest management (FSC/PEFC) for legality of wood and sustainable forest management, WRAP for Textiles,BRC/IFS/FSSC 22000 for Food and other Social Standards like SA 8000.These standards pose a challenge in terms of both capacity of Indian industry, especially MSMEs and start ups to implement as also the cost of compliance in the form of certification to these standards.

There are Indian schemes available now e.g Ind GAP or India HACCP by QCI or Forest management certification by NCCF at much lesser cost and if any of these are benchmarked internationally (e.g. NCCF), they facilitate exports as well. The industry would be well advised to look at the Indian schemes first to reduce cost of compliance for them.

Note :

Part 2 of this article will cover about International Conformity Assessment Structure, Recognition of Conformity Assessment, Role of Accreditation, Emerging Global Scenario in the next month’s issue.

5S PRACTICES

Mr S Giritharan
Treasurer & GC Member
Consultants Consortium of Chennai

5S - The most commonly used word in many Industries, but many a times it is wrongly understood and given least importance.

Many people believe that 5S is used for Housekeeping. But very few only understand that implementing 5S can make an Organisation grow richer.

Way back in 2004, a Home Utility product manufacturer at South Tamilnadu called us for ISO 9001 implementation.

After systematic implementation, they achieved the Certification in a span of 6 months. However, during my visits to the organisation, I felt that there was scope for lot of improvements.

I used to share the information with the Directors, but they didn't pay much attention to my words as it as business as usual for them from the market.

On getting Certified, they organised a small felicitation function and in that function, I talked about the Continual Improvement and how it helps organisations to make Sustained Growth and Increased Profits. At the end of the session, I have sounded to the Promoters that there are good opportunities for them to improve business and make more profits.

Profit, being the key word, attracts the interest of any business owner. Promoter started the conversation on the topic and initiated the dialogue in the same meeting.

I explained to him the about the 5S Practice and other Lean Tools. He showed keen interest and agreed to look into it.

Almost after six months, he called me as he wanted to implement 5S Practice in his new 25000 sq ft storage area, which he was about to construct.

I told him that the Investment for the new storage area is not required for the company. Promoter was surprised and perplexed with my response. However I was firm and told him that the new storage area is not at all required and huge investment can be avoided.

He was confused and also informed me that they have applied for a Bank Loan for Rs 50 lakhs and got it approved as well. They were about the to start the construction too.

I had explained to him about the condition and existing practices of the factory and why he felt that fresh investment for storage area is not required.

He asked me to visit the office for a discussion which I did two days later and was thrilled to see all Directors (of course, it was a family business) for the meeting.

I told them, that their Stores Processes & Systems were very weak, as they were having multiple Stores inside Single Factory. Most of the goods stored in the Stores remained unmoved, during my 6 months visits to the site.

They invited the Stores Manager, Production Head for the discussion. The irony was Stores Manager was not aware of having multiple Stores inside the factory.

The Production Head informed us that those were not multiple stores & the team used to keep the required tools and others items nearer to the machine area for easy pick up.

Finally, we all had a walk through the entire factory with all the Directors. We had a photographer to take photos, wherever required.

During the visit I have shown them the various small Stores kept near various machines as their convenient locations.

We worked out a plan :

1) To pool all the small Stores into Single store

2) Identify the materials' age

3) Any item purchased before 6 months and not yet used shall be classified as Waste Investment

In two days time, the entire factory was revamped. In the New Store, all the materials are sorted by age and almost 60% of the materials were repeatedly purchased but not used.

However, the condition of many steel items were found to be critical as rust had formed. All the rusted items were scrapped for 1/4th purchase price.

The Stores had lot of EMPTY SPACE thus creating more space for storage.

The Construction of new Storage area which was estimated to cost them ₹75 lakhs was dropped. (and ₹50 lakhs Loan was the loan component.)

Directors accepted they were not aware of these insights into Stores Management Practices .

Business was able to save a minimum of ₹1 crore investment (Own investment + Bank Loan + Interest) which it was trying to create only to provide additional storage space.

We applied the few concepts of 5S and Lean practices, to bring in the required improvement and implemented the following concepts :

1) There is a place for everything and everything should be at that place

2) Don't see the Materials as Materials, but see those as HOT CURRENCY Stored

3) Regular Gemba Walk is important

4) As Storing Inventory is always costlier, try to practice JIT as much as possible

5) Before making fresh Purchases, look into your stock positions.

So 5S Practice, with deep insights, definitely would make your business become more richer and of course shall keep your work area neat and tidy, safe place too for all to work.

(The views expressed are solely of the author)

WHAT DO WE LEARN FROM THE CHINESE?

Mr. R R Padmanabhan
Chairman, Foreign Trade and Skill Development Sub-Committees of the Chamber.

Ever wondered how China has become such a major power in economy, sports or in diplomacy in a matter of roughly 2 to 3 decades. This question always used to bother me a lot. A country which was equal or less than in India till 1978 leap frogged in to world stage. In the process lifting out 50% of its population from poverty and subsistence living. The only country that can be compared with India is China, nobody else in terms population and concomitant problems.

Yes, the differentiating factor is democracy in India and dictatorship in China. But that also does not explain their economic miracle! If democracy is the factor, both India and US are democracies, where are we?

The distinguishing factor is the work culture of the Chinese people. I attended Canton fair in 2011. The sheer size of the fair is mindboggling. As one stands in queue to enter you can hear voice as 'name cad, name cad'. Actually, it is visiting card, that they were saying in loud voice. I asked him what he would do. He said he would have my visiting cards printed in an hour's time both in English and in Chinese. Can you expect that kind of work culture here in India, leave alone in an exhibition, under normal circumstances?

Then their energy levels are amazing. You greet them in the morning, they are cheerful, understandable that it is the first hours of working day. Then after a while just before lunch, you enter a stall, you can expect the same level of greetings from them. Again, in the closing hours, you get to meet, you don't see weariness of the day on their faces, amazing energy levels arising out of their work culture.

This is the one big lesson I got from the Chinese!

The article appeared as a post in https://www.linkedin/in/eximpaddy

and as a blogpost in

https://eximacademychennai.blogpost.com

The views expressed are solely of the author

CONSUMER PRICE INDEX
NUMBERS FOR INDUSTRIAL WORKERS (BASE 2016=100)

S. No.	State	Centre	May 2021
1	**AP**	Guntur	120.8
2		Nellore	118.5
3		Visakhapatnam	131.6
4	**ASM**	Biswanath-Chariali	125.1
5		Doom-DoomaTinsukia	130.9
6		Guwahati	131.1
7		Labac-Silchar	116.2
8		Numaligarh-Golaghat	117.1
9		Sibsagar	118.8
10	**BIH**	Munger-Jamalpur	117.8
11		Patna	117.9
12	**CHD**	Chandigarh	123.0
13	**CHS**	Bhila	115.7
14		Korbe	124.9
15		Rajpur	115.1
16	**DNH**	Dadra & Nagar Haveli	113.5
17	**DLI**	Delhi	114.8
18	**GOA**	Goa	116.2
19	**GUJ**	Ahmedabad	115.6
20		Bhavnagar	117.3
21		Rajkot	119.7
22		Surat	116.5*
23		Vadodara	117.0
24	**HRY**	Faridabad	117.5
25		Gurugram	120.4
26		Yamunanagar	116.0
27	**HP**	Himachal Pradesh	121.7
28	**J&K**	Jammu & Kashmir	124.7
29	**JRK**	Bokaro	120.0
30		Dhanbad-Jharia	125.3
31		Jamshedpur	130.0
32		Ramgarh	124.4
33	**KNT**	Belgaum	120.3
34		Bengaluru	116.9
35		Chikmagalur	111.5
36		Davamagere	123.1
37		Hubli-Dharwad	119.1
38		Mercara-Kodagu	113.7
39		Mysore	119.8
40	**KRL**	Ernakulam/Alwaye	126.2
41		Idukki	123.2
42		Kollam	123.1
43	**MP**	Bhopal	117.3
44		Chindwara	120.7
45		Indore	117.0
46		Jabalpur	123.8
47	**MHR**	Mumbai	115.6
48		Nagpur	118.7
49		Nasik	117.2
50		Pune	117.1
51		Solapur	122.9
52		Thane	114.8
53	**MEG**	Shillong	128.6
54	**ODI**	Angul-Talchar	128.7
55		Cuttack	127.5*
56		Keonjhar	126.8
57	**PUD**	Puducherry	122.3
58	**PUN**	Amritsar	120.2
59		Jalandhar	119.2
60		Ludhiana	120.5
61		Sangrur	119.4
62	**RJN**	Alwar	119.7
63		Bilwara	117.1
64		Jaipur	114.9
65	**TN**	Chennai	121.2
66		Coimbatore	118.7
67		Coonoor	127.6
68		Madurai	125.1
69		Salem	119.5*
70		Tirunelveli	124.9
71		Virudhu Nagar	120.5
72	**TEL**	Hyderabad	119.9
73		Mancheriyal	129.7
74		Warangal	120.1
75	**TRP**	Tripura	116.9
76	**UP**	Agra	122.6
77		Ghaziabad/G.B.Nagar	121.7
78		Kanpur	123.1
79		Lucknow	124.4
80		Varanasi	123.2
81	**UTK**	Udham Singh Nagar	131.7
82	**WB**	Darjeeling	115.7
83		Durgapur	121.3
84		Haldia	115.6
85		Howrah	121.7
86		Jalpaipuri	117.6
87		Kolkata	124.3
88		Raniganji	128.7
ALL INDIA INDEX			**120.6**

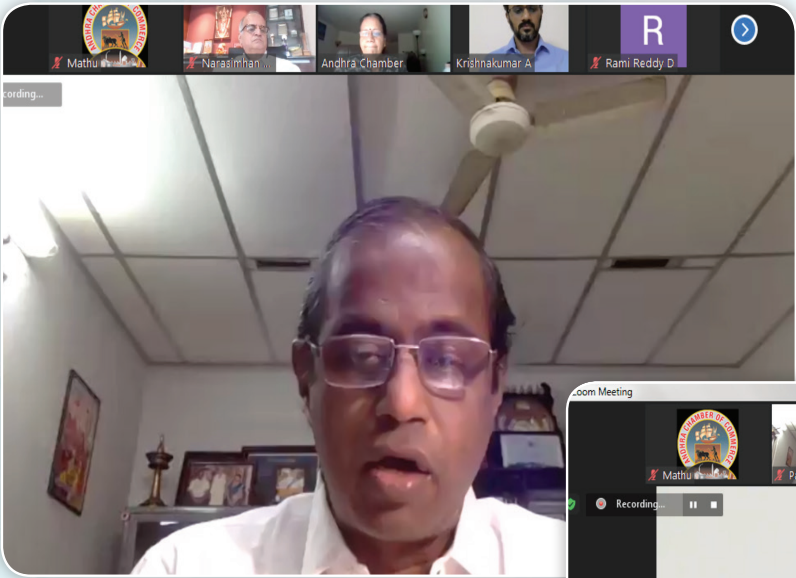
1. The CPI-IW for month of June 2021 will be released on 30th July 2021.
2. E-mail Address: cpiwcr@gmail.com
3. Website: http://www.labourbureaunew.gov.in

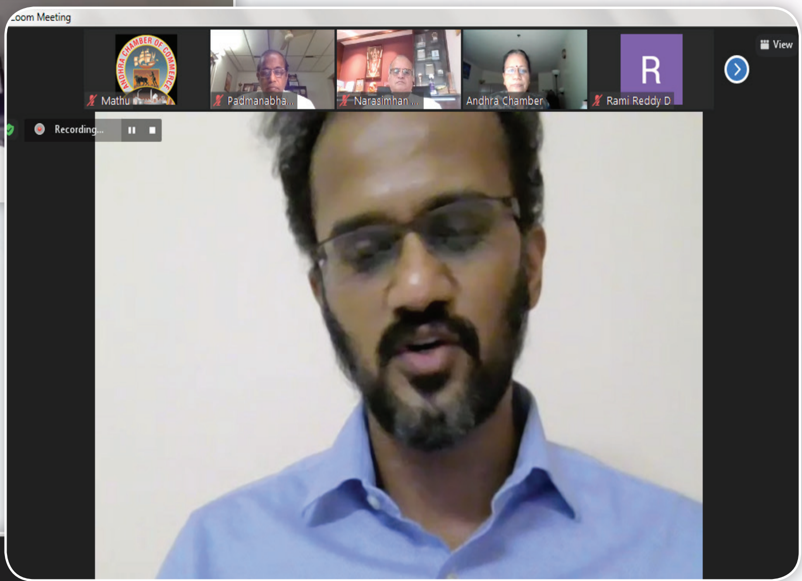
*Rounded up from second decimal place.

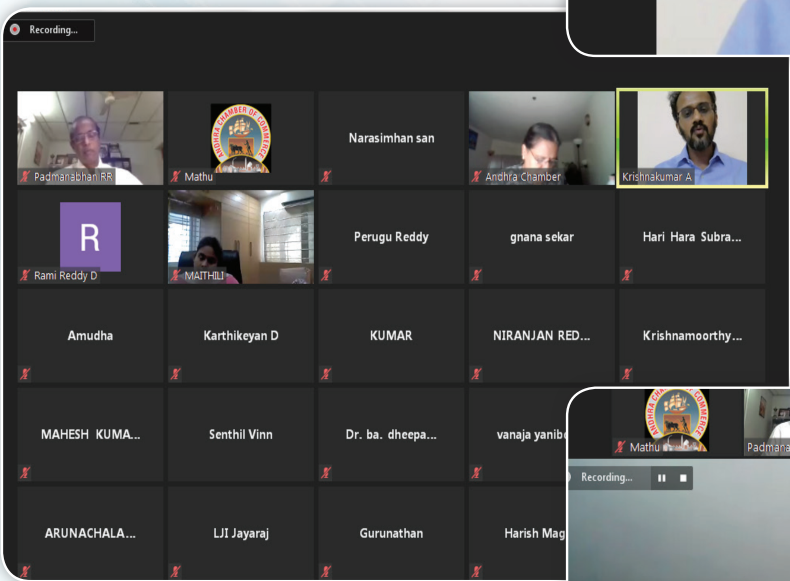
Source: LABOUR BUREAU, SHIMLA

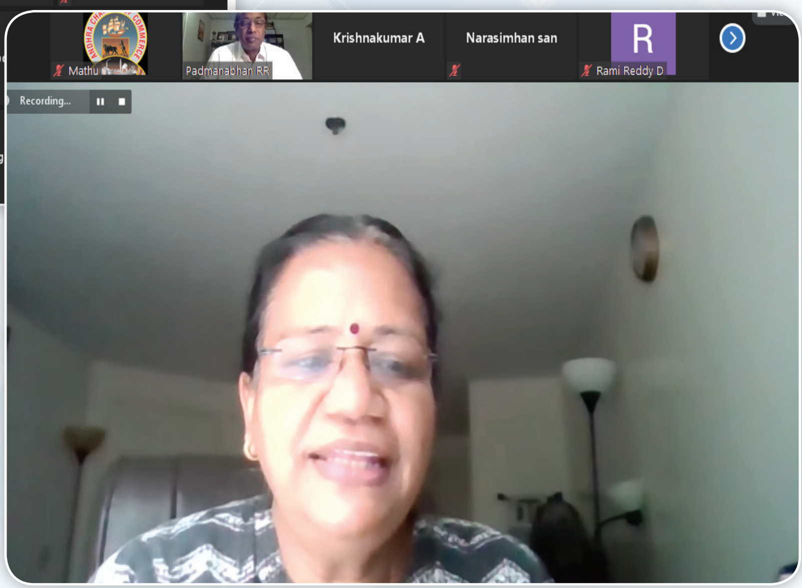
Picture Gallery

Webinar on “Alternative Financing Options for MSMEs” on the 4th June 2021

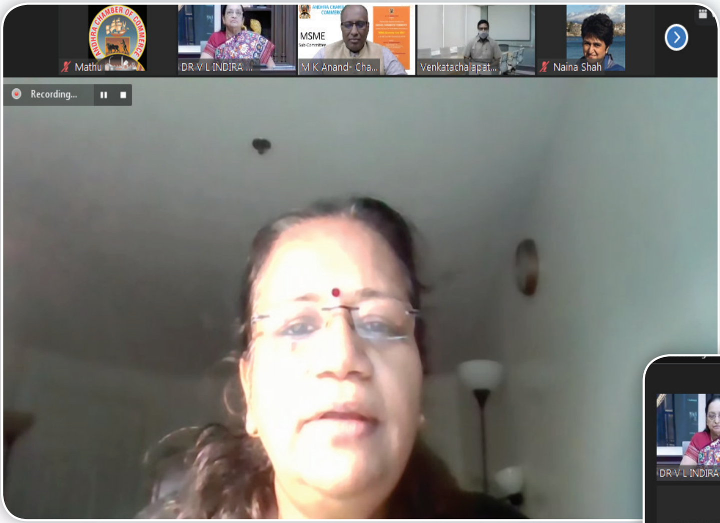


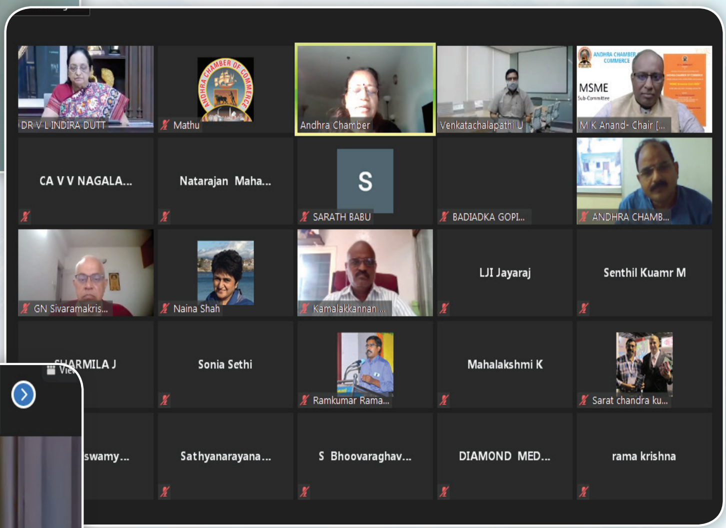


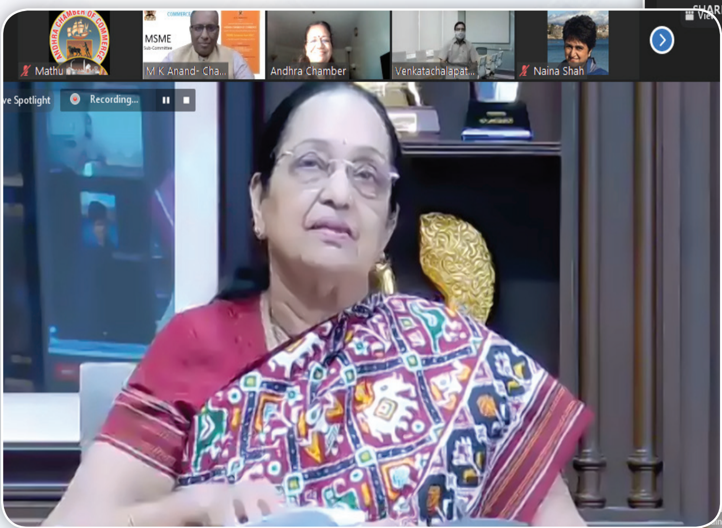


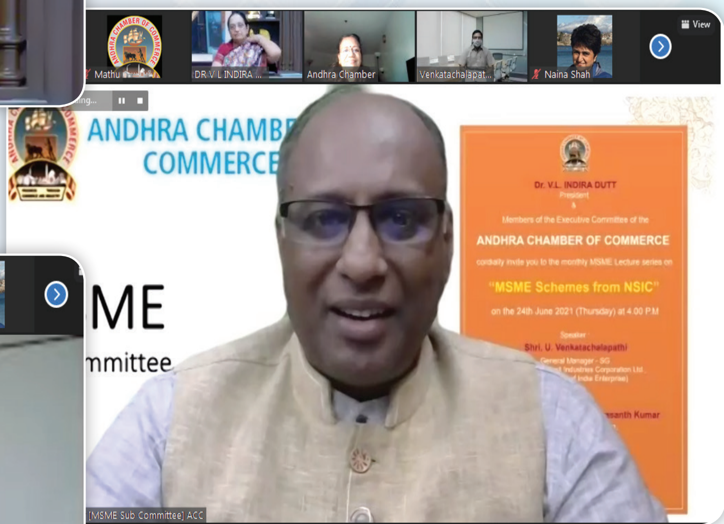


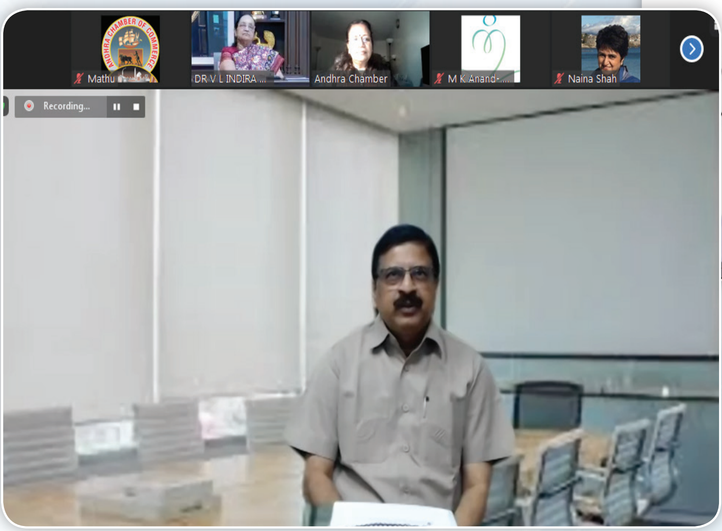
Webinar on “MSME Schemes from NSIC” on the 24th June 2021











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Edited, Published and Printed by Andhra Chamber of Commerce at
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Kind Attn: Members

Dear Sir/Madam;

We are updating the database – Members business details in our records. We request you to kindly inform the Chamber if there are any changes in your mailing list – Address, contact details, Name of the representative, change in the Email-ids and Telephone numbers in the below mentioned format.

Please forward the same to the Chamber by **Email: andhrachamber1@gmail.com** duly filled in for making necessary changes in our records. Please extend your cooperation support in this regard without delay.

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