FINAL INTERNSHIP REPORT 2022

1. **REGULATIONS FOR MSMEs AND CRITICAL PATH ANALYSIS FOR TELECOM AND E- COMMERCE INDUSTRIES**
2. **INTRODUCTION TO EASE OF DOING BUSINESS: COMPARING STATES AS PER EODB AND STUDY OF REFORMS OF VARIOUS INDUSTRIES**
3. **BNPL SECTOR: A COMPARATIVE STUDY FOCUSSING ON THE REGULATORY FRAMEWORKS OF BNPL SECTORS IN AUSTRALIA, EU AND INDIA**
4. **A SELECTED COMPANY PERFORMANCE AND PROSPECTS; AN ANALYSIS BASED ON REVENUE, COST AND PROFITS**

PROJECT S SUBMITTED BY HRIDYA SUDARSAN

MBA (FINANCE) PART-II, 2052

COMPANY OF INTERNSHIP

MANGAL ANALYTICS AND RESEARCH CONSULTANCY

UNDER THE GUIDANCE OF PROF.NILESH BORDE, PROFESSOR OF FINANCE, GOA BUSINESS SCHOOL

GOA BUSINESS SCHOOL, GOA UNIVERSITY

PROJECT OBJECTIVES

- To understand the Critical path required for an MSME In telecom and E-commerce sectors
- To Study the process of Ease of doing Business rankings for states and industries
- To study the BNPL sector in the different countries and understand their regulatory framework
- To study the company performance and prospects

PROJECT METHODOLOGY:

Critical path analysis

The critical path method (CPM) is a technique where you identify tasks that are necessary for project completion and determine scheduling flexibilities. A critical path in project management is the longest sequence of activities that must be finished on time in order for the entire project to be complete.

Growth Rate analysis

The growth rate is the amount by which the value of an investment, property, portfolio, or business increases during a given period. The growth rate gives you important information about the value of an asset or investment, as it helps you understand how that asset or investment has grown, changed, and performed over time.

The growth rate analysis is used here to know the percentage growth in total revenue, Cost , Gross profit , Total operating expenses and operating income during the period of study.

Multiple Regression

Multiple linear regression analysis is essentially similar to a simple linear model, except that some independent variables are used in the model. The model is used to identify the factors that determine the dependent variable. For example, the multiple regression model enables us to study what variables determine the Gross Profit. It also helps us to study the impact of certain variables on gross profit

SECTION 1

COMPANY OVERVIEW

1.1 INTRODUCTION

MARC is a leading Global Research and Analytics company that provides strategic advice to Domestic and international Clientele. MARC is committed to delivering excellence and Partnering success driving Economics Growth.

MARC helps businesses across the globe to leverage transformation, purpose, and success. Their clients range from start-ups to established business houses and reputed organizations.

Since Its inception in 2010 as Mangal Advisory Services (MAS), it today has a footprint across the Globe offering a wide range of services. The company in 2015 was re-branded as MARC to showcase its enhanced portfolio of services. It has positioned itself strongly in the international market enabling domestic and international expansions, through three key verticals namely Mergers and Acquisitions, business Performance Analytics and located at key destinations – Kolkata, Mumbai, Kochi, Indore, Ahmedabad, Agartala, Pune. MARC is headquartered in the beautiful coastal state of Goa. MARC works with several international consultants to enable cross border trade and internationalization. Since 2014, MARC has a tie up with a Portugal based services MNC, which is well established in other parts of Europe, Africa and South America. This strategic alliance facilitates the growth of companies in the international markets. Similarly, MARC has strong footprints in the US, UK, Australia and other promising regions. While MARC assists companies across value chain, it has a focus on the SME sector to empower small and medium businesses with appropriate research and analytical assistance

MARC has 10+ years of experience in Professional, Business Advisory, and Management Consulting Services. MARC has 300+ clients served across Service and Manufacturing sectors, through the Startup, Growth and Maturity stages. MARC is situated in 6+ locations with a Pan India presence through their partners and Global presence through their affiliates.

1.2. VISSION

Aims to create an ecosystem of financial awareness and sound fundamental business management knowledge, which would result in an improved economy.

1.3. MISSION

Partnering with clients at all stages of business to deliver excellence by helping to start wisely, grow strappingly and achieve unprecedented levels of profitability.

1.4. MORE ABOUT MARC

MARC as a family comprises of Chartered Accountants, Strategic Planners, Engineers, Company Secretaries, LLBs and MBAs, each a stalwart in their respective fields. Their alumni have prior experience of working for recognized firms like PricewaterhouseCoopers and Grant Thornton.

MARC operates from its offices located pan-India and works with several international consultants and executes niche financial projects. In 2014, the company entered into an MOU (Memorandum of Understanding) with a Portugal giant, well established in other parts of Europe, Africa, and South America. This strategic alliance has since facilitated the growth of Indian companies in international markets. This partnership also lends foreign companies the expertise and guidance needed to enter the Indian market across sectors.

The firm is mainly focused on providing guidance to the burgeoning SME sector to empower small and medium businesses with appropriate financial and analytical techniques. As a team, MARC lets entrepreneurs focus on achieving key objectives in their business by taking charge of other complexities; which in turn leads to unprecedented growth.

Progressing at a fast pace, the company has already served more than 200 SMEs across the country, offering project reports/ business plans, and outsourced CFO services. MARC's rich clientele envelops several leading and reputed names including the Government of Goa, Goa Electronics Limited, Planet Hollywood, Vikings Ventures, Payatu, Monginis – a master franchise in Goa, Magsons – the largest chain of superstores in Goa, Alcon Group, Optel Vision Inc, Astra Group of Companies and well-known five-star hotel brands.

MARC is also a valuable associate to larger firms that need to execute due diligence and feasibility transactions across the country.

MARC has three major service verticals – Transaction Advisory, Management Consulting, and Market Research.

Under Transaction Advisory, MARC specializes in Mergers & Acquisitions, Project Feasibility Studies, and Profitability Analyses.

Under Management Consulting, MARC provides real-time support to improve Accounting, Financial and Operational systems. They want the entrepreneur to focus on his passion for doing business and leave them the compliance and analytical headaches to handle, which, fortunately, is their passion.

Under Market Research, MARC understands the existing and potential demand for their products or services. This enables a business to understand trends, provide important information by identifying, analyzing the market needs, market size, and competition

2. Company analysis

2.1. company analysis

Company analysis is the process that investors perform to evaluate securities and collect information about the company's profile, products and services, and profitability. Also known as fundamental analysis.

This entire process of giving a company a sophisticated look, called fundamental analysis, is one of the best ways to understand how investors value a company for long-term investments.

Under company Analysis the following analysis will be done:

2.1.1. VRIN/VRIO

2.1.2. SWOT

2.1.1. VRIO/ VRIN analysis:

The VRIO Analysis is an analytical technique that enables the evaluation of a company's resources and, consequently, its competitive advantage. VRIO is an acronym derived from the initials of the names of the evaluation dimensions: Value, Rareness, Imitability, Organization.

Jay B. Barney developed the VRIO Analysis as a way to evaluate the resources of an organization (the company's microenvironment).

- financial resources.
- human resources.
- raw materials.
- non-material resources.

In addition, VRIO considers the following questions (called evaluation dimensions) for each type of resource, both for your company and for your competitors. VRIO considers the following dimensions:

Value - How expensive is the resource and how easy is it to obtain on the market (purchase, lease, rent..)?

Rareness - How rare or limited is the resource?

Imitability - How difficult is it to imitate the resource?

Non-substitutable- How difficult is it to substitute?

VRIO/VRIN analysis of MARC

VALUE

Resources that are valuable to a firm include financial resources, human resources, marketing expertise.

RARE

It is important to ask if the resources that are valuable to the firm are rare or expensive. Neither existing competitors nor new entrants will have a hard time getting access to them if they are not rare.

IMITABILITY

It is difficult and costly to imitate the resources of the firm, but it is imitable if firms can match the quality of services given by this Firm.

NON- SUBSTITUTABLE

When competitors are unable to find alternatives to gain the advantages provided by a resource, it is non-substitutable. The financial resources provided by the firm are non-substitutable.

2.1.2 SWOT ANALYSIS

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, which means a SWOT analysis examines these four aspects of your business.

SWOT Analysis helps you to identify what your company does best right now, and devise a successful strategy for the future. SWOT can also uncover areas of the business that are holding you back, or that your competitors could exploit if you don't protect yourself.

A SWOT analysis looks at both internal and external factors, that is, what is happening inside and outside the organization. Therefore, some of these factors are under your control and others are not. In any case, discovering, recording and analyzing as many factors as possible will make the wisest response you can take clearer.

Strengths are what your company is particularly good at, or what differentiates you from your competitors. Consider that your organization is superior to other organizations. It can motivate employees, access specific materials, and carry out a series of powerful manufacturing processes.

Weaknesses, as well as strengths, are unique to the organization and therefore focus on people, resources, systems, and processes. Think about what you can improve and what practices you should avoid.

Opportunities are opportunities or opportunities for something positive to happen, but you have to assert it yourself.

These usually arise from situations outside the organization and you need to determine what will happen in the future. They can result from the market in which you serve or the development of the technology you use. Identifying and seizing opportunities can make a big difference in a company's competitiveness and leadership in the market.

Threats include those that can adversely affect your business from the outside: B. Supply chain issues, changing market requirements, or lack of staff. It is important to anticipate threats and take action against them before becoming a victim and slowing growth.

SWOT analysis of MARC

Strengths

1. One of the fastest-growing professional service and business consultancy firms in India
2. 10 years of experience in the field
3. Offices is different parts of the country
4. Associates from around the world (Europe, Australia, US)
5. Offices in Africa, South America, and Europe
6. MOU with Mundi services with headquarters in Portugal and many other affiliations

Weakness

1. This Industry has many competitors, high chances of imitation

2. Week marketing strategies compared other consultancy firms

Opportunities

1. Since the company is expanding abroad, the opportunities for the company to grow is immense.

Threats

1. The number of competitors can also be considered as a threat to the company.

3. Industry analysis

3.1. Industry analysis

Understanding how an industry or company works and analyzing financial statements provides the basis for predicting a company's performance and allows analysts to determine the value of their investment in the company or its securities increase.

Under industry analysis following are analysis that was conducted:

3.1.1. Porter’s 5 force analysis:

The porter’s model is a tool for understanding a customer's microenvironment by assessing the competition that a company is facing. This allows companies to look at a wider range of industry situations, both now and in the future. This model identifies and analyzes the five competitiveness that shape every industry. The porter model can be applied to any aspect or sector of the economy to understand the level of competition within the industry and improve the long-term profitability of a company.

The Five Forces Model is named after Professor Michael E. Porter of Harvard Business School in the 1979 Harvard Business Review and in 1980 in Michael Porter's book "Competitive Strategy: A Method for Analyzing Industry and Competitors." First published.

Porter's five forces are:

1. Threat of new entrants
2. Bargaining power of suppliers
3. Bargaining power of buyers
4. Threat of substitutes
5. Intensity of competitive rivalry

1. THREAT OF NEW ENTRANTS

The easier it is to enter the market, the weaker the company's position as new entrants to the industry will have the desire to gain new capabilities and market share. The severity of the threat depends on the barriers to entry for a particular industry.

Since MARC is a consultancy firm, and there are many consultancy firms therefore the threat of new entrants is moderately high, which is a risk to the company.

2. Power of suppliers

The key to developing competitive technology is to recognize the source of competitiveness. It also helps you adapt your strategy to the competitive environment and increase your potential bottom line.

The looming imbalanced bargaining power of suppliers is usually a problem for small businesses that rely solely on seller input. Accessing this type of information (who is the supplier of the company, what is the existing relationship between the buyer and the seller) usually requires extensive research.

3. Bargaining Power of Customers

Buyers are often demanding lots. They want to buy the best deal available by paying the lowest possible price. The client base of the small and powerful consultancy group enhances the client's bargaining power and the ability to seek more discounts and offers. The bargaining power of customers is quite high.

4. Threats of Substitute Products or Services

When new products and services meet the needs of similar customers in different ways, the profitability of the industry is reduced. The threat of alternative products or services is high if you offer a value proposition that is clearly different from what is offered in the current industry. The threat of substitute is moderately high in this industry.

5. Rivalry among the Existing Competitors

If there is fierce competition among existing players in the industry, prices will fall and the profitability of the industry as a whole will decline. Management Consulting Group Plc operates in the highly competitive industrial products and services industry. This competition will hurt the organization's overall long-term profitability. The rivalry between competitors of this firm is moderate.

3.1.2. PESTLE analysis

PESTEL analysis is a strategic framework used to assess a company's external environment by dividing opportunities and threats into political, economic, social, technical, environmental and legal factors.

PESTEL analysis provides an effective framework for planning corporate strategy and identifying the strengths and weaknesses of business strategy. The framework is an extension of the PEST strategic framework that includes an additional assessment of environmental and legal factors that may affect your organization.

PESTEL analysis includes the following:

Political factors

When we look at political factors, we look at how government policies and actions affect the economy, and other factors that can affect our business.

Economic factors

Economic factors consider different aspects of the economy and how the outlook for each area affects your business. These economic indicators are usually measured and reported by central banks and other government agencies.

Social factors

PESTEL analysis also considers social factors related to social cultural and demographic trends. Social norms and constraints are very important to consumer behavior.

technical factors

Technological factors are related not only to innovation in the industry, but also to innovation in the economy as a whole. Failure to keep track of the latest trends in a particular industry can have a significant negative impact on operations.

Environmental factors

Environmental factors are related to the ecological impact on the business. As extreme weather events become more common, companies need to plan ways to adapt to these changes.

PESTEL analysis of financial consultancy industry:

PESTLE Analysis shows in great detail the operational challenges that Discover consultancy firms faces in a typical macro-environment, apart from its competitiveness. For example, an industry on a strong growth trajectory may be very profitable, but in a volatile political environment, it is not suitable for Discover Financial Services.

Political factors that influence consultancy service industry:

Political factors play an important role in determining the factors that may affect the long-term viability of Discover consultancy Services in a particular country or market. Following are the factors that influence the industry

- Level of corruption – especially levels of regulation in Financial sector.
- Legal framework for contract enforcement
- Trade regulations & tariffs related to Financial
- Taxation – tax rates and incentives

- Industrial safety regulations in the Financial sector.

Economic factors that influence the consultancy service industry:

Macro-environmental factors such as inflation, savings, interest rates, exchange rates and business cycles determine the aggregate demand and investment in the economy. On the other hand, micro-environmental factors such as competition norms affect a company's competitive advantage.

The economic factors that Discover consultancy Services should consider when performing a PESTEL analysis are:

- Business cycle stage (e.g. prosperity, recession, recovery)
- Economic growth rate
- Discretionary income
- Unemployment rate
- Inflation rate
- Interest rates

Social Factors Affecting Consultancy Services

Corporate culture and approach influence the culture of the organization in the environment. General beliefs and attitudes play a major role in how Discover Financial Services marketers understand customers in a particular market and shape their marketing message to consumers in the credit services industry. .. The social factors that Discover Financial Services leadership needs to analyze for PESTEL analysis are demographics and skill levels of people.

- Class structure.

- hierarchy,
- power structure in society.
- Industry Education Levels and Education Levels
- Culture (gender role, social customs, etc.)
- Entrepreneurship and the broader personality of society.
- Some societies encourage entrepreneurship, while others do not. Attitude (health, environmental awareness, etc.)
- Leisure benefits

Technical Factors Affecting Consultancy Services

Technology is transforming a variety of industries across the board. The transportation industry is a good example to illustrate this point.

Companies need to not only perform technical analysis of the industry but also run the speed at which technology is disrupting the industry. Slow paces take time, but fast technological upheavals give you a little time to deal with them and make a profit. Technology analysis involves understanding the following implications:

- Recent technology developments by competitors of Discover consultancy Services
- The impact of technology on product delivery
- Impact on the cost structure of the credit services industry
- Impact on the structure of the value chain in the financial sector
- Speed of technology dissemination

Legal Factors that Impact Consultancy Services

Companies need to consider carefully before entering such a market. Doing so can steal the secrets of your organization and lose your overall competitive advantage. The legal factors that consultancy Services leadership should consider when entering new markets include:

- Copyright, patents / Intellectual property law
- Consumer protection and e-commerce
- Employment law
- Health and safety law
- Data Protection

For example:

MARC has the CCPA.

Under the CCPA, among other rights, California consumers have the right to:

Request that a business that collects a consumer's personal data disclose the categories and specific pieces of personal data that a business has collected about consumers.

Request that a business delete any personal data about the consumer that a business has collected.

Request that a business that sells a consumer's personal data, not sell the consumer's personal data.

GDPR Data Protection Rights

Every user is entitled to the following:

The right to access – You have the right to request copies of your personal data. We may charge you a small fee for this service.

The right to rectification – You have the right to request that we correct any information you believe is inaccurate. You also have the right to request that we complete the information you believe is incomplete.

The right to erasure – You have the right to request that we erase your personal data, under certain conditions.

The right to restrict processing – You have the right to request that we restrict the processing of your personal data, under certain conditions.

The right to object to processing – You have the right to object to our processing of your personal data, under certain conditions.

The right to data portability – You have the right to request that we transfer the data that we have collected to another organization, or directly to you, under certain conditions

Environmental Factors that Impact Consultancy Services

Before entering a new market or starting a new business in an existing market, the company must carefully consider the environmental standards necessary to do business in those markets. Some of the environmental factors companies should consider in advance are:

- Weather
- Climate change
- Laws regulating environment pollution
- Air and water pollution regulations

- Recycling
- Waste management in Financial sector
- Attitudes toward “green” or ecological products
- Endangered species
- Attitudes toward and support for renewable energy

Project 1:

Regulations for MSMEs and Critical Path Analysis for Telecom and E-commerce Industries.

1.1. INTRODUCTION

An entrepreneur who wants to begin a startup in telecom and E commerce MSME sector requires certain basic knowledge about the regulatory framework in which the startup has to function. The entrepreneur must also be aware of the Government policies and schemes. Government also provides various benefits and incentives to various categories of entrepreneurs. A knowledge of these policies, schemes, etc, would help the entrepreneur to take a well informed decision and that may lead to his success. Uniformed or misinformed decision would lead to failures or delay in the execution of the project. The project is an attempt to understand and analyses the regulatory frameworks, policies and schemes of the Government of India in Telecom and E-Commerce Industry.

The critical path analysis is a critical component in any business activity. It defines the tasks required to complete a project and also identifies the time required to complete the project in a more systematic and scientific way. This project also made an attempt to understand how to design a critical path analysis for a Telecom and E Commerce MSME.

In India, Micro, Small and Medium Enterprises (MSMEs) contribute almost 8% of the country' GDP, about 45% of manufacturing output, and about 40% of the country's exports. It wouldn't be wrong to call them "the backbone of the country”

The MSME sector has proven to be a highly dynamic factor in the forecasting of the Indian economy. Since MSMEs produce and manufacture a variety of products for both domestic as well as international markets, they have helped promote the growth and development of various product segments and industries.

MSMEs have played an essential role in providing employment opportunities in underprivileged areas. They have helped in the industrialization of such areas with a low capital cost compared to the larger industries in cities. MSMEs have also contributed and played an essential role in the country's development in different areas like the requirement of low investment, flexibility in operations, low rate of imports, and a high contribution to domestic production.

Ministry of Micro, Small and Medium Enterprises continuously examine the political framework, the various regimes in place and the incentives and concessions for the domestic MSME sector. Set has identified the main areas targeted and this is the credit/finance sector, technology, quality inspection and certification, marketing, export promotion, etc Various state governments, on par with the department of MSMEs, have provided programs, incentives, subsidies, concessions, donations for micro, small and medium businesses to boost their economy.

This project talks about the various Regulations, policies, and regulatory frameworks and licenses that MSMEs entering the two sectors will need to abide by in order to start their business. The two sectors that is taken into consideration are:

- Telecom Sector
- E-commerce

A critical path method will be conducted in order to understand the time duration MSMEs will take to start a business. To be more precise, the CPM will be used to know much time MSMEs who want to enter these sectors will require after all the paperwork. The CPM will be done on the basis of the amount of time taken for registration in MSMEs and the amount of time that will be required to register for the licenses, which will give a rough estimate of approximately how much time it will take for the business to commence after the paperwork.

1.2. INTRODUCTION TO CRITICAL PATH ANALYSIS

The critical path method is a technique that allows you to define the tasks required to complete a project. The key path in project management is the longest sequence of activities that must be completed in time to complete the entire project.

Developing a project roadmap can help to visualize what needs to be done to achieve the end goal. The key path method helps do just that. It is a project management technique that involves mapping the main tasks or critical tasks required to complete a project.
Using this technique allows to manage task dependencies and set realistic deadlines.

CPM can provide valuable insight on how to plan projects, allocate resources, and schedule tasks.
Here are some reasons why you should use this method:

- Improves future planning: CPM can be used to compare expectations with actual progress.
- The data used from current projects can inform future project plans.
- Facilitates more effective resource management: CPM helps project managers prioritize tasks, giving them a better idea of how and where to deploy resources.
- Helps avoid bottlenecks: Bottlenecks in projects can result in lost valuable time.
- Plotting your project's dependencies with a network diagram will give you a better idea of what activities can and cannot run in parallel, allowing you to plan accordingly.

1.3. THE TELECOM SECTOR OF INDIA

In India, the telecom industry is one of the fastest-growing sectors and is considered the world's second-largest telecommunications market with a subscriber base of approximately 1.16 billion. Within the telecom sector, there are three main sub-sectors: Telecom equipment, telecom services, and wireless services. Wireless communication is growing very rapidly. As more and more people adopt wireless devices like mobile phones, this wireless sub-sector will likely lead to the global expansion of the telecom industry.

With the increase in the demand for data services, many analysts and consultants have concluded that the potential for MSMEs is quite apparent. The recently merged Vi's solutions to the MSMEs include security, data safety, and continuity. data pooling, location tracking, G-suit, and so on. The top players in the telecom sector and other telecommunication companies are currently focusing on MSMEs since these enterprises are getting digitized and are generating revenue. According to Jio's latest annual report for FY20-21, MSMEs are the backbone of the Indian economy and lack access to integrated digital services and the know-how to adopt the. In 2019, Reliance planned to offer SMEs cloud connectivity and a suite of enterprise applications at a tenth of regular prices thanks to Microsoft's assistance. According to the company statement, Airtel has partnered with the government's MSME promotion body National Small Industries Corporation (NSIC) to help millions of small and medium businesses obtain access to Airtel's connectivity, conferencing, cloud, security, and go-to-market solutions. These are a few examples of the telecom sector trying to expand using the MSMEs.

The telecommunication service providers are preferably categorized under SMEs. When telcos' conventional mobility business was not generating enough revenue, the SME (small and medium enterprises) segment emerged as a growth opportunity. In this space, all three private telcos have been actively seeking opportunities.

1.3.1. POLICY SUPPORT FROM THE GOVERNMENT:

The Union Cabinet has approved a Rs 12,195 (US$1.65 billion) Production Linked Incentive (PLI) Program for telecommunications and network products under the Ministry of Telecommunications. On October 14, 2021, 31 companies including 16 MSMEs and 15 non-MSMEs (eight domestic and seven global) were approved under the Production Linkage

Incentive (PLI) program. To stimulate the development of 6G technology, the Department of Telecommunications (DoT) has developed the Sixth Generation Innovation Group (6G).

1.3.2. REGULATORY BODIES

The various regulatory bodies, their brief description and responsibilities are given in Table (1)

Table -1 : Regulatory Bodies and Responsibilities

SR.NO	Regulatory Bodies	Brief Description / Summary	Responsibilities
1	Department of Telecommunications (DoT)	The Department of Telecommunications, abbreviated to DoT, is a department of the Ministry of Communications of the executive branch of the Government of India. Department of Telecom has been formulating developmental policies for the accelerated growth of the telecommunication services.	1. to grant licenses for several telecom services in India. 2. to establish and maintain wireless types of equipment
2	Wireless Planning Commission (WPC)	the Wireless Planning & Coordination Wing (WPC) is a Wing of Department of Telecommunications coming under the Ministry of Communications of the Government of India. The department is responsible for issuing amateur radio licenses, allotting the frequency spectrum and monitoring the frequency spectrum	1. to maintain the Frequency Spectrum Management, 2. to provide wireless station licensing and take care of the requirements of all Indian wireless users.
3	The telecommunication sector is regulated by the Telecom Regulatory Authority of India (TRAI).	Telecom Regulatory Authority of India (TRAI) is a statutory authority. It is the sector's regulator and plays a crucial role in the development of telecommunications, broadcasting, and cable services.	1.to encourage competition among service providers, protect consumers' interests, and encourage technological advancement, 2. The Telecom Disputes Settlement & Appellate Tribunal (TDSAT) acts as the appellate body.

4	Telecom Disputes Settlement and Appellate Tribunal (TDSAT)	The Telecom disputes settlement and Appellate Tribunal (TDSAT) has the power to take care of the disputes between the license granter (DoT) and the licensee for the regulatory framework of the telecom sector.	1. All the disputes regarding the telecom sector solved under TDSAT
5	Standing Advisory Committee on Frequency Application (SAFCA)	SACFA is short for Standing Advisory Committee on Frequency Allocation (India). It provides recommendation of frequency reallocation and creates a frequency allocation plan. In order to run a radio station or anything similar within a certain frequency, the service provider has to get a SACFA clearance certificate.	1. it grants telecom service providers' approval regarding radiofrequency. Other than a telecom license, an operator requires a NOC from SAFCA to begin their services

1.3.3. REGULATORY FRAMEWORK / POLICIES

The regulatory frameworks, summary, policies and penalties are given in the Table -2

Table 2: Regulatory framework/Polices

sr no	Regulation / Act	Brief Description / Summary	Regulations / Policies	Penalties
1	The Indian Wireless Telegraphy Act, 1933	The definition covers all types of apparatus, appliance, instrument or material which can be used or utilized for the purpose of wireless communication.	The main objective of the Indian Wireless Telegraphy Act, 1933 is ‘to regulate the possession of wireless telegraphy apparatus’. One of the major sources of revenue for the Indian State Broadcasting Service was revenue from the licence fee from working of wireless apparatus under the Indian Telegraph Act, 1885.	· In violation of the provisions of Article 3, a person who possesses a wireless telegraph device other than a wireless transmitter will be fined up to 100 rupees for the first and second violations. will do. Or subsequent violations may result in fines of up to 250 rupees.

2	Cable Television Networks (Regulation) Act, 1995	The goal of the Act was to regulate the haphazard proliferation of cable television networks.	The regulation of cable television network under the Act is ensured through a two step process. In order to keep track of cable operators, it has mandate a compulsory registration for cable operators. It also lays down provisions to regulate content to be broadcasted by the cable operator.	· The law imposes up to two years 'imprisonment and/or up to ₹ 1,000 for the first breach, up to five years imprisonment, and up to ₹ 5,000 for media compliant with CTN law. It is stipulated., Violates the Terms and the "Program Code".
3	The Information Technology Act, 2000	The Act provides a legal framework for electronic governance by giving recognition to electronic records and digital signatures. It also defines cyber crimes and prescribes penalties for them. The Act directed the formation of a Controller of Certifying Authorities to regulate the issuance of digital signatures.	The IT act was introduced to help e-commerce. · It was used to help in the digitalization of the documents and signature as valid authentication of electronic documents.	· Violations under Article 65 of the Information Technology Act 2000: Any person who knowingly alters, hides, destroys, or alters a computer-sourced document shall be punished by a fine of up to 2,000,000 rupees or imprisonment for up to three years Or both.
				· Section 66: Any person who commits fraudulent or fraudulent acts referred to in Section 43 shall be liable for a fine of up to Rs. 5,00,000 and / or imprisonment for up to 3 years.
				· Section 66B: The person who illegally or illegally acquires or retains stolen computer resources or communication equipment is the highest Rs. You shall be liable for a fine of 1,00,000 and/or imprisonment for up to 3 years.

1.3.4. POLICIES

Table 3: Policies of Government of India

sr no.	policy name	objective
1	The Indian Broadband Policy 2004	· The main objective was assessing the potential of Internet use in the development of Indian industry.
2	National Digital Communications Policy, 2018	· The motive behind the introduction of the National Digital Communications Policy,2018 was digital empowerment and to take care of the well-being of Indian citizens.

1.3.5. SCHEMES

Table 4: Various Schemes

sr. no	scheme name	description	registration	eligibility
1	Promotion of Telecom and Networking Products Manufacturing in India through Production-Linked Incentive (PLI) Scheme	· PLI Scheme was launched by the department of telecommunications (DoT) to boost domestic production by encouraging incremental investments and turnover with a total outlay of ₹ 12,195. The support under the Scheme shall be provided for five (5) years, that is, from FY 2021-22 to FY 2025-26.	* The application is submitted and accepted on the online portal. Applicants are required to register on the portal before filling out the application form and upload 3 documents: 1. PAN 2. Authority letter for nodal officer 3. Certificate of incorporation * Once the above information is submitted, a mail will be sent to the Nodal Officer's email Id with a link for verification for the mobile number * The information and documents submitted will	Eligibility shall be subject to thresholds of incremental investment and incremental sales of manufactured goods

			be checked by PMA and once this process is completed, the applicant will receive a mail towards successful registration on the portal within 2 working days. After the registration, the nodal officer will be able to sign in to the portal by using his registered mobile number and OTP and start the submission of the application. · A new online application and tracking system has been introduced with effect from 01.10.2013. · To receive subsidy under the CLCSS, eligible SMEs must apply online through Primary Lending Institutions (PLIs), from which they obtain term loans.	
2	Credit Linked Capital Subsidy Component (CLCS & TU Scheme)	· the scheme will facilitate technology upgrades in MSEs with state-of-the-art technology, with or without expansion, By providing upfront capital subsidies of 15 percent (on institutional finance of up to INR 1 crore availed by SMEs),	· · A new online application and tracking system has been introduced with effect from 01.10.2013. · To receive subsidy under the CLCSS, eligible SMEs must apply online through Primary Lending Institutions (PLIs), from which they obtain term loans. · By using the Online Application and Tracking System, PLI uploads the	The subsidy will be given to the existing & new enterprise having MSE status. Their Constitution may be sole proprietorships, partnerships, Cooperative and societies, private limited / LLP companies in the sector.

		· Under the CLC-TUS, the CLCS component facilitates technology transfer to SMEs through institutional finance for the adoption of well-established and proven technologies in the specific sub-sectors/products approved under the scheme – · This scheme applies to existing Entrepreneurs and Aspiring Entrepreneurs. · To provide financial support to SMEs and Technology Start-Up units for international patent filing to encourage indigenous innovation.	completed application to the attached Nodal Agency, which, in turn, recommends the application online to the Office of DC (MSME) for subsidy release. · Funds are released to Nodal Agencies after approval from the Competent Authority, subject to the availability of funds. · The Nodal Agencies then transfer funds to the PLI where the SMEs account is managed.	The MSEs shall have the valid UAN at the time application implying: They are duly registered as Micro and Small Enterprises (MSEs) under MSMED Act, 2006 and as amended from time to time. As for MSEs in the categories of Limited Liability Partnership firms or provate Ltd. Companies are also required to be registered under LLP Act 2008 or the Companies Act, 2013 or as amended from time to time.
3	SIP-EIT, Support International Patent Protection in Electronics and IT	· To provide financial support to SMEs and Technology Start-Up units for international patent filing to encourage indigenous innovation. example: To recognize the	· The applicants can visit the DeiTY website or ICT-IPR portal to apply for the SIP-EIT scheme. · Then the applicant has to fill out the application form in a prescribed format online. · After completing the upload all the specified records along with the application form.	The Applicant should be registered under the MSME Development Act 2006 of Government of India as amended from time to time as a MSME unit as per the criteria

		value and capabilities of global IP and capture growth opportunities in the area of information technology and electronics.	· The recommended applications will then be processed finally at DeiTy for the approval	for such registration(the applicant would be required to furnish the proof of such registration)
4	M-SIPS scheme	· The Government announced M-SIPS in July 2012 to promote large-scale manufacturing in the country and attract investments in Electronics System Design and Manufacturing (ESDM) industries. · The scheme provides an incentive for investments on capital expenditure- 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs.	· Capital Subsidy - 20% on investments in Special Economic Zones (SEZs) and 25% on non-SEZ investments. · Offers incentives for both new and expanded units. · Incentives for five years after the application approval. · Incentives for 44 categories/verticals across the value chain (raw materials, assembly, testing, packaging, accessories, chips, and components). "· Minimum investment threshold for each product category and vertical (from Rs 1 crore for accessories to Rs 5000 crores for memory semiconductor wafer fabrication)."	The applicant is eligible to avail this scheme if the investment ranges between one crore and 5000 crores based on the type of project. The investment threshold for each product category is prescribed by the Government, which the applicant should satisfy.
5	Special Economic Zone(SEZ) scheme	· SEZ policy aims to create competitive, convenient, and integrated zones offering world-class	"· Any individual, co-operative society, company, or partnership firm can apply setting up a special economic zone. " "· The application is to	

		infrastructure, utilities, and services for globally oriented businesses. · SEZ Act 2005 envisages a key role for state government in export promotion and creation of related infrastructure	be made in Form-A to the concerned State Government and the Board of Approval (BOA) in the Department Of Commerce, Government of India. " "· However, the application would be considered by the BOA only when the state Government recommendation is received."	

1.3.6. LICENSE

Table 5: Licensee: Description and Procedure

sr no	license name/ description	procedure
1	· **A unified license regime** was introduced in the National Telecom Policy (NTP). "One license, one nation" Which meant that there will exist only one license in the nation. · Authorization under the unified license (UL) consists of the following services: 1. Service access 2. Internet service 3. National long-distance service 4. International long-distance service 5. Global mobile personal communication by satellite service 6. Very small aperture terminal closed user group service	· Step 1: CHOOSE ELIGIBILITY CRITERIA 1. A private Ltd. Or Ltd company To apply for a Unified License, you must have registered as a private Ltd or a public limited company. 2. ISP mentioned in the company's MoA The company's MoA should have the term 'internet service provider' mentioned in it. · Step 2: COMPILE REQUIRED DOCUMENTS The following documents need to be submitted: 1. Director's information 2. Company documents 3. The CA's details.

		· Step 3: GET THE LICENSE According to the website, A dedicated consultant will guide the basic documents are ready. The ISP consultant assigned will guide through each step of the procedure and compliance to get approval from DoT on the unified License Various schemes applicable to the MSMEs in the telecom sector

1.4. E-COMMERCE SECTOR

Since 2014, the government has launched initiatives like Digital India, Make in India, Startup India, Skill India and Innovation Fund to accelerate e-commerce in India. It also encourages MSMEs to market their products on e-commerce sites, especially on government-owned websites, such as e-marketplace (GeM), used by ministries and PSUs (public sector enterprises) to purchase raw materials. The platform recorded transactions worth Rs 55,048 (US$7.5 billion) up to September 2020. Multiple initiatives to digitize the entire MSME ecosystem, in which all documents Once the room has been digitally enabled, efforts have been made to create awareness of the benefits of digital payment solutions such as BHIM, UPI and Bharat QR codes.

In recent years, the rise/emergence of the online market through e-commerce has stimulated and had a positive impact on MSMEs. By adopting e-commerce, MSMEs can reap significant benefits such as increased sales and profit margins, better market access, access to new markets, savings on marketing costs, engage customers and improve the customer experience.

India's e-commerce sector is expected to reach $80 billion by 2021 and $300 billion by 2030. For MSMEs, e-commerce means economic stability, growth and security; and a channel that allows even the smallest MSMEs to showcase their products anywhere in the world without paying to expand or change locations. These platforms have empowered small businesses by removing barriers, providing a large customer base and as a result guaranteeing increased revenue. For the growth and development of MSMEs, the e-commerce market is perhaps the best catalyst to accelerate their transformation with minimal cost, investment and innovation. A collaborative effort between government, the private sector, industry groups, training institutions and SMEs is the most effective way to support MSMEs.

1.4.1. REGULATORY BODIES

Table 6: Regulatory Bodies

sr no.	regulatory bodies	Summary	responsibilities
1	The Department of Consumer Affairs	Department of Consumer Affairs is one of the two Departments under the Ministry of Consumer Affairs, Food & Public Distribution. It was constituted as a separate Department in June 1997 as it was considered necessary to have a separate Department to give a fillip to the nascent consumer movement in the country.	1. The Consumer Protection Act,2019 2. 2. The Essential Commodities Act, 1955 (Supply, Price and Distribution of Essential 3. 3. Commodities not dealt with specifically by any other Department). 4. 4. Prevention of the Black marketing and Maintenance of Supplies of Essential Commodities Act, 1980; 5. 5. Legal Metrology Act, 2009; 6. 6. Regulation of Packaged Commodities.

			7. 7. Standards of Weights and Measures. 8. 8. Price Stabilisation Fund 9. 9. The Emblems and Names (Prevention of Improper Use) Act, 1952. 10. 10. The Bureau of Indian Standards Act, 2016. 11. 11. Consumer Cooperatives. 12. 12. Monitoring of prices and availability of essential commodities. 13. 13. National Test House.
2	The Department for promotion of Industry and Internal Trade	In 2018, matters related to e-commerce were transferred to the Department and in 2019, the Department has been given charge for matters related to Internal Trade, welfare of traders and their employees and Startups. The role of DPIIT is to promote/accelerate industrial Development of the Country by facilitating investment in new and upcoming technology, foreign direct investment. and support balanced	according to the Allocation of Business (AOB) Rules, as updated, the Department is responsible for determining the Industrial Policy at Central Government level, including the following matters: i. Productivity in Indian industry ii. Industrial Management iii. Matters related to e-Commerce and start-ups iv. Facilitating Ease of Doing Business (EoDB) v. Promotion of internal trade including retail trade, welfare of traders and their employees, and vi. Administration of Industries

		development of industries The Ministry of Commerce and Industry administers two departments, the Department of Commerce and the Department for Promotion of Industry & Internal Trade.	(Development and Regulation) Act, 1951, grant of Industrial Licenses (IL) and acknowledging Industrial Entrepreneurs Memorandum (IEM). 1.The Department formulates, implements and monitors the Foreign Trade Policy (FTP) which provides the basic framework of policy and strategy to be followed for promoting exports and trade. 2.the Trade Policy is periodically reviewed to incorporate changes necessary to take care of emerging economic scenarios both in the domestic and international economy. 2.the Trade Policy is periodically reviewed to incorporate changes necessary to take care of emerging economic scenarios both in the domestic and international economy.
3	The Department of commerce	"The Ministry of Commerce and Industry administers two departments, the Department of Commerce and the Department for Promotion of	"1.The Department formulates, implements and monitors the Foreign Trade Policy (FTP) which provides the basic framework of policy and strategy to be followed for promoting exports and trade."

		Industry & Internal Trade. "	"2.the Trade Policy is periodically reviewed to incorporate changes necessary to take care of emerging economic scenarios both in the domestic and international economy." "2.the Trade Policy is periodically reviewed to incorporate changes necessary to take care of emerging economic scenarios both in the domestic and international economy."

1.4.2. Regulatory framework

Table 7: Regulatory Framework and Penalties

sr no	Regulation / Act	Brief Description / Summary	Regulations / Policies	Penalties
1	information Technology Act, 2000.	Indian Information Technology (IT) Act, 2000 gives the much required recognition to the services and validity of the services provided by e commerce platforms in	The IT Act 2000 is the sole cyber law in India which also governs, to some extent, the online issues of	The provisions of Section 73 would apply to a person who publishes an Electronic Signature Certificate or makes it available to any other

		India. Such as to the electronics records or electronic signatures, which are the requirements for facilitating paper less trading.	e-commerce in India. Although the IT Act focuses mainly on digital signature and related aspects, it mandates that the e-commerce entrepreneurs and owners must ensure cyber law due diligence in India.	person knowing that the Certifying Authority hasn't issued it, the subscriber hasn't accepted it, or the certificate has been revoked or suspended. The Act states that such a person would be forced to remit a penalty of up to INR 1,00,000; which could be added or replaced by imprisonment for a term of two years. On the other hand, Section 74 states that any person who deliberately creates, publishes or otherwise makes available Electronic Signature Certificate for any fraudulent or unlawful purpose would be imposed with a penalty of up

				to INR 1,00,000; which could be added or replaced with an imprisonment of not more than two years.
2	The Income-tax Act, 1961	The Income-tax Act, 1961 is the charging statute of Income Tax in India. It provides for levy, administration, collection and recovery of Income Tax.	As per section 52 of the CGST Act 2017, An electronic commerce operator (not being an agent) shall collect the TCS at the rate of 1%(0.5% CGST and 0.5% SGST) as per section-52 on the net value of taxable supplies(other than supplies u/s 9(5)) made through it by other suppliers and consideration of such supplies is	

			to be collected by E.C.O	
3	Consumer Protection Act, 2019 and Consumer Protection (E-Commerce) Rules, 2020	The CPA 2019 introduced significant changes to the 1986 consumer protection law , to address unique issues arising in this era of digitization and e-commerce. The E-Commerce Rules provide a framework to regulate the marketing, sale and purchase of goods and services online.	The E-Commerce Rules apply to: (a) all goods and services (including digital products) transacted over an electronic/digital network; (b) all models of e-commerce, including marketplace and inventory models (discussed below); (c) all e-commerce retail (including multi-brand and single brand retail trading); and (d) all forms of unfair trade	

			practices across all e-commerce models.	
4	Foreign Exchange Management (Non - Debt Instruments) Rules, 2019	E-Commerce entities/platforms with Foreign Direct Investment (FDI) are presently regulated by the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019. E-commerce entity as per the aforementioned rules, means a company incorporated under Companies Act 1956 or the Companies Act, 2013.	FEMA was mainly introduced in India to ease all the import and export trade or payments and for safeguarding foreign exchange market. Foreign exchange transactions are classified into two parts i.e. Capital Account transactions and Current Account transactions and FEMA frameworks the procedures to transact in India.	

1.4.3. Schemes

Table 8. Various Schemes

sr.no.	scheme name	summary/description	eligibility criteria
1	Startup India Programme	The Startup India initiative aims to register any small business as a startup. Through this, the startups can get access to a host of tax benefits, easier compliance, and IPR fast-tracking. With this program, small businesses looking to set up online can get access to –	1.Period of existence and operations should not be exceeding 10 years from the Date of Incorporation 2.Incorporated as a Private Limited Company, a Registered Partnership Firm or a Limited Liability Partnership 3.Should have an annual turnover not exceeding Rs. 100 crore for any of the financial years since its Incorporation 4.Entity should not have been formed by splitting up or reconstructing an already existing business 5.Should work towards development or improvement of a product, process or service and/or have scalable business model with high potential for creation of wealth & employment
2	Digital MSME Scheme	This initiative aims to empower Indian MSMEs to have a strong digital presence. Programs like Jeevan Pramaan, data.gov.in, Mobile Seva, and BHIM by NPCI are the different initiatives	1. Udyog Aadhar 2. MSEs should be able to pay the full amount to the service providers 3. MSE will be selected by First come first serve basis 4. Other factors: Financial soundness Product range Export Scope of Expansion Turn over

		undertaken to shift MSMEs to a cashless, contactless e-commerce platform.	The MSEs who needs funding assistance has to apply through http://digitalmsme.gov.in/ICT/MSME_Status.aspx. MSEs has to pay the full amount to the service providers. The subsidy will be disbursed through the Direct Benefit Transfer (DBT) route. The office of MSME, GOI will transfer funds to TCIL who in turn will transfer to the account of MSMEs. The implementing agency will provide the details of MSMEs with user charges, subsidy details to the Office of MSME, GOI on a monthly basis.
3	Skill India	Started by the National Skill Development Corporation, Skill India connects different industries with trainers who help entrepreneurs build skills for their respective businesses.	You can get a loan of Rs. 5 crore and even more, if you have a strong credit profifile at low loan against property interest rate. Further, you can also qualify for this secured loan easily as it has lenient eligibility criteria and repay it conveniently over a flflexible tenor of up to 18 years. To expedite the application and hasten the speedy, 72-hour disbursal, check your pre-approved offer for instant approval via a customised deal

1.4.4. Policies

Table 9: Government Policy

sr.no	Policy	Description
1	National Policy on e-Commerce	The Department of Commerce initiated an exercise and established a Think Tank on 'Framework for National Policy on e-Commerce' and a Task Force under it to deliberate on the challenges confronting India in the arena of the digital economy and electronic commerce (e-commerce).
2	FDI guidelines for e-commerce by DIPP	In order to increase the participation of foreign players in the e-commerce field, the Government has increased the limit of foreign direct investment (FDI) in the e-commerce marketplace model for up to 100% (in B2B models).

1.4.5.License

Table 10: License: description and Procedure:

sr no.	license / description	procedure
1	**Goods & Service Tax**: Every E-Commerce business in India, apart from the North East States, having annual turnover Rs.20 Lacs will be required applying for GST Registration. GST is	Log in to the official website of GST- Fill in the Information- Generate TRN Input Details of Captcha- Submission of essential details- Submission of application- Application Reference

	PAN based registration.	Number-

1.5 CRITICAL PATH ANALYSIS

The concept of CPM is quite simple and can best be illustrated as a project graph .First, each task required to complete a project is listed with a unique identifier (such as a letter or number), the time required to complete the task, and the prerequisite tasks.

For ease of graphical representation and to check for certain types of data errors, jobs can be arranged in "technological order", which means that no jobs appear in the list until all of its predecessors are listed. Technology cannot be controlled if there is a cycle error in the task data

Then, each job is plotted on the chart as a circle, with the specified symbol and time appearing in the circle. Sequence relationships are indicated by arrows connecting each circle (work) to its successive circles, with the arrows pointing to the following circle. For convenience, all circles without precursors are connected to a circle marked "Start"; similarly, all circles without a successor are connected to a circle marked "Finished".

Usually, the graph then depicts several different "arrow paths" from start to finish. The time required to traverse each path is the sum of the time involved in all the jobs on the path. The critical path (or path) is the longest path (in time) from start to finish; it indicates the minimum time required to complete the entire project.

1.5.1 Procedure for CPM in MSME:

1. Identify the opportunity
2. Product choice
3. Process selection
4. Arrange finance

5. Filling of entrepreneurship memorandum- registration/ related documents
6. NSIC procedure for the purchase of machinery
7. Construction of building
8. Utility connection
9. Men, machinery man power
10. Exemption of compulsory license

Based on the above procedure the critical path method is being created.

1. **Identify the opportunity:**

   It's important to understand your customer base from the beginning. Market research can be used to reduce risk when the company is still bright. Gather demographics to better understand customer acquisition opportunities and limitations. This may include population data about age, wealth, family, interests, or other business-related data.

2. **Product choice**

   Other factors to consider when choosing the final product are:

   - Easy to obtain raw materials
   - Process technology
   - Access to the market
   - Government incentives and support

   Market information is also important for product selection. It is best to avoid having multiple players on the market.

3. **Process selection**

   The choice of process technology occurs when the product is complete. For complex products, you need to import process know-how. In such cases, an agreement on technology transfer must be done with great care to protect the interests.

4. **Arrange finance**

MSME units cannot take off without financial support. These funding needs can be categorized into the following types:

Long Term and Medium Term Loans

Short Term or Working Capital

Venture Capital Demand

Seed Capital / Marginal Capital

Bridging Loans

India's financial support for MSME units is available from a variety of sources. Of institutions. The main ones are:

(i) Commercial / Local / Cooperative Bank.

(ii) SIDBI: Small Industrial Development Bank of India (Refinancing and Direct Lending)

(iii) SFC / SIDC: State Financial Corporation (eg Delhi Finance Corporation) / State Industrial Development Corporation

5. Filling of entrepreneurship memorandum- registration/ related documents

Section 8 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 provides for filing of memorandum by a Micro, Small or Medium Enterprise. Sub-section (2) of section 8 stipulates that the form of the Memorandum, the procedure of its filing and other matters incidental thereto shall be such as notified by the Central Government.

6. NSIC procedure for purchase of machinery.

The hire purchase application is to be made on the prescribed form.

The Director of Industries of the State under whose jurisdiction the applicant falls, forwards the application to the head office of the NSIC at Delhi with his recommendation and comments.

All applications for indigenous or imported machines are considered by acceptance committees comprising of the representatives of the Chief Controller of Imports, Development Commissioner, micro, small and medium enterprises and other concerned departments.

7. **Construction of the building**

Once the industrial land for the unit is secured, the next task is to find a suitable architect. The design of the factory building should match the type of industry and have a reasonable facility layout.

An architect's quote for a building is essential for applying for a loan. You also need the architect's certificate of construction costs to pay the loan.

8. **Utility connection**

Among the utilities of prime importance are power and water. In many cases getting power connection causes delay in setting up of plant. Therefore it is imperative to commence work on these aspects with diligent follow up.

9. **Men, machinery, materials**

Men

Projections for manpower and staffing are made in the project report. However it is necessary to time the induction of manpower in a planned manner. The engineers and operatives must be available before the installation of the machinery.

Machinery

Choosing and ordering of right machinery is also of paramount importance. In many cases technology or process provides us with specifications which is not provided, then an extensive techno-economic survey of machinery and equipment available must be carried out. International trade fairs and engineering fairs are good places to look at available options.

Materials

Materials procurement and planning are critical to success, of a start-up with a MSME unit. Inventory management can lead to manageable cash flow situations; otherwise if too much is ordered too soon considerable amount of working capital gets locked up. On the other hand, non-availability may result in production hold-ups, and idle machine and manpower. For essential imported raw material whose lead-time is large proper planning is all the more essential

10. **Exemption of compulsory license**

Licensing in the Industries sector is governed by the licensing exemption notification issued by Govt. of India in July 25 1991 under the Industries (Development and Regulation) Act, 1951. In SSI, there are virtually no licensing restrictions. No industrial license is required except in case of 6 product groups included in compulsory licensing (these products groups mainly cover products that can only be made in large sector.)

1.5.2 CRITICAL PATH ANALYSIS OF TELECOM SECTOR

With the help of the procedure for MSMEs and keeping in mind the procedures and time taken for a few procedures, a Critical path model is being drawn.

1. **Identify the opportunity:**

   The Telecom sector is a huge industry, it can be broadly classified into two sub-sectors: Equipment Sector and Services Sector. Equipment sector players manufacture telecom products whereas the services sector comprises of operators and other service providers. MSMEs can find good opportunities in the service provider sector.

   Example: To develop India's growing service sector, the government has allowed MSME registration for all service organizations. Participating individuals/organizations in the provision of services can now apply as MSMEs and can choose to receive many additional benefits introduced by the government to MSMEs.

2. **Product choice**

   If a service provider wants to start a business, he has to choose the right product from which he can reap benefits.

   Examples of service providers: cable/television, enterprise-grade voice and data services, digital solutions, and so on.

3. **Process Selection**

The service provider needs to learn the whole process of how to go about with various processes that are required in the formation of the business

4. Laws applicable

Go through the regulatory framework applicable for telecom as well as MSMEs.

5. Government provisions/ schemes

MSMEs have a lot of government schemes that can be taken advantage of.

6. Arrange finance

Most important part of starting any business is funding

7. Registration process

Time is taken to register under MSME

Once the application is submitted, the approval and registration process can take up to 2-3 days. If the application is approved, the registration will be completed and the MSME certificate will be sent to you by e-mail.

8. Construction of the building

Identify processes and requirements in case your business requires construction. Or check for procedures for rent.

9. Entrepreneurship memorandum

Follow the procedure for filling the form

10. NSIC

Go through the NSIC procedure.

11. Licensing

Go through required licenses and apply for them

Time is taken to register for a Unified license:

The entire process from application to receipt of a Unified (ISP) license takes approximately 35 months. After submitting your application, DoT will issue a Letter of Intent within two months. After that, it will take about 13 months to provide all the bank guarantees and additional information that DoT needs.

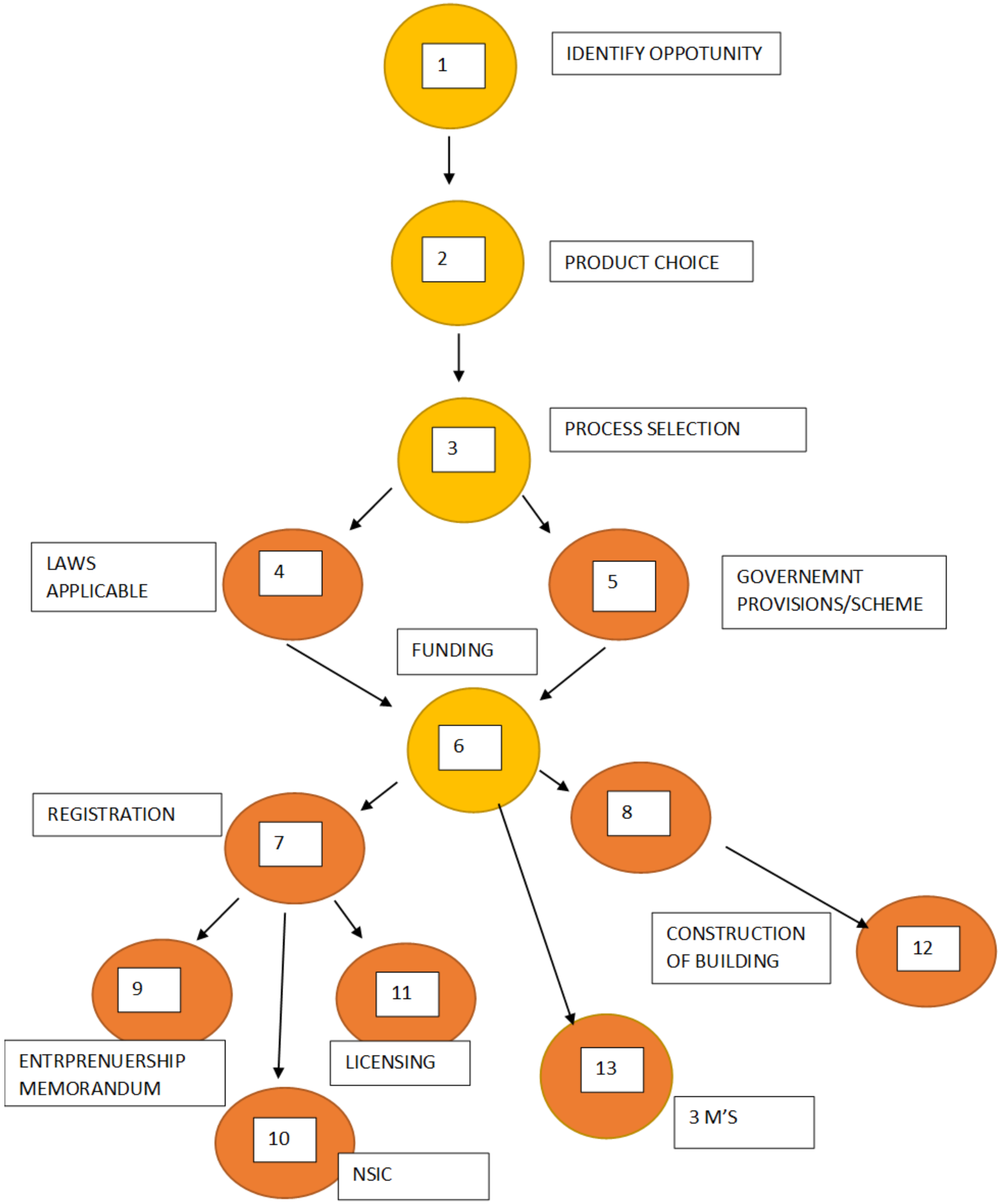
12. Utility connections

Get water, power and other supply connections

13. Man, material machinery

Make sure to get the 3M's right.

Figure:1. graphical representation of CPM in telecom sect



1.5.3 CRITICAL PATH ANALYSIS OF THE E-COMMERCE SECTOR

With the help of the procedure for MSMEs and keeping in mind the procedures and time taken for a few procedures, a Critical path model is being drawn.

1. **Identify the opportunity:**

It comes with several benefits, especially for MSMEs. Ecommerce supports MSME growth by enhancing its income-generating capability, higher profit margins, wider market reach, easy and streamlined marketing capabilities, and constant consumer feedback for continuous improvement in products and services.

2. **Product choice**

It can be online retail store, electronic store, it could be B2B ,B2C,C2C and so on

Examples: Flipkart, NYKA, Ajio, etc.

3. **Process Selection**

The e-business needs to learn the whole process of how to go about with various processes that are required in the formation of the business

4. **Laws applicable**

Go through the regulatory framework applicable for telecom as well as MSMEs.

5. **Government provisions/ schemes**

MSMEs have a lot of government schemes that can be taken advantage of.

6. **Arrange finance**

Most important part of starting any business is funding

7. **Registration process**

registration of the e- business on the MSME portal and registration for required license and schemes are important

8. **Payment getaways**

Payment gateways need to be set up to make your online business profitable as it will allow credit, debit, online banking, and charge card transactions to be processed through the site. e-commerce website.

9. **Website**

E-commerce businesses need to create a website for their business

10. **Building/warehouse**

Construction or rental of building or warehouse for the business

11. **Apply for policies like Startup India, Skill India**

Take benefit of Make in India, startup India Skill India

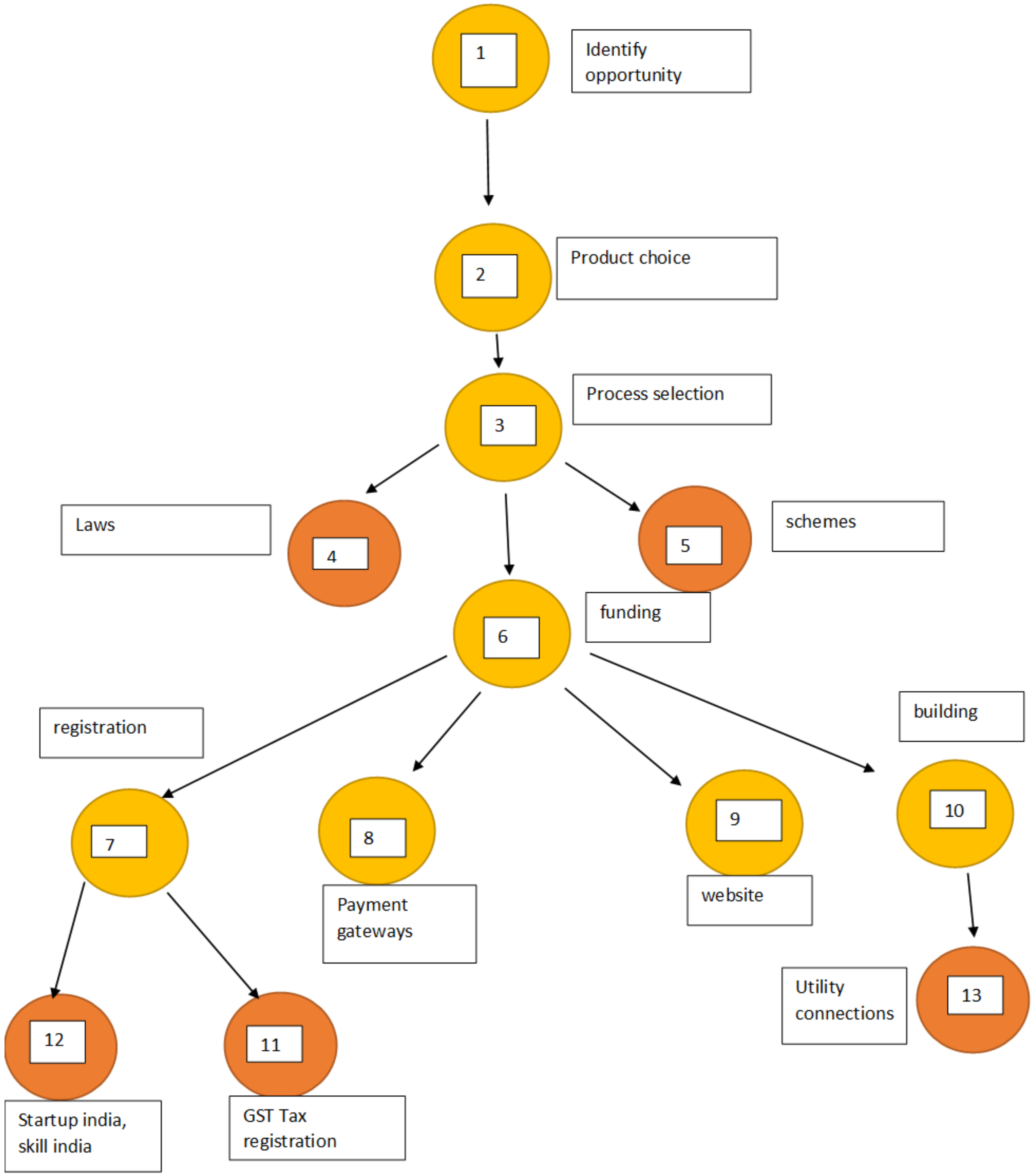
12. **GST Tax**

Apply for GST, GST registration usually takes between 2-6 working days.

13. **Utility connections**

Get water, power and other supply connections

Figure:2. Graphical representation of CPM in E-commerce sector



1.6 Conclusion

An attempt is made to understand the regulatory framework, schemes, and license procedures required for the telecom and e-commerce industry to enter MSMEs. The study reveals that there are a lot of regulations and procedures that the entrepreneurs who enter MSME need to know for the successful execution of projects. The critical path analysis is an essential component of starting a telecom and e-commerce business under MSME. The critical path analysis would help the MSMEs for an efficient and cost effective implementation of the project. Also, there is a misconception among the business community that telecom is beyond the scope of MSMEs. It is not true. There are various opportunities for MSMEs in telecom sector as service providers.

PROJECT 2:

Introduction to Ease of Doing Business:

comparing states as per EODB performance and study of reforms for various industries.

1.1. INTRODUCTION

The Ease of Doing Business (EoDB) Index is a rating system established by the World Bank Group. In the EODB Index, a "higher rank" (lower numerical value) indicates better regulations, often simpler business, and stronger protections for property rights.

The rank and weight of each parameter mentioned below are used to develop the overall EoDB rating. A high EoDB rating means a more favorable regulatory environment for starting and operating a business.

EODB is decided by aggregating the distance to frontier rankings of various economies. According to that parameter, the distance to frontier rating makes use of the `regulatory excellent practices for doing business as a parameter and benchmark economies. For each of the signs that shape the statistic ' Ease of doing enterprise,' a distance to the frontier rating is estimated, and all of the rankings are aggregated. The aggregated rating may be the Ease of doing business index.

Indicators for which distance to frontier is computed consist of construction permits, registration, getting credit score, etc. Countries are ranked as per the index.

1.2. Parameters for EODB

- Start a business for everyone

  Includes procedures, time, cost and minimum capital to open a business

- Management of construction permits

  Includes procedures, time, cost to build a warehouse

- Receive electricity

  Includes procedures, time, cost to obtain permanent electricity.

- Register property

  Includes procedures, time, cost to register property

- Get credit

  Strength of legal rights index, depth of credit information index

- Protecting minority investors

  Indices on the extent of disclosure, the extent of director liability and ease of shareholder suits.

- pay taxes

  number of tax paid

- Cross-border trade

  Number of documents, cost time required

- The performance of contracts
  Procedure time and cost for enforcing

- Solve insolvency situation
  Time cost and recovery rate (%)

1.3. EASE OF DOING BUSINESS IN INDIA

The ease of doing business in India averaged 119.67 between 2008 and 2019, reaching an all-time high of 139 in 2010 and an all-time high of 63 in 2019.

In the long term, the ease of doing business in India is expected to trend around 116.00 in 2021, according to econometric models.

In an effort to improve the quality of life and ease of doing business in India, more than 25,000 compliance acts have been restricted by the Indian government. These positive changes have resulted in this impressive improvement in India's ranking in the EoDB index. India's key achievements are summarized here:

Construction permits:

India's ranking on this index improved from 184 in 2014 to 27 in 2019. This improvement was mainly due to a decrease in the number of procedures and time required to apply for a building permit in India.

Permits on electricity:

India's ranking on this index has dropped from 137 in 2014 to 22 in 2019. It takes only 53 days and 4 minutes for a business to get an electrical connection in India.

In addition to these significant improvements, out of 190 economies, India ranks 13th in the protection of minority investors and 25th in getting credit.

1.4. Ease of Doing Business: An Overview of State Performance

The goal of implementing DPIIT reform is to provide a business-friendly environment in which regulations in a state must be simplified. Therefore, a method to rank states based on Ease of Doing Business (EoDB) within a state was devised. DPIIT offers a series of recommendations to reduce the time and effort that companies spend on regulatory compliance known as the Business Reform Action Plan (BRAP). BRAP 2019 is a list of 80 proposed reforms aimed at simplifying, streamlining, and digitizing the regulatory framework within a state.

How states are ranked, now different than Ideal, the number of respondents for each state should be decided based on population or number of business clusters to ensure a representative sample state. It is not clear whether DPIIT uses representative samples. The latest Ease of Doing Business Rankings for Indian Countries, released by the Department for the Promotion of Industry and Internal Trade (DPIIT), has yielded some interesting results. The absence of more industrialized states like Tamil Nadu and Maharashtra at the top and the presence of states like Uttar Pradesh (formerly far behind but has now risen to number 2 in India) in the upper ranks surprise many people. An overview of what is used to calculate the final rating.

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The reforms are grouped into 12 broad areas such as land management, labor regulations, obtaining permits for electricity and water supply, environmental regulations, and more. Countries are required to provide proof of implementation of each reform on the DPIIT EoDB portal and submit a list of users of these reforms. A sample of these users will then be interviewed to determine the effectiveness of these reforms. Each question is assigned a weight. The final score is the weighted average of all responses applied to a condition.

In this project the States of Andhra Pradesh, Goa and Uttar Pradesh are taken to compare the states based on their performances.

In order to compare the EODB performance of the states in India, three states are being selected.

- Andhra Pradesh
- Uttar Pradesh
- Goa

1.4.1. EODB ranking in Andhra Pradesh:

The state topped the overall rankings for state business process reforms implemented in 2019. These rankings represent the state's ease of doing business with increased transparency and efficiency. and the effect of government regulatory functions on business enterprises.

The ranks were made available by the Department of Industrial Promotion and Internal Trade (DPIIT) of the Government of India via video conference call by Finance Minister Nirmala Seetharaman. Trade Union Minister Piyush Goyal was also present.

Minister of industries Mekapati Gowtham Reddy said the ranking sums up the efforts of the government A.P. to ensure real business reforms that lead to real ease of doing business with low start-up costs and quick approvals.

EODB's initiatives to create a business-friendly environment in the state range from reforms in development of online systems, enhancing transparency to regulating inspections covering entire life-cycle of business.

The 2019 Enterprise Reform Action Plan issued by DPI includes a list of 80 reforms (187 reform action points) implemented by 19 state agencies and Andhra Pradesh has achieved 100% compliance.

A.P. is the first state to act to revive an economy hit by a global pandemic and revive small and medium-sized industries with the ReSTART package fulfilling 90% of the promises made to the electorate and businesses in the very first year of governance.

Initiatives taken by Andhra Pradesh:

- Single Window Act mandating time-bound delivery of services
- Comprehensive checklist of all requisite approvals made available

- Transparent, unified, one-stop solution for investors with SLAs
- Single front-end portal interface across multiple departments
- Investor onboarding without need for physical interaction with various departments
- Common Application Form (CAF) across multiple departments
- Integration of requisite pre-establishment and pre-operation stage clearances for online filing and tracking
- Dashboard view of clearances in pipeline
- Channel for routing queries and interacting with departments for additional documentation
- Institutional arrangements for Single window clearances through State & District-level Bureau
- Incentives under Industrial Policy 2015-20 to be facilitated as services
- Single Window System

Fast track approvals

- VAT & professional tax registration certificate -1 day
- Construction permit/building permission approval¬- 7to 15 days
- Electricity connection from date of approval – 15 days
- VAT refund direct to bank account- 60 days

- SLA for clearances under Single Window- 21 days
- VAT refund direct to bank account- 60 days

Enabling Framework

- Land & property

Transparent criteria for land allotment.

- Infrastructure and utilities

Online application and payment for infrastructure-related utilities.

- Taxation

E-registration and online payment of state taxes.

- Rationalized environmental clearances

Downloadable and verifiable Approval Certificate for environmental clearances.

- Labour reforms

Amended Contract Labour Act and combined online registration for multiple Labour Acts

- Self-certification & simplified inspections

Inspection reports available within 72 hours.

1.4.2. EODB in Uttar Pradesh

UP jumped from 12th place in the Business Reform Action Plan (BRAP) 2017-18 to 2nd place in BRAP19. UP outperforms several major states such as Gujarat, Telangana, Rajasthan and Maharashtra in its annual EoDB ranking. The UP is second only to Andhra Pradesh (AP).

UP implemented 186 of the 187 reforms proposed by the Federal Office for Industrial Trade Promotion (DPIIT) under BRAP 19. Under BRAP 2021 , UP implemented 170 of the 301 proposed reforms, The reform included several aspects such as labor regulations, online single-window facilities, access to information and transparency, land management, building permits, and trade disputes.

The highlights of State Reforms Action Plan 2020-21 are provided below:

• 'Investment enablers' has been introduced as a specific area in the Action Plan. This encompasses reforms related to access to information and transparency', 'Investment Facilitation Centre/ Investment Promotion Agency' and 'Online Single Window System'.

• Single Window system enabled with dashboard has been included as a key reform area in the Action Plan. The envisaged features of the single window system include online submission of application, payment of application fee, tracking of application status, download of the final signed certificate third-party verification.

• Sectoral reforms have been introduced for the first time in the Action Plan for 2020-21 and these sectors are Tourism, Telecom, Hospitality, Trade License, Healthcare, Legal Metrology, Cinema Halls and Movie shooting.

• Public procurement undertaken by Industries department has been added as a separate area in the Action Plan.

• Reforms relating to ‘elimination of the requirements of renewals of certificates/ approvals/ licenses’ and ‘implementation of computerized central random inspection system’ have been included in the Action Plan in line with Department of Expenditure (DoE) recommendation

1.4.3. EOBD IN GOA

The State of Goa was able to implement 222 out of 372 mandatory reform agenda points.Goa failed to implement 139 points, while 11 action points for reforms were not applicable for the state. Out of the nonrelevant 11 points, Goa needs around 6 action points pertaining to the designing of E-Systems for the Inspectorate of Factories and Boilers.

Since the number of applicants for boiler erector and number of approvals granted in the State of Goa have been less than 10 in the last five years from 2013 to 2017, exemption has been sought for the implementation of the 6 recommendations.

Goa was also required to design and implement a GIS system to provide details about the land earmarked for industrial use across the State along with the design of GIS system providing details about available infrastructure such as road, water, electrical substation and poles, proximity to National/State highways, Railway lines etc. for all industrial land banks of Goa. This recommendation too could not be complied with as IDC at present, does not have the land available for industrial use and thus details with respect to infrastructure for all industrial land in the State of Goa do not arise.

The current rankings for the first time factored in user feedback on the quality of implementation of the reforms claimed by the States on 12 parameters namely, construction permits, labor regulation, environmental registrations, information access, land availability, paying taxes, and single window system among others. State governments promise a number of reforms but some of these remain only on paper. The industry feedback from businesses, lawyers, architects, and electrical contractors was an attempt to capture the practicality of the reforms put on paper. To Goa's greatest credit the Business Reforms Action Plan (BRAP), which had stood at 18 percent last year has now taken a big leap forward to 57.34 %. This shows that there has been a sizeable increase in Goa implementing the reform agenda. But this is far from enough. Compared to Goa's dismal performance, the BRAP score of all the States in the top ten brackets is above 90 percent.

Reforms

construction permits are provided within 45 days

I. Building Plan approval is provided within 15 days

II. II. Plinth Inspection is done within 5 days of intimation

III. III. Final completion/occupancy certificate is provided within 25 days

Investment Enablers

Define objective criteria, for evaluating land allotment application within Industrial Estates of State Government ensures provision of land / shed allotment for industrial units on rental / lease model is provided as an option.

Investment Enablers

Define clear timelines mandated through the Public Service Delivery Guarantee Act (or equivalent) legislation for evaluating land allotment application for industrial use.

1.4.4. Comparative study of the 3 states: Andhra Pradesh, Uttar Pradesh and Goa:

Andhra Pradesh	Uttar Pradesh	GOA
topped the overall rankings for state business process reforms implemented in 2019 DPIIT contains a list of 80 reforms (187 reform action points) to be implemented by 19 State departments and Andhra Pradesh had achieved 100% compliance.	**UP jumped from 12th place in the Business Reform Action Plan (BRAP) 2017-18 to 2nd place in BRAP19. UP implemented 186 of the 187 reforms proposed by the Federal Office for Industrial Trade Promotion (DPIIT) under BRAP 19. Under BRAP 2021 in states, UP implemented 170 of the 301 proposed reforms**	**Goa ranked 24th in 2019. The State of Goa was able to implement 222 out of 372 mandatory reform agenda points. Goa failed to implement 139 points, while 11 action points for reforms were not applicable for the state.**

From the comparative analysis, we can see that Andhra Pradesh is a state that has topped the ranking system in 2019, their focus industries included Agro and food processing, Life sciences, MSMEs, and so on. Andhra achieved 100% of the reform points that were given. AP also satisfies the parameters by fast implementation, compared to other states.

Followed by AP, we have Uttar Pradesh whose EODB ranks were quite surprising to the Nation. Uttar Pradesh showed a tremendous improvement with the 2nd rank, UP implemented 186 out of the 187 reforms to reach the second rank. One of the key highlights were the sectoral reforms that were undertaken.

Goa's rank was 24th in 2019 which is very low compared to Andhra and UP. If you compare the states, Goa doesn't focus on all the sectors that Andhra Pradesh and Uttar Pradesh does. The parameters where Goa scored well on the 'Reforms Evidence Score' were 'better construction permit enablers' with a score of 55 (Andhra Pradesh scored 91) and for enabling 'better access to information and transparency with a score of 32 (Andhra Pradesh scored 53). Goa's score percentage on the 'Reforms Evidence' is 5.5067 as against 33.7346 scored by top-ranking State of Andhra Pradesh.

1.5. Sector wise Ease of doing business:

Through this study we are trying to EODB reforms for the 3 sectors in India

- Pharmaceutical
- Fintech
- textile

1.5.1. EOBD in PHARMACEUTICAL SECTOR:

As of October 2019, the ease of doing business reforms with India relative to the pharmaceutical industry, particularly, setting up of API production plants, India ranked 63rd. Reforms such as enforcing contracts and registering property stood at places 163 and 158 respectively. In other reforms pertinent to paying taxes and trading across borders, India still lags behind compared to it's competitors in China. Many players in the pharmaceutical industry are calling on governments to further liberalize their regulatory systems, especially in the drug and dosing processes.

India serves more than 200 countries and territories as a pharmaceutical customer. This relationship continues to increase value and effectively provides businesses and start-ups with the benefits of increased growth opportunities.

Indian Pharmaceutical Industry's Efforts to Fight COVIDs Around the World

On the plus side, this development has forced the industry to provide better medical care to the public. The COVID19 pandemic reveals weaknesses in the global supply chain in the pharmaceutical industry. To measure this, the Government of India's Pharmacy Department has spent 649 billion rupees over five years to launch a comprehensive PLI or production-linked incentive program for pharmaceuticals, pharmaceuticals and therapeutic machines. The government has already begun to apply for approval of an incentive worth 6,564 rupees. The Cabinet has also approved another PLI scheme for the pharmaceutical sector of Rs 15,000. The government is trying to build national capabilities for high value products such as biomedicine, complex generics and gene therapy drugs.

In the future, India has the potential to become a global supplier of APIs (Active Pharmaceutical Ingredients), ASMs, and intermediaries. To realize the vision of Aatmanirbhar Bharat (Self-sufficient India), a huge park is planned for medicines and medicines of about Rs 3,400.

Government program to promote growth of the Indian pharmaceutical industry

The Ministry of Chemicals and Fertilizers wants the pharmaceutical industry to participate in government projects such as Ayushman Bharat Yojana and Pradhan Mantri Bhartiya Janaushadhi Pariyojana. The government has supported and recognized the role of the pharmaceutical industry during the COVID 19 pandemic. Their joint efforts and initiatives have gained international recognition and helped create harmony and glory in healthcare around the world.

The Indian pharmaceutical industry is entering the next stage of its development. This critical issue requires greater cooperation between pharmaceutical companies, governments and regulatory agencies. Collaboration is needed to create a viable growth ecosystem. Only then will the industry be able to combine government intervention with the efforts and advice of pharmaceutical companies to achieve its vision of increasing its GDP share to 2.5% by 2030 and even 5% by 2030. increase. This is in line with other developed markets in Europe and North America. America. And startups should definitely keep an eye out for huge growth opportunities throughout this process to gain an advantage while providing innovative solutions.

1.5.2. Ease of doing business in the Fintech sector

In recent years the government has come Several initiatives to promote growth Entrepreneurship and skilled workers. Them Initiatives are now beginning to influence Positive effects. Initiatives such as Startup India, Standup India, Fund, etc. From funding for startups and NITI Aayog initiatives, Financial and procedural support, Skill India, All online learning and development programs Contribution in this direction. Continued reforms helped the country Jump to 63rd place in "Easy of Doing Business" ranking jumped to 14th place from last year's rankin

1.5.3. Ease of doing business in Textile industry

India recently climbed 30 places to become the 100th country in terms of ease of doing business. This was revealed in the latest Doing Business 2018: Reforms for Job Creation by the World Bank Group. This article discusses various measures to facilitate business activities in the textile sector.

Overview of the Indian Textile Industry

The textile industry of India plays an important role in the Indian economy, as it contributes to industrial production, GDP, exports and creates many jobs in the land. country. The textile industry contributes 14% to industrial production and 4% to GDP of India. Export earnings from this sector account for 13% of India's total exports.

The textile and garment industry has the second largest employment generation after agriculture. It also covers the different skill sets needed in a variety of segments, from traditional hand-woven products, handicrafts, wool and silk to the organized textile industry including spinning, textile, processing, clothing and garments.

The above 3 industries are important contributors to the growth of the economies, EODB reforms will help these industries grow as well as contribute to the improvement in the country's EODB rank.

1.6. Conclusion:

Through this study, we saw the comparison between the top 2 states Andhra Pradesh and Uttar Pradesh, and we took Goa from the mid-range in order to compare the performances of the states, how UP bagged the second place, and why Goa is so low in rank compared to these two states.

The sector wise study was done to understand the reforms that EODB had for them, with the help of which the country can improve its EODB ranks.

PROJECT 3:

BNPL SECTOR: A COMPARATIVE STUDY FOCUSSING ON THE REGULATORY FRAMEWORKS OF THE BNPL SECTOR IN AUSTRALIA, THE EU, AND INDIA

1.1. INTRODUCTION

Buy Now, Pay Later (BNPL) solutions, which allow consumers to pay in interest-free installments, continue to gain popularity as people look for alternative financing methods, a trend that is only deepening due to the coronavirus pandemic. And with the stress of the market, the competition among financial services companies is getting fiercer. The worldwide buy now pay later market length is expected to reach USD 20.40 billion by way of 2028, registering a CAGR of 22.4% from 2021 to 2028.

The market boom may be attributed to the huge quantity of blessings presented by using buy Now Pay Later (BNPL) structures, along with handy and interest-loose bills. those platforms have become more and more famous as the favored price choice whilst shopping online.

Retailers are offering buy now, pay later solutions that allow their customers to buy everyday essentials by choosing a financial plan and paying it off in installments rather than the entire cost at once. Several business owners globally are using the Buy Now Postpaid payment platform to finance large equipment, purchase raw materials and pay employees, which is driving the growth of the market. In addition, the increase in adoption of buy now pays later technology among young people as it brings a number of benefits such as the purchase of high-priced smartphones and laptops, payment of school fees and office products, paying canteen bills, promoting the development of the buy-now market.

The increasing adoption of online payment methods by people in developing countries is driving the growth of the buy now and pay later market. Key factors driving the development of the Global Buy Now Postpaid market trend include the convenient and affordable payment service of Buy Now Postpaid platforms and the growth of the commerce industry electronics globally. However, late fees and high returns are hindering the growth of the market. In terms of region, Asia-Pacific is forecast to witness significant growth over the forecast period, driven by rising costs of certain home appliances such as smart TVs, music systems, and more. In addition, there is a growing need among young people in developing countries in Asia-Pacific to instantly purchase a postpaid platform to purchase high-cost electronic devices such as smartphones, computers, etc. Mobile boards and Laptops are driving the Buy Now Postpaid market growth in Asia Pacific Countries for years to come.

BNPL is certainly one of the most talked-about trends in financial services these days. More and more consumers appreciate its ease of use and convenience, and retailers are benefiting from higher conversion rates. This is a new, free and hassle-free way to access your credits. However, every coin has two sides. While BNPL has many advantages, it also has certain drawbacks and risks. The BNPL sector is not well regulated in some countries. Different countries have different regulatory frameworks for the BNPL sector. Through this study, we try understand the various regulatory frameworks for BNPL markets around the world and well regulated they are. For this study a comparative analysis of Australia, EU and India's BNPL regulatory frameworks will be observed.

1.2. BNPL sector in Australia

The Buy Now, Pay Later (BNPL) market has grown rapidly in Australia, with the country leading the world in adoption. BNPL refers to the use of installment plans to pay off consumables within a certain period of time while still being able to use the products immediately. The benefit to the consumer is that he receives the product immediately, and if he returns it on time, he will pay little or no interest.

Typically, credit checks are not required for small purchases, which means there are fewer barriers for consumers to access the products they need or want. The downside for consumers is that if they cannot repay within the agreed time, they may be charged late fees or interest.

1.2.1. REGULATORY FRAMEWORK OF THE BNPL MARKET

BNPL platforms in Australia do not have to follow the country's credit or responsible lending laws. Platforms such as Afterpay, Brighte, Humm Group, Klarna, Latitude, Openpay, Pay right, and Zip Co are currently accredited to the code**.** Shadow Assistant Treasurer Stephen Jones said the code is the first step towards an appropriate regulatory regime for the emerging sector.

BNPL providers enjoyed a relaxed regime in Australia, as the provisions of the Australian National Consumer Credit Protection Act of 2009 do not apply to certain types of loans, including short-term interest-free credits. The industry has eventually adopted a self-regulatory approach.

The Australian Financial Industry Association (AFIA) announced on 1 March 2021 that a Code of Practice for the BNPL sector has come into force. According to their statement, AFIA's BNPL Code goes beyond the law in Australia, sets industry best practice standards and strengthens consumer protection.

The BNPL Code helps address regulatory concerns. The BNPL Code is an industry self-regulating code of legislation developed by AFIA and its BNPL members in response to reports from ASIC and the Senate Economic Reference Committee recommending the development of a code of practice. practice for the BNPL industry. The BNPL Code imposes nine main commitments on its members. These include limits on late fees and the requirement that a conformity assessment be performed prior to offering a BNPL product.

1.2.2. BNPL Members' 9 Key Commitments

The following are the nine key commitments of the BNPL members

1. To focus on customers…

• By providing high-quality products and services that are inclusive and accessible.

• By ensuring our staff treats the customer with sensitivity, understanding, and best industry practice, especially when it comes to the factors that are or could contribute to being financially vulnerable.

• By having safeguards in place to ensure the product or service is suitable, including age restrictions (18+) and being responsive to feedback and complaints

2. To be fair, honest, and ethical in all our dealings...

• By not allowing the platforms to be used to purchase goods or services that have legal and regulatory restrictions on finance being provided for them, e.g., gambling and illegal weapons.

• By taking steps to ensure that there is no unlawful unsolicited marketing or selling of BNPL products or services.

3. To keep the customer informed about the product or service…

• By being transparent about installments, features, and fees involved with the BNPL payments.

• With an inclusive and accessible digital platform that will provide accurate resources and information before and throughout your BNPL contract.

4. To make sure the BNPL product or service is suitable for the customer…

• By assessing the customer's suitability for the desired BNPL product or service. This is done by assessing the customer's vulnerability and the ability to make the scheduled repayments, using a range of data points. For existing customers, this includes taking your repayment history into account (looking at whether you have made payments on time).

- If the customers are behind on their repayments, they will not provide you with any additional BNPL products or services.

- For amounts over either $2,000 or $3,000 (depending on whether you are a new or existing customer), we will use data sourced either from you or a third party.

- For BNPL amounts over $15,000, we will need to use both your data and third-party-sourced data when making our decision.

- What do we mean by your data? For example, we may need to look at your bank statement to verify your income.

- What do we mean by third-party sourced data? For example, we may need to conduct a credit check on you.

5. To undertake an ongoing review of the suitability of products or services…

- By monitoring how existing customers are after using BNPL products and services. This will allow them to better understand vulnerable or unsuitable customers as well as enhance the suitability of our products and services.

- In our monitoring we will use a variety of data, feedback, and complaint resolutions.

6. To deal fairly with complaints…

- By providing an accessible and transparent complaint process that complies with the Australian Securities and Investment Commission’s internal dispute resolution standards.

- By acknowledging all complaints within 1 business day, or as soon as practicable, and providing a written response within 10 business days from the date of the complaint.

- By being a member of the Australian Financial Complaints Authority (AFCA) so that one may lodge a complaint with them if they are dissatisfied with the response.

- If they are not satisfied with AFCA’s response, they will be able to escalate the complaint to the BNPL Code Compliance Committee.

7. To offer financial hardship assistance…

- By ensuring, one can submit a Hardship Request that is fair and accessible.
- By responding to the Hardship Request within 21 days of receiving it and clearly communicating the options available to assist with the situation.
- They will freeze any late fees while we are considering your Hardship Request, and where they find they cannot grant the hardship assistance, they will give them a fair and justified reason.

8. To comply with their legal and industry obligations…

- By maintaining a good practice, respecting one's privacy, and not permitting one's personal or financial information to be shared with other finance providers unless used for the purpose of credit reporting or they receive one's express consent.
- They will comply with relevant unfair contract laws.

9. To support and promote this Code…

- Through accessibility and promotion on their website and other digital platforms.
- With trained staff (regularly reviewed) that understand the various aspects of the Code and how to comply with it.

1.2.3. The code

This Code of Practice was developed by the Australian Finance Industry Association Limited ACN 000 493 907 (AFIA) (the Code) to enable the Buy Now Pay Later (BNPL) industry to take a proactive approach to increase consumer protections and go beyond current regulatory obligations for BNPL Products or Services.

The Code was developed in close consultation with key stakeholders, including consumer groups, governments, regulators, and companies in the BNPL sector. This Code is since effective March 1, 2021, and will be amended in accordance with Clause 7.

This Code has been developed voluntarily and is intended to assist members in complying with the AFIA BNPL Vendor Group Code. to:

(a) Promote a customer-centric approach to marketing and distribution of the BNPL Products or Services;

(b) Promote high service standards to customers and implement best practices across the BNPL industry; and

(c) Assists in compliance with regulatory and industry obligations

This Code is binding on Code Compliant Members of the AFIA BNPL Providers Group when they provide BNPL Products or Services (the particular circumstances in which the Code will apply are set out in the balance of this Part A). list of Code Compliance Members and details of when they became (and, if so, no longer a Code Compliance Member) can be found on the AFIA website. Members who comply with the code are subject to oversight by the Code Compliance Committee (CCC). All members of the AFIA BNPL Supplier Group must at all times comply with the terms and conditions of the AFIA Constitution, including clause 6.3. //

This Code goes beyond the law in Australia, setting industry best practice standards and enhancing consumer protection. It does this while maintaining the customer's choice to purchase and pay in a way that meets their needs and preferences.

The BNPL Providers accredited under this Code represent approximately 95% of the BNPL market, including Afterpay, Brighte, Humm Group, Klarna, Latitude, Openpay, Payright and Zip Co.

BNPL suppliers that comply with this Code are required to perform a pre-purchase assessment by a customer and additional verification to prevent consumers from reaching further than their sleeve can reach. BNPL disputes under the rule will be handled by the Australian Financial Complaints Authority, where a designated committee will have the power to publicly denounce loan service providers outside of the Code's standards.

1.2.4. The legal status of the code

This Code describes contractually enforceable commitments made by Code Compliant Members. These commitments are enforceable by customers through AFCA. This Code operates alongside, and is subject to, existing laws and regulations and does not limit your rights under such laws and regulations. This Code imposes standards on Code Compliant Members that are above those required by the law or regulation and, where it does so, the commitment of Code Compliant Members is to the higher standards of the Code.

No surcharge rules

For the time being, BNPL firms such as Afterpay, Zip Co and Sezzle can operate in the country. Yet, the central bank adopted a decision ordering BNPL firms to remove their no-surcharge rules. This means that merchants are permitted to apply a surcharge to customers for using this method of payment if they wish to offset fees paid to the BNPL providers.

Treasurer Josh Frydenberg delivered a speech proposing a major overhaul of the Australian payments system, including new regulation for BNPL products. The new proposals, which may include changes in the current legislation, are expected by mid-2022.

1.2.5. Recent discussions about this matter.

1. Due to recent amendments to the Australian Securities and Investments Commission Act 2001 (ASIC Act), BNPL products fall within the definition of a 'credit facility under the ASIC Act. BNPL providers are therefore subject to unfair contract terms, unconscionable conduct, and misleading or deceptive conduct under the ASIC Act.

Even with these regulatory developments, consumer advocacy groups and stakeholders have called for further regulation of the BNPL sector. The Report addresses these concerns and makes a number of key recommendations

.• The Committee’s recommendations can best be summarized as a ‘wait-and-see’ approach. They recommend Australian Financial Industry Association (AFIA) continue to monitor the BNPL Code, but will ensure that the effectiveness of the Code is closely monitored over the next 12 months.

- The Committee recommends that the further inquiry be conducted within 18 months after the commencement of the BNPL Code i.e. before September 2022.

- Against the backdrop of the recommendations, key industry players, including AFIA and its BNPL members, will no doubt be focused on the BNPL Code and its currency. Should the foreshadowed second inquiry find that the BNPL Code is no longer fit for purpose, there is a real risk of regulatory intervention in the sector.

2. Australia is reportedly moving to broaden its existing payment regulations to control cryptocurrency exchanges, digital wallets and buy-now-pay-later (BNPL) firms in the country amid their rising demand.

The country's regulators are planning to introduce a new licensing framework for cryptocurrency exchanges to regulate the transactions of crypto assets, Reuters reported.

Additionally, the country is weighing the launch of a retail central bank digital currency as part of its payment overhaul.

Australian Treasurer Josh Frydenberg was quoted as saying by Reuters: "If we do not reform the current framework, it will be Silicon Valley that determines the future of our payment system. Australia must retain its sovereignty over our payment system.

1.3. BNPL SECTOR IN THE EUROPEAN UNION.

According to the BNPL Survey for Q4 2021, the BNPL payments industry in the region is expected to grow 54.7% year on year to reach $171,794.2 million by 2022.

The BNPL payments industry in Europe grew strongly over the past four quarters, helped by an increase in e-commerce penetration as well as the impact of the economic downturn caused by disruptions caused by the Covid19 outbreak.

The medium to the long-term growth story of the European BNPL industry remains strong. BNPL payments adoption is expected to grow steadily over the forecast period, reaching a CAGR of 30.8% between 2022-2028. BNPL's total merchandise value will increase from $111,046.3 million in 2021 to $860,409.8 million in 2028.

In Europe, buy now, pay later BNPL is becoming more and more popular with consumers as more and more consumers prefer deferred payments when shopping online. Consumers favor BNPL for its affordability and convenience. BNPL, consumer credit, or postpaid allows consumers to pay money only after their expectations are met. Some of the key players offering BNPL services include Klarna, PayPal Credit, and Splitit in the region.

1.3.1. REGULATORY FRAMEWORK OF THE BNPL MARKET

The regulatory challenge posed by BNPL is beyond merely ensuring that consumers are informed about hidden fees and risks associated with the new form of credit. Instead, the question is whether the EU regulatory framework is effective in shaping the new normal that we see emerge despite its pro-innovation attitude. There are many tools within the EU regulatory framework for dealing with issues that arise from the growing popularity of BNPLs. Consumer protection rules and minimum-security standards will mitigate the damage from unfair contract terms or payment fraud; fair competition and level playing field rules will safeguard the effectiveness of the market mechanism so that retailers and innovative service providers benefit from the BNPL market; and the financial supervision will keep credit risks under control, lowering the threats to the financial system.

In the existing regulatory paradigm, the EU regulatory framework cannot drive innovation or influence behavior change. In the digital services environment, where service providers are the driving force, it is doomed to play catch up with market reality. The role of regulators in facilitating the emergence of new digital markets `in the interest of consumers ends there.

Globally, local payment authorities have raised concerns about the current state of BNLP industry regulations. The practice does not fit the definition of traditional loans, which require interest rate payments, so special rules are needed for these services. In Europe, the European Commission recently announced the updating of current consumer credit agreements to include BNPL providers, and the UK Financial Conduct Authority will introduce new regulations in 2021. In the market report, regulators are primarily concerned about consumer default issues caused by overspending and a lack of transparency about BNPL service conditions.

1.3.2. Consumer credit directive

The consumer protection issues raised by BNPL are not new: Europe has seen an increased wave of payday loan overspending since the financial crisis. But unlike previous short-term lending services, BNLP thrived on consumers' desire for transaction convenience rather than the need for an alternative source of credit. The European Union has moved beyond the consultation phase since the Commission released a legislative proposal to update the existing regulatory framework for consumer credit. The proposed Consumer Credit Directive aims to bridge the 'gap' between credit amounts, repayment terms and 'interest free' arrangements. Article 2 of the proposal defines the scope of the directive, including certain consumer credit arrangements and crowd funding credit services.

1.3.3. About the consumer credit directive

In June 2021, the European Commission presented a proposal for a revision of Directive 2008/48/EC on credit agreements for consumers (CCD, Consumer Credit Directive), kicking off a reform with significant implications for the financial, e-commerce and fintech sectors in the European Union (EU).

Noting the surge in online shopping across Europe and the speed it gathered throughout the Covid-19 crisis, the Commission saw the need to increase harmonization in the consumer credit market and accompany the emergence of new consumer credit products.

The CCD revision will adjust the current legal framework to new digital lenders and new online payment facilities made available, especially for small expenses, such as “buy-now-pay-later” schemes or fractioned payment solutions, while aiming at reducing risks related to consumer credit costs and consumers’ over-indebtedness.

While many countries are actively looking into passing new regulations, including the European Union and Australia, the United Kingdom may be the first country to bring specific rules for BNPL. This is how some countries are dealing with the pressing issue of regulating BNPL products.

The European Union is tightening its rules on consumer credit to provide more protection for consumers. The Commission proposes to broaden the scope of the CCD to a series of credit agreements previously excluded. These are namely credits agreements of a total amount of less than €200, credits granted free of interest and credits that have to be repaid within three months with only insignificant charges.

The rules that are currently applicable to credit agreements between € 200 and € 75 000 could therefore be expanded to smaller credit offers. These include rules on consumer credit advertising, the provision of precontractual and contractual information as well as creditworthiness assessments.

At the same time, the compliance requirements could be toughened for all creditors and credit intermediaries. More specifically, the Commission proposes to review the delays for providing pre-contractual information to consumers. On top of that, creditors and credit intermediaries could be subject to a general and systematic duty to run thorough assessments of the consumer’s creditworthiness, to document every decision as well as to ensure human intervention in cases where creditworthiness assessments involve profiling or automated processing of personal data.

Nevertheless, as Member States and the EU continue to share competences in the financial area, the proposed CCD can set out harmonized rules on the consumer credit market only partially. As such, aspects such as capping interest rates, rates of charge or the total cost of the credit will be further defined by Member States after the adoption of the revised CCD

1.3.4. Where is the CCD revision standing?

European lawmakers have only just begun to consider the Commission's proposal. In the European Parliament, the Committee on the Internal Market and Consumer Protection (IMCO) has been designated as the responsible committee, which together with the Economic and Monetary Affairs Committee (ECON) has put forward opinion. Kateřina Konečná, a Czech member of the leftist group, was appointed chief rapporteur at IMCO. She will soon present a preliminary timetable for the discussions, which will continue until at least the first half of 2022. At the Council, EU Member States have already begun to discuss the Commission's proposal. in the Working Group on and Consumer Information in July. Member States continue to evaluate the proposal to determine their respective approaches without establishing a timetable. The SAMMAN Cabinet is closely following the revision of the consumer credit directive and stands ready to assist organizations in their public campaigns on this issue.

1.3.5. Recent discussions regarding the matter.

BNPL is also likely to be affected by EU legislation, says Georg Gajewski, a German fintech consultant. The reason for this is that the EU is revising its Consumer Credit Directive. In June this year, the European Commission proposed that the EU should amend this legislation. EU BNPL companies and suppliers may have to reduce the amount of small print on their products if it happens.

As a result of the law change, Gajewski suggested that BNPL products may be offered differently.

As a result of the increase in digital financial services during the pandemic, the European Commission revised its rules for consumer c redit and product safety in late June.

As Vera Jourova, vice president for values and transparency, said in the document: "Consumers face many challenges, especially in the digital world, which has revolutionized shopping, services, and financial markets. Because of this, we are stepping up consumer protection on two fronts: we are making it easier for consumers to avoid risks related to having a credit, and we are strengthening the rules that govern product safety. It will also make it harder for bad actors to hide behind legal jargon and put more responsibility on market players."

The move is a precursor to more stringent rules for BNPL, according to RFI Group, a London-based financial services and technology research and consulting firm.

The update calls for the clear presentation of information so consumers are informed, as well as tighter guidelines for creditworthiness, which would facilitate BNPL-specific rules or would be used by member nations to write new rules for BNPL lenders, RFI Group reported, citing UBS research.

According to RFI, there are also potential overlaps between the EU and EU member-state rules limiting high fees for alternative credit products, which would support tougher rules for BNPL lending.

1.4. REGULATORY FRAMEWORK OF BNPL IN INDIA

India has been a bit behind the curve when it comes to regulation, only recently has the Reserve Bank of India specifically sought relevant data from BNPL providers regarding their operations and other aspects. A few months ago, the Reserve Bank of India also published a detailed report of more than 150 pages on digital lending, however, the report mainly focuses on online instant lending platforms.

Most NBFCs with India licenses in the BNPL business consider it a short-term product of unsecured loans, ”said an industry official. “However, marketing the product as a payment service instead of a credit bureau reduces the debtor's responsibility to repay. In addition, BNPL promoters should complete KYC checks for internal customers. Currently, there are no standards in the industry as the area is still evolving.

The Reserve Bank of India Act, 1934 broadly defines NBFCs to include a company that carries on as its business or part of its business financing, whether by way of making loans or advances or otherwise, of any activity other than its own. It would therefore appear that the activity of extending short-term loans would require FinTech offering BNPL services to be registered as NBFCs. However, to alleviate the need for such a registration, BNPL service providers typically partner with NBFCs. These partner NBFCs extend credit to consumers and settle transactions with the merchants or sellers in separate cycles

1.5. COMPARISON

AUSTRALIA	EU	INDIA
• BNPL platforms in Australia do not have to follow the country's credit or responsible lending laws. • The provisions of the Australian National Consumer Credit Protection Act of 2009 do not apply to certain types of loans, including short-term interest-free credits. • The industry has eventually adopted a self-regulatory approach. they follow **The Code**	• The European Union has moved beyond the consultation phase since the Commission released a legislative proposal to update the existing regulatory framework for consumer credit. • The proposed **Consumer Credit Directive** aims to bridge the 'gap' between credit amounts, repayment terms and 'interest free' arrangements.	• India doesn't have a dedicated regulation for protecting the interests of the consumer . • The only dedicated law for preventing predatory lending is **Usurious Loans Act, 1918**. • But this law is limited to the extent that it applies only to private players and banks and NBFCs are not regulated by the act.

1.6. CONCLUSION

The Buy Now Pay later industry is the present and the future. BNPL payment methods have existed in some way for over 15 years, but have become a trend in recent years, especially among the younger generation. As credit cards become obsolete, millennials are adjusting their buying behavior, prefer digital payments, and become less dependent on cash and cards. To meet the changing consumer needs, the market has responded with more and more digital payment platforms and more and more companies and services specializing in BNPL.

BNPL businesses have long escaped existing government regulations by claiming that they coordinate and facilitate installment payment plans on behalf of the consumer, rather than issue loans like traditional lenders.

Consumers don’t realize that BNPL can be a great risk, since the market is currently unregulated, BNPL providers do not have to fully screen consumers at affordable prices, allowing users to accumulate debt on multiple lenders. Users see this as technology innovation and don’t realize they are taking out a credit agreement and could be referred to debt collectors if payments are missed.

As a credit product, BNPL should be properly regulated to protect all users. Many countries, including the United Kingdom, the European Union, the United States, Australia and New Zealand, have raised concerns about consumer debt and are actively considering new regulations for BNPLs.

PROJECT 4:

COMPANY PERFORMANCE AND PROSPECTS: ANALYSIS BASED ON COST, REVENUE, AND PROFITS

1.1. INTRODUCTION.

Performance analysis is an assessment of a company's or individual's performance over a period of time. Performance analysis allows you to track your progress in three different ways: revenue analysis, analysis of other key performance metrics, and progress on the business goals.

A company's net profit is revenue after deducting all costs associated with production and selling the product. The profit is "money in the bank". It can be sent directly to the owner or shareholder of the company or reinvested in the company. Profit is a major goal for any business, and for an investor or a business that initially lacks funds, profit can be the only asset of the business.

It is imperative to determine and focus on profitability at the start or start-up of your business. Market and sales growth, on the other hand, is a means of achieving its initial profitability. Identifying growth opportunities after a company has crossed the seed stage should be the next key item in a company's list of goals.

Business growth is essentially an expansion that makes the business bigger, expands the market, and ultimately makes it more profitable.

When it comes to business success, profitability and growth are inextricably linked. Profit is the key to basic economic survival as a business, and growth is the key to profit and long-term success. Investors need to consider each factor associated with a particular company.

1.2 COMPANY PROFILE

The company analysis is done for company XYZ, which is one of the companies MARC is working for. The name cannot be revealed because MARC has signed a Non-disclosure agreement.

This company is a listed company, and the data used is extracted from Prowess IQ and Investing.com.

1.3 COMPANY PERFORMANCE ANALYSIS

The company performance is studied with help of the regression models.

Regression analysis is a set of statistical methods used to estimate the relationship between a dependent variable and one or more independent variables. It can be used to assess the strength of relationships between variables and to model future relationships between them.

Regression analysis includes several variations, such as linear, multiple linear, and nonlinear. The most common models are single-linear and multiple-linear. Nonlinear regression analysis is often used for more complex data sets where the dependent and independent variables exhibit a nonlinear relationship. The regression analysis has many applications in various fields, including finance

Methods of Analysis:

There are two methods used:

{i} Growth Rate analysis

The growth rate is the amount by which the value of an investment, property, portfolio, or business increases during a given period. The growth rate gives you important information about the value of an asset or investment, as it helps you understand how that asset or investment has grown, changed, and performed over time.

The growth rate analysis is used here to know the percentage growth in total revenue, Cost , Gross profit , Total operating expenses and operating income during the period of study.

Variables used for the analysis

- **Total revenue**

Total revenue is the total amount a business earns from the sale of its goods and services. It determines how much money a business makes from its core business based on demand and price.

- **Total cost**

Total Cost (TC) in the simplest sense is all the costs incurred to produce something or engage in an activity. In economics, total costs include variable costs + fixed costs. Variable costs (CVs) are costs that change depending on how many goods you produce or how many services you use.

- **Gross profit**

Gross profit is the profit earned by a business after deducting all costs associated with producing and selling the business's products or services. You can calculate your gross profit margin by subtracting your cost of goods sold (COGS) from your total sales.

- **Total operating expenses**

Operating expenses are an expense incurred by an enterprise in the course of its normal business activities. Often abbreviated as OPEX, operating expenses include rent, equipment, inventory costs, marketing, payroll, insurance, milestone costs, and funds allocated for research and development.

- **Operating income**

Operating income is an accounting number that measures the amount of profit earned from the operations of a business, after deducting operating expenses such as wages, depreciation, and cost of goods sold (COGS).

Data

Sources of data: Prowess IQ, Investing.com

{ii} Multiple Regression

Multiple linear regression analysis is essentially similar to a simple linear model, except that some independent variables are used in the model. The model is used to identify the factors that determine the dependent variable. For example, the multiple regression model enables us to study what variables determine the Gross Profit. It also helps us to study the impact of certain variables on gross profit

Data

Sources of data: Prowess IQ, Investing.com

Variables

The variables used in this project are: Total Revenue, Cost, Gross profit, Total operating expense and operating income.

1.4. MODELS AND RESULTS

i. **Growth Rate Model:**

$\ln Y = \beta_0 + \beta_1 t + u_t$

Ln Y = log of the concerned variables (variable for which the growth rate is calculated)

t= time trend

β_0= the intercept (the starting point of the regression line)

β1= the slope

β1 shows the percentage annual growth of the dependent variable.

If the independent variable time changes by one unit (one year), β1 would show what the percentage change in the dependent variable is.

For example, If β1 is 0.35, it means that the dependent variable will increase on an average 3.5% per year.

In our analysis the dependent variables are gross profit, cost, total revenue, etc.

Table 1. The Result of Growth Rate Model

variable	Coefficient (β1)	t-value	P-value	R^2	DW	Growth rate %
Total Revenue	-0.056	-9.34	0.000***	0.92	1.95	-5.6%
cost	-0.122	3.11	0.017**	0.57	1.52	12.2%
Gross profit	-1.09	-11.96	000***	0.95	2.14	-10.9%
Total operating expense	-0.037	-3.04	0.0188**	0.56	1.43	-3.7%
Operating income	-0.126	-3.25	0.01**	0.60	1.46	-12.6%

Total Revenue: The β1 coefficient for the Total Revenue is -0.056. It is statistically significant at one percent level as p value is less than 0.01. high t value also indicates the high significance of the coefficient. The R^2 of the model 0.92 is very good meaning the model has a good fit and explains well. Since the DW statistic is close 2, there is no evidence of autocorrelation problem in the model.

Cost:

The β1 coefficient for the cost is -0.122 It is statistically significant at 1 percent level as p value is less than 0.01 . high t value also indicates the high significance of the coefficient. The R^2 of the model 0.57 is satisfactory. Since the DW statistic is 1.52, there is no evidence of autocorrelation problem in the model.

Gross Profit:

The β1 coefficient for the gross profit is -0.037 It is statistically significant at 1 percent level as p value is less than 0.01. high t value also indicates the high significance of the coefficient. The R^2 of the model 0.95 is good. Since the DW statistic is 2.14, there is no evidence of autocorrelation problem in the model.

Total Operating Expense:

The β1 coefficient for TOE is -0.122 It is statistically significant at 5 percent level as p value is less than 0.05. high t value also indicates the high significance of the coefficient. The R^2 of the model 0.56. is satisfactory. Since the DW statistic is 1.43, there is no evidence of autocorrelation problem in the model.

Operating Income:

The growth rate analysis reveals that the while total revenue decreases only 5.6%, the total cost increases by 12.2%. The gross profit also decreases by 10.9. The company's profit is falling year after year by 10.9%, during the study period, due to twin reasons that the fall in rate of growth of revenue and increase in rate of growth of costs. The rate of growth of costs is more than the double of rate of fall in revenue. These two factors have jointly affected the profit and the rate of growth profit is also falling.

(ii) Multiple Regression Model

The growth rate has just revealed the nature of growth (whether negative or positive) and the amount of growth. It does not reveal the factors responsible the dependent variable.

What determines profits?

It is assumed that the profit is determined by the total revenue and total cost. Further, it is assumed that total revenue positively affects gross profit and total cost negatively affects gross profits. The log-log multiple regression model is presented as follows:

Ln Gross Profit== β1+ β2Ln TR+ β3Ln cost + ui

Result of the Model estimated:

Ln gross profit = - 1.63 + 1.39 LnTR - 0.24 Lncost

(0.0082) *** (0.000)*** (0.000) ***

R^2= 0.99 , adjusted R^2=(0.99)

F=1007 with P =0.0000

DW= 2.44.

The values in brackets are the p values. *** indicates that the coefficients are statistically significant.

R2 and adjusted R2 of the model is quite good and the model explains well. Since the DW statistic is close to 2, there is no reason to doubt for autocorrelation problem.

The result states that Gross profit is positively related to the TR. Higher the total revenue, the higher the gross profit. The coefficient pertaining to TR (β2) reveals that if TR increases by 1% the profit will increase by 1.39%. As expected the gross profit is negatively related to the cost . higher the cost of production of services , lower the gross profit. The coefficient of cost (β3) If cost of production increases by 1% then the profit will fall by 0.24%. The -1.63 is the intercept (β0)

We can say that, the influence of cost on gross profit is less as compared to the total revenue.

What determines Total Operating Expenditure?

The model hypothesis that the TOE depends on total revenue and and total cost.

Ln TOE= β1 + β2 ln TR+ β3 ln cost + ui

Result

Ln TOE	-0.226+	0.903TR	+ 0.119 cost
	(0.902)	(0.0084) ***	(0.2110)

$R^2 = 0.74$, adjusted $R^2 = 0.65$

F= 8.55,

p of. F (0.0175)

Dw= 1.46

Only Total revenue is significant and it is significant at one percent level. The cost variable is not significant as the p value is more that .10 and does not determine TOE. The result shows that 1% increase in TR will increase TOE by 0.93%.

The $R^2 = 0.74$, adjusted $R^2 = 0.65$ are satisfactory, though not very good. Though there is possibility of some amount of autocorrelation problem, it does not appear to be very serious.

What determines operating income?

The model hypothesis that gross profit and TOE determine the operating income

Ln operating income= β1 + β2 ln Gross profit + β3 ln TOE + ui

Result:

$\ln OI = 5.92 + 1.84 \text{ Gross Profit} - 2.02 \ln TOE$

$3.12 \quad (0.0007)^{***} \quad (0.0197)^{**}$

$R^2 = 0.88$, adjusted $R^2 = 0.84$

F= 22.21

P of F = 0.001

DW= 1.12

1% increase of Gross profit will increase total operating income by 1.84%

1% increase of TOE will decrease Total operating income by -2.02%

1.5 Future Prospects of the Company and its sustainability

The growth rate analysis reveals that profit of the company is falling during the study period. The total revenue is also falling. The cost of operations is going up very high during the study period. If this trend continues, it is going to be a serious concern for the company and there is a big question mark on the sustained profitability of the company. However, the results of multiple regression model shows that the revenue has more positive influence of the profit that the negative influence of cost. It is a silver line in the whole analysis. As all of us know, cost control is a very difficult to manage and very often the company may not succeed. The company should take initiatives to increase its revenue to improve the profits rather than trying to overemphasis on controlling cost.

1.6. Conclusion

From this regression analysis, we can understand that the company is not doing very well because if you look at the profits it is showing a decreasing trend. Company XYZ 's costs are increasing compared to its income.

We cannot say that the company should reduce costs, because costs depend on factors such as inflation, so reducing costs is not at all easy.

Hence, in the short run, instead of focusing on decreasing costs, the company should start making policies to increase income. The company should try to increase the occupancy rate , use advertising to promote their business, give offers which will help them attract more customers and increase the revenue.

In the long run, the company may take measures to reduce the staff strength and other means to reduce the cost.

Learning Outcomes

1. Got familiarity with the regulatory framework, schemes, procedures, incentives, etc, in telecom and E-commerce MSMEs
2. Understood the basic parameters underlying the ease of doing business. Also understood the strength and weakness of state's under study with regards to ease of doing business
3. Got a clear idea of what is BNPL sector and how it is practiced in Australia, EU and India
4. Understood the techniques of using regression analysis in understand company performance and prospects.

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