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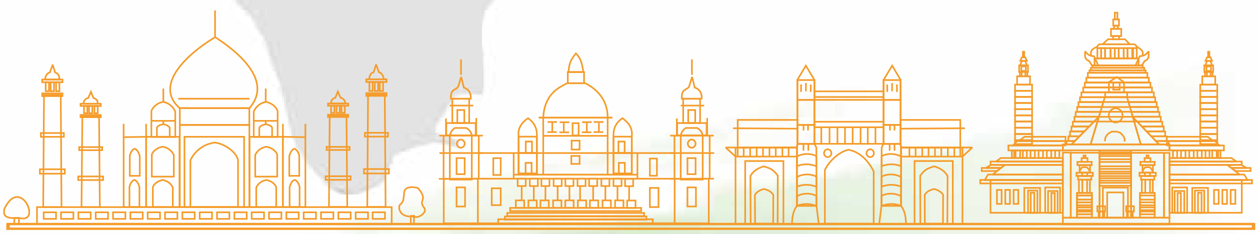
SELF-RELIANT INDIA:

PATHWAY TO A ROBUST ECONOMY



Journal of

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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

MISSION STATEMENT

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

VISION STATEMENT

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

IDEALS THE INSTITUTE STANDS FOR

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

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

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Institute Motto

असतोमा सद्गमय	From ignorance, lead me to truth
तमसोमा ज्योतिर् गमय	From darkness, lead me to light
मृत्योर्मामृतं गमय	From death, lead me to immortality
ॐ शान्ति शान्ति शान्तिः	Peace, Peace, Peace

Delhi Office
CMA Bhawan, 3 Institutional Area
Lodhi Road, New Delhi - 110003

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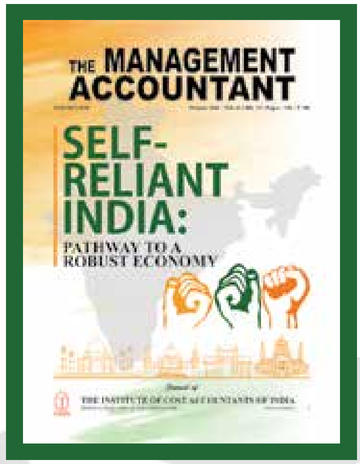

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We have expanded our Readership from **1** to **94** Countries

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EDITOR - CMA Dr. Debaprosanna Nandy
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EDITORIAL OFFICE - CMA Bhawan, 4th Floor, 84, Harish Mukherjee Road
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Contacts for Advertisement inquiries:

Mumbai
Rohit Bandekar
rohitb@spentamultimedia.com
+91 99872 79990

Delhi
Vikas Hajela
vikash@spentamultimedia.com
+91 98100 34830

Chennai
Shoba Rebecca
shoba@spentamultimedia.com
+91 98840 55523

Bengaluru
Sandeep Kumar
sandeep@spentamultimedia.com
+91 98868 70671

Kolkata
Pulak Ghosh
pulak@spentamultimedia.com
+91 98313 42496

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OUR NEW PRESIDENT

CMA Biswarup Basu

CMA Biswarup Basu has been elected as President of the Institute for the period **2020-2021.**

- CMA Biswarup Basu is a Fellow Member of the Institute of Cost Accountants of India and an alumnus of South Point High School, Kolkata.
- He started his Professional career in 1985 as a Management Trainee in a Multinational Company of repute and thereafter joined Bharat Coking Coal Limited in 1988 as Finance Officer. Subsequently he joined a wholly owned company of the Government of West Bengal in a Senior Position where he served for 29 years. He has a total stint of 34 years of Industrial exposure.
- He was elected to the Central Council of the Institute for the terms 2015 – 2019 and 2019 - 2023 as a Central Council Member.
- He was elected as the Vice President of the Institute for the year 2019 - 2020.
- He was the Chairman of Training & Educational Facilities and Placement Committee (2019 - 2020) and Members in Industry Committee (2019 - 2020).
- He was also a member of various important Committees of the Institute for the year 2019 - 2020 such as Executive Committee, Examination Committee, Finance Committee, Disciplinary Committee, Coordination Committee of ICAI, ICSI and ICAI and Director of ICMAI RVO, IPA ICAI, ICWAI MARF and AAT Board.
- He served the profession as the Chairman of Members' Services & Facilities Committee (2015-16 & 2016-17), Journal & Publications Committee (2017-18) & Members in Industry Committee (2018-19). During his tenure he has taken several initiatives that would increase the scope and development of the profession.
- Additionally, he was a member of the Finance Committee in the year 2015-16 and member of the Examination Committee for the year 2016-17, 2017-18 and 2018-19.
- He had the privilege of serving the profession as a Member of the Eastern India Regional Council (EIRC) for 3 terms viz.1995-98, 1998-2001, 2004-2007 in various capacities as Treasurer (1995-96 & 1996-97), Secretary (1996-97 & 1997-98) and Vice Chairman during the period 2000-01.

OUR NEW VICE PRESIDENT

CMA P. Raju Iyer

CMA P. Raju Iyer has been elected as Vice President of the Institute for the period **2020-2021.**

- He is a Fellow Member of the Institute of Cost Accountants of India and is in practice since 2000.
- He is also Associate Member of the Institute of Company Secretaries of India [ICSI] and the Chartered Institute of Management Accountants (CIMA), UK.
- He has a rich experience over a period 4 decades with increasing and progressive responsibilities covering wide areas of organisational development, wealth creation & value addition process to the profession.
- He has been the Member of the Council of the Institute (Term 2015-2019) and Elected consecutively for the Second Time to the Council of the Institute (Term 2019-2023).
- He has been Chairman and member of various Committees and Boards of the Institute of Cost Accountants of India such as Professional Development & CPD Committee, Cost Auditing & Assurance Standards Board, Cost Accounting Standards Board and other important committees of the Institute.
- The Internal Auditing & Assurance Standards Board established by the Institute for the first time in 2019 was nurtured under his Chairmanship.
- Being a professional with strong desire towards inclusive growth of the profession, he was elected as the Chairman of SIRC of the Institute of Cost Accountants of India for the year 2013-14, (Performed at various capacities as RCM from 2007).
- Founder and Convener 2012-13, Chennai West Study Circle, SIRC of ICSI.
- Treasurer, Consultancy Development Centre (DSIR, Ministry of Science & Technology), Chennai Chapter.
- Has been Convener for Online Taxations Forum, Confederation of Indian Industry [CII] Chennai during 2010 - 12.
- Associated with Professional Bodies and management association for the networking of members.
- Visiting Faculty for professional courses at various reputed Institutions, Colleges and Universities, ACCA-UK & CIMA-UK, MMA, CII and other Associations.
- Has been prolific and motivating speaker, mentored youth and professionals with wide network in India and Abroad. He has addressed in national and international conferences, seminars, symposium for students and professionals.
- Received Par Excellence President Award from His Excellency Shri. Rossaiah, then Governor of Tamil Nadu
- Prestigious Melvin Jones Fellow (PMJF Lion). As a President of the Club during 2012-13 planted 1,000's of trees and career Guidance to Reach the Unreached, mentoring youth and grooming professionals.
- Treasurer, Samskar Bharathi, Tamil Nadu (Organisation dedicated to promote Culture and Arts) Tamil Nadu.

EDITORIAL

Greetings!!!

Hon'ble Prime Minister of India on May 12 in his speech to the nation announced 'Rs 20 lakh crore package', which would be equivalent to 10% of the country's GDP, as a part of COVID-19 relief measure. Named 'Atmanirbhar Bharat Abhiyaan', which translates to "Self Reliant India Campaign", and said this package would emphasize on Land, Labor, Liquidity, and Laws. Atmanirbhar Bharat Abhiyaan would encompass cottage industries, home industries, small-scale industries and MSMEs whilst also lending a shoulder to labourers, farmers, middle class and also for Indian industries. In his speech, he also said that the upcoming reforms would have a broadened impact. These reforms will be for, rational tax system, simple and clear rules-of-law, good infrastructure, capable and competent human resources, and building a strong financial system to encourage business, attract investment and strengthen the 'Make in India' programme.

There are five pillars to becoming self-reliant: economy, infrastructure, system, demography, and demand that will bring a quantum jump in the Indian economy. Infrastructure should become the identity of India; System should be based on 21st-century technology-driven arrangements; Vibrant Demography is our source of energy for a self-reliant India; and Demand, whereby the strength of our demand and supply chain should be utilized to full capacity. The pandemic has taught us the importance of local manufacturing, market, and supply chains. All our demands during the crisis were met locally. Now, it is time to be vocal about local products and help them become global.

In spite of financial difficulties owing to COVID-19, the government is determined to strengthen the MSMEs to contribute their full potential for the overall development of the country. Like, Rs 3 lakh crore collateral-free loans; the government will facilitate the provision of Rs 20,000 crore as subordinate debt to functioning MSMEs declared NPAs or stressed; Rs 50,000 in equity in MSMEs through a Fund of Funds; revised the definition of MSMEs; to protect from unfair competition from foreign companies, global tenders will not be allowed by government upto Rs. 200 crores, etc. Now, it is for the MSMEs to make use of these benefits and contribute their best to enable the country to realise its ambitious goals of 'Make in India' and 'Self-Reliant India' through the development of goods and services to substitute the imported goods and services, and also to improve its export performance. Self-reliance is very important in the field of defence too. A country that depends on imports for its defence equipment will never be strong and self-respecting. Therefore, being self-sufficient in the defence sector is linked to the 'self-respect' and 'sovereignty' of our country. New Education Policy (NEP) announced by the government will also play a key role in creating a self-reliant India and open up the education sector for facilitating greater global exposure for Indian students.

One of the most crucial factors for Indian products, for Atmanirbhar Bharat to succeed, is the competitive and sustainable price for which CMAs will have to play a crucial role. CMAs with their professional expertise can suitably analyze SWOT positions and frame innovative governance mechanisms to really improve the competitive edge of the organization. Self-Reliant India holds immense potential for emerging roles like cost rationalization and commercial aspects of Agriculture, consultancy and guidance for MSMEs etc. where CMAs can contribute with their expert knowledge in costing and productivity.

This issue presents a good number of articles on the cover story "Self-Reliant India: Pathway to a Robust Economy" written by distinguished experts. We look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers would enjoy the articles.

THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

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

Month		Theme		Subtopics
November 2020	Theme	Agricultural Costing & Pricing	Subtopics	• Agricultural Pricing Policy in India: Opportunities and Challenges • Global Agro Pricing Policy v/s Indian Agro Pricing Policy • Minimum Support Prices(MSP): Key to protect farmers • Direct Benefit Transfer for Agri Input Subsidy • Transformation of Agriculture to Achieve the Sustainable Development Goals (SDGs) • Direct Benefit Transfer (DBT) for Agri Input Subsidy • Doubling Farmer's Income by 2022: Ease of doing Agri Business • Government policies and Governance Reforms in Agricultural Marketing • Advancement in digital technology: Farming gets smart and frugal • Nanotechnology in Agriculture • Agricultural Costing - Role of CMAs
December 2020	Theme	Indian MSMEs: Key to Economic Restart	Subtopics	• Significant role of MSMEs towards attainment of visionary Atmanirbhar Bharat • Revision of definition of MSMEs: A step to boost investment and Ease of Doing Business • COVID-19 and its impact on Indian MSMEs • Innovation and Digitalization: Changing the MSME landscape • RestartIndia: an Advisory Platform for MSMEs • Equity Infusion in MSME • e-Market linkage for MSMEs • Government Packages to cater MSMEs in the new Normal • Subordinate Debt for Stressed MSMEs • Potential for MSMEs in the Defence Sector • Exploring opportunities for MSMEs in India post COVID-19: Role of CMAs
January 2021	Theme	Catalytic role of the Banking Sector for India's Economic Revival	Subtopics	• Inclusion of Startups in Priority Sector Lending: a welcome move towards inclusive development of the nation • Loan Restructuring Scheme for COVID-19 hit stressed borrowers • Future of Banking post-Covid 19 pandemic • Credit guarantee to MSMEs in support of Atmanirbhar Bharat Abhiyaan • Loan Moratorium: an Aid to Ease Financial Stress • Door Step Banking: a Revolutionary Initiative • The Digital imperative for Banking in the New Normal • Emerging Cyber Security Threats in the Banking Sector • Artificial Intelligence (AI): A major game-changer in the Bank Risk Management • EASE 3.0 — Smart, Tech-enabled Banking for Aspiring India: Exploring professional scope for CMAs
February 2021	Theme	Healthcare Cost Management in India: The Way forward	Subtopics	• Cost Benefit Analysis (CBA) in Healthcare Industry • Time-driven Activity Based Cost Model for improved Healthcare Resource Mapping • Balanced Scorecard: A Powerful Organizational Tool for Strategic Planning and Driving Performance in Healthcare Industry • Impact of Artificial Intelligence for Cost-Effective Clinical Trials in the New Normal • Price-Transparency in the age of COVID-19: The growing importance of Cost Accounting • Health Insurance: Demystify New Challenges, Products, and Opportunities during COVID-19 and beyond • Wellness Programmes: A remedy for reducing Healthcare Costs • Frugal Innovation, Digital Health and Data Sciences: the Way forward for India to attain Trillion Dollar Economy • Government Policies to curb Healthcare Cost and provide affordable Healthcare Services for the mass • Value Addition to Healthcare: Role of CMAs

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

Articles on the above topics are invited from readers and authors along with scanned copies of their recent passport size photograph and scanned copy of declaration stating that the articles are their own original and have not been considered for anywhere else. Please send your articles by e-mail to editor@icmai.in latest by the 1st week of the previous month.

DIRECTORATE OF JOURNAL & PUBLICATIONS
CMA Bhawan, 4th Floor, 84 Harish Mukherjee Road, Kolkata - 700025, India
Board: +91 33 2454 0086 / 87 / 0184 Tel-Fax: +91 33 2454 0063
www.icmai.in

PRESIDENT'S COMMUNIQUÉ

CMA Biswarup Basu
President
The Institute of Cost Accountants of India

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."

- John Quincy Adams

My Dear Professional Colleagues,

It is indeed a great honour to serve as the 63rd President of the 2nd largest Cost & Management Accounting body in the world and the largest in Asia. I am extremely grateful to all members and my council colleagues for reposing their trust and confidence in me for leading the forward march of CMA profession. I would also like to thank my predecessor, CMA Balwinder Singh for his continuous guidance during my tenure as Vice President. This great responsibility that now rests on my shoulders is both an opportunity and a challenge. I assure you that I will leave no stone unturned to ensure that our Institute attains greater heights of professional excellence and recognition within the country as well as all over the world. I sincerely believe that with collective & organised efforts of all stakeholders of the Institute, we will take the profession to greater heights of glory and success.

I would like to take this opportunity to congratulate CMA P Raju Iyer, on his election as the Vice-President of the Institute. I am confident that his rich experience and professional competence will undoubtedly accelerate our endeavours and would also help me in carrying out my responsibilities.

The entire world today is reeling under the threat and aftermath of the unprecedented COVID-19 pandemic, which has not only impacted human lives, the business activities but also the education system as well. This is a crisis that has affected everyone. The pandemic has affected educational systems worldwide, leading to the near-total closures of schools, universities and colleges. Online learning has become a critical lifeline for education, as institutions seek to minimize the potential for community transmission. The Institute has taken all the possible measures for the convenience of its members, students and other stakeholders in the present scenario. Online classes for students and online home based examination for the foundation course are some of the decisions already implemented successfully. The Institute will continue to take every possible step in the overall interest of student community.

We have indeed come a long way but the development of the CMA profession is a continuous process. My mission would be to accelerate this process of growth despite these challenging times. Today, there is a need to anticipate the future and create suitable action plans to stay ahead. I have pledged to work towards growth and development of the profession and the Institute. My action plan includes the following:

- To implement Online Examination for Intermediate and Final Level Students.
- To prepare subject wise videos covering full syllabus of Intermediate and Final Examination.
- To make practical training compulsory for Intermediate and Final Level Students.
- To increase the efficacy of the cost audit mechanism and use this as a tool for better management control especially in view of the devastating effect of the pandemic.
- To increase automation and provide efficient services to members and students.
- To enhance the brand image of the CMA profession.
- To create more opportunities for the members.
- To regularly bring out valuable publications for the capacity building of our members in all professional areas.
- To publish practical oriented articles in the Management Accountant Journal.
- To launch multiple online value added

certificate courses for the members.

- To explore possibilities of establishing more tie ups with International professional accounting bodies.
- To extend expert services of CMA profession and the Institute to all the regulatory authorities in the Country.
- To further augment the network of the Institute by opening new chapters and overseas centres.
- To revise the CMA Curriculum to meet the growing needs of government, industry and profession in the light of national and international perspectives.
- To produce world class Cost & Management Accountants.
- To substantially enhance students and members' strength.
- To give thrust to quality applied research studies.
- To substantially enhance visibility of the Institute and CMA profession in the country & abroad.
- To document global best practices and practical case studies in the domain of cost & management accounting.

I request all stakeholders to share their views/suggestions to help me implement this action plan. If everyone is moving forward together, then success takes care of itself. Let us work towards achieving our goals together.

Meeting with MCA Officials

I along with CMA P. Raju Iyer, Vice-President and CMA Balwinder Singh, Immediate Past President of the Institute extended greetings to Shri Rajesh Verma, Secretary to the Government of India, Smt. Anjali Bhawra, Additional Secretary to the Government of India and Shri Manoj Pandey, Joint Secretary to the Government of India, Ministry of Corporate Affairs on 21st September 2020 and discussed the matters related to professional developments and ongoing activities of the Institute.

Meeting on GST Account Assistant Scheme

I attended a meeting convened by Shri Manoj Pandey, Joint Secretary, Ministry of Corporate Affairs on 25th September 2020 to discuss the modified GST Account Assistant Scheme and submitted the suggestions and comments of the Institute for the consideration of the MCA.

Meeting of the Committee to advise on Valuation Matters

I attended the 17th meeting of the Committee to advise on valuation matters held by IBBI on 25th September 2020 through video conferencing. The Committee deliberated on the departures on IVS 410: Development Property.

MOU with RTI Mumbai

I am pleased to share that the Institute has signed a MoU with RTI Mumbai, a Training Institute of the Comptroller and Auditor General of India (C&AG), engaged in research and training for personnel of the Indian Audit and Accounts Department (IA & AD) on 28th September 2020. This MOU provides for establishing academic collaboration between the Institute and RTI Mumbai in training programmes, including seminars / webinars/ workshops / conferences, in areas of common interest. It also offers to establish collaboration for exchange of guest faculty for training / research / consultancy and for offering project / policy research in common areas. Both the Institutes may provide material for considering their inclusion in each other's newsletters, journals and other publications and can also identify particular areas of research of mutual interest.

I along with CMA P. Raju Iyer, Vice President, CMA Balwinder Singh, Immediate Past President, CMA Chittaranjan Chattopadhyay, Council Member, CMA Kaushik Banerjee, Secretary and CMA Dr. D.P. Nandy, Sr. Director of the Institute attended the MOU signing event and on behalf of RTI Mumbai, Ms. Alka Rehani Bhardwaj, Director General, RTI, Mumbai and CMA Mahadevan P., Core Faculty/Knowledge Centre & Commercial, RTI, Mumbai were present. I would also like to place on record the sincere efforts of CMA Chittaranjan Chattopadhyay, Central Council Member to ensure this partnership between the Institute and RTI Mumbai.

Internal Audit Month by Hyderabad Chapter

Hyderabad Chapter of the Institute observed the month of September as "Internal Audit Month" and organized a series of webinars during the month on "Capacity Building for CMAs on Internal Audit". CMA B.B. Goyal took webinar on "Scope of Internal Audit for CMAs and Risk Based Internal Audit" in the inaugural program held on 6th September 2020. Later, he also wrote an article on "Internal Audit – A Valuable Tool". On 27th September 2020, I participated in the valedictory session as its Chief Guest and CMA P Raju Iyer, Vice President, CMA Dr. K Ch AVSN Murthy, Council Member and CMA Jyoti Satish, Chairperson, SIRC of the Institute as its Guests of Honour. I express my gratitude to all our eminent resource persons who have shared their valuable experience in various aspects of Internal Auditing and I am sure that these webinars immensely benefitted all the participants to enhance their professional skills. I congratulate the Hyderabad Chapter of the Institute for this excellent initiative and efforts to organize these Webinars to update the members on various aspects of Internal Audit. On this occasion, Hyderabad Chapter also brought out an e-Souvenir containing highly valuable articles on Internal Audit.

WEBINT on Faceless Assessment 2020

I am happy to inform that the Institute organized a WEBINT on Faceless Assessment 2020 on 28th September 2020. We are grateful to Shri Rakesh Mishra, Chief Commissioner of Income Tax (CCIT) Ranchi & Chief of ReAC Jharkhand & Bihar for kindly agreeing to be the Chief Guest and Speaker to address the participants on every details of newly introduced Faceless Assessment Scheme by the Government of India. I had the opportunity to share my views on Faceless Assessment. CMA P Raju Iyer, Vice President, CMA Balwinder Singh, Immediate Past President, CMA Chittaranjan Chattopadhyay, Council Member, CMA Rakesh Kumar Sinha, Practising Cost Accountant also delivered their special addresses on the topic.

WEBINT on National Education Policy 2020

A WEBINT on the National Education Policy 2020 was organized by the Institute on 30th September 2020. I along with CMA P Raju Iyer, Vice President of the Institute had the privilege to address the participants on the major reforms proposed under New National Educational Policy 2020 to the overall Indian education system in general and higher education level in particular. CMA H. Padmanabhan, Council Member hosted the WEBINT and Dr. Vinayaka Deshpande, Professor Department of Business Management, Rashtrasant Tukadoji Maharaj Nagpur University (RTMNU), Nagpur addressed on the topic and explained how the National Education Policy seeks to strengthen research and innovation in the country to help it progress in a competitive world. NEP 2020 will give direction to country's goal of Atamnirbhar Bharat and help India become more self-reliant in future. The WEBINT was well appreciated by the participants.

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

DIRECTORATE OF CAT

- **CAT Examination: July 2020 Term**

  The result of Foundation Course (Entry level) Part- I July, 2020 Examination of CAT Course was declared after the examination was concluded on 13th September, 2020. I would like to congratulate all the students who have passed the examination. I would also like to inform that by virtue of passing CAT examination they are now eligible to take direct admission in Intermediate Course of Cost and Management Accountancy (CMA). I heartily congratulate Team CAT and place on record astute leadership of CMA H. Padmanabhan for successfully conducting the examination, which was held for the first time online.

- **New ROCC**

  I congratulate CMA H. Padmanabhan, Chairman CAT for establishment of yet another ROCC at Varanasi (N-244). The aspirants of CAT course from Varanasi and Eastern Uttar Pradesh would be benefitted by this new ROCC.

PROFESSIONAL DEVELOPMENT & CPD COMMITTEE

I am pleased to inform you that the PD Directorate sent representation letters by mail to various organizations for inclusion of Cost Accountants for providing professional services.

Please visit the PD Portal for Tenders/EOIs during the month of September 2020, where Cost Accountants are required in National Health Mission Chhattisgarh, IFCI Infrastructure Development Limited (IIDL), Airport Authority of India Raipur, West Bengal Minorities' Development & Finance Corporation, West Bengal Power Development Corporation Limited, Jharkhand Urja Sancharan Nigam Limited, Bharat Sanchar Nigam Limited, Compensatory Afforestation Fund management and Planning Authority (CAMPA) West Bengal, NHPC Limited, Bharat Petroleum Corporation Limited, Coal India Limited, Software Technology Parks of India (STPI), India Government Mint, Ministry of Textile etc.

During the month around sixty webinars were organised by the different committees of the Institute, Regional Councils and Chapters on the topics of professional relevance and importance. We are sure our members are immensely benefited with the deliberations in the sessions.

TAX RESEARCH DEPARTMENT

The Tax Research Department has been functioning efficiently and it has brought out various publications. The department has released 71st and 72nd Tax bulletin. On the Seminar front at present the Tax Research Department is organizing Online WEBINT on the theme "Faceless Assessment 2020" on a pan India basis from 1st September 2020 through the Institute's vast network of Regional Councils and Chapters. Eminent speakers like Shri Rakesh Mishra, Chief Commissioner of Income Tax, Ranchi and Chief of ReAC of Jharkhand and Bihar, Dr. G.M. Doss, Commissioner of Income Tax, Chennai, (Now, Additional Director General (Vigilance – South Zone), R. Krishna Kumar, Addl. Commissioner of Income Tax, Shri V M Jayadevan, Assistant Commissioner of Income Tax, Anil G Niar, ITO addressed these Webinars. Webinars on Practical Issues in filing GSTR 9 & 9C, Faceless Assessment under Income Tax Act - Recent Amendments, Recent Changes in GST - Portal & Law and Taxation of Works Contract were also conducted during the month.

In the regular ongoing activities, 7th Batch of Certificate Course on GST, 3rd Batch of Advanced Certificate Course on GST, Certificate Course on Filling and Filing of Returns and Certificate Course on TDS have been started. The admission to the next batch of these multiple courses would start on 2nd October 2020. Even admission for the two new courses "Advanced Course on GST Audit and Assessment Procedure" and "Advanced Course on Income Tax Assessment and Appeal" will also commence from 2nd October 2020. Apart from these, 3rd batch of Crash Course on GST has been started in D.G Vaishnav College of Chennai for the benefit of its students. Beside these Taxation portal is being updated time to time with latest amendments in DT & IDT departmentally. And lastly, the department has also submitted its representation to Shri Virender Kumar Choudhary, Pr. ADG, GST, Mumbai with reference to Video Conference held on 4th September 2020 regarding decriminalization of certain offences under the GST Laws and to CBIC Chairman for extending the date of E-Invoicing in GST.

BANKING, FINANCIAL SERVICES AND INSURANCE COMMITTEE

The Institute of Cost Accountants of India and the National Institute of Securities Markets (an educational Initiative of SEBI) has jointly launched the 1st batch of certificate course on Investment Management in the genre of Capital Markets. The members, students and others (minimum graduate) are eligible for the course for Level I. The course is designed into three levels; Level I on Stock Selection and Trading in Equity, Level II on Technical Analysis and Mutual Funds and Level III on Basic Derivatives and Derivatives Trading Strategies.

After qualifying the Level I the candidates are eligible for admission for Level II. The candidates who are qualifying the Level II are thereafter eligible for Level III. The course fees for each level is Rs. 3600/- plus GST. The course duration for each level is 30 hours each conducted in an online mode through Webex Platform.

The benefits for the course are that it would enhance from working knowledge to expert knowledge in trading, the course is a hands on Experience in Algo Labs in real market data. The course is a mix of theoretical and practical Training and technical understanding of capital markets. The classes would be deliberated by expert faculties of NISM who have profound experience in teaching in Capital Markets. The participants would undertake online examination and Certification by NISM and the Institute of Cost Accountants of India. There is also an option of a bridge course for non-commerce/management graduates. The admission has started and we request all members and students to take the opportunity for enrolling for the course for their skill development and capacity building.

The BFSI has also started the 2nd batch admission for the three courses namely Certificate Course on Concurrent Audit of Banks, Certificate Course on Credit Management of Banks and Certificate Course on Treasury and International Banking. We request all members and students to take admission and benefit. It is conducted with the objectives of skill development and capacity building.

The BFSI Department has also in the verge of publishing the Guidance Note on Restructuring of Bank Loans in MSME Sector. It would be a unique document and help the CMAs to audit proposals of restructuring of Bank Loan in MSME sector.

REGIONAL COUNCIL AND CHAPTERS COORDINATION COMMITTEE

The committee organised the following WEBINTs and webinars addressing varied topics for stakeholders:

- **WEBINT:** The committee organized WEBINTs in association with AAT Board and CAT presented by eminent resource person CMA Dr. Gopal Krishna Raju on Ind AS 108 Operating Segments, Ind AS 24 Related Party Disclosures, Ind AS 12 Income Taxes and Ind AS 23 Borrowing Costs.
- **Webinar (Students):** The committee organized 8 webinars during the month of September 2020. CMA Dr. Gopal Krishna Raju, eminent resource person took webinars on Ind AS 112 - Disclosure of Interests in other entities, CFR - Study Note 3 - Illustration 1 to 3, CFR - Study Note 3 - Illustration 4 to 11, CFR - Study Note 3 - Illustration 12 to 17 and CFR - Study Note 3 - Illustration 18 to 22. CMA Shabeer Ali, eminent resource person took webinars on Introduction to Profits and Gains from Business and Profession, How to calculate Profits and Gains from Business and Profession and Problem Solving - Profits and Gains from Business and Profession.

MEMBERSHIP DEPARTMENT

I feel privileged to congratulate and welcome all the new 153 Associate members who were granted membership and 47 Associate members who were upgraded to Fellowship during the month of September 2020. To strengthen the profession further, I take this opportunity to call upon all final passed students who are eligible to apply for membership to avail the online application system for application of Associate membership at the earliest.

Members will be happy to note that a new integrated online platform is being conceptualized wherein the online experience will be smoother and more robust.

INSOLVENCY PROFESSIONAL AGENCY (IPA) OF THE INSTITUTE

I am pleased to inform you that the Insolvency Professional Agency of the Institute has organized Online Workshop on Retention of Records, Master Class on Avoidance Transactions, Online workshop on Draft forms for PG to CD, Master Class on Committee of Creditors and Online workshop on Corporate Liquidation Process for the professional development of its members.

I wish prosperity and happiness to members, students and their family on the occasion of Gandhi Jayanti, Durga Puja, Vijayadashami, Id-e-Miladi, and Maharishi Valmiki Jayanti and wish them success in all of their endeavours.

Stay safe and healthy!

With warm regards,

Biswarup Basu

CMA Biswarup Basu

October 1, 2020

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

Standing & Other Committees for the year 2020-2021

(Quorum indicated is as per regulation 81 (1) of the CWA Regulations, 1959)

STANDING COMMITTEES

1. Executive Committee (Quorum: 3)

Chairman
1. CMA Biswarup Basu, President

Members
2. CMA P Raju Iyer, Vice President
3. CMA Ashwinkumar G. Dalwadi
4. CMA Debasish Mitra
5. CMA Papa Rao Sunkara
6. CMA (Dr.) K Ch A V S N Murthy
7. CMA Vijender Sharma

Secretary
CMA Kaushik Banerjee, Secretary

2. Examination Committee (Quorum: 2)

Chairman
1. CMA Biswarup Basu, President

Members
2. CMA P Raju Iyer, Vice President
3. CMA Balwinder Singh
4. CMA Neeraj D. Joshi
5. CMA H. Padmanabhan
6. Shri Devendra Kumar, Government Nominee
7. CS Makarand Lele, Government Nominee

Secretary
CMA Kaushik Banerjee, Secretary

3. Finance Committee (Quorum: 2)

Chairman
1. CMA Biswarup Basu, President

Members
2. CMA P Raju Iyer, Vice President
3. CMA Balwinder Singh
4. CMA (Dr.) Ashish P. Thatte
5. CMA (Dr.) V. Murali
6. CMA Chittaranjan Chattopadhyay
7. CA Mukesh Singh Kushwah, Government Nominee

Secretary
CMA Arnab Chakraborty, Director (Finance)

OTHER COMMITTEES

4. Board of Discipline u/s 21A (1)

Presiding Officer
1. CMA Rakesh Singh

Member
2. CMA Balwinder Singh

Secretary
CMA Rajendra Bose, Director (Discipline)

5. Disciplinary Committee U/s 21B (1)

Presiding Officer
1. CMA Biswarup Basu

Members
2. CMA P Raju Iyer
3. CMA Ashwinkumar G. Dalwadi
4. CA Nalini Padmanabhan, Government Nominee
5. Shri G.V. Krishna, Government Nominee

Secretary
CMA Rajendra Bose, Director (Discipline)

6. Disciplinary Committee U/s 21D

Presiding Officer
1. CMA Biswarup Basu

Members
2. CMA P Raju Iyer
3. Shri Sushil Behl, Government Nominee

Secretary
CMA Kaushik Banerjee, Secretary

7. Training & Education Facilities and Placement Committee (Quorum: 3)

Chairman
1. CMA Balwinder Singh

Members
2. CMA Ashwinkumar G. Dalwadi
3. CMA Debasish Mitra
4. CMA (Dr.) V. Murali
5. CMA Chittaranjan Chattopadhyay
6. CMA Vijender Sharma
7. CMA Pravakar Mohanty (Co-opted)
8. CMA (Dr.) Paritosh Basu (Co-opted)

Secretary
CMA (Dr.) Debaprosanna Nandy, Sr. Director

8. Journal & Publications Committee (Quorum:3)

Chairman
1. CMA (Dr.) K Ch A V S N Murthy

Members
2. CMA Debasish Mitra
3. CMA (Dr.) V. Murali
4. CMA Chittaranjan Chattopadhyay
5. CMA Vijender Sharma
6. CMA Rakesh Bhalla
7. CMA Raja Ghosh (Co-opted)
8. CMA Poonam Shah (Co-opted)

Secretary
CMA Sucharita Chakraborty, Joint Director

9. Professional Development Committee (Quorum: 3)

Chairman
1. CMA Vijender Sharma

Members
2. CMA Ashwinkumar G. Dalwadi
3. CMA Neeraj D. Joshi
4. CMA Papa Rao Sunkara
5. CMA Chittaranjan Chattopadhyay
6. Shri Sushil Behl, Government Nominee
7. CA Mukesh Singh Kushwah, Government Nominee
8. CMA Mukesh Kumar Gupta (Co-Opted)
9. CMA Gr. Cpt. R. K. Joshi (Co-opted)

Secretary
CMA Nisha Dewan, Addl. Director

10. Regional Council & Chapters Coordination Committee (Quorum: 3)

Chairman
1. CMA (Dr.) K Ch A V S N Murthy

Members
2. CMA Neeraj D. Joshi
3. CMA Debasish Mitra
4. CMA H Padmanabhan
5. CMA Chittaranjan Chattopadhyay
6. CMA Vijender Sharma
7. CA Mukesh Singh Kushwah, Government Nominee
8. CMA Amal Kumar Das (Co-opted)
9. CMA Ajay Deep Wadhwa (Co-opted)

Secretary
CMA Arup Sankar Bagchi, Sr. Director

11. International Affairs Committee (Quorum:3)

Chairman
1. CMA Vijender Sharma

Members
2. CMA Ashwinkumar G. Dalwadi
3. CMA (Dr.) Ashish P. Thatte
4. CMA Papa Rao Sunkara
5. CMA (Dr.) K Ch A V S N Murthy
6. CMA Chittaranjan Chattopadhyay
7. CMA Avijit Goswami (Co-opted)
8. CMA Sunita Singh (Co-opted)

Secretary
CMA Yogender Pal Singh, Dy. Director

12. Indirect Taxation Committee (Quorum: 3)

Chairman
1. CMA Chittaranjan Chattopadhyay

Members
2. CMA Balwinder Singh
3. CMA Ashwinkumar G. Dalwadi
4. CMA Debasish Mitra
5. CMA H. Padmanabhan
6. CMA (Dr.) V. Murali
7. CMA (Dr.) K Ch A V S N Murthy
8. CMA Vijender Sharma
9. CMA Rakesh Bhalla
10. CMA V.S. Datey (Co-opted)
11. CMA Ashok B. Nawal (Co-opted)
12. CMA Debasis Ghosh (Co-opted)

Secretary
CMA Rajat Kumar Basu, Addl. Director

13. Direct Taxation Committee (Quorum: 3)

Chairman
1. CMA Rakesh Bhalla

Members
2. CMA Balwinder Singh
3. CMA Neeraj D. Joshi
4. CMA (Dr.) Ashish P. Thatte
5. CMA H. Padmanabhan
6. CMA Papa Rao Sunkara
7. CMA Chittaranjan Chattopadhyay
8. CMA Harijiban Banerjee (Co-opted)
9. CMA Rakesh Sinha (Co-opted)

Secretary
CMA Rajat Kumar Basu, Addl. Director

14. Committee for Accounting Technicians (Quorum: 3)

Chairman
1. CMA H. Padmanabhan

Members
2. CMA Balwinder Singh
3. CMA Ashwinkumar G. Dalwadi
4. CMA Papa Rao Sunkara
5. CMA (Dr.) K Ch A V S N Murthy
6. CMA Chittaranjan Chattopadhyay
7. CMA Rakesh Singh (Co-opted)
8. CMA P.V. Bhattad (Co-opted)

Secretary
CMA Rajesh Jain, Deputy Director

15. Members' Facilities Committee (Quorum: 3)

Chairman
1. CMA (Dr.) V. Murali

Members
2. CMA Ashwinkumar G. Dalwadi
3. CMA Debasish Mitra
4. CMA Vijender Sharma
5. CMA Rakesh Bhalla
6. CA Mukesh Singh Kushwah, Government Nominee
7. CMA Madhu Kejriwal (Co-opted)
8. CMA Radha Krishna Gupta (Co-opted)

Secretary
CMA Arup Sankar Bagchi, Sr. Director

16. Infrastructure Committee (Quorum: 3)

Chairman
1. CMA Biswarup Basu, President

Members
2. CMA Balwinder Singh
3. CMA Debasish Mitra
4. CMA Papa Rao Sunkara
5. CMA (Dr.) K Ch A V S N Murthy
6. CMA Rakesh Bhalla
7. Shri Sushil Behl, Government Nominee

Secretary
CMA Kushal Sengupta, Addl. Director

17. Corporate Laws Committee (Quorum: 3)

Chairman
1. CMA (Dr.) Ashish P. Thatte

Members
2. CMA Papa Rao Sunkara
3. CMA (Dr.) K Ch A V S N Murthy
4. CMA Vijender Sharma
5. CMA Rakesh Bhalla
6. Shri Manmohan Juneja, Government Nominee
7. CS Makarand Lele, Government Nominee
8. CMA L.D. Pawar (Co-opted)
9. CMA Archana Gupta (Co-opted)

Secretary
Ms. Vibhu Agrawal, Deputy Director

18. Information Technology Committee (Quorum:3)

Chairman
1. CMA Ashwinkumar G. Dalwadi

Members
2. CMA Balwinder Singh
3. CMA Neeraj D. Joshi
4. CMA (Dr.) V. Murali
5. CMA (Dr.) K Ch A V S N Murthy
6. CS Makarand Lele, Government Nominee
7. CMA M.V. Vakil (Co-opted)
8. CMA Sankalp Wadhwa (Co-opted)

Secretary
Shri Ashish Tewari, Joint Director

19. Members in Industry Committee (Quorum: 3)

Chairman
1. CMA Debasish Mitra

Members
2. CMA H. Padmanabhan
3. CMA Papa Rao Sunkara
4. CMA Chittaranjan Chattopadhyay
5. CMA Rakesh Bhalla
6. Shri Devendra Kumar, Government Nominee
7. CMA Debajit Sen (Co-opted)
8. CMA Bhaskar Basu (Co-opted)

Secretary
CMA Arup Sankar Bagchi, Sr. Director

20. Banking, Financial Services & Insurance Committee (Quorum: 3)

Chairman
1. CMA Chittaranjan Chattopadhyay

Members
2. CMA Balwinder Singh
3. CMA (Dr.) Ashish P. Thatte
4. CMA Debasish Mitra
5. CMA H. Padmanabhan
6. CMA Papa Rao Sunkara
7. CMA (Dr.) K Ch A V S N Murthy
8. Shri Sushil Behl, Government Nominee
9. CMA Tanmaya Pradhan (Co-opted)
10. CMA Sunder Ram Korivi (Co-opted)
11. CMA Ramana Rao (Co-opted)

Secretary
CMA Nisha Dewan, Addl. Director

21. Management Accounting Committee (Quorum: 3)

Chairman
1. CMA Neeraj D. Joshi

Members
2. CMA Ashwinkumar G. Dalwadi
3. CMA (Dr.) Ashish P. Thatte
4. CMA H. Padmanabhan
5. CMA (Dr.) K Ch A V S N Murthy
6. CS Makarand Lele, Government Nominee
7. CMA D.C. Bajaj (Co-opted)

Secretary
CMA Rajesh Jain, Deputy Director

22. Board of Advanced Studies & Research (Quorum: 3)

Chairman
1. CMA Debasish Mitra

Members
2. CMA Balwinder Singh
3. CMA (Dr.) V. Murali
4. CMA (Dr.) K Ch A V S N Murthy
5. CMA Chittaranjan Chattopadhyay
6. CMA Vijender Sharma
7. CMA Rajneesh Jain (Co-opted)
8. CMA (Prof.) Jayanta Sil (Co-opted)

Secretary
CMA (Dr.) Debaprosanna Nandy, Sr. Director

23. Coordination Committee of ICAI, ICSI and ICAI (Quorum: 3)

Chairman
1. CMA Biswarup Basu, President

Members
2. CMA P Raju Iyer, Vice President
3. CMA Balwinder Singh
4. CMA (Dr.) Ashish P. Thatte
5. CMA (Dr.) K Ch A V S N Murthy
6. Shri Manmohan Juneja, Government Nominee
7. CA Mukesh Singh Kushwah, Government Nominee

Secretary
CMA Kaushik Banerjee, Secretary

24. Cost Accounting Standards Board (Quorum: 8)

Chairman
1. CMA Balwinder Singh

Members
2. CMA Ashwinkumar G. Dalwadi
3. CMA Neeraj D. Joshi
4. CMA Vijender Sharma
5. Shri Manmohan Juneja, Government Nominee
6. Shri Devendra Kumar, Government Nominee
7. CMA Chandra Wadhwa
8. CMA Kunal Banerjee
9. CMA (Dr.) K. Narasimha Murthy
10. CMA M. Gopalakrishnan
11. CMA B.B. Goyal
12. CMA Asim Kumar Mukhopadhyay
13. CMA Murali Ganesan
14. CMA (Dr.) Shivani Inder
15. CMA (Dr.) Ashish Bhattacharya
16. Nominee of Industry Associations
17. Nominee of Industry Associations
18. Nominee of Industry Associations
19. Advisor (Cost), Cost Audit Branch, MCA
20. Nominee of MCA
21. Nominee of CBIC
22. Nominee of CBDT
23. Nominee of Regulatory bodies
24. Nominee of Regulatory bodies
25. Nominee of Regulatory bodies
26. Nominee of Regulatory bodies
27. Nominee of ICSI
28. Nominee of ICAI

Secretary
CMA Tarun Kumar, Addl. Director

25. Cost Auditing and Assurance Standards Board (Quorum: 5)

Chairman
1. CMA Ashwinkumar G. Dalwadi

Members
2. CMA Balwinder Singh
3. CMA (Dr.) Ashish P. Thatte
4. CMA (Dr.) V. Murali
5. CMA Vijender Sharma
6. CMA I.P. Singh
7. CMA M.K. Anand
8. CMA Sankalp Wadhwa
9. CMA R. Parvathy
10. CMA Monika Kansal
11. Advisor (Cost), Cost Audit Branch, MCA
12. Nominee of CAG
13. Nominee of Regulatory bodies
14. Nominee of Industry Associations

Secretary
CMA Tarun Kumar, Addl. Director

26. Internal Auditing and Assurance Standards Board (Quorum: 6)

Chairman
1. CMA P. Raju Iyer, Vice President

Members
2. CMA Neeraj D. Joshi
3. CMA Debasish Mitra
4. CMA (Dr.) K Ch A V S N Murthy
5. CMA Chittaranjan Chattopadhyay
6. Shri Sushil Behl, Government Nominee
7. CMA B.M. Sharma
8. CMA Ranganathan
9. CMA Mrityunjay Acharjee
10. CMA Bharat Bhushan Gupta
11. CMA Anoop Kumar Kabra
12. CMA Anil Kumar Kaushik
13. CMA V. Gopalan
14. CMA Rakesh Shankar
15. CMA B.R. Prabhakar
16. CMA D.L.S. Shreshti
17. CMA Sunil Chacko
18. CMA Sukirit Mehta
19. CMA Shyam Sunder Sonthalia
20. CMA Prabhakar Mukhopadhyay
21. Nominee of Industry Associations
22. Nominee of Professional Institute
23. Nominee of CAG
24. Nominee of Bank
25. Nominee of Regulatory body

Secretary
CMA Kushal Sengupta, Addl. Director

27. Career Counselling Advisory Board (Quorum: 3)

Chairman
1. CMA Papa Rao Sunkara

Members
2. CMA Neeraj D. Joshi
3. CMA (Dr.) Ashish P. Thatte
4. CMA H. Padmanabhan
5. CMA (Dr.) V. Murali
6. CMA Rakesh Bhalla

Secretary
CMA (Dr.) Debaprosanna Nandy, Sr. Director

28. Technical Cell (Cost Audit & Statutory Compliances) (Quorum: 3)

Chairman
1. CMA Chandra Wadhwa

Members
2. CMA Balwinder Singh
3. CMA Ashwinkumar G. Dalwadi
4. CMA Kunal Banerjee
5. CMA B.B. Goyal
6. CMA Asim Kumar Mukhopadhyay
7. CMA Somnath Mukherjee
8. CMA (Dr.) Ashish Bhattacharya
9. CMA T.C.A. Srinivasa Prasad
10. Advisor (Cost) or his nominated person

Secretary
CMA Tarun Kumar, Addl. Director

29. Quality Review Board (Quorum: 3)

Chairperson
1. CA Jyoti Chouhan, Government Nominee

Members
2. Shri Alok Samantarai, Government Nominee
3. Ms. Mausumi Ray Bhattacharya, Government Nominee
4. CMA Kunal Banerjee, Former President
5. CMA (Dr.) A.S. Durga Prasad, Former President

Secretary
CMA Arup Sankar Bagchi, Sr. Director

- President is Permanent Invitee to all the committees except Disciplinary Committees, Board of Discipline, Quality Review Board and committees represented by him as Chairman

- Vice President is Permanent Invitee to all the committees except Disciplinary Committees, Board of Discipline, Quality Review Board and committees represented by him as Chairman

CMA Biswarup Basu, President, CMA P.Raju Iyer, Vice-President of the Institute extending greetings to Shri Manoj Pandey, Joint Secretary to the Government of India, Ministry of Corporate Affairs on 21st September 2020

CMA Biswarup Basu, President, CMA P. Raju Iyer, Vice-President of the Institute extending greetings to Smt. Anjali Bhawra, Additional Secretary to the Government of India, Ministry of Corporate Affairs on 21st September 2020

CMA Biswarup Basu, President, CMA P. Raju Iyer, Vice-President, CMA Balwinder Singh, Immediate Past President of the Institute extending greetings to Shri Rajesh Verma, Secretary to the Government of India, Ministry of Corporate Affairs on 21st September 2020

The honour of the President, CMA Biswarup Basu on arrival at Kolkata after being elected president of the Institute

NEWS FLASH

The Indian EXPRESS
JOURNALISM OF COURAGE

New President and Vice-President elected at ICA

CMA Biswarup Basu has been elected as the President and CMA P.Raju Iyer has been elected as the Vice President of the Institute of Cost Accountants of India for the year 2020-2021. CMA Biswarup Basu was elected to Central Council of the Institute for the term 2015-19 and re-elected for the term 2019-23 as Central Council Member. He served the profession as VP of the Institute (2019-20), the Chairman of Members' Services Facilities Committee (2015-16 & 2016-17), Journal Publications Committee (2017-18), Members in Industry Committee (2018-19). During his tenure he has taken several initiatives that would increase the scope and development of the profession. CMA P.Raju Iyer was elected as a member to Central Council of the Institute for the term 2015-19 re-elected for the term 2019-23.

Business Standard — POLITICS & PUBLIC AFFAIRS 15

NEWLY ELECTED PRESIDENT AND VICE – PRESIDENT OF ICAI

CMA Biswarup Basu has been elected as the President and CMA P. Raju Iyer has been elected as the Vice-President of the Institute of Cost Accountants of India for the year 2020-2021.

CMA Biswarup Basu is a Fellow Member of the Institute of Cost Accountants of India and has worked with MNC, Bharat Coking Coal Limited and a wholly-owned company of Government of West Bengal at a senior position. He was elected to Central Council of the Institute for the term 2015-19 and re-elected for the term 2019-23 as Central Council Member of the Institute. He served the profession as Vice President of the Institute (2019-20), the Chairman of Members' Services & Facilities Committee (2015-16 & 2016-17), Journal & Publications Committee (2017-18) & Members in Industry Committee (2018-19). During his tenure, he has taken several initiatives that would increase the scope and development of the profession.

CMA P. Raju Iyer is a Fellow Member of the Institute of Cost Accountants of India; He has worked with Sundram Finance, Air Maldives Ltd at a senior position and has started his own consultancy since 2000. He specialised in areas of Finance, Cost Management, Project Management and Education. He has been Faculty to leading Institutions and Universities. He was elected as a member to Central Council of the Institute for the term 2015-19 and re-elected for the term 2019-23.

THE HINDU — NORTH & EAST

Office bearers elected for The Institute of Cost Accountants of India for 2020-2021

The Institute of Cost Accountants of India is a statutory body set up under an Act of Parliament under the administrative control of Ministry of Corporate Affairs, Govt. of India. The Institute conducted the election for President and Vice-President of the Institute on Sep 20, 2020 in New Delhi. CMA Biswarup Basu has been elected as the President and CMA P. Raju Iyer has been elected as the Vice President of The Institute of Cost Accountants of India for the year 2020-2021. CMA Biswarup Basu has been re-elected as the Central Council Member of the Institute and served the profession as Vice President of the Institute (2019-20) and other positions of importance. During his tenure he has taken several initiatives that would increase the scope and development of the profession. CMA P Raju Iyer has specialised in areas of Finance, Cost Management, Project Management and education. He has been Faculty to leading Institutions and Universities.

The Indian EXPRESS — BUSINESS

ICAI elects new president, vice-president

The Institute of Cost Accountants of India (ICAI) has elected CMA Biswarup Basu as its President and CMA P Raju Iyer as the Vice-President for the year 2020-2021. Basu is an alumnus of South Point High School, Kolkata and was elected to Central Council of the Institute for the term 2015-19 and re-elected for the term 2019-23 as Central Council Member of the Institute. Iyer has worked with Sundram Finance and Air Maldives Ltd.

दैनिक सवेरा टाइम्स

द इंस्टीच्यूट ऑफ कोस्ट अकाऊंटैंट्स ऑफ इंडिया के विस्वारुप बसू बने प्रैजीडैंट

विस्वारुप बसू — पी. राजू अय्यर

नई दिल्ली 24 सितम्बर (सवेरा) : द इंस्टीच्यूट ऑफ कोस्ट अकाऊंटैंट्स ऑफ इंडिया के चुनाव करवाए गए, जिसमें सी.एम.ए. बिस्वारुप बसु को प्रैजीडैंट तथा सी.एम.ए. पी. राजू अय्यर को वर्ष 2020-2021 के लिए इंस्टीच्यूट का वाइस-प्रैजीडैंट चुना गया।

दबंग दुनिया
निष्पक्ष नज़र, निष्पक्ष ख़बर

सीएमए बसु अध्यक्ष और सीएमएपी अय्यर उपाध्यक्ष बने

इंस्टिट्यूट ऑफ कास्ट अकाउंटेंट्स ऑफ इंडिया अध्यक्ष और उपाध्यक्ष के चुनाव संपन्न

दबंग रिपोर्टर ■ इंदौर

इंस्टिट्यूट ऑफ कास्ट अकाउंटेंट्स ऑफ इंडिया एक सांविधिक निकाय है, जिसे कॉर्पोरेट मामलों के मंत्रालय के प्रशासनिक नियंत्रण के तहत संसद के एक अधिनियम के तहत स्थापित किया जाता है। भारत के संस्थान ने नईदिल्ली में 20 सितंबर को संस्थान के अध्यक्ष और उपाध्यक्ष के लिए चुनाव कराया। सीएमए बिसवरूप बसु को अध्यक्ष और सीएमएपी राजू अय्यर को वर्ष 2020-2021 के लिए भारत के इंस्टिट्यूट ऑफ कास्ट अकाउंटेंट्स ऑफ इंडिया के उपाध्यक्ष के रूप में चुना गया है।

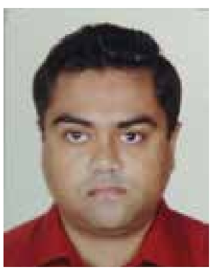
सीएमए बिसवरूप बसु भारत के इंस्टिट्यूट ऑफ कास्ट अकाउंटेंट्स के फेलो मेंबर और साउथ प्वाइंट हाई स्कूल कोलकाता के पूर्व छात्र हैं। उन्होंने एमएनसीए भारत कोकिंग कोल लिमिटेड और एक वरिष्ठ पद पर पश्चिम बंगाल सरकार की पूर्ण स्वामित्व वाली कंपनी के साथ काम किया है। उन्हें 2015-19 के लिए केंद्रीय संस्थान की परिषद के लिए चुना गया था और संस्थान के केंद्रीय परिषद सदस्य के रूप में 2019-23 के लिए फिर से चुना गया। उन्होंने संस्थान के उपाध्यक्ष (2019-20) सदस्यों की सेवाओं और सुविधाओं की समिति के अध्यक्ष (2015-16) और (2016-17) जर्नल एंड पब्लिकेशन कमेटी (2017-18) और उद्योग समिति में सदस्य के रूप में कार्य किया। अपने कार्यकाल के दौरान उन्होंने कई पहल की हैं जो पेशे के दायरे और विकास को बढ़ाएंगी।

कोलकाता

आईसीएआइए के अध्यक्ष बने विश्वरूप, उपाध्यक्ष अय्यर

सन्मार्ग संवाददाता, कोलकाता : इंस्टिट्यूट ऑफ कॉस्ट अकाउंटेंट्स ऑफ इंडिया ने सीएमए विश्वरूप बसु को अध्यक्ष और सीएमए पी. राजू अय्यर को उपाध्यक्ष के रूप में चुना है। वर्ष 2020-2021 के लिए यह चयन हुआ है। इंस्टिट्यूट ऑफ कॉस्ट अकाउंटेंट्स ऑफ इंडिया, संसद के एक अधिनियम के तहत स्थापित एक वैधानिक निकाय है जो कि कॉर्पोरेट मामलों के मंत्रालय के अधीन है। विश्वरूप बसु इंस्टिट्यूट ऑफ कॉस्ट अकाउंटेंट्स के फेलो मेंबर और साउथ प्वाइंट हाई स्कूल, कोलकाता के पूर्व छात्र रहे हैं। उन्होंने भारत कोकिंग कोल लिमिटेड, पूर्ण स्वामित्व वाली कंपनी के साथ काम किया है। पी.राजू अय्यर इंस्टिट्यूट के फेलो मेंबर हैं। उन्होंने सुंदरम फाइनेंस व एयर मालदीव लिमिटेड के साथ वरिष्ठ पदों पर काम किया है। उन्होंने 2000 के वर्ष से अपनी खुद की कंसल्टेंसी शुरू की।

VOCAL FOR LOCAL: INCENTIVE SCHEMES FOR PHARMACEUTICAL API INDUSTRY



CMA Arnab Chatterjee
Ex-Principal Consultant
Oracle Consulting
Kolkata

Abstract

Maintaining the public health infrastructure requires easy availability of medicines at affordable cost, especially in times of epidemics. This makes the pharmaceutical industry an important strategic asset. Over the last two decades India has made large strides in this sector and it is now globally recognized for pharmaceutical manufacturing. In this article we shall discuss two promotional programmes announced by the government to further boost the domestic pharmaceutical industry and reduce import dependence for certain critical components in the pharma value-chain.

Introduction

India is sometimes called **'Pharmacy to the world'**, and not without good reason. Today, India provides a majority of the developing countries with vaccines and medicines for killer diseases such as small pox, polio, HIV, tuberculosis and malaria, at affordable prices. It is also one of the largest exporters of generic drugs to the developed world, especially the US and countries of Europe.

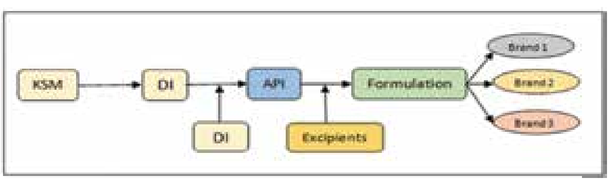
The pharmaceutical industry in India is the third largest in the world by volumes and fourteenth largest by value. The total value of pharma products exported in the just concluded financial year was more than USD 20 billion. Yet, inspite of these statistics India relies heavily on imports for the basic raw materials for pharmaceuticals, namely APIs (Active pharmaceutical ingredient), KSMs (Key starting materials) and DIs (Drug Intermediates).

What are APIs, KSMs and DIs

API stands for **Active Pharmaceutical Ingredient**, and is commonly known as ‘***bulk drug***’. Any medicine, be it for a simple headache or for a complex disease like cancer, is made up of several ingredients, such as the API, binders, preservatives, filling agents, stabilizers, colouring agents and so on. Among all these, API is the only material that has any therapeutic effect. Naturally, it is the most important component of a medicine that is responsible for the cure, mitigation, treatment or prevention of a disease or disorder. The other ingredients like binders, preservatives, filling agents etc. are together known as ***excipients***. The whole of the medicine, the API and excipients together, is known as a ***‘formulation’***. Tablets, capsules, syrups & suspensions, injections are the different types of formulations. The same formulation manufactured by different producers is sold under different names called **‘brands’**. Medicines for which patents have expired can be copied by other manufacturers and these are known as **‘generics’**.

APIs are used by different pharmaceutical companies to manufacture their branded version of a formulation. The API itself may be sourced from the same supplier that specializes in manufacturing bulk drugs only. Although there are companies that manufacture their own APIs and sell branded medicines too, they are far fewer in number. Most pharma companies use the bulk drugs produced by others and only sell their own formulations. Take the example of ‘Paracetamol’ (also known as Acetaminophen), which is the **API** in Crocin, Calpol, P500, Paracip etc., which are the different ***brands*** sold by different companies in ***formulations*** such as tablets and syrups. Here, the bulk drug (API), which is ‘paracetamol’ is mostly obtained from a handful of manufacturers.

APIs in turn are made from KSMs or **Key Starting Materials,** a general term used to signify chemical compounds, as well as biochemical materials, that are used as the base to produce APIs. They can be raw materials, intermediates or even other APIs, and are used as significant components to be incorporated in an API. On the other hand, **Drug Intermediates** are materials produced in the intermediate steps of API synthesis from KSMs and other raw materials. There are also drug intermediates that are procured from other producers and directly added at some stage of the API manufacturing process. The final product, after undergoing processing and purification is known as the API. A simple block diagram (image 1) shows the relation between these various components.



(Image 1: Relation between KSM, DI and API)
(Source: Author)

Indian Scenario

In the last few decades the Indian pharmaceutical industry has grown manifolds to cater to both the domestic and export markets. For the year 2019-20 pharma exports amounted to over USD 20 billion making India the top supplier of generic drugs accounting for 20% of world exports. Yet most of the growth has happened in the formulations business and the bulk drugs segment has largely remained under-developed. There are several large Indian pharma companies that sell domestically as well as export their formulations to the world, but only a handful of them also manufacture APIs. Some of the leading pharma majors such as Sun Pharma, Cipla, IPCA, Lupin, Cadila, DRL, Torrent, and Intas are also API manufacturers, but have a small portfolio that is inadequate to fully meet the domestic requirement. So, the majority of Indian pharma products rely on imports for their bulk drugs. As per government published data bulk drugs accounted for 63% of the total pharma imports in the country during 2018-19. For some critical life-saving drugs the dependence on imports is 80% or more.

Such import dependence can have a severe impact on domestic availability of medicines in the event of disruptions in international trade, which makes it a matter of strategic interest. This was evident during the initial stages of the ongoing coronavirus pandemic when normal trade relations and movement of materials were suspended to arrest the spread of the virus. This has emphasised the importance of self-reliance in the pharmaceutical API sector and consequently hassled to the formulation of several promotional schemes to boost their domestic manufacture.

Highlights of the incentive scheme for domestic manufacture of critical pharmaceutical materials

In March 2020 the government notified a new scheme called the ‘Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) In India’. The scheme shall provide financial incentives on domestic sales of eligible products by the selected manufacturers. The scheme shall be applicable from the FY 2020-21 through FY 2029-30 for a cumulative financial outlay of Rs. 6,940 crores.

The aim is to reduce the country’s dependence on imports of key pharmaceutical materials by providing incentives for their domestic manufacturing. To attract new investment in this sector the scheme allows only greenfield projects with specific minimum investments to be eligible for the incentives. As part of the vocal-for-local drive, manufacturers registered only in India are eligible for this scheme. Moreover, a list of four target segments consisting of 41 products involving 53 key APIs that have been identified as import-dependent, has been specified as part of the eligibility criteria. The four target segments are:

1. Key Fermentation based KSMs/DIs;
2. Fermentation based Niche APIs/KSMs/DIs;

3. Key Chemical Synthesis based KSMs/DIs;
4. Other Chemical Synthesis based APIs/KSMs/DIs.

The target segments shall also determine the investment threshold and quantum of incentives available to the manufacturers.

For fermentation based products, incentive for FY 2023-24 to FY 2026-27 would be 20%, followed by 15% for the FY 2027-28, and 5% for 2028-29. No incentives are applicable for the period 2020-2023. Moreover, producers in the key fermentation based segment shall be provided the maximum incentive to the tune of Rs. 3,600 crores for the total duration of the scheme.

For chemical synthesis based products the incentive for the period 2022-23 to 2027-28 would be 10%. No incentives will be available for the years 2020-21 and 2021-22.

Highlights of the 'Promotion of Bulk Drugs Parks' scheme

Another scheme approved by the government called 'Promotion of Bulk Drugs Parks' scheme will be valid from the financial year 2020-21 to 2024-25. The scheme envisages providing one-time financial assistance for setting up of common infrastructure facilities in three bulk drug parks across the country. The sites of these parks shall be proposed by state governments and a steering committee of the central government shall provide the final approvals.

Financial assistance will be provided under the scheme to the limit of 70% of the project cost for setting up of common infrastructure. For the North Eastern states, the hilly states of Himachal Pradesh, Uttarakhand and Union Territories of Jammu & Kashmir and Ladakh the limit applicable shall be 90% of the project cost. A maximum financial assistance of Rs. 1000 crores will be available under this scheme for each of the bulk drug parks. The total financial assistance for all the three parks put together is Rs. 3000 crores.

The scheme has identified specific APIs/KSMs/DIs for which there is a high dependence on imports but that are of strategic significance. These have been named 'preferred products' and companies proposing to manufacture them shall be accorded priority in allocation of resources in the parks. The list is almost 500 items long and includes antibiotics, antivirals and other anti-infective drugs, nutritional supplements, anti-diabetics, chemotherapeutics, anti-hypertensives and drugs for many major ailments. The ultimate objective is to make the country self sufficient in the production of these key materials and reduce production costs of most major medicines.

Conclusion

India has an outstanding global reputation besides the right mix of R&D expertise, skilled personnel and established business processes in the pharma sector. Being a low-cost producer of medical products is another advantage that has worked in its favour. Some of the biggest pharmaceutical producers in India also have their own API production lines, albeit at a smaller scale. With the new incentive schemes the government has provided the required support to this industry to rid India of import dependence for pharmaceuticals and realize the localization vision of the principle of 'Vocal for Local'. It is expected that within the next decade India shall achieve self-sufficiency in the production of these critical inputs. MA

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c_arnabus@yahoo.com

INDIA'S QUEST FOR SELF RELIANCE IN DEFENCE SECTOR: EVIDENCES AND LESSONS FROM CHINA

Avishek Roy
Assistant Professor
Department of Business Administration
Dinabandhu Andrews Institute of Technology and Management, Kolkata

Abstract

This paper explores China's efforts to modernise and indigenise its military hardware by using technology or components imported from Russia. The objective is to derive lessons and directions that India can utilize for attaining self reliance in defence production. Relevant literature on Russian weapons sales to China as well as patterns and trends of China's defence production since the early 1990s was analysed. The paper found that India should focus on judicious selection of foreign weapon systems for indigenous production, rapid development of initial prototype for incremental upgrades and maintaining alternative sources for obtaining critical components.

> "Know thy self, know thy enemy.
> A thousand battles, a thousand victories."
>
> — Sun Tzu

INTRODUCTION

India and China are often referred to as the Asian giants. Their armed forces are among the largest in the world. Naturally, keeping the armed forces well armed and well equipped is a mammoth enterprise for both nations. Yet a curious difference may be noted. While China has already acquired a significant degree of self reliance in domestically manufacturing military hardware, India is still significantly dependent on imported weapons. In August 2020, India decided to stop importing several items of high technology military hardware. The list included artillery guns and ammunition, simulators, radars, bulletproof jackets, ballistic helmets, several types of smaller naval crafts and Close in Weapons Systems Bhalla(2020)). The objective is to boost local manufacturing of these items and ending India's dependence on foreign suppliers.

Throughout the 1950s, the USSR had provided China with prototypes, blueprints, knowhow, training, technical experts as well as assisted in setting up factories and assembly lines for producing defence hardware. Soviet military aid enabled China to produce its first indigenous battle tank – the Type-59 MBT, as well as licensed copies of the MiG fighter jets and Tupolev and Ilyushin bombers. With unbridled Soviet assistance, China started operating submarines and domestically producing various naval crafts almost a decade before India.

Although Sino-Soviet relations appeared strong on the surface, there was an undercurrent of deep misgivings and mistrust between their senior leadership. Due to certain international events and ideological differences, their relations deteriorated drastically in the late 1950s and early 1960s. In July 1960, the Soviets recalled its civilian and military advisors and technical specialists from China Gerson (2010)). Due to abrupt withdrawal of Soviet technical support and military experts China faced the very real danger of obsolescence in military hardware. This exposed the flaws of overdependence on Soviet technology and underscored the urgent need for modernisation and indigenisation (Gill&Kim (1995)).

This paper analyses various approaches that China took for modernising its military hardware and for achieving self-reliance in defence production after the Sino-Soviet split. The objective is to derive lessons that India can employ for ending its dependence on foreign weapon suppliers.

OBJECTIVES

This paper has the following objectives:

i. To analyse China's approach for modernizing and indigenizing its military hardware after the Sino-Soviet split

ii. To derive lessons and frame policies that India can utilise in its own quest for achieving self reliance in defence production.

DATA AND METHODS

Research papers on China's armament industry, supply of Russian weapons to China and efforts made by China to develop indigenous weapon systems and the issues faced in the process was analysed in detail.

The analysis presented in this paper proceeds in two sections. In the first section, the paper seeks to identify various aspects of China's approach for modernising its defence hardware and to achieve the capability for its indigenous production. Based on findings made in the first phase, the final phase, attempts to draw out potential lessons that India can employ in its own quest for achieving self reliance in defence production.

CHINA'S EFFORTS FOR MODERNISING AND INDIGENIZING MILITARY HARDWARE AND LESSONS FOR INDIA

In the immediate aftermath of the Sino-Soviet split, Chinese tried modifying and improving its aging military hardware through "reverse engineering". However, besides being time consuming, reverse engineering requires huge amounts of capital and labour. Also it is not effective in improving on any such technology which is not already present in the weapon system being reverse engineered. Moreover, modern weapon systems are far less susceptible to reverse engineering. Heavy reliance on reverse engineering kept China deficient in electronics, communication and radar technology Gill&Kim (1995)).

In the 1970s and 1980s, Chinese efforts to assimilate Western military technology produced mixed results due to the after effects of the Cultural Revolution and also due to technical deficiencies and budgetary constraints. After the Tiananmen Square incident of 1989, US cancelled several deals for supplying sophisticated defence technology to China. However, efforts to upgrade Chinese combat jets with British or Italian avionics or battle tanks with Israeli help was relatively more successful.

By the late 1980s, China's relations with USSR started improving. After the USSR collapsed in the early 1990s, strong military ties were forged between China and Russia. It involved transfer of technology, technical know-how and production rights for a host of cutting edge weapon systems from Russia to China. While the Chinese military leadership acknowledged the need for "selectively importing" foreign technology for modernisation, it has also stressed the need for self reliance. In the last two decades, thanks to Russian willingness to supply sophisticated military technology and its own robust economic growth, China has been able to indigenously design and develop a plethora of new weapon systems.

China's approach towards modernization and indigenization of its military hardware by using imported Russian technology and components contains important guidelines that India can use for achieving self reliance in defence production. For China, defence modernization in the real sense had started only after Russia allowed the transfer of sophisticated military technology. India too should be open to accepting key foreign military technology for force modernisation. However, given the size of India's armed forces and its defence needs, self reliance cannot be achieved by imported weapons only. Every effort should be made to reproduce them indigenously. Due to lower unit costs of indigenous weapon systems, India can procure these in greater numbers. Ready supply of spares and services and simplified maintenance procedures can lower maintenance costs and improve availability rate of the weapon system enabling India to thwart security threats from Pakistan and China.

In the 1990s, importing Russian weapon systems was the only option China had for modernising its armed forces. However, the danger of depending on imported technology was not lost on the Chinese leadership. As a solution, China sought to develop indigenous weapon systems based on foreign designs or by using imported components. Fisher (2002) gives a detailed list of such weapon systems. India is one of the topmost weapons importers of the world. Learning from the Chinese experience, India should judiciously select suitable weapon systems of foreign origin and produce indigenous versions of these. Also wherever appropriate, components from imported weapons should be reused in producing domestic systems. This simplifies product development and prevents project overruns.

From the 1990s, China's approach for developing new weapons platforms was to rapidly construct an initial model using currently available components – indigenous or imported. This initial model is then incrementally upgraded as more updated technology or more indigenous components became available. For example, early versions of China's J10 fighter – the J10A – used Russian AL-31engines, radar and missiles derived from Russian models and an airframe inspired by the cancelled Israeli "Lavi" fighter jet (Fisher (2002), Adelman (2002)). Later models like the J-10B featured divertless supersonic intakes and electronic counter-measures pod. The J-10C was upgraded with Active Electronically Scanned Array (AESA) radar. Swift transformation from planning to deployment stage enables the developer to obtain a working model very early. While upgrading and working with the prototype, engineers and technicians gain significant experience and knowledge. This can be leveraged in the later stages of the weapon system's development or during its combat deployment. It also prevents time and cost overruns in defence projects. India can gainfully utilise this approach for preventing time and cost overruns being faced by the LCA Tejas and the Arjun MBT programmes.

China has also been able to integrate Russian (R-77), Israeli (Python3) or French (MagicR.550) origin missiles in its fighter jets. However, India's efforts to incorporate the Meteor missile in the LCA Tejas aircraft is facing issues as the French missile is incompatible with the jet's Israeli radar. Compatibility can be achieved if Indian or European radar is used. These points towards the importance of having alternatives source for obtaining supply of critical components for military indigenisation efforts to succeed. Lack of alternatives for critical components has led to slowdown or cancellation of defence projects in many countries. In the 1960s, the Indian HF-24 Marut aircraft could not reach its full potential as the Western countries did not supply suitable aircraft engines. US sanctions on supplying spares and service for the GE F-404 engines after the 1998 PokhranII nuclear tests had delayed India's LCA Tejas fighter program. However, when USA embargoed the export of AlliedSignal Garrett731 engines for China's JL-8 jet trainer due to the 1989 Tiananmen Square incident, the Chinese continued its development with the Ivchenko AI-25 engine and the project did not stagnate. More recently, it may be seen that the Chinese have had multiple alternatives for engines and radars for its FC1 (or JF17) and J10 fighter jets. MA

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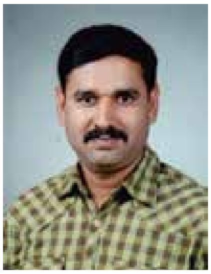
avishekroyonline@gmail.com

OVERHAULING EDUCATION STRUCTURE TO BE SELF RELIANT



Chandrakant S Arakeri
Assistant Professor
Department of Commerce
Government First Grade Women's College Bailhongal
Belagavi

Abstract

For overhauling of machine for better life and better production, in the same way Overhaul to education structure to be self-reliant is also very important. As per MHRD dash board data in India, the Government schools are more. The government schools playing major role in providing the education to rural students. So, in this paper we discuss what are basic facilities required from the government for overhaul the education structure to be self-reliant. The basic facility like physical and digital infrastructure for education is discussed in this paper.

INTRODUCTION

Overhaul has a nice connotation. My father used to tell to do overhauling of bicycle whenever it's given problem in riding. In the same way when people say that a system has become so bad that it needs an overhaul, they actually believe that such a thing is possible, that someone can do it. An overhaul also carries an association with radical improvement. Machines improve quite radically after an overhaul. So, the education also needs some overhauling for a self -reliant.

The paper will discuss the role of physical and digital infrastructure in education system. Before discussing this concept, it is necessary to know the meaning of overhaul and self-reliant.

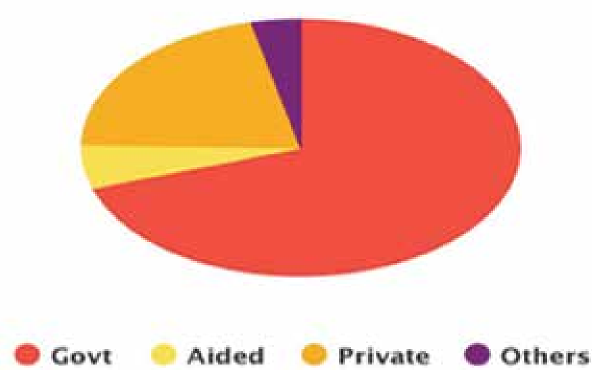
Overhaul: The act of completely changing a system so that it works more effectively.

Self -reliant synonyms are self-sufficient, self- supporting, self-sustaining, self-standing: Having confidence in and exercising one's own powers or judgment.

The education institutions need good infrastructure to provide the good education to the students. Some Statistics of Indian School education mentioned below as per 2018-19 data available in MHRD are as follows:

Total number of schools in India 15,50,006

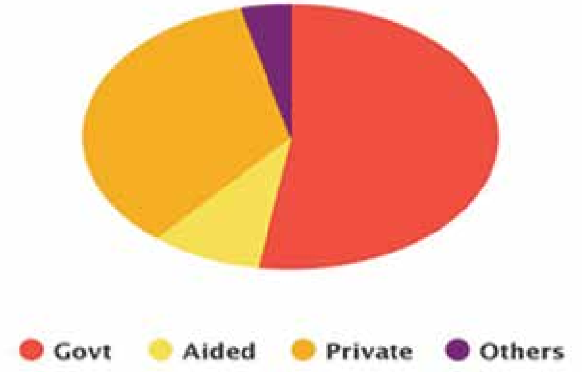
Particulars	Numbers
Government School	10,83,678
Aided school	84,614
Private school	3,25,760
Others	55,954



Source: http://dashboard.udiseplus.gov.in/#!/sedashboard

Total number of teachers in India 94,16,895

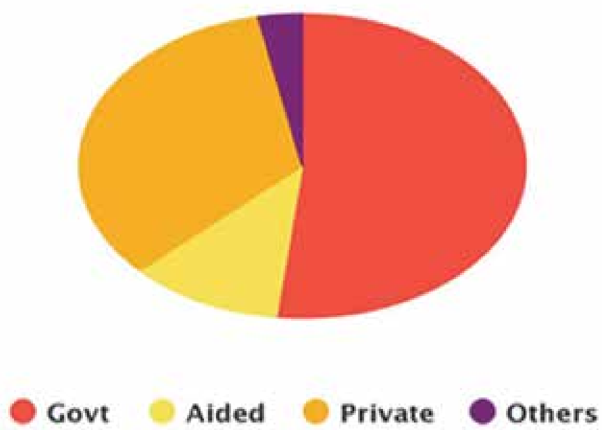
Particulars	Numbers
Government School	49,45,827
Aided school	8,15,212
Private school	33,00,449
Others	3,55,407



Source: http://dashboard.udiseplus.gov.in/#!/sedashboard

Total Number of students in India 24,78,53,688

Particulars	Numbers
Government School	12,84,97,792
Aided school	2,75,25,717
Private school	8,39,50,592
Others	78,79,587



The role of government school is very important because of above mentioned statistics shows that the Government schools, teachers and students are more compare to aided, private and others. The main task of school is to provide education which involves a series of programmes and activities. The successful conduct of these programmes and activities depends mainly upon the availability of proper infrastructure in the school. The term 'Physical Infrastructure' stands for the physical facilities of the school. It is referred to buildings, grounds, furniture and apparatus along with equipments essential for imparting education.

We must have the following physical infrastructure for a good school.

1. **School building:**

   The school building is very important to provide the good education. Without a proper building conducting of class is very difficult. Many government schools are not having their own building or if they have the conditions of the buildings are not good. The rural students are depending on government schools in rural area. So, government should provide good school building with the facility of good library, science labs, office room, principal chambers, staff room etc. The many owned buildings of government schools are in bad condition, so the government should provide the fund for maintenance of the building.

2. **Class rooms:**

   Many government schools are not having sufficient classrooms to conduct the classes. In many places the primary, high school and colleges are running in same premises in different shift because of the colleges are not having their own building. This was affecting the time to conduct the classes. The government should think to provide the sufficient classrooms with good facility to run the classes.

   The class rooms should have good black board, good ventilation, sufficient fans, sufficient lights with electricity facility. To be a self- reliant in education the class room environment is very important.

3. **Library:**

   The library is the main pillar for good education. The way kitchen is very important for house, the library is important for education. The library should contain sufficient books for study. The library should be situated in such a place where there is no noise and the library should have good ventilation and lighting facility. Based on the strength of the students the space should be provided in the library.

   A library is a repository of books and should have textbooks, workbooks, reference books, fiction, non-fiction books at various reading levels, reference books oil special topics and interests and related pamphlets, clippings, pictures, maps, charts, periodicals, etc. are placed in proper shelf.

4. **Laboratories:**

   The laboratories are very important for conducting science classes. The government should provide the sufficient labs to school with all the equipments. The old instrument should be replaced with new instruments. Again the lab should be on the basis of student strength.

5. **Office room:**

   The office room is also very important to run the good school. The school office should be centrally located so as to serve as a good coordination center, easily accessible to visitors, teachers and students.

6. **Staff room:**

The staff room is the main room for sharing the knowledge between the teachers. The teachers are interacting with each other in staff rooms. The school should provide lockers to teachers for keeping their books and own belongings.

7. **School grounds:**

For overall development of the students, the students need other activity like sports, cultural activities. Sound mind exists in sound body. Many government schools don't have the play grounds. Without the play grounds the students cannot involve in sports. So, the government should take care to provide the play ground with all sports material. With learning, the sports are also important. To keep the students fit physically and mentally the sport activity is must. So, play ground plays a major role in overall development of the students.

8. **Other Facilities:**

Among the above facilities there is another one which is most important for a school. These are, Art and Craft Room, Music Room, Drama Room, Dance Room, Sports Room, SUPW Room etc

After the Covid-19 pandemic the digital infrastructure is also playing important role in education. To be self- reliant in education we should consider the digital infrastructure with physical infrastructure. The online classes are playing very important role in present condition. So, the government should think on this also. The below mentioned digital infrastructure is required for overhauling the education system in present pandemic condition and also in future.

1. **Computer lab:**

The computer lab is very important for the school to develop the e-contents of the subjects. Now, the education has changed. More technology is used in education. So, computer lab should have sufficient computers with education related software. The government schools are not having the sufficient computers. The government should provide the funds to school to buy the computer to go for digital learning.

2. **Internet and WI-FI facility:**

Only computer without internet and WI-FI facility is no use. The internet is playing very important role in present situation. The government should provide good bandwidth internet to school to give access the digital learning to their students.

3. **Projector to classrooms:**

To run or show the e-content the classrooms need the good projector. The students can understand the class in better way if the teachers use the projector to show the PPT, images and videos related to class. The government should provide the funds to government schools to install the projector in government schools.

4. **Digital Podium**

A digital podium is a modern-day lecture stand that comes equipped with various media components/ devices that enable an uninterrupted learning session. Some of its sub-components are a public addressing system fitted with amplifier, speaker and microphone etc.

5. **Digital Library and Automation of Libraries**

Digital libraries and e-books have facilitated access to a wealth of knowledge available online that can now be accessed with the help of a mobile phone, tablet or laptop, anywhere, anytime, with an Internet connection.

After the Covid-19 pandemic the Central and State governments have taken the initiation to support the development of digital infrastructure in the schools to conduct the online classes.

In New Education Policy also the government has thought to introduce coding in primary education. Many teachers are not having the awareness of conducting online classes to students. So, government should provide the training to teachers for conducting the online classes of their students.

Conclusion:

The government is playing the major role in providing the good education to students. The basic facilities of physical infrastructure like school building, class rooms library, laboratories, office rooms, staff rooms and school grounds and digital infrastructure like computer lab, internet and Wi-Fi connection, projector, digital podium and digital library are required for good education. Education structure will become self-reliant if basic facility will be provided. MA

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ved7810@gmail.com

ATMANIRBHAR BHARAT ABHIYAAN: A STEP TO STEER INDIA TOWARDS SELF-RELIANCE

Sourav Prasad
Post Graduate Student
The University of Burdwan
Budrwan

Dr. Debasish Sur
Professor of Commerce
The University of Burdwan
Budrwan

Abstract

The Hon'ble Prime Minister of India Narendra Damodardas Modi has announced a stimulus economic package worth INR 20 lakh 97 thousand 53 crores on 12th May, 2020 known as 'Atmanirbhar Bharat Abhiyaan' or Self-Reliant India Movement in order to convert the tremendous challenges faced by the nation in the ongoing COVID-19 pandemic into opportunities and make the country self-reliant.The present paper highlights the major issues addressed in the package and their implementation and also identifies the implications which are expected to be derived from the package. The paper concludes with some suggestions for proper implementation of the economic package for making India self-reliant in near future.

I. Backdrop

At the time when the world is facing tremendous challenges emanated from the outbreak of COVID-19 pandemic, India plans to convert this immense threat into an opportunity and strengthen its fight against such odds by becoming Atmanirbhar or self-reliant. Undoubtedly, the COVID-19 has put the global economy at a major risk and the Indian economy has also been hit hard by this pandemic-driven global crisis. In fact, presently India has been encountering two major odds. First, the country has been trying to adopt suitable measures to control the spread of COVID-19 and to provide healthcare facilities to the people as much as possible because the prime concern of any government is to save lives. Secondly, the country has been engaging itself to take appropriate steps to save its economy from the economic uncertainty stemmed from the outbreak of coronavirus and subsequent global as well as national lockdowns. India's business environment has been severely affected. The operations of different business units belonging to various sectors have been disrupted. People have been facing a sudden loss in their incomes resulting in a massive decline in personal consumption expenditure. As a result, a major drop in demand has been noticed. In order to rescue the economy, on 12th May, 2020 the Prime Minister Narendra Damodardas Modi has announced a special economic and comprehensive package worth ₹20 lakh 97 thousand 53 crores equivalent to 10 per cent of India's GDP which would act as an instrumental in achieving the goals of the 'Atmanirbhar Bharat Abhiyan' (ANBA) or 'Self-Reliant India Movement' (SRIM).In this backdrop, the present paper seeks to analyse the ANBA scheme and its implementation and also attempts to identify possible implications which may be derived from the scheme.

II. Atmanirbhar Bharat Abhiyaan: Its Implementation and Possible Implications

In his address to the nation on 12th May, 2020 the PM has made an emotional appeal to the people to use local made in India products for implementing his vision of 'Vocal for Local with Global outreach'.It would promote the 'Make in India' initiative taken by the Government of India (GOI) and ultimately help India to establish itself as the global manufacturing hub by replacing China. The ANBA scheme is based on five pillars, such as Economy which would bring in a massive change, Infrastructure which would disclose the identity of India, System which would represent 21st century technology driven arrangements, Vibrant Demography which would act as the source of energy and Demand which would ensure to utilize cent per cent capacity. Though a preliminary announcement on the scheme has been made by the PM, Finance Minister, Ms. Nirmala Sitaraman in her five press conferences on five consecutive days from 13th to 17th May, 2020 has elaborated the entire scheme. Accordingly, the scheme can be divided into five parts.Part 1of the SRIM is concerned with the issue of retrieving operations in all businesses especially MSMEs. In this part the scope of widening the operations of non-banking financial companies (NBFCs), housing finance companies (HFCs) and firms belonging to the micro finance Sector as well as power sector in India is also taken into consideration. Part 2 deals with the matters relating to poor people including migrant workers and farmers. Part3 covers the agriculture sector and other allied activities. Part 4 concentrates on the issues associated with private participation in selected sectors, such as coal and other minerals, defence, aviation, space, power etc. Part 5 focuses on the issues relating to ease of doing business, reforms in health sector and education sector, support to state governments etc. Let us now analyse the implementation process of the ANBA scheme and its possible implications.

Part 1

The Pradhan Mantri Garib Kalyan Package (PMGK) introduced by the GOI would provide relief to the underprivileged people in India including deprived workers, members of self-help groups and family members of deceased health workers and also to help them to combat the threats gleaned from the COVID pandemic. The GOI has already constituted a Task Force on 'Bank Finance, Credit Revival and Growth' on 13th June,2020 for the implementation of the initiatives, schemes and relief measures under ANBA in the Union territory of J&K. The GOI has changed the definition of MSME sector by enhancing the investment limits and incorporating an additional criterion of annual turnover. This would extend the coverage of the sector significantly resulting in inclusion of greater number of enterprises including firms belonging to the service sector which would be highly benefited by a considerable number of measures adopted by the GOI to provide necessary weapons to them to fight the battle against the coronavirus pandemic. A liquidity advantage would be enjoyed by the NBFCs, HFCs and MFIs because a special permission has been granted by the GOI to them for issuing debt securities where the Government would act as guarantor.The GOI has also planned to provide liquidity injection to the sick DISCOMs through PFC-REC. So, it would bring a chance to those DISCOMs to revive their financial health. The West Bengal State Electricity Distribution Co. Ltd. facing major financial crisis due to more than ₹2000 crores shortfall in collection in April and May, 2020 has availed this chance by taking ₹1,022 crores loan from the Central Government.

Part 2

The GOI has taken some measures relating to refinance and concessional credit support to the weaker section of the society especially migrant workers, small and marginal farmers, fishermen and people associated with animal husbandry farms which would make a path their economic upliftment. The arrangement of affordable rental housing complexes for the poor people including migrant workers and students under the PPP model would provide their social security and quality life. Credit schemes related to interest subsidy, working capital finance, housing finance etc. launched by the GOI would play a vital role in enhancing the economic development and livelihoods of small businessmen including urban vendors as well as rural vendors doing business in the adjoining urban areas. Some positive steps taken under the Compensatory Afforestation Fund Management and Planning Authoritywould protect environment and step up employment opportunities among tribals and adivasis.

Part 3

Various schemes like MSP purchases, PM KISAN FUND transfer, PM Fasal Bima Yojana claim etc. would help the farmers to carry out their activities smoothly during this pandemic situation. In order to provide credit facility , the GOI has sanctioned 70.32 lakh Kisan credit cards with credit limit of ₹62,870 crores out of ₹2 lakh crores concessional credit under the

ANBA package. Similarly, providing funds to the people engaged in marine, inland fisheries and aquaculture for developing infrastructure would result in expansion in the scale of operations. The GOI has also shown its keen interest in developing animal husbandry infrastructure, herbal cultivation and bee keeping and also in popularizing fruits and vegetables in the market by adopting suitable storage and marketing strategies.

Part 4

The GOI has adopted suitable measures, such as incentives, liberalized legislations to encourage private participation in the sectors of coal, minerals, social infrastructure and space activities which would result in the economies of scale and improvement in efficiency. Policy reforms regarding FDI and import embargo in defence sector, consumer rights, air base and health sector would strengthen safety and security, stimulate economic activities and mitigate the level of corruption. The GOI has put ban on 101 items to boost indigenous production. The initiative launched by the Central Government regarding the construction of Technology Development cum Incubation Centres would certainly provide necessary inputs to the country to establish itself in the global market by surrogating synergy between research facilities and tech-entrepreneurs.

Part 5

The reform measures relating to the Companies Act, 2013, property and taxation initiated by the GOI would help the corporates to sustain in the long run by combating all odds.Similarly, the New Education Policy , 2020 would encourage the students in adapting themselves to the environment of e-learning which would result in formation of dynamic human capital. The help provided to migrant labourers through MNREGA would lead to creation of large number of durable and livelihood assets and boost the rural economy through higher production. The increase in borrowing limits to states would help the state governments to get rid of the losses arising out of pandemic and revive their economic conditions.

III. Concluding Remarks

The first outbreak of COVID-19 in China has certainly hurt its reputation in the world market. In fact, the world's mistrust of China has resulted in a disruption in the supply chain. Many countries have become wary of procuring goods from China and have started to incentivize their companies for shifting manufacturing out of China. The GOI has also adopted suitable measures to incentivize its companies to grab the opportunity of this, both for design and production. In response to it the Uttar Pradesh Government has invited 100 US based firms to move out of China and relocate to the state by offering certain benefits such as presenting stable government in the state, creation of a robust support infrastructure in terms of roads, water supply, irrigation capacity, 24×7 power supply etc. and providing some incentives, tax reliefs and policy reforms. However, a smooth transition is not an easy task for India in the short run while in the long run if China is not able to take a prominent part of the supply chain, this would be a huge opportunity for India to establish itself in the global market. In this context it can be suggested that the GOI should initiate some more policy reforms and offer very attractive incentive package to the firms moving out of china which would result in an increase in economic activities and help India to become self-reliant. The main drawback of this stimulus package is its proper implementation at the ground level. Lack of awareness among the officials and inability to make optimum utilization of available resources might be the leading problems associated with the implementation process. These problems can be minimized by the introduction of a web-based platform on which the amount of fund utilized and the purpose of such utilization are disclosed. Each official unit which is authorized to carry out developmental projects and use the resources shall be liable to upload the necessary information with supportive documents regarding the work done and the resources utilized including audit report. This would eradicate the practice of misuse of scarce resources. It is to be kept in mind that the progress of an economy like India is largely dependent on the efficiency and effectiveness of managing its local bodies. So, ANBA can be successfully implemented in India if the local bodies actively engage themselves in need-mapping, choosing development schemes as per their requirements and also in the implementation process. The benefits of delegation of authority and accountability can be reaped by strengthening the district regulatory authorities. However, the system prevailed in India has certain severe defects. Presently in India there are 739 districts while the number of parliamentary constitutions is 543 only. So, one district is not represented by one parliamentarian. Similarly, one particular block in a district cannot represent a legislative assembly constituency. However, resources are generally allocated to the districts and blocks which are considered as units of development. So, it is next to impossible to judge the performance of the parliamentarians and the members of the legislative assemblies. It is really a very hard task of ensuring accountability of elected representatives who should act as torch bearer in the implementation process of SRIM. The adequate information relating to different indicators of human development at district, block and panchayat levels are not available. This is another lacuna present in India which may hamper the implementation process of ANBA. In order to create a favourable environment in India for adopting the scheme in toto, the district administration should be proactive and should rely on the District Planning Committees (DPCs). All the local bodies should develop the habit of incorporating their developmental plans relating to the major sectors like agriculture, housing, healthcare, education, energy etc. *T*he development of public living has to be ensured irrespective of party-line and ideological affiliation. Moreover, the local bodies should enjoy such authority to maintain good liaison with the local business community and to engage them in carrying out different activities relating to the development of economy as well as society which can ultimately bring success in this mega project. A notable initiative has been taken very recently by the GOI towards strengthening the process of achieving the goals of the *ANBA*. *The* Prime Minister has launched a platform entitled 'Transparent Taxation Honoring the Honest' on 13th August, 2020 for strengthening the efforts of reforming and simplifying the Indian tax system. This is an attempt to transform the India's existing tax system from a power centric approach to a people centric one. It is no doubt, an effective way to ease the compliance burden and reward the honest taxpayers, which would ultimately help the nation to rebuild its pandemic-hit economy. Another important issue to be mentioned in the context of implementation of the *ANBA* is that without making capital markets self-reliant, it is very difficult for India to reach its target. So, for achieving the goals of ANBA, the GOI should take some reform measures relating to capital markets, such as bringing more flexibility in regulations, introduction of more technology based operations and quick dispute resolution mechanism, broadening the investors base, enhancing liquidity in corporate bond market etc.India enjoys certain competitive advantages, such as demographic advantage, abundant skilled IT personnel, political stability, reforms in infrastructure etc. So, the country can convert the challenges faced by it in the ongoing pandemic into great opportunities and establish itself in the global value chains. Especially, in the production of engineering goods the MSME sector in India has the capability of providing higher productivity leading to great prospects for employment and growth in the economy. MA

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emailsouravprasad@gmail.com

debasishsur@yahoo.co.in

MAKE IN INDIA – REALIZING A COVETED DREAM

Abstract

The article takes brief look at Indian Manufacturing sector. It talks about the present scenarios, constraints, areas of improvement and future outlook of the sector. It also looks into steps that are taken and efforts that would be required to build Indian Manufacturing Industry so that it can deliver US$ 1 Trillion products domestically and internationally catapulting India as a manufacturing powerhouse. Overall the endeavor is to put across a rationale that India can produce world class products domestically for international markets.

Deepak Kumar Mehto
Senior Buyer - IT
Jaguar Landrover India
Pune

Introduction

In the year 2020, India celebrated its 74th Independence Day, nearing three fourth of century of freedom. At the onset of our first free decade in 1950, Indian economy was worth mere $ 30 billion which now is nearing 3 trillion mark. Industrial foundation laid in 1950s and liberalization measures of 1990s and now Make in India initiative that was incorporated in 2014 are guiding and accelerating our economy in the right direction. India's current literacy is over 75% for current 1.35 billion population which is significantly better from 12% literacy at time of independence. High literacy rate with proven manufacturing prowess make us ideal candidate to become even a bigger manufacturing giant of world. World became over reliant on China because of its inexpensive labor and manufacturing capability. US – China trade war and subsequent coronavirus pandemic have shown that this over-reliance has been proven costly with major supply chain disruptions. Also there have been many stories of multi-national companies facing intellectual property losses. With companies looking to diversify geographic manufacturing footprint, India needs to take this opportunity with appropriate measures to show to world that it can make best in class products for the world and be a reliable manufacturing and exporting hub.The manufacturing sector in India has matured from its development stage of mechanization to its present stage of international attractiveness which is not saturated with international business.

Current situation

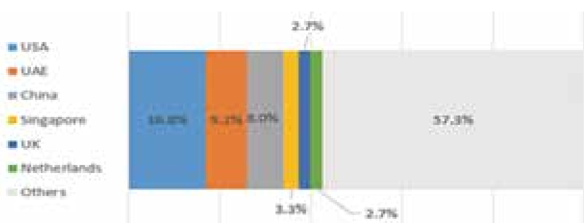
India exports to the world stood at US$322.8 billion in the year 2019. Below table show the top categories which contributed to roughly sixty percent of goods in value worth circa US$195 billion.Top three countries that were USA, UAE and China. Nearly half of the exports are to Asian countries while close to 20% being purchased by European and North American countries each by continent.

India is fulfilling nearly half of the world's vaccines requirement. The United States of America and the United Kingdom fulfill forty percent and a quarter of generic drugs demand from India. Clothing sector,which is majorly driven by healthy raw material production capacity like cotton, is one of the fastest growing exports and was forecasted to double by 2021 before the pandemic disrupted the world. Though we have manufacturing expertise but exports are dominated by raw materials and we need to push on exports of manufactured goods.

Indian exports by category

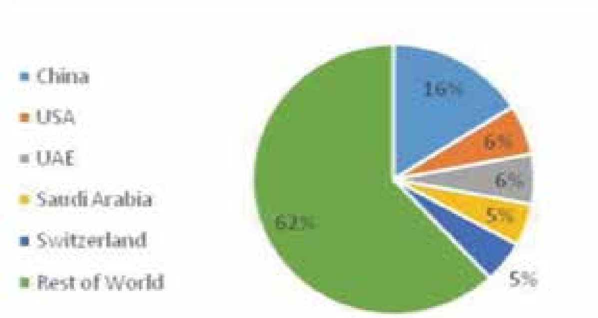
Description	Bn. USD	% of total Exports
Mineral fuels including oil	44.1	13.7
Gems, precious metals	36.7	11.4
Machinery including computers	21.2	6.6
Organic chemicals	18.3	5.7
Vehicles	17.2	5.3
Clothing (non-knit & knit)	16.5	5.2
Pharmaceuticals	16.1	5
Electrical equipment	14.7	4.5
Iron & steel	9.7	3

India exports by country



India exports by continents

In contrast to India's exports, India imports are at over US$ 600 billion for 2019. There is trade deficit of roughly US$ 300 billion. Electrical machinery & equipment, nuclear reactors, boilers, machinery and mechanical appliances contribute nearly 20 percent of imports valuing over US$70 billion. Five countries contribute to almost 40% of imports.



Indian Manufacturing Sector

Manufacturing plays a pivotal role in the monetary development and progress of any nation. A country with abundant natural resource, suitable weather conditions and skilled workforce could definitely rely on industrialization for its economic progress. Manufacturing sector inculcates research and development, innovates technology, leads to creation of new cities and creates millions of jobs. Indian states like Maharashtra, Tamil Nadu, and Karnataka have witnessed the growth and development manufacturing sector brought. Satellite town became cosmopolitan cities based on the manufacturing set ups and ancillaries environment around it. Manufacturing sector contributes over 18% percent to India's GDP. It is the sector that provides better spread of wealth among its workforce thus it is alleviates people from poverty. Manufacturing sector in fast growing Asian economies like China, Indonesia, Taiwan, Korea, Thailand and Philippines contributes 30 to 50 percent to their GDP. India needs to significantly improve Manufacturing.

Indian manufacturing sector has grown because of its ever increasing domestic market which is increasing with its middle class population. In last few years there has been an inflow of steady foreign and domestic investment (Gross Fixed Capital formation was US$ 614.85 billion in FY20). Make in India, Skill India and National Manufacturing Policy are major initiatives that shows the resolve of government to provide required boost to the sector.

Key highlights of Government Initiatives

- 14,602 Industrial Training Institutes are in India. (March, 2020).
- Through Pradhan Mantri Kaushal Vikas Yojana (PMKVY) approx. 2 Mn applicants were trained
- With PMKVY 2.0 (2016-2020) over 5 Mn. People were trained
- National Policy on Electronics was created in 2019 which targeted to take Indian electronics manufacturing industry to US$ 400 billion industry by 2025.
- By Make in India initiative, Government plans to boost manufacturing's contribution to country's GDP to 25% by 2025.

India is blessed with huge working population which is skilled and young which means that they are flexible to adapt to technological trends.Another big advantage that India youth possess is the soft skill of English language which acts as bridge to all nationalities and is business attractor. Cost of labor is one of the lowest in the world. Table below highlights the cost of factory workers in many competitive manufacturing countries.

Current Achievements

India's automotive sector has shown the way for manufacturing sector. It has established that we can produce world class goods. India attained the sixth standing in automotive industry manufacturing in world which is led by Japan, Germany & China as leaders. Brands like Ford, Suzuki, Toyota, Honda, Hyundai, Volkswagen, BMW, General Motors, Mercedes Benz, Mitsubishi, Renault, Audi, Nissan, and Skoda have a manufacturing footprint in the county. Two wheeler giants Hero MotoCorp, Royal Enfield and Bajaj are dominant names in international markets. The Indian textile manufacturing is behind China. More than half of India's textile exports are cotton based however products made of synthetic materials, wool and silk are produced and exported. Electronics industry has thrived as India is now home to third largest technically equipped workforce that has expertise in R&D and upcoming technology.

Opportunity

Major products manufactured and products imported by India are integrated circuits, broadcasting equipment, telephones, computers, aircrafts and components, batteries, vehicle parts, capex machinery, medical equipment cumulating to roughly US$ 100 Bn (source – OEC.World) by value. Research by McKinsey strongly indicates that basis for increasing domestic demand combined with the international corporation's intent to branch out their manufacturing capacities geographically so that they reduce dependencies on China can benefit India's manufacturing sector to increase by six times by 2025 in size and $1 trillion by value resulting in job creation in domestic market to magnitude of 90 Million. World is moving toward automation in manufacturing and use of Artificial Intelligence or Augmented Intelligence in process improvement. Thus if required impetus is given to IT sector then it could benefit the Indian manufacturer to build reputation for their production processes and attract foreign MNCs to see India as one stop technology driven manufacturing center. By 2025 India can aspire to become leader in auto components, pharmaceuticals, power transmission and distribution equipment, Leather and Apparel manufacturing. It also can become competitive source for Commercial Heating and ventilation & air conditioning equipment, computer hardware, consumer electronics, telecom equipment, plastic products, footwear, domestic appliance, storage media etc.

Areas of improvement

Four major areas of concern of Indian manufacturing are below par manufacturing processes, low labor productivity, low capital productivity and labor & skill gap. It is forecasted that to seize the opportunity producers in India would exhibit an improvement up to 500% from the current level depending on goods.

Areas to improve:

- Strengthen operations
- Improve labor productivity
- Improve capital productivity
- targeted Skill development

Past data from year 2006- 10, that for top 1000 manufacturing companies across 11 sub sectors in India only 46% were able to higher return on invested capital than weighted average cost of capital. Sectors like chemicals, capital goods, pharmaceuticals and construction materials were the ones which saw more than 50% companies with better return on invested capital. Durables and textiles, utilities and paper products were the key industries with companies lagging staggeringly behind on return on capital invested.

McKinsey's benchmarking studies on 75 Indian companies highlighted comparison with global companies on technical systems – resource deployment to meet customer target at lowest price, management infrastructure – processes and structure managing technical systems and capabilities & mindset. Indian companies were lagging in production planning, supply chain management, Quality & maintenance systems, talent management and continuous improvement initiatives when compared to their global counterparts. These were the areas where global companies were advanced stage where as Indians were either at intermediate or developing stage.

One of the major important consideration that needs to work by government is to increase the ease of doing business. Ease of doing business is assessed on factors like how easy is to get permits, pay taxes, set up business, get credit etc. India is at 63rd rank in ease of doing business among 190 nations whereas for comparison competitors like Korea and Taiwan are ranked 5th and 15threspectively. A higher ranked economy would obviously get more foreign direct investment.

Positive & Optimistic outlook

Nonetheless, even though there are hard issues to address we can be optimistic and positive. Example like Tata Steel improving its worker output by 8 times in 2011 over a period of 12 years shows that Indian companies are working on improving productivity and flexible to accept changes in management and operation practices. Geo political tensions between India and China have also ricocheted domestic consumers preference towards locally produced goods which has encouraged Indian entrepreneurs and manufacturers set up shop in country and forced companies to look for either directly or indirectly manufacturing in India. Covid crisis disrupted supply chain across globe and thus companies which are already producing in India can be invited to expand their capacities and their best cases can be used to attract companies looking to geographically diversify their production. Though the current ease of doing business standing may seem high but we need to keep in mind that it was bettered by 14 places in an years' time – 77 to 63 (2018 to 2019). Online education is now a big trend and would be crucial in providing skills which were constrained by location and thus upskilling the work force would become easier and economically specifically in areas of engineering, research and development. So I would agree that there are challenges of traditional manufacturing but India is equipped to take appropriate steps to realize the coveted dream of becoming the biggest manufacturing powerhouse. MA

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dmehto@jaguarlandrover.com
Deepak.mehto88@gmail.com

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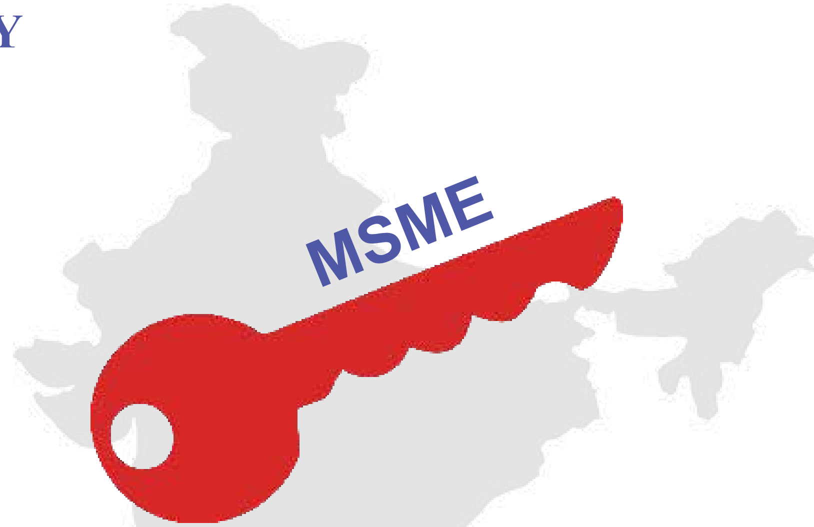

MEASURES TO MAKE MSMEs KEY TO SELF-RELIANT INDIA

Abstract

In the post-independent India, MSME Sector has emerged as a highly vibrant and dynamic sector of Indian economy with its multifarious contributions. However, this Sector has not been able to contribute its full potential owing to many problems it is facing. Recent efforts of the GoI, RBI, etc., aim at addressing these problems on the one hand, and reinvigorating the ailing MSME Sector on the other to enable it to contribute further to make the country realize its ambitious goal of 'Self-Reliant India'.In this backdrop, the present paper analyses the recent initiatives of the GoI, RBI, etc., to make MSMEs crucial to self-reliant India.

Dr. Inchara P M Gowda
ICSSR Post-Doctoral Fellow
Sahyadri Commerce and Management College
Shivamogga

Dr. K. S. Sarala
Associate Professor and MBA Programme Coordinator
Sahyadri Commerce and Management College
Shivamogga

Introduction

All sectors of the economy are devastated by the havoc inflicted by the unanticipated and uninvited COVID-19. Therefore, the authorities such as the Government of India (GoI), the Reserve Bank of India (RBI, apex bank), State Governments, etc., are striving hard to bring back the economy into the path of progress and prosperity by injecting right medicine in the form of appropriate policy measures and their proper implementation. This is true even in the case of Micro, Small and Medium Enterprises (MSMEs).

The MSME sector is contributing immensely for the overall development of the economy in many ways.Generation of employment opportunities, production of diverse range of products and services to cater to the requirements of domestic and global markets, profitable utilization of locally available resources, exports besides strengthening domestic market, contribution to the gross domestic product (GDP), removal of regional imbalances and contributing towards balanced regional development, etc., are some of the contributions of MSMEs.

MSME Sector – A Brief Profile and Performance

As per the National Sample Survey (NSS) 73rd Round conducted by the NSS Office, there are 633.88 lakh unincorporated non-agriculture MSMEs in the country. These units include 230.35 lakh enterprises engaged in Trade (108.71 lakh enterprises in rural area and 121.64 lakh enterprises in urban area), 196.65 lakh enterprises in Manufacturing Sector (114.14 lakh enterprises in rural area and 82.51 lakh units in urban area), 206.85 lakh enterprises engaged in other Services (102 lakh enterprises in rural area and 104.85 lakh units in urban area), and the remaining 0.03 lakh enterprises (mostly in rural area) in non-captive electricity generation and transmission. Number of enterprises is, more or less, equally distributed among three major activity groups viz., trade (36.34%), other services (32.63%) and manufacturing (31.02%). It is evident that about 324.88 lakh enterprises accounting for 51.25%are in rural area and the remaining 309 lakh enterprises working out to 48.75% are in urban area. Out of the total number of enterprises in MSME sector, about 99.47% (630.52 lakh enterprises) are micro enterprises, 3.31 lakh enterprises are small enterprises (0.52%) and 0.05 lakh enterprises are medium enterprises (0.01%). Further, out of 630.52 lakh micro enterprises, 324.09 lakh enterprises accounting for 51.40% are in rural area. Again, 608.41 lakh enterprises accounting for 95.98% of total number of MSMEs are proprietary enterprises which are still dominated by male owners (79.63%) and only about 20.37% of enterprises are owned by women. Further analysis shows that about 66.27% of MSMEs are owned by socially backward groups comprising OBCs owning 49.72%, SCs 12.45% and STs 4.10% of MSMEs. During the last 10 years (i.e., between the Fourth All India Census of MSMEs, 2006-07 and NSS 73rd Round, 2015-16), the number the MSMEs increased by 272.12 lakh enterprises or by 75.22% with an annual compound growth rate (CAGR) of 6.43%. Moreover, another 68.25 lakh MSMEs have registered under Udyog Aadhar Memorandum (UAM) between September 2015 and May 2019. All these statistics clearly bring the point to the fore that MSMEs are contributing immensely for the industrial development including in rural area aiming at balanced development of rural and urban areas, women empowerment through entrepreneurship, and social justice.

Besides, the MSME sector is generating comparatively a large number of employment opportunities addressing one of the major problems of the country viz., unemployment and under-employment. These enterprises have created 1,109.89 lakh jobs out of which 360.42 lakh jobs are in Manufacturing Sector, 387.18 lakh jobs in Trade, 362.22 lakh jobs in Other Services Sector and the remaining 0.07 lakh jobs are in Non-captive Electricity Generation and Transmission.Out of the total jobs provided by this sector, 497.78 lakh jobs (44.85%) are created in rural area and 612.11 lakh jobs (55.15%) in urban area. Again, out of total job opportunities generated by MSME Sector, 1,076.19 lakh jobs accounting for 96.96% of total employment opportunities are provided by micro enterprises sector. Of the remaining, 31.95 lakh jobs are created in small enterprises sector and 1.75 lakh jobs in medium enterprises sector. Most importantly, of the total employment opportunities generated by the MSME sector, 264.93 lakh employees accounting for 23.88% are women and the remaining 844.96 lakh employees working out to 76.12% of total employees in MSME sector are male-employees. During the last 10 years (i.e., between 2006-07 and 2015-16), number of jobs created increased by 304.65 lakh jobs or by 37.83% working out to a CAGR of 3.63%.

This Sector is producing over 6,000 products ranging from traditional to high-tech items. The broader categories are, food products and beverages, wearing apparel, fabricated metal products, repairs and maintenance of personal and household goods and retail trade, textile, furniture, machinery and equipment, rubber and plastic products, electrical and machinery parts, chemical and chemical products, other non-metallic mineral products, etc.

Mostly importantly, the contribution of MSME Sector to the country's Gross Value Added (GVA)[1] and Gross Domestic Product (GDP)[2] is substantial. For example, for the year 2016-17, the MSMEs have contributed ₹44,057.53 billion to GVA (out of total GVA of ₹1,38,415.91 bn) working to 31.83%. Further, this MSME's GVA works out 28.88% of total GDP of the country (of Rs. 1,52,537.14 bn for 2016-17 at current prices).A few more details presented below (Table – 1) which are self-explanatory provide greater insight about the contribution of MSME sector to the country's GVA and GDP. This also brings the point to the fore that to achieve the self-reliant India objective, it is necessary for the government/country to strengthen MSMEs which have a vital role to play.

Table – 1: Contribution of MSMEs to Country's Economy at Current Prices

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
MSME's GVA (Rs. Bn)	26,225.74	30,205.28	33,899.22	37,049.56	40,255.95	44,057.53
Total GVA (Rs. Bn)	81,069.46	92,026.92	1,03,631.53	1,15,042.79	1,25,666.46	1,38,415.91

Total GDP (Rs. Bn)	87,363.29	99,440.13	1,12,335.22	1,24,679.59	1,37,640.37	1,52,537.14
Share of MSME in GVA (%)	32.35	32.82	32.71	32.21	32.03	31.83
Share of MSME in GDP (%)	30.02	30.38	30.18	29.72	29.25	28.88

Source: Compiled the table based on data from, Annual Report, 2018-19, Ministry of MSMEs, Government of India, New Delhi, p. 27.

Problems of MSMEs

On the lines of the above, the MSMEs are contributing substantially for inclusive growth of the economy. And they have the potential to contribute more but not contributing their full potential owing to certain problems.These problems, as noted by the Prime Minister's Task Force (2010), are summarised below.

Non-availability of adequate and timely credit, high cost of credit, collateral security requirements, limited access to equity capital, etc., are the major financial hurdles. Problems associated with the supplies to government departments, non-availability of raw-materialsand/or their procurement at competitive prices, problems of changing business environment, inadequate demand, managerial deficiencies, lack of access to global markets,etc., are other major problems of MSMEs.Besides, inadequate infrastructural facilities such as power, water, road network, etc., obsolete and/or low technology levels, absence of suitable mechanism for quick revival of viable sick units and for closing down unviable enterprises, stiff competition not only from domestic large scale enterprises but also from foreign players, etc., are other major and common problems of MSMEs. Consequently, they have not been able to contribute their full potential to the economic development of the country including to the GDP.

Measures of GoI and RBI

With the objective of addressing the problems of MSMEs and to support them to contribute more for the overall economic development of the country, the authorities including the GoI and the RBI have been taking steps in the form of schemes, packages, policy measures, etc. For example, based on the policy decisions of the GoI and keeping in mind negligence of certain sectors of the economy/country, the apex bank has identified eight sectors (including MSMEs, export credit, renewable energy, etc) as priority sectors for lending by scheduled commercial banks (SCBs), regional rural banks (RRBs) and cooperative banks. Further, it has directed the lender-bankers to earmark 40% of their fund for lending to priority sectors including 7.5% for micro enterprises.

Realising the importance of micro and small enterprises in the economic development of the country and also the problems faced by these enterprises, the GoI designed and introduced a new scheme called, Pradhan Mantri MUDRA (Micro Units Development and Refinance Agency) Yojana (PMMY) with effect from 8 April 2015. The primary objective of this ambitious scheme is to provide loans up to Rs. 10 lakhs to non-corporate and non-farm micro and small enterprises in manufacturing, trading and services. Within the framework and overall objective of development and growth of micro enterprises sector, MUDRA loans are designed in such a way so as to meet the fund requirements of different sectors and entrepreneurs in their business/ entrepreneurial activities. Accordingly, three types of loan/ credit schemes are designed for micro and small enterprises depending upon their stage of growth/development, and funding requirements of micro enterprises/entrepreneurs. The three types of credit schemes are, (i) Shishu – loans up to Rs. 50,000; (ii) Kishor – loans between Rs. 50,000 and Rs. 5 lakhs and (iii) Tarun – loans between Rs. 5 lakhs and Rs. 10 lakhs. Out of total loan disbursal by the lending institution, at least 60% should be under 'Shishu' category and the remaining portion of loan is for the other two categories viz., Kishor and Tarun. One of the unique features of this Scheme is that the government fixes the yearly targets for each of participating bankers, non-banking finance companies (NBFCs), etc.What is important is that the participating banks/institutions have not only achieved the targets but also exceeded as evident from the following details (Table – 2) which are self-explanatory.

Table – 2: PMMY – Targets Vs Achievements

Year	Number of PMMY Loans Sanctioned	Loan Amount (Rs. lakh crores)		
		Target	Sanctioned	Disbursed
2015-16	3,48,80,924	1.22	1.37	1.33
2016-17	3,97,01,047	1.80	1.80	1.75
2017-18	4,81,30,593	2.44	2.53	2.46
2018-19	5,98,70,318	3.00	3.21	3.12
Total	18,25,82,882	8.46	8.91	8.66

*Source: Compiled the table based on the data collected from, **Annual Report, 2018-19,** MUDRA Ltd.*

However, in the light of economic slowdown followed by the devastating ill effects of COVID-19, the government announced a package on 13 May 2020 for the revival of ailing economy including the MSME sector. Further, the government has made a few significant changes in the definitions of MSMEs. All these aspects of the package for MSME Sector are summarised below under six heads.

Changes in Classification and Definition

Till now, for definition purpose, the MSMEs were classified initially into two categories as manufacturing enterprises and service enterprises. Again, each of these two categories was divided into three sub-categories as micro enterprises, small enterprises and medium enterprises. But now, the initial classification is removed clubbing both manufacturing enterprises and service enterprises into one as, 'manufacturing and service enterprises'. Another important change is the increase in monetary ceiling for classification of enterprises as micro, small and medium enterprises as tabulated below (Table – 3).

Table – 3: Definition of MSMEs – Pre-revised and Revised

Particulars	Amount (Rs. crores)		
	Micro Enterprises	Small Enterprises	Medium Enterprises
Pre-revised Definition and Classification:			
Manufacturing– Investment[3]	< 0.25	≥ 0.25 < 5	≥ 5 < 10
Service – Investment[3]	< 0.10	≥ 0.10 < 2	≥ 2 < 5
Revised Definition and Classification:			
Manufacturing and Service:			
Investment[3]	< 1	≥ 1 < 10	≥ 10 < 20
Turnover	< 5	≥ 5 < 50	≥ 50 < 100

Consequent to the above upward revision in the investment ceilings by 2 – 10 times, a large number of enterprises (which were till now outside MSME sector) will now fall into the category of MSMEs and become eligible for the benefits, subsidy, etc., made available to the MSME sector. As there will be a substantial increase in the number of micro enterprises (besides the increase in the number of small and medium enterprises), it is expected to provide the necessary boost to MSME sector which in turn is expected to spur the economic growth.

Collateral-free Automatic Loans

The second part of the package for MSMEs is Rs. 3 lakh crores of collateral-free automatic loans for businesses including MSMEs. Under this Scheme, the MSMEs will be given emergency credit line by the banking companies and NBFCs up to 20% of their outstanding credit as on 29 February 2020.The loans under this Scheme can be availed by MSMEs up to 31 October 2020 without fresh collaterals. These loans will have four-year tenor with moratorium of 12 months on principal repayment. And the interest is proposed to be capped. All MSMEs (and businesses) with up to Rs. 25 crore outstanding and Rs. 100 crore of turnover are eligible to avail this loan facility. This is expected to help 45 lakh units to resume their business activities and to safeguard the jobs which are under threat on account of fallout of COVID-19.

Subordinate Debt for Stressed MSMEs

The government has also proposed to facilitate the provision of subordinate debt[4]to the tune of Rs. 20,000 crore. The MSMEs which are functioning and stressed are eligible for loans under this Scheme. The promoters of MSMEs will be given debt by banking companies which will then be infused by the promoters as equity in their enterprises. It is expected that about2 lakh MSMEs will be benefited from this Scheme.

Equity Infusion through Fund of Funds

Another integral part of the package for MSMEs unveiled by the GoI on 13 May 2020 is the setting up of 'Fund of Funds' with corpus of Rs. 10,000 crore. The Fund of Funds (i.e., a pooled investment fund that invests in other types of funds) will be operated through a Mother Fund and a few Daughter Funds. And this Fund structure is expected to help leverage Rs. 50,000 crore of funds at Daughter Funds level. This Scheme is proposed to provide equity funding for the MSMEs with growth potential and viability which is expected to expand both size and capacity of MSMEs, and to encourage them to get listed on main board of Stock Exchanges.

Prohibition of Global Tenders

Realising the fact that the domestic MSMEs (and other enterprises) have often faced unfair competition from foreign bidders,the GoI proposes to disallow global tenders for government procurement tenders up to Rs. 200 crore. And this is going to be a step towards 'Make in India' supporting the government's flagship vision of 'Self-Reliant India'. This is a good move enabling many domestic MSMEs to bid for government contracts/work which in turn enable them to improve their business substantially.

Other Interventions for MSMEs

Some of the MSMEs are supplying a portion or whole of their goods and services to the governments and their public sector undertakings (PSUs) on credit basis. It is the experience of MSMEs that there is an inordinate delay in receiving the payments from the governments and their departments for the goods and services supplied to them. This has put them (i.e., MSMEs) into lot of difficulties. Therefore, the government has promised to release all amounts due to MSMEs from government and central PSUs within 45 days. This will be a big relief for cash/fund starving MSMEs.

Concluding Remarks

In spite of financial difficulties owing to COVID-19, the government is determined to strengthen the MSMEs to contribute their full potential for the overall development of the country. Now, it is for the MSMEs to make use of these benefits and contribute their best to enable the country to realise its ambitious goals of 'Make in India' and 'Self-Reliant India' through the development of goods and services to substitute the imported goods and services, and also to improve its export performance. MA

Notes

1. GVA (by Production Approach) = (Output – Material Inputs) and GVA (by Income Approach) = (Compensation of Employees + Operating Surplus + CFC)
2. GDP = (GVA at basic prices + Taxes on products net of subsidies on products)
3. Investment in equipment
4. Subordinate debt is an unsecured debt ranking below other loans with respect to claims on assets and earnings.

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incharapmgowda@gmail.com
kssmurthy94@yahoo.co.in

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AT THE HELM

Our heartiest congratulations to CMA Suparas Jain, a Fellow Member of the Institute on being elevated to the position of Vice President-Corporate Finance in Deepak Fertilisers and Petrochemicals Corporation Limited.

We wish CMA Suparas Jain the very best for all his future endeavours.

SELF-RELIANT INDIA: A STUDY ON CONSUMERS' PERCEPTIONS TOWARDS SWADESHI PRODUCTS

Abstract

Covid-19 pandemic and an appeal made by Honourable PM Modiji on Go Local for Vocal has made us realized to substitute foreign brands with Indian Brands to make Indian Economy a self-reliant economy. This pandemic has affected the customers' perception towards Swadeshi products and has also provided different opportunities to MSMEs to fill the gap created by global disruption. This research Paper is an initiative in this regard and reveals that Indian MSMEs should focus on providing high quality customized products with right pricing and their easy availability as Indians are ready to switch to Swadeshi products. Measures taken by Government for revival of MSMEs and changed perception of customers will definitely work for upliftment of MSMEs and will flow a wave of fulfilment of dream of "AATMANIRBHAR BHARAT".

Dr. Meenu Maheshwari
Assistant Professor
Deptt. of Commerce and Management
University of Kota, Kota

Dr. Ashok Kumar Gupta
Associate Professor (ABST)
Govt. Commerce College, Kota

Sudarshana Sharma
Assistant Professor - Finance
Amity Global Business School
Ahmedabad

1.1 Introduction:

The appeal made by Honourable PM Narendra Modiji on "Vocal for Local" has brought up the importance of manufacturing in India and consumption of locally produced goods by the citizens. "Vocal for Local" means recognizing and promoting the intrinsic strength of Indian entrepreneurship to get it released from the chain of complicated tangles of land, labour, liquidity and laws. Seshadri Chari (2020) said that to be "Swadeshi" means to bridge a gap between robust localisation and inevitable globalisation which are complementary and are not diametrically opposed. Substitution of foreign brands from Indian brands is the need of the hour after the pandemic covid-19 but at the same time it is not an easy and a few days task. Many sectors in India are highly dependents on imports in which India can be competitive and gain a competitive advantage over other countries and make India, "AatmaNirbhar Bharat". These sectors primarily include food processing, iron, organic farming, aluminium and copper, electronics, agrochemicals, industrial machinery, furniture, leather and shoes, auto parts, textiles, medical equipment etc. India can become a global supplier for them."(Financial Express, May 21, 2020).

1.2 Review of Literature

Few online articles have been reviewed to identify the impact of Covid-19 on MSMEs and the opportunities available for the growth of MSMEs. An article in The Hindu Business Line (April 22, 2020) highlighted that 79 % small and medium sized enterprises have been negatively impacted by coronavirus pandemic. A survey by Kantar Consultancy Companyfound that micro, small and medium enterprises are operating at less than 50% capacity. Restricted movement, less demand from customers, financial and workforce distresses have led to many challenges to MSMEs. Businesses are looking for leveraging opportunities. Neha Diwan in an article in Economic Times Online (May 01, 2020) quoted Suresh Prabhu and stated that size, scale of operations, limited financial and managerial resources make small industries weak ones as it is difficult for them to survive in normal times, they don't have enough capacity to covenant with unexpected crises of lockdown.

Shradha Mishra quoted Anirben Sen in an article in bestmediainfo.com (May 06, 2020) and asserted that "a change will take place in customers' sentiment and they will focus on origin of brand as a mark of trust than fancy designs.

People will now seek to help in developing the Indian Economy through purchasing and consuming Indian Brands with the feeling of "BE INDIAN, PURCHASE INDIAN".

1.3 Research Methodology

A. Objectives of the Study: -This study aims

1. to explore the scope for developing MSMEs to make India a self-reliant economy.
2. to identify the perception of Indian customers towards Foreign Products and Swadeshi Products.
3. toprovide suggestions for making India a self-reliant economy and popularize Swadeshi Brands.

B. Sample Design:-The respondents consist of the individuals from Kota City.A sample of 150 respondents have been taken as a sample size.

C. Data Collection: Data have been collected through both primary and secondary sources. Primary data have been collected through questionnaire using Google form and secondary data have been compiled through online resources. A pilot survey with structured questionnaire with 20 respondents has been conducted. After the feedback received, a structured questionnaire has been framed with the required changes and circulated to 250 respondents, out of which 150 responses were received.

D. Data Analysis Tools and Techniques: The data have been analysed and interpreted through tables, percentages, personal observations on responses received etc.

E. Limitations of the Study: The study covers a small sample of 150 respondents only. The study is confined to Kota City Only. Only few aspects for customers' perception on Swadeshi products have been covered.

1.4 Analysis and Interpretation

This part of research paper presents the major findings and inferences drawn from the responses received from different consumers.

Table 1: Demographic Profile of the Respondents

Demographic Characteristics		Number of Respondents	Percentage of Respondents
GENDER	Male	83	55.1
	Female	67	44.9
AGE	Below 30 Years	66	43.9
	30-40 Years	70	46.9
	40-50 Years	11	7.1
	Above 50 Years	3	2
OCCUPATION	Business	12	8.2
	Employed	58	38.8
	Professional	26	17.3
	Students	42	27.6
	Other	12	8.2
FAMILY INCOME	Below 5 Lakhs	61	40.6
	5-10 Lakhs	38	25.3
	10-15 Lakhs	29	19.4
	Above 15 Lakhs	22	14.7

Interpretation: Table 1 shows the demographic characteristics of the respondents which primarily depicts that in this survey 55.1 % respondents were male. The highest no. of respondents 46.9 % belong to the age group of 30-40 years. 38.8 % respondents belong to employed category and 40.6% respondents belong to income level of below 5 lakhs.

Table 2: Customers' Preferences in Buying Products

Preferred Brand	No. of Respondents	% of Respondents
Foreign Brand	-	-
Indian Brand	44	29.6
Mix of Both	106	70.4

Interpretation: Table 2 shows that majority of respondents 70.4 % prefer to buy products of mixed of Indian as well as foreign brands.Indian customers do not rely neither completely on foreign brands nor on Indian Brands.

Table 3: Products Preferences in Foreign Brands

Name of the Product	No. of Respondents	% of Respondents	Rank
Clothes	81	54	2
Beauty and Personal Use Products	67	44.6	3
Health Care Products	43	28.7	4
Electronics	124	82.7	1
Foods & Beverages	38	25.3	5
Automobiles	67	44.6	3
None	6	4	6
Others	5	3.3	7

Interpretation: Table 3 presents that Indian customers mostly preferred to buy electronics products of foreign brands as they have been ranked on1stposition. Clothes are ranked a 2nd preference followed by beauty & personal use products and automobiles on 3rd position.Industries like electronics, beauty and health care products, and automobiles have more scope to grow.

Table 4: Awareness Level Regarding Substitute Indian Brands of Foreign Brands

Response	No. of Respondents	% of Respondents
Yes	113	75.5
No	37	24.5

Interpretation: Table 4 shows that 75.5 % are aware of the substitute Indian brands of products of Foreign Brands. Substitute Indian Brands are not preferred by respondents may be due to poor quality.

Table 5: Awareness level regarding the Origin Country of the Products before Buying

Response	No. of Respondents	% of Respondents
Yes	60	39.8
No	21	14.3
Sometimes	69	45.9

Interpretation: Table 5 shows that before buying any product, 45.9% respondents check the manufacturing country details sometimes only.39.8% respondent's confirmly check the country details whereas 14.3 % respondents never check it.Companies in India should focus on marketing of products through promoting "Made in India".

Table 6: Preferences to Products generally Notices by Customers for the Manufacturing Country Details ((More than 1 response was accepted)

Type of Product	No. of Respondents	% of Respondents
Food and Beverages	40	26.5
Clothes	34	22.4
Beauty, Personal Use or Health Care Products	38	25.5
Electronics Products	84	56.1
Others	11	7.1

Interpretation: Table 6 shows that maximum number of respondents 56.1% notice country details on electronics products followed by food and beverages, beauty, personal use or health care products and clothes with 26.5%, 25.5 % and 22.4% respondents.

Table 7: Motivation Criteria to Purchase Products of Foreign Brands (More than 1 Response was Accepted)

Motivation Criteria	No. of Respondents	% of Respondents
Superior Quality	110	73.5
Value for Money	67	44.9
Physical Appearance	38	25.5
Advertisement/Publicity	31	20.4
Relative/Friends Influence	12	8.2
Social Recognition	26	17.3
Income Level	15	10.2
Other	92	6.1

Interpretation: Table 7 shows that superior quality of foreign brands attracts maximum number of respondents 73.5% followed by value for money and physical appearance with 44.9% and 25.5 % respectively. If local manufacturers provide superior quality products with value for money then demand of Indian products can be increased.

Table 8: Experience of Respondents using the Swadeshi Products manufactured by MSME's in India

Satisfaction Level	No. of Respondents	% of Respondents
Extremely Satisfactory	26	17.3
Satisfactory	116	77.6
Extremely Dis-Satisfactory	3	2
Dis-Satisfactory	5	3.1

Interpretation: Table 8 shows that 77.6% respondents are satisfied with the usage of Swadeshi products so MSMEs have more scope to grow.

Table 9: Perception on Demand for Swadeshi products Increased during Covid-19 or will increase Post Covid-19

Response	No. of Respondents	% of Respondents
Yes	103	68.4
No	15	10.2
May Be	32	21.4

Interpretation: Table 9 shows that 68.4 % respondents believe that demand for Swadeshi products have increased and will increase during the Covid-19 pandemic. This is an opportunity for Indian MSME's to avail the benefits of increased demand.

Table 10: Perception on Whether Appeal made by Our Honourable PM Modiji for Local and Vocal will Influence Buying Behaviour of Respondents Towards Swadeshi Brands

Response	No. of Respondents	% of Respondents
Yes	108	72.4
No	8	5.2
May Be	34	22.4

Interpretation: Table 10 shows that maximum number of respondents 72.4% agrees on the fact that appeal made by Honourable PM Modiji for local and vocal will influence the buying behaviour towards the Swadeshi products and will increase their demand.

Table 11: Rating Given to Preferences for Purchasing the Category of Products of Indian Brands (More than 1 Response was Accepted)

Name of the Product	No. of Respondents	% of Respondents	Rank
Clothes	78	52	1
Beauty and Personal Use Products	49	32.7	4
Pharmaceutical and Health Care Products	61	40.8	3
Electronics Products (Mobiles & Accessories, Laptops, Desktops, white products etc.)	38	25.5	5
Foods & Beverages	74	49	2
Automobiles	26	17.3	6
Others	9	6.1	7

Interpretation: Table 11 reveals that customers mostly prefers to buy clothes, foods and beverages, pharmaceutical and health care products of Swadeshi brands as they are ranked as 1st, 2nd and 3rd respectively. Electronics products andautomobiles are the least preferences in Swadeshi brands so these industries have more scope to grow.

Table 12: Likely Features for Purchasing the Swadeshi Products (More than 1 Response was Accepted)

Likely Preference	No. of Respondents	% of Respondents
Right Quality Products	127	84.7
Right Pricing	80	53.1
Availability of Products easily	66	43.9
Advertisement/Publicity	37	24.5
Others	14	9.2

Interpretation: Table 12 shows that 84.7% respondents would like to buy Indian Products if they are of good quality followed by pricing of the products with 53.1% respondents. High quality products with right pricing, effective advertisements campaigns and publicity strategies and easily availability of local Products can capture the Indian Market.

Table 13: Perception of Respondents on whether Purchase of Indian Brands will Help in Uplifting the Indian MSMEs or Not

Response	No. of Respondents	% of Respondents
Yes	130	86.7
No	2	1
May be	18	12.2

Interpretation: Table 13 shows that 86.7 % respondents are in favour of the fact that if customers start purchasing Swadeshi products instead of foreign brands, it will definitely help in uplifting of the Indian MSMEs. More demand, more industries, more production, more employment, more availability of Swadeshi products will definitely help in uplifting Indian MSMEs. More employment opportunities locally will help to resolve the problems of migrant workers also.

Table 14: Perception on Measures taken by Indian Govt. Recently for the Revival of Indian MSMEs will Help in Promoting Indian Brands

Response	No. of Respondents	% of Respondents
Yes	142	94.9
No	8	5.1

Interpretation: As shown in Table 14 that maximum 94.9 % respondents perceive that measures taken by Indian Government recently for the revival of Indian MSMEs will help in promoting Indian Brands.

Table 15: Perception of Respondentsto Promote the Products of MSMEs Based on Your Personal Usage Experience

Response	No. of Respondents	% of Respondents
Yes	147	98
No	3	2

Interpretation: Table 15 shows that 98% respondents would like to promote the local products manufactured by MSMEs based on their usage experiences.

Suggestions for Make India a Self -Reliant Economy and to Popularize Swadeshi Products

1. Indian MSMEs should try to provide innovative, technologically upgraded, high quality and variety of customized Swadeshi products and make them easily available through proper supply chain management.
2. Reducing Globalisation, providing supporting business environment for MSME's, imposing trade barriers on foreign products and raw materials, more strategic plans to boost up product manufacturing in India, making available different incentive schemes for MSMEs can lead to development of MSME's in India.
3. Govt. should make more schemes to encourage the entrepreneurial spirit of the youths which should be built at college/university level only.
4. To fulfil the demand supply gap, more production units with enhanced capacity should be established.
5. Govt. should try to attract investment by NRIs in Indian Economy and promote exports of Swadeshi products.
6. Government should take initiatives to solve financial problems like fund availability, liquidity, higher interest on loans etc.
7. Investment in technology and innovations and eradicating corruption can provide needed stimulus for Indian MSMEs.
8. More advertisement /promotional activities through creating separate e-commerce platforms for local products are needed to create awareness and attract customers
9. Differentiation of Products should be created through Labelling and Branding of Swadeshi Products.
10. Famous stars, cricketers, well known personalities should be engaged to advertise Swadeshi products as Indians follow them blindly.
11. Government aided stores should be opened to sale Swadeshi Products and more emphasis should be given on selling through online platforms.
12. Relaxation in statutory compliances should be given to MSMEs such as low tax rates on products manufactured by MSMEs, tax benefits, relaxation in time for filing returns, etc.

Measures Taken by Government of India for the Revival of Indian MSMEs and to make them "Aatmanirbhar"

To make India's vast MSME sector back to life, following

6 measures out of 15 relief measures under the mega package of Rs. 20 Lakh Crores announced by Finance Minister Nirmala Sitaraman are aimed for MSMEs particularly:

1. **Rs 3 lakh crore collateral-free loans:- To meet the additional funds requirements of MSMEs,** Banks and NBFCs will offer up to 20 per cent of entire outstanding credit as on February 29, 2020, to MSMEs.
2. **Rs 20,000 crore subordinate debt:** The government will facilitate the provision of Rs 20,000 crore as subordinate debt to functioning MSMEs declared NPAs or stressed and then will be then infused by promoters of MSMEs as equity in the business unit.
3. **Rs 50,000 crore equity infusion**: The government will infuse Rs 50,000 in equity in MSMEs through a Fund of Funds that will be operated through a Mother fund andfew daughter funds.
4. **Revised MSME definition**: To address MSMEs fear of outgrowing in size to receive benefits given by the government to businesses, Nirmala Sitharaman revised the definition of MSMEs as follows:

Table: 16 Revised Definition of MSMEs

Composite Criteria: Investment and Annual Turnover			
Classification	**Micro**	**Small**	**Medium**
Manufacturing & Services	Investment<Rs.1 Cr. And Turnover<Rs. 5 Cr.	Investment < Rs.10 Cr. And Turnover<Rs. 50 Cr.	Investment <Rs. 20 Cr. And Turnover <Rs. 100 Cr.

Source: msme.gov.in

5. **Global tenders disallowed**: To address MSMEs' the issue of unfair competition from foreign companies, global tenders will not be allowed by government upto Rs. 200 crore.
6. **Clearing MSME Dues**: The government and central public sector enterprises will release all pending MSME receivables in 45 days.

Conclusion

Pandemic Covid- 19 has brought many challenges for MSMEs with ample number of opportunities too. To catch the domestic market with parallel export opportunities, Indian MSMEs have to prove their worth themselves by playing on volume with the high quality. Extensive product promotion, brand awareness programs, advertisement on different platforms, maintaining efficiency in cost, up-gradation of products with the changing needs of customers are the key parameters for the success of Swadeshi Brands. Indians have to change their perception towards Swadeshi Brands and switch their preferences to local products and promote them as well. Measures taken by government and changes in perception of Indian towards Swadeshi product will definitely work for the upliftment of MSMEs. A sound industrial policy and a new Innovation policy is required, and policies on making Industrial infrastructure are also required. These all will lead to the fulfilment of dream of "AATMANIRBHAR BHARAT". MA

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drmeenumaheshwari@gmail.com
drashokkr.gupta@gmail.com
sudarshana08@gmail.com

SELF RELIANT INDIA - STATUS & PROSPECTS - AND ETHICAL & CONSTRUCTIVE ROLE OF CMAs

CMA Padmanabhan Satyes Kumar
Ex. Dy General Manager
BHEL- Haridwar

Abstract

PM's clarion call for Aatma-NirbharBharat depends on preferences of domestic consumers as well as India's potential for greater exports. Seeing the current status and challenges it calls for intensive policy reforms and their urgent implementation. For this CMAs would be required to play a challenging and multidimensional role to ensure competitive and affordable products/ services and ensure that better corporate governance leads to sustainable development of company & economy requiring best of ethical, creative and innovative abilities.

In an article on leadership abilities of M S Dhoni, Infosys founder Narayanamurthy notes that "responsibility of a leader is to ***craft a grand vision, articulate it and raise the aspiration***, confidence, pride and enthusiasm of his people."(Ref#1)

These traits are also visible in our Prime Minister, whose ***grand vision of Aatma-Nirbhar Bharat (ANB) has immense potential*** to motivate Indian towards a self reliant Indian economy capable ***for building a new and better India***.

A. Current Status – following status review (Refer Table 1) of relative economic indicators will help us to ***understand the challenges and prospects*** on the way to ANB:

Table 1 – World Bank data for 2019 (Ref#2):

Particulars	USA	CHINA	JAPAN	GERMAN	INDIA
GDP (Trillion $)	21.58	14.55	5.27	4.03	2.91
Per capita GDP ($)	65,760	10,410	41,690	48,520	2,130
Growth Rate	2.33%	6.11%	0.65%	0.56%	5.02%
Inflation Rate	1.74%	1.58%	0.59%	2.14%	2.31%

Exports/GDP	12%	18%	19%	47%	19%
Imports/GDP	15%	17%	18%	41%	21%
Agri./GDP	10%	7%	1%	1%	16%
Mfg./GDP	18%	39%	29%	27%	25%
Revenue/GDP	17%	16%	13%	29%	13%
Capital Formation	21%	44%	24%	22%	30%
Market cap /GDP	148%	60%	122%	55%	76%
Startup process for business	6 nos.	4 nos.	8 nos.	9 nos.	10 nos.
Population (million)	328	1397	126	83	1366

Main Observations:

a) In-spite of being the 5th largest economy,***the per capita GDP of India still remains very low*** even compared to the second best (China) in this count.

b) Exports of China, Japan & India, is around 20% of their respective GDP.

c) Balance of Trade is ***negative*** only for USA and ***India.***

d) Manufacturing sector of China is almost 25% of the world total.

e) India's GDP contribution from Agriculture is ***highest @18% but 45% of its total population*** are dependent on it resulting in low per capita GDP.

f) Revenue to/GDP ratio is very high in Germany while lowest in India and Japan.

g) Capital formation of India is much lower than China'swhich may be one of the main reasons for exponential growth of China in last 20 years.

h) Number of ***startup process for new business in India is still very high*** compared to China & USA and hence needs to be further improved.

i) Market cap to GDP ratio shows the ***dominance of private sector in USA and Japan*** and their economic growth as a mixed economy.

j) India's ***Interest, inflation and growth rateis well balanced*** but high interest rate is one of the ***impediments for global competitiveness of its industry***.

B) Policy Initiatives & Some Emerging Ideas for ANB

1. "Vocal for local"and"Made in India for global" sums up the focus under ANB. In October 2018 at the Investors Summit of Uttarakhand PM had given similar ideas of ***localized Potential, Policy&Progress*** like (a) Spiritual Eco Zone and (b) One World, One Sun & One Grid for solar power.

2. UNDP chief hails the Indian government's plan to provide internet connectivity to 600 thousand villages in the next 3 years as a ***very big generational project for financial inclusion***for all citizens (Ref# 3)

3. Commerce Minister says ANB to promote the export potential based on competitive price &quality and ***not on subsidies & incentives***. (Ref#4)

4. He further says that ANB is not meant for isolation of country from global trade but meant to ***advocate for level playing field*** by working for equal, fair and reciprocal arrangement with its global trade partners.(Ref#5).

5. Defense ministry declared a ***list of imported items***which in future will be solely ***procured from domestic*** companies as part of ANB policy. (Ref #6)

6. Mission Director of the Atal Innovation Mission mentions the 5 pillars i.e. Demographic dividend, Infrastructure, Demand, Technology and Socio Economic growth, on which the PM's vision stands to ***bridge the economical and digital divide*** between the haves and have-nots.(Ref#7)

7. The ***Production Linked Incentive (PLI) scheme*** for electronic sector has induced proposals worth ***Rs12 lakh crore*** from all major mobile manufacturers. Similar schemes in ***Pharma, Automobiles, Textiles and Food processing*** may also expand Manufacturing sector. (ref#8)

8. President of CII applauds the ANB and insists that ***Enabling policies, Execution urgency and Exports growth*** should be the cornerstone of all efforts now to ***counter manipulative global trade practices*** (Ref #9).

9. Anotherarticle (Ref# 10) suggestsways to ***improve India's global share*** by:

   a. All factors, e.g. land acquisition delays, delay in refund of taxes etc. lead to avoidable cost and hence needs reforms for corrections;

   b. Make in India for Global markets needs an ***upgraded quality control*** through improved standards for evaluation;

   c. Ensure that the FDI being implemented ***also integrates the supply chain from within the country*** for greater domestic value addition;

   d. Imports needs to be rationalized to ***reduce dependence on country specific source*** of critical materials like APIs for medicines.

Incidentally Japan, India and Australia (JAI) have already initiated ***new supply chain plans to identify alternatives***. (Ref #11)

10. Agro exports grew from 9.4% to 9.9% of GDP from Agriculture while the imports reduced from 5.7% to 4.9% from 2017-18 to 2018-19. Potential exist for ***greater exports including horticultural*** products. (Ref#12)
11. Agile demand sensing & diversification for resilience and growth including decentralization of markets to semi urban & rural areas are the ***long term learning of Indian cos.from the pandemic***.(Ref# 13)
12. Immense ***potential of India's IT sector*** will be more expansive with the exponential growth expected by NASSCOM in ***Artificial Intelligence and DATA business*** in next 5 years.. (Ref #14)
13. GOI has identified ***24 focus manufacturing sector which has the potential for growth*** for better market share in Global trade.(ref#15)
14. CII code on corporate governance feels that ***risk capital and building the trust bridge for same is the core to India's future*** (ref#16)

C) Prospects - Opportunities & Challenges

1. Low per capita income and its ***regional disparity*** still remains one of the crucial challenges in the way of regional ANB.
2. ANB policies should ***promote a culture of competition & excellence r***ather than depend on dominance of a few domestic monopolies.
3. Doubling agricultural income should be supplemented with focused development of ***nearby industrial clusters and skill development***.
4. Better fiscal management to reduce the debt to GDP ratio and make governments Aatmanirbharfrom deficit finance for overall ANB.
5. Export potential of ***traditional Indian products as well as values*** like yoga and AYUSH etc. should be adequately encouraged.
6. Increasing capital formation through reduction in normal revenue expenditure and ***focused arrest of project cost and time overruns***.
7. Mega PSUs to ***improve qualitative factors and delivery timelines*** to have greater local and global market share.
8. Policy of level playing field for public and private sector would also be ***long term enhancer of Indian ability to be globally competitive***.
9. Emulate Japan's work culture and South Korean&German technological excellence through ***increased investments in applied R&D and technology startups***.
10. Our ***demographic dividend should lead the world with minimum carbon footprint*** apart from increased use of renewable energy for sustainable growth.

D) Role of CMAs in making of ANB

One of the most crucial factors for Indian products, for ANB to succeed, is the ***competitive and sustainable price*** for which CMAs will have to play a vital role. This can be broadly categorized in five parts:

a. Part 1 & 4 detailed below linked to ***ethical role***.

b. Part 2,3, and 5 linked to ***innovative and creative role***.

1) Recognition/ Accounting - True & Fair

The reporting role of accountants is very crucial and critical as it is the basic source for the ***stakeholders to judge the state of affairs of the business*** as well as the performance of its management.The real net worth of organization is determined by ***neutrality and integrity of the Accountants and independence and objectivity of the Auditors*** at its ethical best.

However this faith and virtue is sometimes misused by company management through ***"FINANCIAL ENGINEERING"to window dress*** the results or the financial status on a reporting datefor which the Accountants are ***forced to compromise with the ethical standards and exploit the loopholes of the Accounting standards***.

It also leads to corporate frauds including the ***delicate issue of profit sharing bonus***.Being a part of the beneficiary group it is ***all the more imperative that the accountants do take a conservative and ethical stand*** against window dressing.

It is my sincere opinion, that such financial engineering seriously derails the organization from its long term targets of achieving true business excellence, impairs its financial health and violates the immense trust being imposed by the stakeholders. It is also imperative on the auditors of such companies to adopt the highest degree of ethical integrity and refrain from such practices.

2) Budgetary & Cost Control Role

Budgetary controls and consistent cost reviews forms part of the routine functions of a CMA ***but when the organization is facing the challenges of survival and severe competition*** this becomes very crucial.

For competitive price in the domestic marketand greater share of global market,***CMA will be required to be part of the Root Cause Analysis (RCA) for meaningful cost***

cutting requiring diligence &creative instincts of CMAs to challenge status quo and truly achieve zero base budget .

3) Cost Reduction & Rationalization

This role is ***perhaps the most critical and relevant for ANB*** which determines the ability of the organization to survive any competition and will ***challenge the depth of understanding by the CMAs on the organization SWOT position*** and innovative mechanisms to ***tone up the marginal cost elements*** for a quantum jump in the competitive abilities.

For example BHEL was facing price war from international suppliers of power sector equipments which ***necessitated adoption of "Design To Cost" (DTC) involving threadbare review of design elements so that reduced target cost was attempted to survive the competition***. Repeated iterations also called for Cost Accountant to activelybrainstorm with the technical groups for:

a) Input quantity reductions/ Material substitution;

b) Material Rate reductions through expansion of vendor base/ better price negotiation;

c) Other modalities of factory /process / energy cost reductions;

d) Waste reductions and cost rationalization.

4) Regulatory, Corporate Governance& Oversight roles

This ***by far is the most challenging but most important role*** of any professional accountant. The degree of ***their success in implementing governance and regulatory compliance in the true spirit of the law as part of the management team within the organization will determine the ultimate long term sustainable growth of such corporations***.

CMAs can effectively demonstrate that ***good governance can really improve the competitive edge of the organization***, while the thin margin from greater competition makes better corporate governance ***inevitable to further safeguard the net worth***.

Also equally important is the ***ethical standards and diligence in performing various oversight and certification jobs like*** cost audit, internal audit, tax audit, statutory audit etc. which will enable formal economy to realize its true potential. The non- compromising manner in which this role will be fulfilled will greatly determinethe degree of corruption free India and ANB.

5) Consultancy in niche areas

ANB holds immense potentials for emerging roles like cost rationalization and commercial aspects of Agriculture, consultancy and guidance for MSMEs etc. where CMAs can contribute with their costing and productivity ideas for ANB.

Concluding Remarks

The real success of the ANB efforts depends on ajan-andolan(mass movement)wherein the ***pride & preference*** in domestic consumption on one hand and ***self-confidence & qualitative effort*** of every Indian on the productive front,will further upgrade India as a better economic power in the global value chain.

It ***should be backed by all round improvements in the competitive edge for which the innovative, creative and ethical contributions of CMAs*** will be very crucial to determine HOW SOON ***we attain the real ANB***. MA

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satyeskumar@yahoo.com

PATHWAY TOWARDS BUILDING A SELF-RELIANT ECONOMY WITH SPECIAL FOCUS ON MSME SECTOR

CMA (Dr.) Debdas Rakshit
Professor
Department of Commerce
The University of Burdwan, Burdwan

Ananya Paul
Research Scholar
Department of Commerce
The University of Burdwan, Burdwan

Abstract

Covid-19 has plunged the building blocks of Indian economy. None of the nations were prepared for this sort of a fatal contagion and economic downturn rolled into one. Besides, fighting with covid-19, India plans to transform the plight into opportunity by becoming self-reliant to reinforce Indian economy to emerge strongly in the post-covid-19 world. Therefore, the paper highlights the pathway towards building a self-reliant economy with special focus on the MSME sector in India.

Background

In the past few months, Covid-19 has taken the entire globe in its grip. It has severely affected the growth prospects of the major economies of the world and India is no exception. To ease out the negative repercussions of covid-19 on Indian economy, the honorable Prime Minister of India has announced a financial package of Rs. 20 lakh crore on 12th March 2020 which underlined the vision 'Self-reliant India'. This approach of restoring the economy and fostering economic growth has turned towards building internal economic strength of the country with a new mantra 'Vocal for local to make it global'.

Covid-19 has sparked massive dislocation in economic activities, especially in the global supply-chain networks, trade and tourism.When the situation will return to normal is unknown. Hence, the urge to become self-reliant has gain importance. Developing a self-reliant economy will augment the employment level, strengthen every sector, pave the way for technological advancement, and reinforce domestic firms and their standing on the global market. Therefore, this paper spotlights the pathway towards building a self-reliant economy with special focus on the MSME sector in India.

Pathway towards building a self-reliant economy

The Indian sectors that are highly dependent on imports have faced the biggest hurdle in terms of supply chain breakdown due to the restrictions imposed by the government at the onset of covid-19. This has brought up the significance of local manufacturing, local supply-chain network, and consumption of locally produced goods. The products and services of local manufacturers have helped the country to survive in the hours of crisis. Therefore, it is important to harness their ability by supporting them to promote local products and skills. This will develop their business and enable them to compete at the global stage. Depending on other nations for critical items will eventually put the Indian business at their mercy. Hence, to avoid such adversities it is vital to reduce dependency on other nations by becoming self-reliant. Ramping up domestic production will ultimately strengthen the base of economic system, develop the economic infrastructure and its resilience capability.

The outlook of this agenda is not just about focusing on import substitution but is geared towards a quantum leap to the economic growth potential of the nation by using modern technology, reinforcing infrastructure, developing robust supply-chain networks, and enriching human resources. To achieve this goal, certain issues need to be considered. Firstly, full freedom needs to be ensured in the market model. Though the nation has unlocked itself to the global market through LPG policy in 1991, there are certain restrictive policies and market-distorting subsidies especially in agricultural aspects that need to be looked into. Secondly, the contribution of the manufacturing sector in the Indian GDP should be increased. Currently, this sector contributes about 16.83% of Indian GDP which is far behind the intended target of 'Make in India' initiative i.e. 25% of GDP. Thirdly, India depends on China for a variety of products like electronics, chemicals, auto parts, etc. Hence, without building up domestic manufacturing capacity for these goods, breaking away from reliance on China will not be easy. Lastly, to push up the domestic competitiveness of Indian industries, the government should identify and correct those pricing factors that render Indian industries uncompetitive concerning the foreign players.

It is vital to identify the key sectors where India has the capability and potentiality to scale up domestic production and be globally competitive. The entire value chain of these sectors should be build-up and greater control should be ensured over the domestic and global supply chain networks. Also, exports should be promoted in these sectors.India is highly dependent on other countries for import of several goods. While import of certain items like petroleum products are inevitable, several other products across consumer goods that are not technology-driven can be substituted by Indian manufacturers. As per the estimates of India China Economic and Cultural Council, nearly 30% of imports from China which are mainly low-tech in nature can be replaced by Indian manufacturers if they are provided with the right opportunity.

Along with boosting production, 'infrastructure, technology, and innovation' should be focused on. The development of common infrastructural facilities is important to create a business-friendly environment. It is critical to implement technologies like artificial intelligence, IoT, cloud-based services, etc. to attract innovations in a broad spectrum of business activities. This will help to alleviate the nation's infrastructural deficiencies and empower the economic sectors to thrive. In India, mostly the people reside in rural areas and rely on agriculture. So, rural and agricultural infrastructure should be upgraded to assure basic amenities to rural people, improve quality of agricultural production and reduce crop wastage. The government should focus on agro-technology to enhance agricultural productivity and curtail down the costs related to traditional farming practices and climatic uncertainties.

An effort should be made to fortify the bottom-of-pyramid economy. It is momentous to reinforce the lower pyramid population by bringing them more income through creating employment or entrepreneurial opportunities. The lion's share of the population lives in poverty. They may not be directly benefited from the loans provided by the government as in remote villages there is a lack of proper banking facilities, many poor people don't have bank accounts and are unable to pay interest amount timely. Also, many are unaware of these benefits and lack sufficient knowledge to properly understand it. They need proper education and infrastructure so that they can develop their ability to earn money through their skill, education, handicraft, etc. and enhance their desire to become self-reliant.

India should focus on leveraging its existing innovation base, build human capital through skill development, education and healthcare facilities and carry out infrastructural and technological development to make India an attractive destination for foreign investment to create jobs and stimulate economic growth.Due to covid-19, most of the multinational companies are anxious about the risk of doing business in China. So, Indian can grab this opportunity by attracting foreign investments as India has the advantage of huge domestic demand and availability of skilled and cheap workforce. The areas where India can differentiate itself and attract both global and domestic investors need to be stressed upon to be a leader in that domain globally. This will fast track the creation of 'resilient India'.

How MSMEs can become self-reliant:

In India, MSME is the largest employment providing sector after agriculture. It is the most dynamic sector employing more than 110 million people in over 63 million establishments. Due to its significant contribution to Indian GDP, employment generation, productionand exports, MSME sector can be regarded as the bedrock for regrowth of Indian economic system. Reinforcing this sector would have multifarious impetuses boosting employment and economic growth along with mitigating issues related to the migration of laborers. This will ultimately advance towards making self-reliant India.

To empower MSMEs, certain critical areas should be stressed.

Firstly,financial stability is very important for the MSME sector. The financial package announced by the government for MSMEs which is nearly 3% of Indian GDP has paved the way to ensure financial stability of the MSME sector. But these measures are inadequate for the micro and informal enterprises that form the major part of the MSME sector. Based on the former definition of MSMEs, there are around 5000 medium, 0.33 million small, and 63.05 million micro-enterprises in India. These micro-enterprises mainly rely on self-financing as they are generally family-run businesses. According to the economic census data (2013), only 7% of MSMEs depend on financing from government sources and formal institutions. However, collateral-free loans may benefit the MSME sector since many of them are not capable of providing collateral to banks. It is also essential to include the unorganized and informal MSMEs into the formal economy so that they can get better access to finance.

Secondly, a big challenge faced by MSMEs is the availability of skilled workforce, especially around urban centers. Moreover,the reverse migration of laborers has painted a grim picture. Developing the skill and competence of the local workforce or building up a lucrative environment for the migrant laborers to return is vital for the growth of MSMEs.

Thirdly, it is important to enhance the market competitiveness of the products of MSMEs so that they can achieve import substitution along with competing globally. Mainly MSMEs face problems of storage, packaging, designing, and display of their products. Further, a lack of product selling outlets is a grave constraint for them. These issues should be properly addressed to enhance their competitiveness. MSMEs should focus on product quality, branding, innovation, and designing products as per customers' requirements to capture local as well as global markets. The MSMEs must link with the demand-driven market scenario where their business processes and strategies are aligned to the varying market forces through a comprehensive market-oriented strategy. This will aid them to adapt to the changing market scenarios and improve market competitiveness to give a competitive edge to the local players and compete in the global marketplace.

Fourthly, the MSMEs should turn their attention on technological changes to develop resiliency to grapple with future uncertainties. Data analytics, cloud-based services, digital marketing, digital communication, etc. is imperative at this moment. The digital trade platform is indispensable for MSMEs to expand their local market, tap export market, and connect with rest of the world to operate in the global market. India should build up an environment for facilitating MSME joint ventures so that the Indian MSMEs can collaborate with their global businesses to unfold to global levels on adopting new technology, innovating, and focusing on quality aspects.

Fifthly, an inadequate infrastructural facility is a roadblock for the MSMEs to expand their business. Around 51% of MSMEs are located in rural areas where the state of infrastructural facilities is poor and unreliable. Therefore, rural infrastructure should be developed that acts as a hindrance for MSMEs to progress and innovate.

Lastly, in India, clusters hold the key to building a self-reliant environment premised on regional skill and expertise. It helps to identify synergies between several stressed MSMEs that can be used to form combined firms. Under this approach, resources can be combined through focused efforts for tracking demand requirements and the latest trends throughout the globe and produce market-based products to quickly respond to the changes in customer preferences. Developing MSMEs through a collaborative approach while embracing a robust market-oriented strategy will provide a strong boost to economic growth including employment.

It is pivotal to make the MSMEs a part of the formal sector. This will not only help them to get better access to finance but also to technology, subsidies from government and exports.Also, the MSMEs need a separate accounting standard which will enable them to prepare complied accounts, get access to export and tax refunds, a specific product quality standard to adhere to quality requirements and increase global acceptability of their products, and a separate cost auditing standard to enhance the reliability of cost accounts and reduce production cost by keeping a check on all wastages.

If these steps are taken properly, the MSME sector would be immensely benefitted and could turn out to be quite progressive in developing and contributing to the Indian economy more brightly. MSME sector is the pillar of the Indian economy. Therefore, to make India self-reliant, it is crucial to strengthen this sector so that the Indian economic engine can restart in a big way after the crisis fades away and can head towards making self-reliance.

Conclusion

Nationwide lockdown sparked by covid-19 has dealt a crippling blow to the Indian economy. This has proved that there is a critical need for a self-reliant economy. Therefore, the government and industrial organizations should work collectively to build up a self-reliant economy with a special focus on the MSME sector which plays a significant role in escalating India's economic growth story. However, this is much dependent on the gravity of execution and monitoring of the steps taken by all the organizations including coordination and cooperation from state machinery. If the measures are taken and implemented in true spirits, India can make swift progress towards building 'Self-reliant India'. MA

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debdas_rakshit@yahoo.co.in
ananyapaul95@gmail.com

DIGITAL TRANSFORMATION OF MANUFACTURING OPERATIONS - ROLE OF IIoTs AND IoRTs FOR SMART FACTORIES

CMA (Dr.) Paritosh Basu
Senior Professor
NMIMS School of Business Management
Mumbai

Introduction

Aeronautical engineers of the next destination airport getting information, even before landing, about which parts of a flying aircraft's engine are to be examined and repaired before clearance for the next flight is no longer a farfetched imagination. Industrial internet of things (IIoT) embedded with sensors and signal emitting capability can provide online real time information about the engine's health to those ground engineers and manufacturer of the aircraft. Similarly, it is no longer a matter of imagination that a refrigerator can send information to the owner's smart phone about depletion of stored food materials, average consumptions, and new orders to be placed. If permitted, it can directly place orders to the vendor, like Siri and Alexa of smart phones can play music as you wish to listen and order them to play.

Aircraft and refrigerator buyers in these examples as prosumers[1] can help manufacturers to customise product design and pre-feed the IoTs with the required metadata and other relevant information as they would prefer when such IoTs are made artificially intelligent. These examples of end-products are smarter than their previous versions. Many more such smart products will soon be available in markets. If a product can be made smarter why not its manufacturing processes.

In a lay man's perception smart manufacturing means application of robots. Use of robots is just one of many more that are required for digital transformation of manufacturing operations in a smart factory. In the emerging business ecosystem end to end effectiveness of entire plant operations will be the critical most factor for sustaining with competitive advantages beyond labour productivity and efficiency in capital asset utilisations.

Objective

Gartner[2] pre-alerted IT leaders in 2011 to achieve a state of readiness for evolution of their organizations by converging, aligning, and integrating IT and operational technology (OT) environments. In Indian manufacturing ecosystem successful integration of IT with OT is yet to be a widely accepted and soon to be implemented phenomenon, particularly in medium and small-scale manufacturing units. This paper aims at promoting this concept of converging IT to OT with innovative applications of smart devices called IIoTs.

Digital transformation of manufacturing processes is a large subject and can hardly be covered in such a monthly column. Accordingly, the author has taken up IIoTs and IoRTs, which can be fitted to machines and robots with relative ease for deriving many benefits, as the main subject for discussion.

Mechanisation of Manufacturing

Mankind had witnessed the first industrial revolution in 1780s when human and animal power was replaced by the power of water and steam engine for moving wheels and other devices. It took another hundred years for electricity to be invented. In 1870s electrical power helped large scale mechanisation of production process. During this second industrial revolution the concept of mass scale component manufacturing was introduced. Separate assembly lines facilitated voluminous production of goods. However, monitoring and controlling of such mechanised technologies continued to remain dependent on human interventions. Obviously, the axiom of 'To err is human' did have its impacts through value destructions in many ways.

The first level of automations of manufacturing process started in 1970s with the advent of electronics and computerised methods for controlling and monitoring of operations to a greater degree. In this third industrial revolution only information technology, i. e., IT started collaborating with OT. However, two-way communication between machine and IT remained elusive. Therefore, the huge mass of data generated by machines at various stages of production operations could not be leveraged for data analytics results of which could have helped in studying behaviour of man and machines, innovation, and strategic decision making for initiating corrective actions in time.

Digital Transformation of Manufacturing

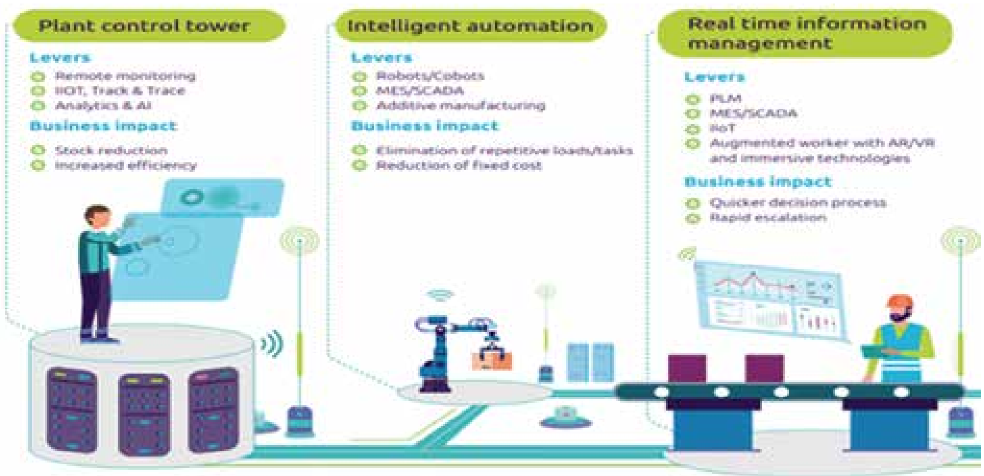
The present era of Industry 4.0 is more about communication and networking to ensure complete collaboration between information and communication technology and operational technologies for manufacturing of products and generation of utilities and services. Manufacturing processes are made smarter by enabling M2M, i.e., machine to machine communication for end to end automated actuation, sequencing, integration, collaboration, and cooperation.

Robotic devices can also communicate with each other and machines. This enables higher degree of interactions and collaboration between robot, machines, and men in a hybrid factory. Such robots are also called as Cobots or Collaborative Robots. Hybrid factories provide shared space where human beings, robots and other machines are in close proximity for working in tandem.

All these are possible due to extensive applications of IIoTs which help networking for M2M communication. In factories where physical robots are used Internet of Robotic Things (IoRTs) are used for robot to robot and machine (R2R and R2M) communication. Such online real time two-way M2M, R2R and R2M communication help gathering and leveraging of useful data for quicker analyses and initiating actions with minimum loss of time and resources. Simultaneous applications IIoTs and robotic process automations (RPA) help deriving maximum benefits from modern OTs and scaling up operations with a quantum leap.

According to Capgemini Research Institute[3] "*A Smart Factory leverages digital platforms and technologies to gain significant improvements in productivity, quality, flexibility and services…. The main characteristic of a smart factory is "closed loop, data-driven optimization of end-to-end operations. Advanced analytics are first used for decision support, but the ultimate goal is to reach "self-optimizing operations" where the factory constantly adapts to demand, variations in supply and process deviations.*"

It is axiomatically said that a picture explains more than what thousand words can describe. The author is, therefore, tempted to present the following graphics from the report of Capgemini Research Institute. Readers will observe that the nerve centre for a smart factory is the plant's control tower which relates to machines and equipment through IIoTs for gathering information.



Source: Capgemini Research Institute's Report on Smart Factory[3]

Industrial Internet of Things

IoTs make all things at our home, cars, cities, and industries smart. These are physical devices fitted with tiny wires and sensors and have wireless transmission capacity in varying degrees of mega-bits. According to published survey results, by 2030 an average human being will use five IoTs and be under indirect influence of ~ twenty more IoTs. The given example of the aircraft could be one of those indirect influences.

The above definition of a smart factory from Capgemini lays down emphasis on real time information management. For this every information related to operation of each equipment is critically important because orchestration of every single equipment in production line is essential. For this, enabling machines with IIoTs is critically important.

Coming to the specific of definition of an IIoT it would be appropriate to quote Margaret Rouse[4], : *" …… IIoT is the use of smart sensors and actuators to enhance manufacturing and industrial processes…… IIoT leverages the power of smart machines and real-time analytics to take advantage of the data that ‹dumb machines› have produced in industrial settings for years. …. Connected sensors and actuators enable companies to pick up on inefficiencies and problems sooner and save time and money in addition to supporting business intelligence (BI) efforts …….. In an industrial setting, IIoT is key to processes such as predictive maintenance (PdM), enhanced field service, energy management and asset tracking."*

IIoTs function in a network of intelligent devices. Those are kept connected to a computing system that functions as the supervisor to monitor and control their functioning, collect, exchange, and analyse data. IIoTs can also participate in M2M communication beyond a factory environment. The author is of the view that IIoTs are constrained resources and by themselves are not secured and safe. Therefore, for safety, security, and effective usage of IIoTs, a Blockchain Platform would be useful in a larger Network of such IIoTs within and beyond the factory. Each IIoT would be an individual participant as a node, for which records are to be kept in the memory segment of the IIoT with or without the help of edge computing. Even if the concerned entity's ERP system is hacked, the Blockchain Platform cannot be hacked.

Impacts from Application of IIoTs and RPA

The above narratives identify IIoTs and IoRTs only as participants in a network for communications and help in ensuring smart usage of a machine and transmitting data to the control centre. However, impacts of using such IIoTs and RPAs are far reaching. According to Phill Catwright[5], Executive Chairman of Raconteur's Centre for Modelling and Simulation, *"Industry 4.0 is the bringing together of robots, interconnected devices and fast networks of data within a factory environment, basically to make the factory more productive and to execute the routine tasks that are best done by robots and not best done by humans."* These impacts can be briefly narrated in the following points:

Source of picture: Supertek GMBH[6]

1. Communicate and collaborate to be more efficient and effective as an orchestrated system of manufacturing including synchronization of individual machine's and robot's functions in a pre-programmed manner.
2. Minimise variations and lapses in production processes due to reduced scope for human interventions and inadvertent errors.
3. Sustain what has been achieved and innovate for more through data analytics and remain in search of excellence despite handling voluminous productions.
4. Strike the optimum balance between physical and cyber systems for deriving best of benefits from both operating and information technologies, and optimization of operating processes.
5. Achieve a state of readiness for prosumers by predicting his / her needs and meeting those. For giant products like an aircraft or household equipment like a refrigerator IIoTs can be used for interactive product designing and monitoring health and performance of the product while in use by the customer / end user.
6. Function with 'stragility' by attaining capabilities to plan and work with agile strategies. These are possible in matters of management of individual machines and the entire plant, including generation of utilities like electricity, steam etc., and auxiliary support functions like maintenance.
7. Enable factory operations being autopiloted and self-disciplined for functioning in a pre-planned manner, and thus turning the plant to be a smart factory.

Form the above narrative it is evident that "*The driving philosophy behind IIoT is that smart machines are not only better than humans at capturing and analysing data in real time, they are better at communicating important information that can be used to drive business decisions faster and more accurately.*"[7]. According to the result of a survey conducted Capgemini in 2019 covering 1,348 manufacturers, as published by i-Scoop[7], USD 2.2 Bln. will be the estimated value addition by manufacturing industry due to productivity gains achieved through smarter factory initiatives. Readers will agree that IIoTs will have a significant role in achieving this feat.

More Actions for Smart Factories

Only digital transformation of operations with monitoring systems and converging to digitally operated control tower is not enough for establishing a smart factor. The first and foremost need is to change the mindset of people and make them to unlearn before relearning and reskilling. The author's study reveals that experience of implementors so far is that more of change in mindset of people and their training / reskilling are needed across hierarchical levels of officials than investment in capital assets. Gestation period for implementation of such a digital transformation project is also not that long and RoI is also quite high. Experience of those entities which have implemented smart factories reveals the following action steps:

- Revisit the vision and mission statement of the entity and redefine those to the extent required.
- Introduce policy statements and guidelines for governance of digitally transformed manufacturing operations in compliance with related legal and regulatory provisions.
- Develop a time-bound plan for deploying and integrating digital platforms for end to end orchestration of manufacturing operations and convergence of OT with ICT.
- Introduce SOPs for operating a smart factory with definite statements of people's roles, responsibilities, and authorities.
- Introduce metrics and methodologies for periodical assessment of progress and financial impacts, without forgetting that allowing innovators to make mistakes will accentuate the process of innovation.
- Articulate a plan for change management to migrate from and work towards developing a culture of data-driven operations in a manufacturing space shared by man, machine, and robots.
- Retrain and reskill people who have sufficient insight of the legacy systems and complement their contributions by recruiting people to fill the perceived gaps of human resources.
- Implement all these with unwavering commitment and needful allocation of financial and human resources, including incentivization for innovative contributions.
- Share benefits from digital transformation with all internal and external stakeholders

For successful implementation of all the above one of the most important requirements is alignment of thoughts and objectives of board of directors with those of leadership team and ground level officials. The Board must perform oversight functions with the needful insights.

Industry 5.0

While Industry 4.0 era is very much on, flying the kite of imagination never stops for foreseeing the shape of things that may come in the next era of industrial revolution. Ascension research papers on Industry 5.0 predict that next industrial revolution would be based on the concept of personalisation of designs with the unique assumption that each end user's requirement is unique and should not be met with a one size fit all kind of a solution. Readers are familiar with various Apps they use on smartphones. A user will have to do what the App directs him / her to do without any variation that may be required to meet his / her unique purpose. This is even true regarding Apps for mobile banking operations.

The present author is of the view that the idea for such personalised design will be drawn from a kitchen. Everyday a homemaker uniquely decides what he / she wants to cook in what style of recipe and what variations she / he wants from the similar food that was cooked last time. On entering the kitchen, she / he finds all cereals, lentils, raw food items, spices, utensils, burners, ovens, etc. All these will enable her / him to cook exactly what is desired. Thus, in industry 5.0 era products will be uniquely designed in a similar manner to meet specific requirements of individual end users. They can also have their say in prescribing specifications, design, and process of manufacturing the product as per their sweet will. Manufacturing system will have to be flexible enough to meet such requirements. In that upcoming era the manufacturing space will be shared by men and robots, in which men will take up cerebral jobs of innovators and 'innoventors while robots will do the rest. Such pairing of human and machine workers would open vistas for innumerable opportunities in manufacturing with due flexibilities.

Conclusion

This much is in no way even a summary of the features of a smart factory with digital transformation of manufacturing processes using IIoTs and IoRTs. The author must hard stop here as this paper is being written by way of a monthly contribution. Interested readers may continue reading other literature on the subject and imagine about the shape things to emerge more in a smart factory. Rest can be left for collaboration to bring imaginations to reality for benefits of mankind.

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Paritosh.Basu@sbm.nmims.edu

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DESIGNING INVESTOR FRIENDLY DIVIDEND TAX FRAMEWORK

CMA (Dr.) T. P. Ghosh
Professor of Accounting and Finance
Institute of Management Technology
Dubai

Abstract

In the context of shifting back dividend tax incidence from distributing company to the shareholders in the Finance Act 2020, the author examines the disadvantages that retail investors would face because of clubbing dividend income with non-dividend income which is detrimental to encouraging long term retail participation in the equity market. By analysing classical dividend theories and dividend tax system in US and UK, the author suggests a progressive dividend tax system.

1. Reminiscing Dividend theory

Finance Act 2020 shifted back dividend tax to traditional system of taxing dividend in the hands of shareholders abolishing dividend distribution tax introduced in 1997. So far the debate on the progressive dividend tax system was subsided because tax incidence was passed on to the company distributing the dividend to the benefit of retail investors. In the changed dividend tax regime, retail investors would pay tax depending on their tax slab not based on the quantum of dividend earned. Salaried class and other retail investors falling in the higher tax bracket have to encounter higher dividend tax burden although they endeavor to channelize a small portion of their savings in equity. However, to encourage long term investment in the stock market it is an imperative to distinguish dividend taxation from regular income as is the case of capital gains taxation.

Modigliani and Miller are still popular for their dividend irrelevance theory in strategizing stock investment. Should an investor cares for dividend or allows the company to grow ploughing back surplus operating cash flow remains a long standing debate. Google, Facebook and Amazon so far did not pay any dividend but offered impressive shareholders' value addition. While Gordon and Linter contrasted dividend irrelevance with 'bird in hand' proposition citing surrounding economic and business risk and uncertainty, practically often high dividend payout is a motivation for stock investment and many investors including Warren Buffet like dividend although no one likes unduly high dividend tax. The best motivation for 'dividend irrelevance' is the taxation impact on retail investors who actually is not a driving force in designing dividend policy of companies. Excluding the corporate houses who manage dividend using a stock holding company wherein incidence of dividend is virtually neutral whether taxed on the distributing company or receiving company, quantum of dividend tax surely influences retail investors' investment choice. Paying tax on virtually risk-free bank deposits should always remain a better choice than stock dividend and uncertain capital gain. Here tax differentiation could be an important motivator to channelize a fraction of retail saving to equity market.

This article advocates the need for introducing a concept of '**Qualified dividend**' in the line of United States for taxing dividend at special lower rate than merging with the other income of the individual investor. In effect, dividend on long term stock holding is no different from long term capital gains or simply taxing dividend at a special rate like United Kingdom. If an investor sells a portion of his long term holdings to create 'home made dividend (as explained by Modigliani and Miller), it is after all called capital gains not dividend. It is at the end only debate of terminology. Dividend on long term stock holding should be taxed at special progressive rates to encourage long term investment.

2. Qualified dividend concept of United States

US taxation system may provide further motivation to enlarge the idea of classifying dividend into dividend on short term stock holding and long term stock holding. One year holding period criteria which India follows for distinguishing between long term and short term stock holding is further shortened in the United States to define '*qualified dividend*' which is taxed at different rates as opposed to ordinary dividend which are taxed at normal income tax rates.

Qualified dividends are taxed in the US at the long term capital gains tax rate which ranges between 15% - 20% which is a bit higher than Indian long term capital tax rate of 10%. US investors at the 15% income-tax rate or below pay no taxes on qualified dividends. Investors at the 25% rate or higher save the most on qualified-dividend taxes.

Qualified dividend concept is not restricted to dividend paid by the US corporations only. It extends to dividend paid by foreign corporations that trade on major US stock exchanges. Except as provided below, qualified dividends are dividends paid during the tax year from domestic corporations and qualified foreign corporations (stated exceptions are not qualified dividend)

- Dividends the recipient received on any share of stock held for less than 61 days during the 121-day period that began 60 days before the ex-dividend date. When determining the number of days the recipient held the stock, you cannot count certain days during which the recipient's risk of loss was diminished. The ex-dividend date is the first date following the declaration of a dividend on which the purchaser of a stock is not entitled to receive the next dividend payment. When counting the number of days the recipient held the stock, include the day the recipient disposed of the stock but not the day the recipient acquired it.
- Dividends attributable to periods totaling more than 366 days that the recipient received on any share of preferred stock held for less than 91 days during the 181-day period that began 90 days before the ex-dividend date. When determining the number of days the recipient held the stock, you cannot count certain days during which the recipient's risk of loss was diminished. Preferred dividends attributable to periods totaling less than 367 days are subject to the 61-day holding period rule above.
- Dividends that relate to payments that the recipient is obligated to make with respect to short sales or positions in substantially similar or related property.
- Dividends paid by a regulated investment company (RIC) that are not treated as qualified dividend income under section 854.
- Dividends paid by a real estate investment trust (REIT) that are not treated as qualified dividend income under section 857(c).
- Deductible dividends paid on employer securities.

[Source:https://www.irs.gov/instructions/i1099div#idm139851458152048]

Qualified dividend is taxed at differential rates. The rate on qualified dividends for investors with ordinary income taxed at 10% or 12% is 0%. Those paying income-tax rates greater than 12% and up to 35% (for ordinary incomes of up to $434,550) have a 15% tax rate on qualified dividends. The rate is capped at 20% for individuals in the 35% or 37% tax brackets and with ordinary income exceeding $434,550.

Importing qualified dividend tax concept has many benefits:

i. It does not impact the tax bracket of the investor;

ii. Long term equity investment which can provide stability in the equity market is encouraged.

iii. Investors would remain tax neutral to long term capital gains and dividend and thus high dividend paying Government company will find better number of investors and thus subdued valuation of PSU stock would improve and fair value of those stocks could be discovered.

iv. Low dividend tax would compensate higher risk of equity investments. As such dividend yield of Indian companies are not attractive.

As an alternative to qualified dividend approach, UK dividend tax system is explained in Paragraph 4 that can outweigh the deficiency of disruption in tax slab which the present dividend tax system causes as explained in the Paragraph 3.

3. Dividend pushes up the tax bracket

Dividend impact is analysed using five cases applying tax rate under the new system. Each case assumes that the investor's income other than dividend is at the top of a particular slap beginning tax slab of Rs. 5-7.5 lacs. See Table 1 that reflects that the investor will pay tax on dividend which will be included in his/her income and thus dividend will be taxed applying higher slab rate.

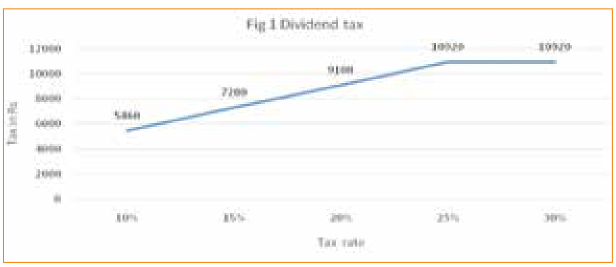
Table 1 Dividend tax at Slab top income level

	Income Rs.	Tax excluding dividend Rs.	Dividend Tax Rs.	Total Tax Rs.
Case 1 Non-dividend income at top of third slab Rs. 5,00,001-7,50,000				

Other income	750000			
Dividend	35000			
	785000	39000	5460	44460
Applicable highest tax slab		10%		
Dividend is taxed at			15%	
Case 2Non-dividend income at top of fourth slab Rs. 7,50,001-10,00,000				
Other income	100000			
Dividend	35000			
	135000	78000	7280	85280
Applicable highest tax slab		15%		
Dividend is taxed at			20%	
Case 3Non-dividend income at top of fifth slab Rs. 10,00,001-Rs. 12,50,001				
Other income	1250000			
Dividend	35000			
	1285000	130000	9100	139100
Applicable highest tax slab		20%		
Dividend is taxed at			25%	
Case -4 Non-dividend income at top of sixth slab Rs. 12,50,001-Rs. 15,00,000				
Other income	1500000			
Dividend	35000			
	1535000	195000	10920	205920
Applicable highest tax slab		25%		
Dividend is taxed at			30%	
Case 5 Non-dividend income above Rs. 15,00,000				
Other income	160000			
Dividend	35000			
	195000	226200	10920	237120
Applicable highest tax slab		30%		
Dividend is taxed at			30%	

*Taxes are worked out including 4% cess

Under the new dividend tax regime, an investor will pay tax as per his tax bracket. Here the same dividend amount is taxed differently as per the tax bracket of the individual investor and the investor may have to pay tax at higher rate. Size of dividend income (i.e. equity investment) is irrelevant. See Figure 1 that depicts variable incidence of dividend tax while the long term capital gains are taxed at a fixed rate.



But dividend by nature is different from other regular income. Dividend on long term stock holding is no different from long term capital gains. The problem of pushing up investor into higher tax bracket through dividend income could be resolved using separate dividend income slab system what is followed in the United Kingdom.

4. Dividend Tax System in the United Kingdom

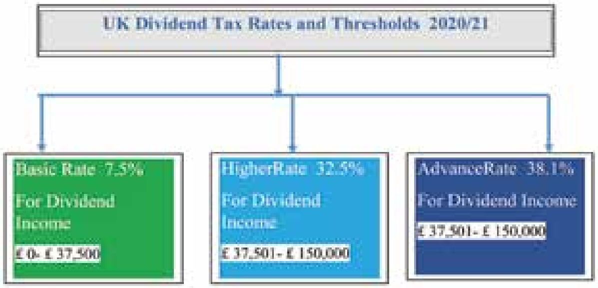
In UK, differential dividend tax has been designed that charges lower dividend tax to basic tax payers but higher dividend tax to higher rate and additional rate tax payers. Tax payers are classified into three bands depending income level. See Table 2 that shows UK tax brackets for 2020/21.

Table 2 UK Tax Bands

Tax band	Taxable income	Rate	Dividend Tax Rate
Personal allowance	up to £12,500	0%	
Basic rate	£12,501 to £50,000	20%	7.5%

Higher rate	£50,001 to £150,000	40%	32.5%
Additional rate	over £150,000	45%	38.1%

Unlike US dividend tax, dividend income does affect the tax slab in UK but dividend income is taxed at a lower than normal rate. Differential dividend tax rates are applicable based on tax slab already determined. It is more liberal than US qualified dividend approach as it is applicable to all dividends irrespective of time frame of stock holding by the investors.



The basic rate is allowed over the personal allowance to £ 37,500. A £2,000 dividend allowance is also provided, which means the first £2,000 of dividends is not taxable. Tax rate applicable to non-dividend income does not impact the dividend tax rate. Progressive dividend tax rate in the UK and the US is essentially linked to the size of the investment and not on the size of the non-dividend income. Of course, in the US only non-qualified dividend is taxed at applicable normal rates.

Dividend taxation in the UK is explained by two examples in Table 3:

Table 3 : UK Dividend Tax Examples

Example 1 Only Dividend Income	**Example 1 Dividend and salary income**
Mr. A is entitled to the standard personal allowance of £12,500 in the 2020/21 tax year. He receives dividends of £40,000 and has no other income.	Mr. A has a gross salary of £20,000 and dividend income of £20,000.
The dividends would be taxed in the following way: The first £12,500 is covered by the personal allowance. The remaining £27,500 is within the basic rate tax band of £37,500. The first £2,000 of this being covered by the dividend allowance. The balance of £25,500 is taxed at 7.5%	The dividends would be taxed in the following way: As the personal allowance of £12,500 is covered by the salary, the full dividends falls to be taxed in the basic rate band. Out of which the first £2,000 is covered by the dividend allowance. So £18,000 of dividends is subject to tax at 7.5%.

5. Separate dividend rate merged into Indian Tax slab

Taking clue from UK tax system and its underlying incentive for stock investments or the US system putting a cut off holding period for qualified dividend , the Indian dividend tax could be designed in a way that offers incentive for equity investments. Designed below a dividend tax structure based on the principles followed in the US and UK:

Table 4 : Design of an investor friendly dividend tax system

Taxable income	**Tax Rate (Existing Scheme)**	**Tax Rate (New Scheme)**	**Dividend Tax rate**	**Dividend Band**
Upto Rs. 2,50,000	Nil	Nil		
Rs. 2,50,001 to Rs. 5,00,000	5%	5%	5%	Basic Rate
Rs. 5,00,001 to Rs. 7,50,000	20%	10%	5%	
Rs. 7,50,001 to Rs. 10,00,000	20%	15%	10%	Moderate rate
Rs. 10,00,001 to Rs. 12,50,000	**30%**	20%	10%	
Rs. 12,50,001 to Rs. 15,00,000	**30%**	25%	15%	Higher rate
Above Rs. 15,00,000	**30%**	**30%**	15%	

Dividend allowance of Rs. 10,000 should be granted in the line of UK dividend allowance. Dividend on long term shareholding i.e. dividend on stock with holding period of more than 1 year should be subjected to special rates under three bands stated in Table 4, namely, basic 5%, average 10% and higher 15% such that equity investors.

Reverting back to classical dividend tax incidence on shareholders shifting from the dividend paying company should be moderated by the income level of the investor and also bya differential rates which is lower than regular tax rate. MA

tpghosh@imt.ac.ae

LIQUIDITY STRESS TESTING A TOOL FOR INTEGRATED LIQUIDITY RISK MANAGEMENT

Biplab Chakraborty
General Manager (Ret.)
Department of Banking Supervision
Reserve Bank of India, Kolkata

Abstract

Stress Test is forward looking simulation exercise to assess resilience of financial institutions in the midst of sever but plausible adverse scenario.Liquidity Stress testing is an important means for sketching out acomprehensive picture of liquidity risk profile of an institution. Stress testing is a powerful tool in the hands of Liquidty risk managers.Liquidity stress testing involves weighing potential net liquidity outflow exposures under stressed scenarios vis a vis the available counterbalancing capacity. Varying behaviour of fund providers and users in different stress situations based on their market and solvency perception of the concerned institutions necessitates measurement and management of liquidity risk scenario specific. Identification of cash-flow drivers is perhaps the most crucial step in defining and structuring the scenario parameters. Deterministic stress test pivots on assumptions and methods. The set of assumptions have to be as realistic as possible ensuring proper alignment in an internally consistent way. The stress test outcomes help in identification of severe vulnerabilities. The method however involves subjectivity throwing ideas about loss severity without any estimate of associated chance and probability of occurrence thereof. Stress Tests based on hypothetical data and assumptions are useful but not accurate. Stress testing provides where withal for formulation of the plan to tackle effectively liquidity problems as when arising. Stress testing work as effective tool provided its outcomes and findings are properly evaluated and incorporated in the strategic plan. Stress testing is not the ultimate! Instead it forms only a component of dynamic and integrated liquidity risk management process. However, stress testing is definitely an effective tool providing valuable inputs to risk management decisions provided it is sufficiently embedded and aligned to risk management frameworks and senior management decision making frameworks.

Introduction

The main objective of liquidity risk management framework isto ensure that the bank continues to remain in a position to meet its liabilities as and when devolving on it and endure with high degree of confidence,periods of idiosyncratic and systemic liquidity stress upsetting both secured and unsecured funding. Although the importance of managing and measuring liquidity risk was not unknown to the bankers the same did not receive deserving attention of regulators inBasel I and Basel II frameworks likecapital adequacy. Rapid evolution of Financial market in the past decades has made liquidity risk and its management process increasingly complex with the emergence of new business models and new species of complex financial instruments and market players. Liquidity risk used to be dealt with separately and without considering other risks; thus,omitting the effect of its interplay with other kind of risks facing the entity leading to underestimation of its impact on the entity's solvency profiles. Importance of proactive management, measurement and monitoring of liquidity risk received serious attention of both the regulators and the banks in the aftermath of 2007 global financial crisis. The crisis brought to the focusthat the interconnectedness of liquidity risk with both other financial risks and non-financial risks facing an entity and its significant impact on its solvency profile and prolonged liquidity disruptions are no longer unlikely events.The crisis made it amply clear that easy availability of cheap liquidity in abundance all the time cannot be assumed any longer as a matter of course but need be ensured through relentlessly active and focused management of liquidity. The revelations of the crisis emphasised the necessity of proactive management and monitoring of bank solvency at an enterprise level.

Stress Test is forward looking simulation exercise to assess resilience of financial institutions in the midst of sever but plausible adverse scenario. Stress test was first used by IMF & World Bank as a component of their financial sector assessment exercises. Since then it emerged as an important policy tool in use by banks and the regulators all over the world. Stress testing is used as an effective toolfor drawing, interalia, a panorama of an institution's (mostly banks) risks profile under stressed conditions and assess institution's resilience in the midst of both endogenous and exogenous shocks.

However, there is no unanimity as to what would constitute a good and idealstress.

Different banks design their Stress Tests in different ways. A Stress Test when designed in alignment with policy objectives of the concerned institution would be most effective in sub serving its underlying objectives and purposes. A bank wide stress testing design to be complete, meaningful and useful need necessarily include liquiditystress testing.

Liquidity Stress Testing mechanics

Liquidity stress testing involves weighing potential net liquidity outflow exposures under stressed scenarios vis a vis the available counterbalancing capacity.Liquidity stress testing may be viewed as an 'assessment of the impact of certain developments, including macro or microeconomic scenarios, from a funding and liquidity perspective and shocks on the overall liquidity position of an institution, including on its minimum or additional requirements'(EBA guidelines on stress testing). Liquidity stress tests attempt identification and quantification of exposures to possible future liquidity stresses based on estimates of the possible impacts thereof on the institution's cash flows, liquidity position, profitability and solvency.

Depositors exhibit different behavioural patterns and stances in withdrawal of option embedded deposits and deposits having indeterminate maturity in indifferent markets and macroeconomic scenarios. The borrowers' behavioural pattern of drawls of funds under loan commitments also tend to respond to varying needs of fund arising indifferent business and market scenarios. Thus, the volumes and timings of emanating liquidity demandsand consequently liquidity risk tends to vary according to specific banking and macroeconomic scenarios. It may be pointed out that funding strategies which might work in some situations might not in some other scenarios. Therefore, measurement and management of liquidity risk need be scenario specific. The Bank of International Settlements opined that "A bank should analyse liquidity utilising a variety of' What If 'scenarios".

The objective of liquidity stress testing is to assess adequacy of funding sources to meet unforeseen obligations arising in the midst of unexpected idiosyncratic and /or market disruptions given its asset liability maturity pattern, funding profile, and business strategy. Design and implementation of a stress testing system adequately sub-serving this goal is none too simple, with several parameters to be factored in.

At the outset we need define scenarios and chose appropriate scenarios for what if analysis in both idiosyncratic and systemic context in so far as Liquidty Risk is concerned. Risk Managers are seen choosing with in two categories of scenarios viz., Deterministic and Stochastic. Scenario testing subjects thescenario to plausible adverse large movements with a view to assessing the resilience of the bank in facing the adversities of that nature and scale.

Scenario, a postulated sequence or development of events, is described by its distinctive attributes and parameters. When the scenario is defined by parameter and attributes (viz., GDP, interest rate, exchange rate, inflation rate, unemployment, credit quality, liability stickiness etc.) which are assigned fixed values and donot meander in indeterminate course in the stress test frame work is classified as deterministic scenario. Stressed scenarios enableto visualise the plausible adversities and their severities and durations. Analysis of plausible stressed scenarios can help banks in a good stead to be in readiness to minimise the adverse impact of any eventual crisis in a cost-effective manner and enhance counterparty confidence.

Liquidity stress testing attempts to see how the liquidity issues unfold in different scenarios and assess the adequacy or otherwise of resources and strategies in the armour to douse the liquidity fire posing potential to engulf the solvency of the bank. In scenario building to cover the entire gamut of the possibility universe two approaches may be adopted viz., normal course of business bank specific funding crisis as also systemic crisis like capital market disruptions and sever recessions. In ordinary course of business scenario, the seasonal fluctuations and changes in behaviour of liquidity suppliers and users need be incorporated.Scenarios need be based on both short- and long-term perspectives of liquidity of the bank concerned. There are precedence of banks failing in few days and also in many months. Evaluation of deterministic scenarios at varying stress levels/ severity may be used for quantification of contingent liquidity risk.

Scenarios must be appropriately aligned to the concern bank's asset liability structure, exposure profile, business model and business strategies.Banks having greater exposures to some specific sectors/ segments need build up test scenarios to capture the vulnerabilities in the event of disruptions in the relative market. Seemingly mild events may have potential to trigger worldwide disruptions with spill over effects extended to commodity, debt, equity and exchange markets. Incidents like LCTM failure and melting down of Russian rouble when Russia was a small economy, may be referred to. Effects of oil price volatility ripples through international borders impacting business and finance in both oil exporting and importing countries. Therefore, scenarios may be constructed incorporating sequences of the past historical developments and hypothetical sequence of events relevant to the entity concerned and emerging contextual trends and developments.

Liquidity holdings entails cost. Therefore, holding of enough liquidity for all probable eventualities would not be feasible for any bank sustaining its business model. The level of liquidity inventory and size of capital determine the time a bank would get to restore the disorder in its house in the midst of unfavourable liquidity events depending upon idiosyncratic and / or systemic severity thereof. In stress testing attempt is made to understand when, how badly and how long what might go wrong and how possibly the bank can tide over such eventualities if and when arising given the fact that banks do not hold enough liquidity during normal time for meeting worst liquidity events. Stress testing outcomes provide opportunity to the risk management to evaluate the adequacy and reliability of liquidity stock and contingency funding arrangements in place in tackling the liquidity issues that would have emanated had the system been made to operate in specific stress scenarios.

It might be intent of the Risk managers to know the extent of contribution made by the individual dependent or independent risk factors to the projected risk exposures. Sensitivity Analysis is done get the desired estimates. In an idiosyncratic context sensitivity analysis might be undertaken with respect to deposit loss assumptions, funding requirement assumptions for off balancesheet items, assumptions on rollover of capital market funding,availability of new capital market borrowings etc. In a systematic context sensitivity analysis may be done with reference to interest rate changes, credit spread, market access, widening of bid-ask spread etc. Although in extreme eventualities various kinds of risk factors viz., credit risk, market risk change and their interplay tend to complicate and aggravate the risks, they are held constant in scenario-based stress testing framework.

Stress Tests based on hypothetical data and assumptions are useful but not accurate. Hypothetical assumptions may be decided upon by extrapolation/ interpolation of historical events with required modifications to customise the stress scenario. The stress test outcomes help in identification of severe vulnerabilities. The method however involves subjectivity throwing ideas about loss severity without any estimate of associated chance and probability of occurrence thereof.

Stress Tests attempting estimation of contingent liquidity risk by evaluating the outcomes in deterministic test scenarios,both historical and hypothetical, at varying stress intensity levels, appropriately customised for the institution concerned is the standard industry practice.

Liquidity risk being a consequential risk,while delineating stress scenarios the expected sequence of events following the triggering event need also be factored in. The level of liquidity risk generally observed to remain mild to start with and escalates gradually in steps if curative measures are not taken or effective. High intensity instantaneous shocks if factored in the scenarios the outcomes might be misleading. However, to steer clear of the 'disaster myopia' the worst-case scenario should be worse than the worst encountered historically.

Identification of cash-flow drivers is perhaps the most crucial step in defining and structuring the scenario parameters. Two most important drivers are interest rate risk and credit risk. Variation of market interest rates have discernible impacts on the cash flow needs of a bank. The term structure of assets-liabilities might get reconfigured due to change in the stance/behaviours of the economic agents engaged with the banks as liquidity provider or user.In low interest rate scenario, a FD holder may not be inclined to renew the fund Instead he may park the fund to SB or other shorter term deposits in quest of higher yields. Although bank's available funds don't change immediately, bank's term liabilities would decline escalating potential liquidity risk in the eventuality of future withdrawal of funds. Similarly, when interest rates fall prepayment of loans are more augmenting the cash flow. Cash-flows emanating out of option embedded deposits and advances also change in response to the changes in the interest rates impacting bank's liquidity position. For non-funded loans drawals would tend to be more when interest rates rise compared to that in a lowering interest rate scenario. When interest rates rule low the flight of funds from banks occur in quest of greater yield elsewhere outside the banking sector. In recessionary phase business volumes contract and demand for loans declines. Depositos tends to withdraw more funds for settling transactional needs. Continued recession often triggers higher loan delinquency rates reducing flow of funds by way of loan repayments.

Inadequate liquidity has triggered many a bank failure but often credit problems have been the villain in the wings! Credit exposures and changes therein have ramified implication on liquidity position of a bank. The cost of funds for a bank is directly linked to market perception of credit quality of the bank. Besides credit ratings, if available, loan growth rate, level of toxic / nonperforming assets, level of provisions for bad loans are credit quality indicators available in public domain which go into reckoning while judging the credit quality of a bank. Sudden drying up of availability of unsecured funding for a bank may mostly be traced to market perception of persisting credit problems of the concerned bank. Escalation of credit risk followed by credit loss and if remains unrectified, the funding crisis would lead ultimately to bank failure.

Liquidity risk is inherent in banking business involving the maturity intermediation. Liquidity risk scenarios are contingent in nature. It gives rise to unexpected cash requirements and therefore to gauge the likely issues concerning liquidity it would be wiser to simulate cashflow projections in various sever but plausible scenarios to identify inherent weaknesses, if any. This is done notwithstanding lack of precise knowledge of how plausible or probable the event might be, preferring to be vaguely right rather than being precisely wrong.Stress testing is one of the components of the overall framework of liquidity risk management. While scenario stress testing enables us to appreciate the plausible risk exposures in the given scenarios a bank can be impacted by possible infinite number of different combinations of adverse scenarios. The findings of stress testing facilitate evolving effective and efficient contingency funding plans and to build up optimum liquidity inventory for maximising the counterbalancing power in the eventuality of mild to severe stress build up. A contingency funding plan (CFP) is a response action plan for responding, in a timely and cost-effective manner, to severe disruptions to funding ability of the bank governed by well set out policies and procedures by the top management. CFP need to be meaningfully linked to stress test results taking into reckoning the potential closure of some funding sources in the midst of the stressed scenario.

Stress Test Work Flow

The stress testing work flow starts with selection of test scenarios. Degree of severity in each test scenario viz., mild, medium and severe is also defined. Mild stress level may be characterised as publication of higher provision figure, curtailed unsecured borrowing capacity but unimpaired secured borrowing capacity and likes. Medium stress level may be mapped to no unsecured borrowing capacity, impaired secured borrowing ability , inclusion in credit rating watch list etc., while sever stress level may corresponds to situations wherein for want of collateral, secured borrowing power tends to vanish. Stress test exercise has a time horizon for possible events to occur for assessment of impacts thereof. In the next step of the process for every scenario, at each stress level, the contractual cash inflows and outflows expected to occur in the time horizon are to be estimated and bucketed in well-defined time slots. The behavioural cash flows attributable to the behavioural idiosyncrasies of fund provider/ users need also to be reckoned. To estimate the behavioural cashflows the causative drivers thereof are required to be identified. Interest rate is one important driver of behavioural cash flow. Besides, in extreme stress level the lenders and depositors tend to exhibit aversion to providing funding. The estimated behavioural cashflows also need be bucketed in the same time slots. Cashflows emanating out of Contractual maturities of investments and borrowings have to be assessed and allocated in respective defined time buckets. The total of these items broadly comprise the liquidity need in each time period in every scenario at each stress level. Now the quantity of liquidity need in each time bucket can be compared with liquidity available. This gives rise to assessment of adequacy or otherwise of the counterbalancing power in the given scenario at give stress level. The sources of stand by liquidity available in each stress scenario at every stress level need be determined. This would involve forecasting of how much time would be involved in converting the same to cash and determination of extent of cash that might be availed considering haircuts of marketable securities in period of stress and its variations due to change in interest rates and credit spread etc.

Conclusion

In the midst of sudden unexpected triggering of bank funding crisis bank liquidity mangers have very little to do. Neither they can quickly elongate the terms of maturities of liabilities nor added to the inventory of liquid assets. But if one had planned well ex ante can manage better the sudden hit by liquidity crisis. Liquidity management tools available for crisis management, point at doing things ex ante not ex post the crisis. Stress testing provides wherewithal for formulation of the plan to tackle effectively liquidity problems as when arising. Stress testing work as effective tool provided its outcomes and findings are properly evaluated and incorporated in the strategic plan. It may be noted that by changing scenarios one can make it appear consistent with the extant liquidity position as also the existing underlying strategy obviating the need for any change. Therefore, prudence and circumspection need be exercised while using scenario stress testing so as to avoid the eventuality of any possible underestimation of liquidity risk exposure and feel deceptively secure and confident.

Deterministic stress test pivots on assumptions and methods. As Banks generally lack the data needed to calibrate a liquidity stress test, they often employ diverse assumptions and scenarios.The behaviour of depositors and funds providers of specific institution are governed by a set of factors.Theextent to which these factors will trigger withdrawal or withholding or use of funds tend to be associated with their sensitivities to the perception of solvency of the institution. Core deposits impart greater funding stability mitigating the impairment of lending activities during stress periods.Long lasting Bank-depositor relationships have a significant bearing on stickiness of deposit during stress period with lower outflow. The actual behaviours of both fund providers and fund users during stress period may be widely different from that generally exhibited during normal business environment. Therefore, Exercise of Liquidity projections in stress scenarios are greatly assumption dependent.

Stress test outcomes are assumption contingent. The set of assumptions have to be as realistic as possible ensuring proper alignment in an internally consistent way. One can identify the significant assumptions substantially contributing to significant variation of forecasted cash flow in given scenarios. Sensitivity testing wherein all assumptions except one are kept constant, may be used as a tool in identification of most critical assumptions.

Calibrated variation of assumptions in synchronisation with the nature and severity of scenario under review need be ensured. Identification of change drivers and deciding upon the appropriate methods to obtain precise estimates of possible impacts thereof would be crucial. Weaving of adverse scenarios is ticklish exercise. Deciding upon the set of variables to be stretched, set of adverse assumptions to be made and what severity of stress should be applied while the future is unknown, is not simple. The "right worst-case scenario" perhaps does not exist. In scenario testing absence of information about assigned probability of occurrence of the stress impact reduces the practical use and interpretation of test results. It is difficult to act on the loss numbers, the outcome of the stress test exercise, in the absence of associated probabilities. Bank designed stress tests are generally built up on assumption that bank's actions and stances are market neutral.

However, a set of standardised liquidity metrics(viz., Liquidity Coverage Ratio,Stable Funding Ratio etc) cannot supplant the utilities of suitably designed and implemented stress tests generating bouquet of valuable information on a bank's liquidity profile.However,stress testing is not the ultimate! Instead it forms only a component of dynamic and integrated liquidity risk management process. Stress testing is definitely an effective tool providing valuable inputs to risk management decisions provided it is sufficiently embedded and aligned to risk management frameworks and senior management decision making. MA

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biplabchakraborty@yahoo.com

ETHICAL FUNDING OF CSR PROJECTS: FEW PRACTICAL ISSUES

CS Subrata Kumar Ray
Professor, School of Management Sciences
MAKAUT, West Bengal &
Former GM, MSTC Ltd.

Abstract

A substantial part of the profit generated by Indian corporates are being spent and shall be spent in future on CSR activities as it has become mandatory. Corporates should take a cautious approach, conduct due diligence and ensure that every rupee is used for the purpose. It should go to the ultimate beneficiary in the most ideal way. Compliance and satisfying the auditor and the regulator should not be the only target of the corporates. The article suggests few thoughts on ethical spending of the CSR budget.

Ethical funding and fiscal prudence go together. Theoretically, money being a scarce resource, should always be spent ethically. In practice, it does not happen, whether in case of public finance, corporate finance or personalexpenditure.

Use of money is diminished if the purpose for spending is not achieved. With the New Companies Act, spending money on CSR is mandatory for some categories of companies. The portion of profit which is to be spent on CSR is a hard earned money, given the fact with competition, earning marginal profit also is a challenge for the non branded products and services. Inspite of few road blocks India Inc. is mostly profit making and are spending a lot in CSR. The following information is worth referring.

Contribution of CPSUs and non govt. companies in CSR

The contribution of Govt. vs non Govt. companies are mentioned below.

Year	PSU	Non PSU	Total
15-16			
No. of companies	532	17,758	18,290
Amount spent	4201.26	10,302.39	14,503.65
16-17			
No. of companies	545	18,987	19,532
Amount spent	3285.4	11,026.63	14,312.03
17-18			
No. of companies	523	20,814	21.337
Amount spent	2539.19	10787.5	13,326.69

Source: MCA annual report, 2017-18 (MCA website)

The above table shows that the corporates have ably supplemented social welfare and upliftment projects of the Govt.

Given the population size, CSR spending by corporates cannot be and should not be compared to the Govt. expenditure on social welfare, which is a Govt. function. Whereas Govt's primary target is social development, the purpose of corporate is to enhance shareholders' value. However, with broader definition of stakeholder, society also is included. Primary target of the company is to make sustained profit to exist and grow. This is neither wrong nor unethical.

The question often arise, are the CSR funds really used for the purpose it has been allotted. Here we talk of ethical spending. Corporates need to examine, deliberate and decide on CSR spending considering few issues, which are discussed in the article.

Due diligence, though very common nowadays, has a good amount of ethics embedded in it. Taking an expenditure decision not based on facts and proper analysis is always unethical. Financial prudence is more relevant to operational managers than finance managers as it is the former who takes operational decisions, implements and monitors.

To my mind and with the experience of dealing with CSR activities for 12 years, I would list out few issues which corporate need to follow for ethical CSR spending,

Decide the budget early

The minimum budget is already decided by the Companies Act itself, i. e 2 % of the average net profit of previous three years of the company, Companies can spend more or spend even when profit are less or spending is not mandatory under the law.

It is advised to fix the budget early based on provisional financial figures. Waiting for an audited accounts and getting the accounts approved in AGM would eat away half of the year. Fixing early budget will enable the company to identify project or start implementation early in the year.

Decide the thrust area and geographical area

Normal prudence suggests that company should take up projects which are geographically near and easily approachable for better monitoring. The area like healthcare, education, sanitation etc. has also to be decided.

Designated finance officer

In many companies, CSR job remains to be a causal job for the Finance Deptt and the finance officer who is free for the time being is associated the job. Suggestion here is to identify a person or persons to look after financial issues for a considerable time, exclusively for CST related finance and accounts job. This will enhance his skills, knowledge which would benefit the company in ethical CSR spending.

Take benefits allowed under income Tax law

Contributions to organisations having 80G, 35AC should be taken to reduce tax liability of the company.

Parallelfinancing

It is very common for NGOs / implementing agencies to try for funds from multiple sources for the same project. This needs to be checked. To start with, an affidavit be taken that no fund for the project has been taken /shall be taken from any other source.

Joint Financing

There are projects which are big and one company alone may not be in position to finance. Here the project can be taken jointly by the sponsorsand the modalities can be mutually agreed. If company pays and the other do not, then the money, even kept in the bank with honest intention, will not be of any use or the project may be half done. Suggestion here is in such case, all financing companies should sit together and decide the modalities.

Start implementation early

It has been observed that in the last quarter , companies are in a hurry to fulfil the budget target of CSR. This gives lesser time for proper due diligence, evaluation and monitoring. Focus shifts to spending money within the year end than to see the proper use of money.So start early in the year.

Follow systemsand procedure

This is regardless of the size of the company. Having a standard Operational Procedure (SOP) in CSR would help to be ethical in selecting. Evaluating and implementing effective projects. This would promote good governance and transparency, which gain is basics of ethical financial management.

Evaluation of projects

Most important of all, it would help to decide to take up or not to tale up. There are various evaluation parameters which may be taken. Positive Evaluation of that the project should ensure that it is viable. i.e. possible to implement, can be monitored, accruing benefits to the society etc.

Project implementation monitoring

If the expenditure is substantial, the project should be monitored while the work is in progress.Deviation is common feature in CSR projects, money should strictly be spent for the purpose for which it is given. This has to be done both by visiting the site and examining documents.

Day to day Maintenance of the project

There are instances where huge infrastructure have been funded by some company, or any individual philanthropist but it is either not maintained or not in use. Sometimes there is nobody to take care or there is no money to maintain. These issues should be clarified with the agency/ beneficiary, otherwise, the whole expenditure shall be blocked without any use.

Project impact monitoring

The ultimate of all expenses under CSR should have impact on the targeted beneficiary. In most of the cases, companies don't bother for impact analysis. The reason behind may be that by the time projects of one year reaches the beneficiaries or are complete, company is looking for new projects to fulfil target of the current year. Other valid reason is poor manpower in CSR wing or cell or department, where people are more bothered of the present issues problem than the effectiveness of past projects.

Satisfying the Auditor

Few of the above thoughts, if addressed, would go a long way for better governance, ethical spending and audit satisfaction. Documentation would be necessary at every step.However, CSR activities do not end with the satisfaction of Auditors. It is something more. It is giving to society more than what is taken from the society.

Role of CSR committee, Audit Committee and The Board of Directors.

To recapitulate, the following table highlights common lapses and suggested solutions for ethical CSR spending.

	Lapses	**Suggestion to counter the lapses**
1	Decide late on budget	Fix tentative budget based on provisional profit figures
2	Making ad hoc contribution	Make project based spending.
3	Diversify areas	Collect one / two thrust area, education, health care etc.
4	No specific accounts/ finance officer	Designate a fixed person for some time
5	No proper due diligence	Make proper due diligence of the project
6	No monitoring during implementation	Proper monitoring
7	Never monitoring the ultimate impact	Make impact assessment study for ultimate effect on beneficiaries
8	Satisfy the auditor and be happy	Suspendingdo not end on satisfaction of auditor. It should address the issue for which money has been spent.

Conclusion

CSR expenditure is highly critical and controversial. Criticism starts at the level of the person sitting next to the dealing officer on CSR and ends with CAG.In between are operational managers, rival NGOS and implementing agencies, the beneficiaries etc. There may be truth in any or all the allegations.None the less, the dealing officer will not have any problem if above issues are addressed properly, MA

subrataoffice@rediffmail.com

MARKETING STRATEGIES AMID COVID-19 PANDEMIC - A STUDY

Leenapriya De
Assistant Professor
Department of Commerce
Heramba Chandra College, Kolkata

Abstract

The pandemic "COVID- 19" the acronym for coronavirus disease of 2019 brought about severe repercussions to human health and economic activity globally. It posed threat to life, people's jobs and livelihood. The social distancing measure and complete lockdown of economic activities, necessary to combat COVID-19 caused dramatic changes in businesses environment and major shifts in behavioral pattern of human being. It is important for marketing leaders to understand the impact of business interruption due to COVID and shift in consumer behavior during COVID crisis.

In this paper the behavioral pattern of consumer during the COVID-19 pandemic and impact of pandemic on marketing environment is studied. Here attempt is made to analyze how the marketers manage 4Ps –product, price, place and promotion strategically to ensure sustainability and survival during and post COVID-19 crisis.

Introduction

A strange and new type of pneumonia of unknown causebroke out in Wuhan, China in late 2019 and soon spread across the globe and was named "novel" Coronavirus.The World Health Organization declared the novel Coronavirus-19, a pandemicon 11 March 2020.The pandemic "COVID- 19" the acronym for **co**rona**vi**rus **d**isease of 20**19**, became a global threat and brought about severe repercussions to human health,life and living of people and global economic activity. The measures like social distancing and complete lockdown of economy, necessarily undertaken to control the spread of virus and to prevent loss of life due to COVID-19; hindered economic activities. Pandemic led to slow down of trade and commerce, forced closure of many businesses,unprecedented disruption of commercial activities in several sectors like hospitality, transportation,tourism, entertainment, automobile, white goods, clothing, personal services like gym, salon as demand for these ceased to exist.Several well known brands in many industries experienced enormous financial pressure. Although internet based businesses like online entertainment, online shopping, food delivery experienced unprecedented growth in this pandemic. The COVID-19 pandemic outbreak had severe economic consequences across the globe and led to dramatic changes in businesses environment, business operation and behavior of consumers. During the pandemic, retailers and brands faced challenges, like reduced consumer demand, low sales and profitability, uncertain cash flow, staggered supply chain and so on. All business enterprises no matter how established they are need to reassess their business plan to manage and operate their business prudently in the time of crisis, so as to keep their business moving during the lockdown period and post COVID period. In this paper attempt is made to analyse the changing behavioral pattern of consumerin COVID-19crisis and the strategies adopted by the marketer to ensure sustainability in the COVID-19 crisis.

Objective of Study

The main objectives of the study are:

1. To study behavioral pattern of consumer during the COVID-19 pandemic and impact of pandemic on marketing environment.

2. To analyze the marketing strategies adopted by the marketer to ensure sustainability and survival during and post COVID-19 crisis.

Methodology

This paper is an explanatory and commentary type, based on information collected from various secondary sources like journals, websites and newspapers.

In this paper the nature of marketing environment during pandemic is studied inthree phases and how the marketers manage 4Ps –product, price, place and promotion strategically to overcome COVID crisis.

Pandemic and Marketing Strategies – A Study

Pandemic Phase

The marketing environment during pandemic is studied in three phases-pre-lockdown, lockdown and unlock phase.

1. Pre-lockdown Phase

This is the period prior to lockdown; when many people across the globe got infected by an unknown disease that caused death. Pandemic was suspected and lockdown was apprehended. This created panic among the people. People were uncertain regarding the continuous availability of staple foods, beverages, medicines, household products and necessities ,started stockpiling everything while the brands of consumer products and the retailers, drug stores, were struggling to keep up with demand during lockdown.

2. Lockdown Phase

The increased number of COVID cases and uncontrolled number of death due to COVID prompted Government all over the world to initiate complete lockdown of all economic and business activities excepting the production and distribution of food, medicine and essentials to control the spread of disease. Such unforeseen lockdown caused stress and panic amongst people. People all over the world are exposed to mental stress, loss of job and financial distress due to the pandemic. Locked indoors the only priority of life was to secure life against pandemic; browsing shopping sites, comparing goods and services and shopping lost the priority. The businesses other than essentials were financially threatened, lost sales and profitability.

3. Unlock Phase

As COVID cases declined and spread of disease were under control, lockdown was lifted in phased manner. Consumers resumed normal life with several restrictions. Brands experienced slow growth of sales and profitability. Despite unlock, as the fear of contagion remained, several service sectors like transport, tourism, restaurants & hotels, entertainment continued to suffer.

Different phases of pandemic do not reveal distinct difference in consumer behavior or change of market situation.

Consumer Behaviour

Coronavirus posed threat not only to life but also to people's jobs and livelihood. A sense of insecurity, anxiety, worry, fear for loved ones falling ill and several repercussions of the pandemic became increasingly common among people. The call for social distancing led to people spending more time at home with families, instead of social interaction with friends and colleagues. Pandemic caused major shifts in behavioral trends; some of these behavior changes may be temporary, while many may be permanent; like post COVID, it is unlikely that people's digital adoption will reverse. Consumer behavior took a new shape, influencing brand choice and purchases.The consumer spending declined drastically especially discretionary types of spending in sectors like clothing, hotel, tourism, entertainment although demand for essential goods did not undergo any kind of reductions. Studies conducted by the OECD indicate that consumer expenditure declined by one third (OECD, 14 April 2020).

Marketers need to understand the new behavior of the consumers, and the circumstances that influence their behavior and brand choice; whether brand choices are made from a narrow set of preferred brands, or choices are driven by either a strong emotional relationship with brands or by short-term in-market tactics (price cuts, promotions, new range/formats, renovations, etc).

In the light of COVID crisis marketers need to re-categorise customers into relevant segments using key drivers like profitability, loyalty, sales potential, risk profile and region so as to focus their efforts towards the customers who adds value to the business. During COVID phase, it is expected that consumer's preference for brand will remain same unless competitors come up with radical innovations or grabs attention with creative marketing campaigns. Marketers should focus on strengthening the customer's loyalty by increasing payment flexibility, enhancing service delivery, ensuring clear communication and provide uninterrupted availability. During the current uncertainty, fear and worry, building emotional closeness and identifying with the personal goals, values and circumstances of consumers, demonstrating empathy towards customers, recognizing hardship of customers will play a prominent role in influencing brand choice and will help brands to be successful at the time of crisis and post crisis.Marketers need to frequently track human behavioral trends by maintaining close relationship with customers across social-media platforms, community sites, and e-commerce product pages to gain better insights of consumer's sentiment and consumption trends, look for opportunities and identify looming crisis more quickly so as to initiate right decision making and adopt better marketing strategies.

Product Strategies

During COVID crisis customers' needs have changed significantly with a surge in demand for basic necessities, hand sanitizer and mask and healthcare product and services.Hence marketers need to re-evaluate their current product and service portfolio and repurpose their capacity to fight the COVID crisis. Several companies dealing in non essential brands have shifted to delivering essential products and services like Ford, GE, and 3M partnered to repurpose manufacturing capacity and put people back to work to make respirators and ventilators to fight coronavirus; Diageo, AB InBev, repurposed their alcohol-manufacturing capabilities to make hand sanitizer. As said, necessity is the mother of invention, innovation and improved margin can emerge out of current discomfort and crisis, if marketers redefine and revamp its brand in the hour of crisis. During pandemic consumers faced the problem of shortage of supply of several products ranging from household stock, FMCGs, food essentials to medicine. Long queues at store or online product ordering with considerable long lead time for deliveries created panic among the customers, that they may not be able replenish their supply. This scarcity of product of the marketer's brand posed risk for the marketer that counterfeit products might besold as increase in the demand for essential products remains high and supplies remainlow. Hence brands need to respond to these risks by monitoring the sale and availability of their products through advertising platform by informing customers' regarding availability or non availability. Marketers of consumer goods should have the ability to meet growing demand for bulk packaging and longer-life items.

Pricing Strategies

Lockdown of economies created a range of economic problems like job loss which led to tighter budget constraints for consumers.Therefore during pandemic, price has become an important criterion of brand choice and consumers are more inclined to buy lower priced alternatives. There are several instances of price rise of essential items and complaints of price gouging during pandemic as supply chain took a hit due to panic buying, stockpiling of essentials; leading to shortages; although marketers cite the reason of increased cost of labour employment, increased cost for providing protective equipment to staff, restriction on labour movement and high transportation cost for price increase. While some brands that speciallydeal in non essentials and severely affected by pandemic like travel, retail store, transport, automobile, clothing, hospitality sector, are reported to have taken a profiteering approach by raising the prices above competitive level,cancelling discounts or offers and extracting high profit from those who need the most. The Government has taken several steps to stop price gouging to protect the interest of customers although economists pose objection against anti-price gouging laws as such laws prevent price signalling. It is also difficult to establish which price increase is illegal and which are legitimate responses to the economic disruption and market changes caused by the pandemic. As a result of price increase, buyers who value the good most, the rich and less price sensitive would be willing to pay a higher price than those who do not value the good, thus raising the prices of all similar products beyond the reach of those with less disposable income. However brushing aside the view of economist and perceived value pricing approach, it can be said that price gouging exploits the economically vulnerable section. Marketer should be able to justify that price increase is essential to maintain the increased cost due to pandemic; so as to maintain sales. Marketers should be socially responsible in setting prices and their pricing strategy should be transparent reflecting the temporary nature of the market and careful documentation of increases in cost of making and supplying products, the wholesale prices charged.Many companies on the other hand have used pricing as a key driver for demand by proactively lowering the prices of their products and services in the hour of crisis. Although in some cases price-reduction can definitely help a company to achieve its goals, but brands should consider the possible adverse impact on overall brand equity and perceived value upon short term benefit of temporary price reductions. Marketers can offer cheaper substitutes, offer unbundled product and services, can provide discounts in kind (e.g. buy 2 get 1 free, free samples, additional advice, etc.), can go low for the initial bid and then try to upsell, or introduce more advanced pricing models (e.g. pay-for-performance, subscription-based pricing, etc.), may offer flexible payment terms; so that customers are relievedand brand's are able to recover the financial crisis during pandemic.

Distribution Strategies

During pandemic marketers and retailers are facing the challenges of lockdown of shops, retail outlets and shortened trading hours. As social distancing is most important to minimize the spread of COVID-19, marketers must adopt direct-to-consumer (DTC) strategies and invest in a variety of sales channels specially e-commerce platform, online shopping virtual showrooms, conversational commerce through chatbots, video call to enable easy access for customers to order goods or services, enable interaction with customers to address customers' issuesand ensure to provide affordable goods or services along with quick delivery to customers' homes.

Promotion Strategies

Although people's priorities have shifted drastically during the pandemic and may be consumer's behavior can least be influenced by advertisement and promotion during pandemic, 'above-the-line' communication does not become irrelevant and brands cannot remain silent even in the hour of crisis. In the time of crisis too, brands must review how they can retain their prominence and attract people's attention. Marketer's promotional strategies should aim not only to drive demand and building emotional closeness but also to deliver a mix of sound short term promotional activities that can maximize brand selection during the current market circumstances, characterized by panic and uncertainty.In this alarming environment, marketersneed to maintain a balance between responding to the current health crisis and managing their business. Therefore apart from highlighting product's and service's utility, safety and value, it is important for the marketers to disseminate brands' corporate social responsibility efforts towards COVID crisis, their effort towards spreading COVID awareness; which will be remembered by the consumers in future and will help to add brand value. Brands response towards consumers in the COVID situation, provision of goods through home delivery, liberalization of return policies, discounts, or simply the exchange of ideas initiates positivity among consumers in building brand loyalty. Brands initiative of donating to food banks, providing free products for medical personnel, or continuing to pay employees while the company's doors are closed enhances the brand's image and it is likely that consumers will appreciate and remember brands for their acts of good in a time of crisis.

Marketers should avoid opportunistic marketing tactics; and messages should truly reflect the brand's unique values, identity and positioning, or else relationships with consumers will deteriorate, and along with it, the brand's ability to succeed post-crisis. The society is striving for authenticity, support and assurance and hence marketers are expected to provide useful content in advertising and refrain from misleading advertisement and delivering forbidden or harmful content in advertisement, making inaccurate claims about their products' ability to prevent or cure COVID-19, false and fake campaigns regarding COVID- 19.

Channel planning is also crucial to successfully create, refresh and reinforce a consistent customer's mental associations with brands.As peopleare spending more time these days across multiple internetmedia, specially on social media platforms,marketers must integrate versatile digital platforms like online social media platforms and its owned digital media channels along with traditional media like TV or radioto maintain presence across multiple channel and make an impression of their brand on their audiences.

In times of crisis, public relations have become a vital communications tool for brands. Brands can maintain connection with customers through emails or posts about products or service,may participate in conversations, campaigns on pandemic. Brands public relation messages should be in consistent with their actions likebrand's message to consumers regarding extra precautionary measures to sanitize store spaces, makinghand sanitizers readily available throughout the store, taking care of their employees – but actually not following the same may adversely affect the brand's image. Brandsresponsibility towards its employees during the time of crisis along with helping customers adds goodwill to the brand.

A Snapshot of Pandemic Phases and Marketing Objectives and Strategies adopted by the marketer are presented in Table 1.

Table 1 Snapshot of Pandemic Phase and Marketing Objectives and Strategies

Characteristics	Prelockdown (apprehensive of pandemic)	Lockdown	Unlock phase
Sales	Normal	Low sales	Gradually rising sales
Profits	Normal	Declining profits	Slow growth of Profits
Consumer Behaviour	Panic buying	Optimized spending, Stockpiling essentials	Adapting new normal Stockpiling essentials
Marketing Objectives	Maintaining market share and profit.	Maintaining market share and profit, and the trust of consumers	Regaining the market share and profit.
Strategies			
Product	Healthcare, medicine, cleaning products have high demand.	Essential products have high demand. Repurposing capacity.	Demand for all kind of product resumes. Innovation of products.
Price	Cost plus pricing approach	Cost plus pricing approach and Reduced pricing approach	Discounted Pricing
Distribution	Intensive distribution	Intensive distribution Emphasis on Online distribution channel and home delivery	Intensive distribution Emphasis on Online distribution channel and home delivery
Promotion	Intensive promotion	Intensive promotion Short term sales promotion tactics.	Intensive promotion
Advertising objective	Maintaining market share and profit	Retain consumer's loyalty, maintaining market share and profit	Attract new customers and retain hard core loyal consumers

Conclusion

The unprecedented disruption of life and livelihood caused by the novel Corona virus posed several challenges for marketers. The consequences of lockdown of business activities to contain the disease are incomprehensible and complex. Marketing leaders have to understand the impact of business interruption due to COVID and shift in consumer behavior during COVID crisis. Re-evaluation of marketing strategies with respect to product, price, promotion and distribution is essential for survival and growth of businesses amid pandemic. Hence strong data and information technology based analytical capabilities, predictive models, frequently updated information can help to forecast different scenarios and in decision making. Once the world gets through this pandemic, a new and different world and business environment will emerge compared to the one before the outbreak. It is important how innovatively marketer navigates the situation and uses conventional marketing levers to align with consumer changing desire and stand out from competitors. MA

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leenapriyade@gmail.com

AN ANALYTICAL STUDY OF STRESS AMONG THE WOMEN OF GUJARAT DURING LOCKDOWN OF COVID - 19

Hardita Dhamelia
Research Scholar
Saurashtra University
Rajkot

Dr. Manish B. Raval
Assistant Professor
SDRB Mahila Home Sci., Lt. M.J.Kundaliya Eng. Med.
Mahila Commerce College, Rajkot

Dr. Ashish B. Gorvadiya
Supervisor Instructor: Employability Skill
Government ITI
Rajkot

Abstract

The present research paper is done to study the stress the women are undergoing due to Pandemic COVID – 19. In this researcher had framed a structured questionnaire to find what stress women are facing and what may help them to reduce stress. The researchers found that due to occupation women faced physical stress and mental stress both because of absence of helpers and even as they had to manage both the work office as well as home. The researcher concluded that mental stress is was much faced by the women due to many factors and can be overcome by the combination of different remedies suggested by the researcher.

Introduction

The whole world is facing the many difficulties because of Pandemic COVID – 19. Due to this the world has become still and many activities have been stopped, people are not allowed to come out of the houses and there is great effect on the human life due to this pandemic. The people are undergoing stress due to many reasons. Stress is a natural feeling which comes when the person is not ready to cope up with current events or demands. The person might be suffering mental, financial, or physical stress or some might be undergoing through all. Due to stress person may undergo many difficulties. Stress is that phenomena which can take a chronic condition which results very adversely in person's life. Due to Pandemic many might be undergoing stress, specially women's may have much stress as they have to manage many things of each and every family member present at home, to fulfill all the demands of the family can make her feel stressed.

Review of Literature

Limcacoca, R., Mateos, E., Fernandez, J. and Roncero, C. (2020) have researched on Anxiety, worry and perceived stress in the world due to COVID – 19 pandemic, March 2020. The researchers have researched with seeing the condition of pandemic, lockdown and quarantine situation that people are going through. The researchers had collected the data through web survey and the responses were received from 41 countries. The main aim of the researchers was how this pandemic is progressing and what changes have been in the general public and they even wanted to find out which group level was facing more stress and what mental health care might be needed in the future. The researcher found that pandemic is increasing the anxiety levels. The researchers also concluded saying that mental health care will be needed in the future.

Peter, E., Styra, R. and Wayne, L. (2020) have researched on Mitigating the psychological effects of COVID -19 on health care workers. The researchers have taken the responses of nurses and physicians taking care of the patients. The researchers found that health workers may experience psychological distress due to COVID – 19. The researchers suggested that strong leadership and communication can help to offset the fears and stress among them.

Objectives of the study

The main objectives of the study are:

- To know what type of stress women are facing during this lockdown period
- To know which factor plays a major role in increasing their stress- Physical factor or Mental Factor
- To know what may help them to reduce the stress level.

Research Methodology

In order to accomplish the objectives of this research work, and to complete it properly and systematically, it is necessary to prepare a research methodology first. In present research paper, following research methodology is used.

- **Title of the Study**

  The title of study is as under.

  "An Analytical Study of Stress among the women of Gujarat during COVID – 19"

- **Population and Sample size**

  We wanted to analyze the level of Stress among the women of Gujarat during the COVID – 19 Pandemic. Our Research work has focused on both the working women and the Home Makers of Gujarat Region. So, all the Working Women and Home Makers of Gujarat are the Population for this research work. An Online Structured Questionnaire was prepared using Google Forms and the same was spread in the whole Gujarat via various Social Media Platforms. Total 363 responses were received. So, the sample size for this research work is 353 Women Respondents.

- **Methods of Data Collection**

  The present study is based on primary data. In order to analyze the level of stress among women during COVID – 19 Pandemic, The researchers have prepared an Online Structured Questionnaire using Google Forms. The Questionnaire was spread in the whole Gujarat using various Social Media Platforms. Out of the total spread of the Google Forms, the Researchers have received 363 responses. The analysis is made on the basis of these 363 responses.

Table – 1

A Table showing summary of the responses received based on Selected Demographic Variables

Age	20-30	236	
	30-40	76	
	40-50	39	
	More than 50	12	**363**
Occupation	Working Women	230	
	Home Maker	133	**363**
Location	From Rural Area	45	
	From Semi-urban Area	263	
	From Urban Area	55	**363**

- **Tools and Techniques**

  In order to justify the objectives of this research work Statistical Analysis is required. The researcher has used Descriptive Statistics, Pearson Chi-Square and Cross Tabulation method to analyze the data. As the limitation of the length of the paper was to be taken care, the researcher has directly summarized the result in the table.

- **Limitations of Present Research Paper**

  - The study is based on primary data collected through responses of different class of employees of different sectors through questionnaire, so there are chances of human bias, prejudices and human error.
  - The study is based on situation of India and not whole world, so outcomes are not applicable to the mass of whole world.
  - The study has only considered the responses of the women of Gujarat state so the conclusions drawn from this research work may not be applicable to the whole of India.
  - As this research work is based on the Primary Data collected using Google Forms, all the limitations of Primary Data are also there in this research.

Analysis and Interpretation

Table – 2

A Table showing the results of test performed to check association between Occupation and Stress

Association between Occupation and Stress		
Null Hypothesis	**Significant Value**	**Status of Null Hypothesis (H_0) @ 5% Level of Significance**
Physical Factor:		
There is no significant association between physical stress due to gatherings of all family members and occupation of the respondent.	0.124	**Accepted**
There is no significant association between physical stress in maintaining the health and hygiene of the family members of the respondent.	0.364	**Accepted**
There is no significant association between physical stress and increase in the workload of the respondent due to absence of helpers.	0.034	**Rejected**
There is no significant association between physical stress and demand done by the respondent's family related to food.	0.131	**Accepted**
Mental Factor:		
There is no association between mental Stress and managing of the time.	0.327	**Accepted**
There is no association between mental Stress and kids of the respondents are at home whole day.	0.269	**Accepted**
There is no association between mental Stress and managing of finance during the lockdown period.	0.449	**Accepted**
There is no association between mental Stress and the respondent not getting enough time to do what she likes.	0.677	**Accepted**
There is no association between mental Stress and need to manage office as well as work of home.	0.000	**Rejected**
There is no association between mental Stress and handling of the mood swings of the respondent's family.	0.476	**Accepted**
There is no significant association between physical stress due to gatherings of all family members and occupation of the respondent.	0.124	**Accepted**

Table – 3

A Table showing the results of test performed to check association between Age and Stress

Association between Age and Stress		
Null Hypothesis	**Significant Value**	**Status of Null Hypothesis (H_0) @ 5% Level of Significance**
Physical Factor:		
There is no significant association between physical stress due to gatherings of all family members and occupation of the respondent.	0.999	**Accepted**
There is no significant association between physical stress in maintaining the health and hygiene of the family members of the respondent.	0.828	**Accepted**
There is no significant association between physical stress and increase in the workload of the respondent due to absence of helpers.	0.849	**Accepted**
There is no significant association between physical stress and demand done by the respondent's family related to food.	0.398	**Accepted**

Mental Factor:		
There is no association between mental Stress and managing of the time.	0.931	**Accepted**
There is no association between mental Stress and kids of the respondents are at home whole day.	0.601	**Accepted**
There is no association between mental Stress and managing of finance during the lockdown period.	0.062	**Accepted**
There is no association between mental Stress and the respondent not getting enough time to do what she likes.	0.376	**Accepted**
There is no association between mental Stress and need to manage office as well as work of home.	0.418	**Accepted**
There is no association between mental Stress and handling of the mood swings of the respondent's family.	0.843	**Accepted**

Table – 4

A Table showing the results of test performed to check association between Location of the Respondents and Stress

Association between Location of the Respondents and Stress		
Null Hypothesis	**Significant Value**	**Status of Null Hypothesis (H_0) @ 5% Level of Significance**
Physical Factor:		
There is no significant association between physical stress due to gatherings of all family members and location of the respondent.	0.465	**Accepted**
There is no significant association between physical stress in maintaining the health and hygiene of the family members of the respondent.	0.195	**Accepted**
There is no significant association between physical stress and increase in the workload of the respondent due to absence of helpers.	0.102	**Accepted**
There is no significant association between physical stress and demand done by the respondent's family related to food.	0.110	**Accepted**
Mental Factor:		
There is no association between mental Stress and kids of the respondents are at home whole day.	0.366	**Accepted**
There is no association between mental Stress and managing of finance during the lockdown period.	0.140	**Accepted**
There is no association between mental Stress and the respondent not getting enough time to do what she likes.	0.451	**Accepted**
There is no association between mental Stress and need to manage office as well as work of home.	0.678	**Accepted**
There is no association between mental Stress and handling of the mood swings of the respondent's family.	0.377	**Accepted**
There is no association between mental Stress and kids of the respondents are at home whole day.	0.366	**Accepted**

Major Findings

The major findings of the present research are as follows:

- It can be found that the Age of the Respondents is not the factor causing Physical Stress due to maintaining the health and hygiene of the family members of the respondents increase in the workload of the respondent due to absence of helpers and demand done by the respondent's family related to food.
- It can be concluded that the Age of the Respondents is not the factor causing Mental Stress due to managing of the time, having kid whole day at home, managing of finance during the lockdown period, the respondent not getting enough time to do what she likes, need to manage office work as well as work of home and handling of the mood swings of the respondent's family.
- It can be found that the Residential Location of the Respondents is not the factor causing Physical Stress due to maintaining the health and hygiene of the family members of the respondent increase in the workload of the respondent due to absence of helpers and demand done by the respondent's family related to food.
- It can be concluded that the Residential Location of the Respondents is not the factor causing Mental Stress due to managing of the time, having kid whole day at home, managing of finance during the lockdown period, the respondent not getting enough time to do what she likes, need to manage office work as well as work of home and handling of the mood swings of the respondent's family.
- It is found that the Occupation of the Respondents is not the factor causing Physical Stress due to gatherings of all family members, maintaining the health and hygiene of the family members and demand done by the respondent's family related to food during the COVID – 19 Pandemic.
- It is found that the Occupation of the Respondents is a factor causing Physical Stress due to absence of the helpers during COVID – 19 Pandemic.
- It can be concluded that the Occupation of the Respondents is not the factor causing Mental Stress due to managing of the time, having kid whole day at home, managing of finance during the lockdown period, the respondent not getting enough time to do what she likes and handling of the mood swings of the respondent's family.
- It can be concluded that the Occupation of the respondents is a factor causing Mental Stress due to need to manage office work as well as work of home.
- The researchers have found that 47% women were undergoing mental stress, 21.15% women were facing physical stress and 19.1% of the women were having financial stress. The researchers found that majority of the women were undergoing Mental Stress.
- The researchers have found that 54.3% of the women's stress was reduced by the combination of yoga *pranayama* and meditation, by sharing responsibilities with the family members and because of time management. 13.1% responses from the total respondents found that sharing responsibilities with family members helped them to reduce the stress, 13.2% believed that time management could help them to reduce stress, 7.2% considered Yoga, Meditation and *pranayama* best way to reduce stress and 8.3% of the total respondents are using remedies other than that suggested by the researcher to reduce stress.
- The researchers concluded that if the responsibilities are shared, stress can be reduced in women and can even help her to reduce the mental pressure or stress that she is undergoing.

Conclusion

From the present research p, we can conclude that majority women are facing mental stress and some steps should be taken to reduce the mental stress of the women. It can also be concluded that the occupation of the respondents, Age of the Respondents and the Residential Location of the Respondents are no the major causes of the Physical as well as Mental Stress for the respondents. The occupation of the respondent has caused stress for them when it demands to manage between office work and house hold work. Sharing of the responsibilities among the family members is the ideal remedy to reduce such stress. MA

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harditadhamelia@gmail.com
mbr19770810@gmail.com
manishraval810@gmail.com
ashish91.gorvadiya@gmail.com

INTERNAL CONTROLS MATURITY AND SME CORPORATE GOVERNANCE

Dr. TR Madan Mohan
Managing Partner
Browne and Mohan Management Consultants
Bangalore

Sharadha V
Junior Consultant (Strategy & Finance)
Browne and Mohan Management Consultants
Bangalore

Mukund Mohan K
Junior Consultant (Marketing)
Browne and Mohan Management Consultants
Bangalore

Abstract

Good Corporate governance is a key factor in ensuring sound financial reporting and deterring misappropriations of capital and resources. Internal control and corporate governance go hand in hand. Many SME have an ambitious goal of reaching a reliable, continuous and integrated internal control state. However, many SME's are still grappling to build a comprehensive control process. In this paper, we present an internal maturity framework that SME can use to benchmark and know how they can discourage frauds, improve compliance and adoption of standards.

Introduction

Numerous corporate scandals have brought in more awareness and significant attention from regulators, whistle-blowers and the public on internal controls and corporate governance. While corporate governance sets the standards and recommends procedures; internal controls make sure those procedures are being followed. The Financial reporting review board (FRRB) of the Institute of the Chartered Accounts of India (ICAI, 2018) cites lack of significant disclosures in accounting policies covering revenue recognition, borrowing costs, inventories, impairment of assets, goodwill subsidies granted by the government. Many companies were found to be inadequate in reporting gain on outstanding derivative contracts being recognised in the profit and loss which is against the principle of prudence as given under accounting standard 1. The Institute of Cost and Works Accountants of India (ICWAI, 2009) has released a guidance note to help organizations accomplish systematic and objective approach to operations, evaluation and monitoring of risk management, reporting and control practices. Misappropriation of Assets, corruption, and financial statement are common woes SME face due to weak internal controls. Companies with a focus on effective governance have an ambitious goal of reaching a credible, continuous risk assessment and integrated audit process. For many senior management and internal control teams the goal is to attain a repeatable, reliable and data-driven process (Omalayeand Jacob, 2018). Many companies are still grappling to build a comprehensive audit process and many of their existing activities are in "rudimentary" stage (Sohand Martinov-Bennie, 2011). We believe, the use of a maturity model can provide a clear direction to achieve a reliable and evolved assessment and assurance process. In this paper, we present an internal maturity framework that SME can use to benchmark and know how they can discourage frauds, improve compliance and adoption of standards.

Internal controls maturity Model

Broadly speaking there are three types of controls namely *preventive, detective and corrective* (IIA, 2015). Preventive controls are mostly process and role based that adopt a checker and approve approach. Separation of making purchases and approving payments; receiving bills and approving payments; and authorizing returns and issuing refunds are some good examples of preventive controls. Detective controls are internal controls designed to identify problems that already exist. Audits including statutory audits can be seen as form of a detective control. Timely reconciliation and verification of bank accounts, review and verification of refunds/payments, reconciliation of petty cash accounts, audits of payroll disbursements, conducting physical inventory checks etc are some examples of detective controls. Corrective controls are internal controls that are taken to mend any impairment or bring back resources and capabilities to their earlier state that was due to an unapproved activity.

Maturity of internal controls depends on formal mechanisms used for preventive, detective and corrective actions, but also the responsiveness of the management to the outcomes of assessment and quality of follow up actions. Based on COSO's ERM framework (COSO, 2017), we identify nine fundamental parameters of internal controls. Methodology is what is core to auditing. It reflects the approach to assessment, quality assurance and improvement program based on accounting standards. Data capture refers to the quality and depth of data collected for auditing and improvement. Documentation refers to information storage and retrieval for audit trial and follow ups. Planning refers to defining the operational, financial and strategic aspects of audit process and outcomes including scope, time and quality of resources. People refers to the extent to which the audit staff are trained as appropriate, are aware of their responsibilities related to assurance and endowed with enough expertise and experience to conduct the required activities. System refers to extent of standardized information flows and reliability of captured document for assessment process. Risk refers to the depth of risk assessments (operational and strategic) and mitigation plans. Review covers the depth of financial and non-financial areas the quality assurance and assessment will address. Ownership and responsibility indicate whether audit is silo function with little control and ownership across the company or a process led activity owned by process leaders and owners. Table 1 presents the elements that make up key areas of internal audit and their maturity and phases at each level.

Table 1 Internal controls Maturity stages

	Level 1	Level 2	Level 3	Level 4	Level 5
Methodology	Limited to mandatory guidance, informal audit engagement plan, largely top-down, focus on meeting management and regulatory requirements, annual audit plan with basic reports	Mandated and recommended guidance, limited annual audit plan focusing on reports, and monitoring of recommendation.	Focus on mandated, recommended and supplementary guidance, plan with periodic reporting, risk reporting and monitoring of recommendation.	All factors in level three along with implementation guidance, reports, risk assessment, and detailed review of recommendations	All factors in level four along with code of ethics, standards, extensive audit engagement plans, top-down and bottom-down integration, extensive reporting, risk assessment and continuous monitoring of recommendations
Data Capture	Descriptive data, longitudinal data not captured for analysis; lack of indications	Descriptive data along with some analytical data for trend analysis, extensive lag of indicators	All of level two along with somewhat predictive data and some lead indicators	All of level three along with some prescriptive data and reasonable lead indicators	Extensive prescriptive data and predictive analysis along with extensive lead indicators

Documentation	Ad hoc, not clearly documented	Manual documents, not monitored regularly	Well documented but not monitored	Good documentation and monitoring of reports	Extensively documented along with detailed monitoring procedure
Planning	No planning involved.	Plans are based on standard operating procedures for an audit and are executed by mid-senior level members with financial knowledge.	Plans are made recognising cost and revenue drivers, supported with data captured through tools.	Increase in depth and extent of planning where along with revenue drivers, industry benchmarks and possible leakages are sought out before delving into the audit. Plans are over seen by the top management before being	Plans supports corporate Strategies terms of customer growth, profits and business fulfilment. Overseen, revised and monitored by top management.
People	Limited to Audit staff with traditional auditing skills and no industry knowledge	Audit staff with limited business knowledge and resources	Reasonable mix of traditional auditing and business expertise	Experienced auditors with reasonable experience of business and industry expertise	Great mix of traditional auditing skills, and industry expertise complemented by overall business knowledge, and critical thinking
System	Only Manual systems	Use of basic technology and system to capture record and store data.	Reasonable systems to data capture and sharing, with some real time auditing	Real time systems for data capture and auditing	Leading technology (data mining, analytics, etc) and real-time auditing accessible from anywhere
Risk management	Limited risk assessment, no formal identification, mitigation plans	Focused risk assessment, one at a time approach, limited plans	Broader risk assessment (both micro and macro levels), formal identification and mitigation methods	Comprehensive, holistic risk assessment (both micro and macro levels)	Extensive, and Comprehensive, holistic risk assessment (both micro and macro levels), extensive risk management
Review	Focus is mainly on financial transactions and ad hoc review process	Focus is mainly on financial and compliance transactions, it is reasonably formal, with limited follow up reporting	Focus is mainly on financial, compliance and operational transactions with formal and periodic follow up reporting	Focus is mainly on financial, compliance, operational transactions and IT systems with formal and periodic follow up reporting	Extensive review of financial, compliance, operational transactions and IT systems, trailed by a formal and continuous follow up reporting
Ownership and responsibility	Limited to a department, few resources, mostly post-hoc analysis, prone to execution risks	Broadly defined responsibilities at business level, and ownership at Business leader level	All of level two along with minor proactive responses at field level	Well defined Ownership and responsibility at levels of process owners, process leader, management and board	Integration at all levels right from process owner, leader, management and board, along with detailed risk controls

At level 1, the firm's reviews of activities are informal and disordered. Therefore, success of the reviews and audits depends on the expertise and ability of the people conducting the reviews & audits. It is highly likely that the audit and checks are done by the same person manually, with a lack of planning and is highly prone to errors and manipulation. At level 2 is where basic standards of procedures are adhered to, data is captured and used for trend analysis; plans and basic risk assessments have been recognized; At this level, reviews and the audit undertakings are much more controlled than at level, mainly focusing on financial and compliance transactions with limited follow up reporting. At level 3 of maturity, audit activities are automated and completely standardized, plans are made recognising financial, operational and business risks. At level 4 the focus of audits shifts to proactive risk identification to ensure quality and maturity. Data captured consist of good lead indicators and are analysed. This is followed by measuring performance and along with efficient documentation and consistent monitoring. Level 5 is an optimised state with evolved code of ethics, standards, extensive audit engagement plans, extensive reporting, risk assessment and continuous monitoring of recommendations.

Conclusion

The maturity model detailed here guide companies from traditional siloed process towards more mature continuous data-driven reliable organizational wide process. The first step in transformation of internal controls involves conducting a comprehensive "as-is" audit. This helps to identify the current processes, gaps and areas to improve quality assurance and improvements. Please note, not every SME requires the same level of maturity in their internal controls. SME must choose the "to-be" maturity stage based on the needs and goals of the company, nature of its business, regulatory requirements and regimen of audit teams. In the second stage, define standardized process, create and configure appropriate process changes based on the proposed internal controls framework. People capability gaps need to be addressed through extensive training and on the job learning. Focus on process flows and technology adoption. In the 3rd stage, deploy company-wide process and system changes with common objectives across different units and measures. The end goal would be to continuously assess and refine at all levels. The proposed internal control maturity matrix serves as comparison tools to help SME identify the desired maturity level that is right for it. Moreover, the maturity matrix serves as a mechanism to measure progress along the way as this is a continuous journey. MA

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mmohan@browneandmohan.com
vsharadha@browneandmohan.com
mukundk@browneandmohan.com

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AN OVERVIEW ON SAP S/4HANA MANAGEMENT ACCOUNTING

Dr. Ravi Surya Subrahmanyam
Director, SAP Practice - The Hackett Group India Ltd
Visiting Instructor - SAP Education - SAP India & SAP APJ
Hyderabad

Abstract

SAP S/4HANA Management Accounting component offers the tools that can be used to prepare operating data for business analysis and management decisions. Management Accounting contains all the functions necessary for effective cost and revenue reporting oriented to the specific requirements of an enterprise. It covers all aspects of Management Accounting regarding different work areas like overhead management, product costing and profitability analysis. While reporting in Financial Accounting follows accounting principles that are applied in the respective locations, reporting in Management Accounting is designed on the basis of the chosen enterprise accounting system, such as flexible planned costing or direct costing.

All Financial Accounting and Costing transactions will be stored in SAP S/4HANA in one database table ACDOCA. This is known as Universal Journal Entry table. It brings Financial Accounting and Cost Accounting together. This is single source of truth that collects all FI and CO relevant transactions and makes them available for reporting. As the FI and CO data available in one table (ACDOCA), Finance and Costing team don't need to spend time and reconciliation of Financial and Cost books. This ensures automatic reconciliation.

Introduction on SAP S/4HANA Management Accounting:

SAP S/4HANA Management Accounting Subcomponents Classified according to their purpose. The Sub modules are Cost Center Accounting, Cost Center Accounting, Internal Orders, ABC costing, Product Costing, Profitability Analysis etc..

Logistics Integrations with Management Accounting:

Materials Management has coherent integration with S/4HANA's Management Accounting Component. Example. Goods Issue posts Cost Posting in Management Accounting by specifying cost object in Goods Issue transaction. (Goods issue to Cost Center, Production order or Internal Order, Process Order). When user creating a Purchase order in Materials Management, it creates Commitment postings in Costing Module.

The source of Revenue postings are Sales orders from Sales and Distribution module. It posts Billing documents to Management Accounting module to track revenues and evaluate Profitability of Profit Center.

How Costs and Revenues flow to Management Accounting??

When user posts Expense transaction in Financial Accounting using expense GL account for which primary cost element is created, system does not allow user to post transaction unless user specifies cost object like Cost Center or Internal order … etc. by that way, this cost flow to Costing. Similarly, Revenue elements will be posted to Management Accounting while user Posting Sales revenues in Sales & Distribution module.

How SAP S/4HANA Overhead Cost Controlling enable companies to track, Monitor and allocate Overhead Costs??

Usually, Cost Responsibility areas are defined as Cost Centers in S/4HANA. We assign Cost Center to the profit centers during configuration. Accounting will be useful to track cost within the organization. When cost incurred, we assign the cost to cost center. All overhead costs are assigned to the Cost Centers for which they incurred. If cost is assigned to service cost center, distribution of cost will be performed during month. This distribution process post cost to Product Cost Centers. We can plan and budget the cost centers in SAP S/4HANA to check the efficiency of cost centers.

Can I do Cost Center Planning in SAP S/4HANA?

The SAP S/4HANA offers wide options that we can use for planning to meet different planning requirements. Cost Center Planning can be done manually or thru excel file upload or transfer from external feeder systems. We can also have different plan versions with different plan values. We can also copy actual figures as plan figures of the upcoming year. We can also recalculate plan figures using a percentage. SAP S/4HANA has very extensive planning layouts. Customers can also create their own layouts using Report Painter/ Report Writer or any other tools that are designed for it. Customers can create a new planning profile and assign all the planning layouts to the newly created planning profile. SAP provides planner profile to meet different planning requirements. Management Accountants have an efficient way to compare actuals with planned figures in SAP S/4HANA.

Is there an easy way for planning in SAP S/4HANA??

Predefined planning Layouts provided to customers as planning templates in SAP S/4HANA. SAP Reinvented planning capabilities in SAP S/4HANA to plan fast. Planning thru "planning application Kit" process planning data in SAP system. Well integrated Planning capabilities and layouts for Financial Accounting – GL planning and Cost Center Planning. Management can also to bottom-up and top-down planning. SAP S/4HANA BPC comes with delivered BW content. BW is the tool that has planning content and layouts. SAP provides dedicated XLS workbooks to copy plan data. We can copy SAP to XLS (IBP workbook) and XLS to SAP. (Extraction and Retraction). Example: make changes for plan data on XLS and write back to SAP.

How data flows to Management Accounting in SAP S/4HANA?

Broadly, two types of data flows to Management Accounting. Postings that originate within Management Accounting and Posting that originate from other applications. Cost movements within Cost Accounting are postings within Management Accounting. These entries are balanced entries. Example: Cost moved from one cost center to another cost center or "Internal Order to Cost Center" or one "cost object to other cost object". This type of postings debits the Receiving cost object and credit the sender cost object by the same amount.

These posting may also generate while correcting wrong postings to a cost object. Instead of reversing Financial Accounting entry to correct the cost object, we can correct the records only in Management accounting by reposting Cost Manually or Reposting the line items. When reposting cost, the original cost element is retained. By this way, users responsible for this correction can make corrections only to cost objects. As wrong posting only impacts Costing, we can use this function in SAP S/4HANA to correct only in Costing and other applications like Financial Accounting does not impact.

"Internal Activity allocation" also generate postings within Management Accounting. Example Repairs and Maintenance cost centers may perform services for other cost centers. This cost will be allocated based on number of units of activities performed. In this example. Only one sender cost center (Credit) and receivers may be many (Debits). For this, the secondary cost element created with category 43 (Internal activity allocation) will be used. Not Primary cost element (GL). This can also happen automatically using time sheet by proper configuration in SAP S/4HANA. This save lot of manual efforts during month end.

How Data flows from other Applications?

Financial Accounting to Costing:

When user posts to an expense or Revenue Using Primary Cost Element (Primary Cost Element is a General Ledger Account – (Account Type P in SAP)), Two documents will be created. (1). Accounting Document, (2), Costing Document. At this time, if we display Costing report, user can see Debit or Credit to Cost Object based on Expense Debit or Revenue Credit in FI transaction. Interestingly, in SAP S/4HANA, Costing information and Accounting information (Both documents can be seen in one Database table : ACDOCA. This table contains all the line items of Financial Accounting and Cost Accounting. It is known as "Single Source of Truth" in SAP S/4HANA. We can also have link between these two document Numbers

Do we need to do Reconciliation between Financial Accounting and Cost Accounting in SAP S/4HANA??

When user posts a business Transaction in Financial Accounting, corresponding Costing data will also be transferred to Costing in real time. So we don't need to execute reconciliations in SAP S/4HANA. This simplifies Closing Activities and helps as "Continuous Close" in SAP S/4HANA.

Materials Management to Costing:

Various Categories of goods Movement triggers Financial Accounting documents, Material Management documents and also Management Accounting Documents in SAP S/4HANA. Example: Goods issue to Cost Center. This will be recorded as Material Consumption. This update stock Account in Inventory Management. It also creates a Financial Accounting Document by Debiting Material Consumption

Account and Crediting Material Stock Account. During this process, Cost Center is debited along with Material Consumption Account GL account as this GL account is a Primary cost element. SAP S/4HANA System ensures to transfer cost data to Management Accounting thru proper Integration. Proper Configuration / Integrations ensure to run without additional reconciliations for FI&MM.

Can I post Commitments to Cost Centers??

To display budget consumption, commits can be charged to Cost Centers. Example: When I post a Purchase Order in SAP S/4HANA System, each line item in PO can be assigned to a cost object (Cost Center / Internal Order… Etc).. Once Purchase order saved, Cost center tracks commitments. We can also display outstanding commitments for a specific cost center in SAP S/4HANA. When goods received Commitments will be cleared and actual cost is recorded for Cost Center.

Can User posts to Multiple Cost Objects for a single Line Item??

Sometimes, User may need to post to two or three cost objects for an expense posting.

Example: Posting to Repairs and Maintenance. User can give Cost Center and Internal order. Both are cost objects. The reason to post to two cost objects might be, The internal order is real cost object and Cost Center is only for information as Cost Center head monitors cost of repairs of "Internal Order". In this case, Internal order is a real cost object and Cost Center is a statistical cost object. This cost center would be updated statistically just information purpose.

Can user Posts Revenues to Cost Center?

Users can post revenues to Cost Center after proper configuration in the SAP S/4HANA system. These postings are statistical

Can we monitor Expense (cost) posted to a cost Center or for an Internal Oder by using Budget Availability Control in SAP S/4HANA??

Cost Center Heads can monitor cost for an internal order or cost center by budgeting them in SAP S/4HANA. We can also ensure that actual cost does not exceed Budgeted cost. They can prevent excess cost than the budgeted cost by configuring an error messages to availability control. We can also configure a warning message if that reaches 90% or so. we can also add contingencies to the existing budget to allow up to certain percentage, Example 105%. If needs, we can also supplement to existing budget of a cost element. We can also configure an email notification when it reaches certain level of Budget. It can also goes to designated persons. We need to maintain this matrix inform of a table in the configuration. If you have a project that runs for multiple years , you can also specify Sum total and also control annually budgeted amount.

Can we do Product Cost Planning in SAP S/4HANA?

Product Cost Planning will provide initial cost projections. Product Cost Planning component in the SAP S/4HANA helps this functionality. Using this, we can get Cost of goods manufactured, cost of goods sold, Calculation of the break-even price for the product. Production cost breakdown, Production cost by organizational unit, Manufacturing cost by plant, effect of primary costs etc. Materials will be valuated with a standard price, which can be set by a standard cost estimate in SAP S/4HANA.

If we have complete master data like BOM and routing, we can create material cost estimate with a quantity structure. This calculates the cost of goods manufactured and the cost of goods sold from existing Master data in logistics, such as BOM and routing.

Can we get Product Cost by Order, Product Cost by Period, and Product Cost by Sales Order in SAP S/4HANA??

A well configured Costing Module allows to get preliminary costing, simultaneous costing, and final costing on production order or process order. It helps to optimize manufacturing efficiency, helps to Set relevant standards to measure performance, helps in Variance analysis, helps management to get Reports for individual plants, product groups, products, or orders also Supports strategic decision-making.

Can I execute profitability reporting at various levels of detail using SAP S/4HANA??

We can execute Profitability reporting at various levels of organization. We can get the detailed product cost information to analyze profitability. We can also get the breakdown of total cost into fixed and variable. We can analyze contribution margins. You may also analyze contribution margin based on the periodic actual cost, which can be recorded in the material ledger.

Can I get Profit Center wise reports for Internal use in SAP S/4HANA?

Organizations can use Profit Center Accounting Module to analyze internal profit and loss for each profit centers, as well as the balance sheet for each profit Center. Management can analyze profit and profitability.

Conclusions

SAP S/4HANA inherits power of HANA. It has capability of Predictive Analysis, advanced text mining, simulations, and real time decision support based on real time data. It delivers very delightful experience to the users that improves satisfaction and productivity of end users. The Newly built SAP S/4HANA has simplified architecture, process improvement in all core areas like Accounts Receivable, Asset Accounting, Accounts Payable, Cost Center Accounting, Profit Center Accounting etc... MA

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sravi@answerthink.com

IMPACT RESULTING IMPLEMENTATION OF SAP ERP IN POWER SECTOR'S PSU-MSEDCL

CMA Santosh S. Korade
Dy. Manager (F & A)
Maharashtra State Electricity Distribution Company Ltd - MAHADISCOM
Mumbai

Abstract

In this competitive era, the strongest ERP is part of a successful business. Production Planning, Budgetary controls, Cost estimations and Cost Control, Stock valuations and controls are the essential task in business and it's not possible to do this without strong ERP. When we used word strongest and powerful ERP, Only name we can visualise is "SAP". SAP is worldwide standard ERP. SAP is used in all types of industries like as manufacturing, service, Trading etc. Numbers of PSU has adopted SAP ERP recently. The energy sector is also not far behind in the implementation of SAP.MSEDCL-Mahadiscom is one of them. MSEDCL is large services sector organisation having business of distribution of electricity. So the impact of implementation of SAP ERP on MSEDCL working/operation is analysed through this article.

Enterprise Resource Planning (ERP) that allows an enterprise to manage databases for different processes from a single unified system. ERP system was developed initially for inventory control; however, over the years; different software was developed for different processes in an enterprise for better data management and workflow. In today's world, there are many leading market providers of ERP system, and SAP is one of the market and technology leaders in building business software towards structured work and data management in organizations.

Systems Analysis and Program Development (SAP) was founded on June 1972 and since then, many SAP ERP operations modules have emerged that are designed focusing on various different processes including SAP ERP sales and service, sales and distribution, projects systems, customer relationship, financial management, business intelligence and more. Some SAP modules are as below–

SAP Financial Accounting (FI)
SAP Projects System (PS)
SAP Sales and Distribution (SD)
SAP Materials Management (MM)
SAP Human Capital Management (HCM)
SAP Controlling (CO)
SAP Plant Maintenance (PM)
SAP Production Planning (PP)
SAP Quality Management (QM)

The erstwhile Maharashtra State Electricity Board was looking after Generation, Transmission & Distribution of Electricity in the State of Maharashtra barring Mumbai. After the enactment of Electricity Act 2003, MSEB was restructured into 4 Companies viz. MSEB Holding Co. Ltd., Maharashtra State Electricity Distribution Co. Ltd. (Mahavitaran), Maharashtra State Power Generation Co. Ltd. (Mahagenco) and Maharashtra State Electricity Transmission Co. Ltd. (Mahatransco) on 6th June 2005. Mahavitaran distributes electricity to consumers across the State except Mumbai.

MSEDCL has reported revenue from business of distribution of electricity more than Rs. 85,000 crs in FY 2018-19. Its largest electricity company having consumers base of 2.73 Crs categorized as residential, Commercial, Industrials, Agriculture, Public Water works etc.Company has implemented SAP ERP by replacing previous oracle base ERP and its currently working on SAP FI CO Module, SAP MM Module, SAP PS and SAP PM module. SAP HR module not yet implemented, because company has developed in house customised HR module and its interface is given to SAP FICO module.

Impact of SAP on MSEDCL

Projects Systems-SAP PS

After implantation of SAP ERP, All on going/running infrastructure Schemes/ projects incorporated in SAP. Now MSEDCL has successfully run its projects/schemes from starts of preparation of DPR till close of projects through SAP. Preparation of estimates, Capital Budget Controlling, awarding of LOAs, Controlling of Projects through POs, Tender Freezing, Processing of RA Bill claims, JMC incorporation, Preparation of Handing over certificate for completed Assets, Assets valuation,Assets measurement & recognition through Location mapping, WCR settlement and capitalisationsare all processes carried out in PS module in coordination with FI Module.

MSEDCL has recently adopted / implemented PAPERLESS BILLING for processing of claims of projects vendors. According this, Field offices will submit necessary documentsto MSEDCL HO through SAP by attaching it's to ERP Invocie/RAbill. Same will be scrutinised from technical section in SAP, it will forward to audit vai SAP Mail, Audit will process claim by auditing submitted documents through SAP, after auditing and accounting of claim it will forward to payments section to release payment. This process has reduced time lag in processing of settlement claims, also all records kept in SAP so can be verified any time. Due to paperless billing process, MSEDCL has successfully settled claims ofprojects vendors in COVID-19 lockdown without delay.So Wecan say that work from home may become possible only because of SAP.

AUTO WCR is one of the important developments in SAP. Before this development, FI user has to settle all WCR manually using various t-codes, It's getting delay to settle assets from WCR due to this time consuming process of assets capitalisation. This is resulting in lower depreciation cost. So avoid this problem also creation/settlement assets timely manner, AUTO WCR process is introduced by MSEDCL. Due to this process, FI WCR will be settled and assets capitalize immediately after RABill get processed.

Apart from this various customized t-codes (Z' T code) has developed for PS and FICO module as per requirement of user according tender condition. Of course SAP has save lot of manpower efforts also cost as well as speedy process reduced time lag of settlement of project vendors claim. Projects vendor's claim get settled on time, so they are getting working capital timely, its result in speedy execution of projects. So finally MSEDCL will be able to complete it's scheme as per predefined milestone and its making grid strong. Accurate valuation of WIP becomes easily possible in SAP.

Centralized Payment system (CPS)

Before SAP and CPS, funds disbursed from Head office to various filed offices according to their requirement for payment to numbers of vendors for purpose of meter reading agency payment, Collection agency commission, maintenance work payment, LCP payments, Scheme payment, Statutory payment like TDS, Labour Cess, Taxes, Employee claims like as salaries, retirement claims, Bonus, Ex-gratia, etc, Office Expenses like as stationery, printing, security, vehicles hire charges etc. Fund is flowing from head office to field office, again field office to vendor, it's took time to disbursement up to final vendor. MSEDCL has created centralised payment section to pay all vendors and employees payment from one place only i.e. from HO. All field offices booked claim from their profit centre and send requirement of claim as per standard profarma. Accordingly claims will be settled from CPS. Salary is also successfully released through CPS. Working capital cycle is reduce due to reduction in pre-SAP time lag (Fund flow from HO to vendor) which results in reduction of finance cost, and working capital management becomes easy as clear picture of expected payable in front of management. CPS has successfully settled all claims during the lockdown without fail. This is significant impact of SAP ERP may view positively.

Budgetary control- Revenue & Capital

MSEDCL has various field offices, operations are carried out at each stage. Controlling of expenses at each level is crucial as well as difficult task for management due to its large scope. So each division/Circle is treated as profit/ Fund centre in SAP, and budget is allocated to each profit centre for each expenses item, so it's become so easier to control cost expense head wise. User is not able to book expenses if budget fully utilised, also booking of previous period expenses will result it shortfall of budget for current year, so its created habit to book expenses on time , also make provision for previous year expenses in previous year itself .If budget is consumed fully, additional budget will be approved only after submission of satisfactory reasons of budget fully utilisation by responsible person. Capital Budget is provided as per fund flow available for the year to particular scheme, so how much cost to be incurred for particular scheme can be control through Capex Budget. Budgetary control is possible with help of SAP only.

Accounting Controls through SAP

User has to be given some power/authorisation to do accounting entries as per GO-delegation of power. Such control can be set in SAP as per designation of user according with General Order-GO power/authorisation assign with designation. Apart from this allow or restrict user from using some T-codes, restrict from operating GL, restrict for manual entries are the control can be set through SAP to avoid wrong entries, malpractices. Accurate booking/charging of GST through sap leads to help in accurate GST payments centrally. Accounting controls pertains to statutory liabilities like taxes is able to set through SAP, e.g. user should restrict to book TDS liability of previous period or after payment date is over , don't allow to book expenses in closed period having statutory liabilities etc. Inventory accounting and valuation become more realistic in SAP.

Automation & Centralisation in RE Invoicing

MSEDCL is incurred almost 70 to 75% power purchase cost out of total cost of operation. Cost of renewable energy (RE)like wind, solar etc was booked from various field offices before implementation of SAP. RE cost booking has started centrally at HO after adoption of SAP. SAP interface provided to RE vendors, so they can enter energy input daily basis, then Invoices is auto generated from SAP without human intervention which results in avoidance of human errors in critical manual calculations also saving time of processing RE claims and manpower cost. Daily real time energy purchase MIS from SAP is getting to management for decision making. MSEDCL has exercised control on RE cost through centralized Invoicing and automation in Invoicing.

Conclusion

MSEDCL is big discom having wide scope of operation all over Maharashtra state. SAP is really going to help for its smooth functioning by centralisation and automation . Projects Systems, CPS, MM , FICO module are becoming too useful in current competitive era to enhance its intellectual level compare to others discom. Also We cannot say that work from Home concept is restricted to IT Only, SAP enable to work from anywhere, MSEDCL employee has done it during Covid-19 pandemic lockdown , And no doubt that MSEDCL has taken efforts for successful implementation of SAP, now it's become fruitful in all aspect. Development of customised T-code (Z-T codes) using with Standard T-codes in MSEDCL are indicating that SAP can be implemented in any sector successfully and it really increase standards of operation post implementation of SAP , same MSEDCL has actually done even though its service sector.

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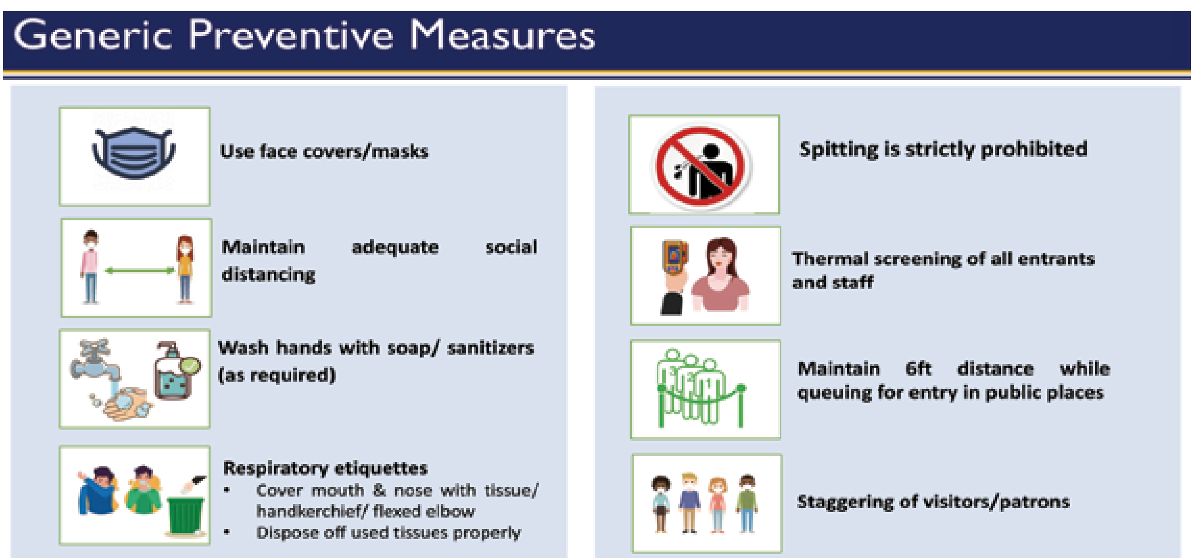
santoshkorde77@gmail.com



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

AGRICULTURAL INSURANCE AND ITS REACH AND SPECTRUM IN INDIA

Debisree Banerjee
Assistant Professor
Naba Ballygunge Mahavidyalaya
Kolkata

Abstract

In India agricultural insurance has been operating in India for a very long period of time, but it faced two major challenges. Firstly, low level of participation from the farmers and secondly continuous loss in operation for the implementing agency. These two limitations caused too much of experimentation with agricultural insurance in India. This paper attempts to study majorly these two aspects of agricultural insurance in India.

Introduction

Rural India comprises of a major portion of our working population. Rural economy plays a definite role towards our economic development. However, declining share of employment opportunities and constrained financial resources have raised major concerns. In between 2004- 05 and 2011- 12 where rural population increased from 780 million to 842 million, the Labour Force Participation Rate (LFPR) declined from 45 to 41 percentage (NITI Aayog). Agriculture forms a major portion of rural employment. Risk in agriculture is multi- dimensional, which itself is a challenge for the sector (Table 1)

Table 1: Classification of Risks in Agriculture

Risks		Examples
Broad Classification	**Narrow Classification**	
Production Risks	Weather Risks	Fluctuation in weather conditions such as excess/ deficit rainfall, storm, rise/ fall in temperature etc.
	Environmental Risks	Pest and diseases, degradation of natural resources like water level, harmful mineral contaminated water etc.
Production + Price Risks	Man- Made Risks	Political changes causing changes in agricultural policies, fiscal or tax policies, Technological changes, degradation of soil fertility from excess use of pesticides, human contamination or illness, labour disputes etc.
	Management and operational risks	Poor decision making in input use, sowing/ harvesting, inefficient logistics, breakdown of farm equipment, lack of storage facilities, lack of finance, unable to adapt to changing situations etc.
Price Risks	Market Related Risks	Changes in demand and/or supply situation of inputs or outputs, changes in quantity/ quality features of product demanded etc. affecting domestic/ international prices.

Source: Adapted from the Report on Agricultural Insurance in Asia and in Pacific Region, FAO, 2011, pp- 16

Farmers adapt several tools and techniques to cope with the varied risks involved in agriculture, both at individual and at farm level, but those trivial efforts at individual or farm level could just bring in some short-term relief. As against the objective of sustainable development in India, a long- term planning and formal institutional arrangement in agrarian sector is essential. Here comes, agricultural insurance as an important institutional arrangement for risk management.

Objectives of the study

In the backdrop this paper tries to look into the following twin objectives:

1. Study the reach of agricultural insurance in India among the farmers.
2. Study the value gained/ lost by the government over the years in providing agricultural insurance to farmers.

With the above two objectives we would also try to talk about the problems associated with implementation of agricultural insurance in India and provide a few policy recommendations.

Methodology

The study is completely based on analysis of data and information collected from secondary sources. The analyses include use simple mathematical tools. We study the reach of the scheme through the amount of land or/and number of farmers covered and the value gained or lost through claim- premium ratio.

Agricultural Insurance Schemes in India: Its Reach and Spectrum

Agricultural Insurance crossed several phases before the place where we see it today. Thought of, for the first time in India in 1947, it took more than forty years to implement agricultural insurance in India on a large scale. It became possible with the introduction of National Agricultural Insurance Scheme in India (NAIS). The NAIS, also known as '*RashtriyaKrishiBimaYojna*',since its inception in 1999 till Rabi 2015-16 covered 27,12,54,000 farmers and 39,17,17,550 hectares of area cumulatively. However, it has also been observed that in aggregate all over India about three hundred and forty six percent more claims were being paid than what premium had been collected.The scheme was the longest running scheme in India, however it suffered huge losses. Even in its prolonged years of operation the scheme has been characterized by low rate of participation (**Banerjee 20202**).

Year 2003 marked a remarkable change in the area of agricultural insurance in India with the introduction of Weather Based Crop Insurance Scheme (WBCIS) on an experimental basis. It was formally implemented on a mass scale from 2007 onwards. The WBCIS was innovative in the sense that from Indian perspective it was the first time the nation went beyond age- old area indexed yield based scheme to weather indexed one. In its almost a decade of operation the scheme covered 3,65,67,000 farmers, of which 2,32,58,000 farmers were benefitted. The claim to premium ratio was just about 50 percent indicating that 50 percent of premium collected is paid as claim. Still there has been no significant increase in farmers covered or area insured.

The reason for this dwarf growth of the WBCIS instead of the benefit it has been delivering and profit in operation it being generated are difficult to be pointed. A few researchers have identified few limitations of the WBCIS which might be responsible for lack of government initiative in making it a mass scheme. Availability of at least 25 years historical weather related data is a basic pre- condition for applicability of WBCIS, but at regional level it is difficult to obtain, and collecting it is quite expensive. Then the design of the insurance scheme is quite difficult and cumbersome, which requires local knowledge. Then the scheme would also vary under different conditions, which makes it further difficult to implement in Indian conditions (**Swain, 2014**).

In 2013 considering the limitations of the previously held agricultural insurance schemes the then UPA government introduced National Crop Insurance Programme (NCIP) combining MNAIS (a modified version of the NAIS), WBCIS, and Coconut Plum Insurance (CPIS). The scheme continued till it was replaced by 'PradhanMantriFasalBimaYojana' (PMFBY). With the change in Government at the Centre the scheme was further re- modified. NAIS and MNAIS were replaced with PMFBY and WBCIS was replaced with Restructured WBCIS (RWBCIS) in 2016.

Pradhan Mantri Fasal Bima Yojana (PMFBY) launched in April 2016 after discontinuation of NAIS and MNAIS is considered to be a big step in sustaining agricultural growth and development through providing financial support to the farmers during occurrence of natural calamities/ disasters, pest stacks, diseases etc. Yet another forward move is allowance to the private sector to go hand in hand with the government agency in providing crop insurance.

In its four seasons of operation the scheme covered 3,96,41,000 farmers and covered 3,95,16,000 hectares of land. According to ***Gulatiet. al. 2018*** in the first season of its implementation PMFBY was a leap forward as area insured increased by 6.5 percent, number of farmers insured increased by 20.4 percent and sum insured by 74 percent in between 2015- 16 and 2016-17. However, PMFBY has also been criticized on several grounds. Firstly, the scheme is again primarily covering the loanee farmers ignoring stake of share-croppers and tenants. The actuarial premium rates (though subsidized) were quite high[1] due to expansion of foreign reinsurance companies like Swiss Re, Munich Re etc.

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[1] *Insurance companies charged high actuarial premium rates during kharif 2016 – the all-India rate was approximately 12.6 per cent, which was highest ever. Much higher rates were charged in some states and regions. The average actuarial rate in Gujarat was 20.5 per cent, in Rajasthan 19.9 per cent, and in Maharashtra 18.9 per cent.-https://www.downtoearth.org.in/news/pradhan-mantri-fasal-bima-yojana-is-a-good-scheme-with-flawed-executive-says-cse-58330.- Accessed in 2019*

Though, the newly designed scheme with application of actuarial premium enabled the company not to suffer from loss of operation for the first time. The claim premium ratio is just about 29 percent indicating that just 29 percent of claims are being paid out of the premium collected. Again, a profit in operation is also indicated as the difference between claim to sum insured and premium to sum insured is also positive. In aggregate premium to sum insured is four times higher than claim to sum insured. This also makes the scheme attractive for the private participants and international reinsurance agencies as stated earlier (Table 2).

Table 2: Performance of the PMFBY, *Kharif* 2016 to *Rabi* 2017-18

State / UT	No. of Farmers Insured (000')	No. of Farmers benefitted (000')	**Percentage of Farmers Benefitted**	Total Premium (Rs. In crore)	Sum Insured (Rs in crore)	Claims (Rs in crore)	**Claim to Premium (%)**	**Premium to Sum Insured (%)**	**Claim to Sum Insured (%)**
Total	39641	7792	**19.66**	28128	139041	8130	**28.90**	**20.23**	**5.85**

Source: Calculations based on Data from AICL, December 2019

Similarly WBCIS was re-modified as Restructured WBCIS (RWBCIS). The RWBCIS was launched on 18th February 2016 by Hon'ble Prime Minister 12 states implemented the scheme in Kharif 2016 whereas 9 states have implemented the scheme in Rabi 2016-17. Approximately 15 lakhs farmers were insured in the Kharif 2016 for 16.95 lakh of land at premium of Rs983.96 crore for a sum insured of Rs8536.53 crore as per figures available on 31.03.2017[2].

On analysing further the combined data of both PMFBY and RWBCIS it could be observed that there has been no increase in area covered under the schemes combined. The claim settlement ratio was quite high and the claim premium ratio was below hundred indicating a profit in operation. The most positive aspect has been continuous increase in benefits being delivered by the schemes (**see Table 3**).

Table 3: Combined Data of PMFBY and RWBCIS

Year	Beneficiary Ratio	Claim- Premium Ratio	Claim Settlement Ratio	Area Insured to Gross Cropped Area
2016-17	26.68	77.29	99.84	28.58
2017-18	31.85	89.31	100	25.58
2018-19	35.22	85.61	89.57	26.43

Source: Calculations based on data from pmfby.gov.in as on July 2020 and Agricultural Statistics at a Glance 2016

Thus, from the above analysis it can be surely said that agricultural insurance has been surely taking new twists and turns. The problem of reaching out though remains constant, but the move of welcoming the private participants can help in sorting out this deficient aspect of agricultural insurance in India. Further, we could also see that the introduction of better technology and management; with sharing of responsibility with the private sector has already created some impact on the operational losses of the agricultural insurance system.

Summary and Concluding Observations

M. S. Swaminathan (one of pioneers of green revolution in India) once said, "*If agriculture goes wrong, nothing else will have a chance to go right in the country*"[3]. The inherent risks involved in agriculture have often made it difficult for the farmers. Government of India has formulated and implemented several policies in the agrarian sector in order to sustain the growth of agriculture. Agricultural Insurance is considered to be a risk reducing mechanism that connects two of the most important sectors of our economy: agricultural sector and service (banking and insurance) sector.

The study revealed that different experimental schemes were launched from time to time, but their performances were below expectation and most of the government sponsored schemes suffered loss. The major schemes that are identified and are analyzed are the NAIS and the WBCIS. Those are the schemes that continued to operate in the Indian agrarian sector for a long period of time. These schemes are still in operation with some modifications and reformations. PNFBY has included all the features of NAIS. The WBCIS is today called the Restructured WBCIS. The analyses pointed out that there are two major deficiencies. First, the coverage was below the requisite coverage and second, the schemes suffered considerable losses in operations.

[2] *https://financialservices.gov.in/insurance-divisions/Government-Sponsored-Socially-Oriented-Insurance-Schemes/Restructured-Weather-Based-Crop-Insurance-Scheme-(RWBCIS)*

[3] *Indian agricultural scientist and geneticist and international administrator, renowned for his leading role in India's "Green Revolution," a program under which high-yield varieties of wheat and rice seedlings were planted in the fields of poor farmers.- https://todayinsci.com/S/Swaminathan_MS/SwaminathanMS-Quotations.htm (Accessed on 10.6.2020)*

Comparatively weather based scheme was found to be a better performing scheme than the yield based schemes. However, the weather based scheme has not been implemented on a mass scale as the yield based schemes due to data related limitations and financial constraint. The introduction of newer versions of agricultural insurance schemes with full- fledged private participation and infusion of new technology could bring about certain definite changes to the agricultural insurance scenario of India.

Now, based on our analyses, we might put forward certain policy recommendations and suggestions. Those are as follows:

- To increase farmers' knowledge the schemes should be publicized through media. Different institutions such as Self Help Groups or Non-Government Organizations that work at ground level should also be utilized for spreading knowledge among the farmers.
- A few rural agents may also be recruited to explain the farmers about the scheme.
- The insurance unit should be reduced to village panchayat level so that the farmers are benefited without much delay even in case of localized calamities.
- The yield based crop insurance scheme is not always efficient in Indian scenario where different factors affect agricultural production. The scheme should also cover pre-sowing and post-harvesting losses, crop loss occurring due to poor quality of agricultural inputs, crop loss due to insect attacks and also the risks associated with introduction of new technology.
- Inclusion of technology in the yield based schemes in order to eradicate the limitations associated with manually done crop cutting experiments, may reverse farmers perception of yield based schemes to a positive one.
- More investments are required to be made for implementation and maintenance of weather stations. So that weather based insurance schemes can be implemented hand- in- hand with yield based schemes.
- Private participation with proper monitoring from the government (in order to keep the premium rates reasonable) should be encouraged as it will help in increasing the periphery of Agricultural Insurance.
- Re-insurance could help in balancing the losses suffered by the implementing agency. This would in turn enable the government to make further investments in the Agricultural Insurance sector.

The study of Agricultural Insurance in our country has a lot of scope. The economy is still majorly dependent upon agriculture and is a major source employment. In the changing scenario, the Union Government has taken a massive step by enhancing the private participants' stake in Agricultural Insurance sector. Further, inclusion of technology in the orthodox schemes makes the schemes more situational and it has increased hopes for a better outcome in future.

We understand that Agricultural Insurance itself cannot be a sole instrument that would help in improvising the agrarian situation for the farming community of India. However, it has a definite role to play. Region- specific research works and considering changes under post- covid situation would always be helpful for further improvisation and implementation of Agricultural Insurance policy in the country. MA

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debisreeb3@gmail.com

IMPLICATION OF MAN-POWER PRODUCTIVITY ON PROFITABILITY OF KARNATAKA SRTC: AN EVALUATION

Manjunatha H R
Research Scholar
Department of Commerce
Karnataka State Open University, Mysore

Dr. Mahesha V
Chairman
Department of Commerce
Karnataka State Open University, Mysore

Abstract

Passenger road transport plays a pivotal role by providing passenger road transport service to every nook and corner of the country. The present paper aims to analyse the implication of man-power productivity on profitability and evaluate the performance of Karnataka State Road Transport Corporation by taking a parameter of man-power productivity. Few parameters are used to evaluate the man-power productivity. The parameters are staff ratio, kilometre per employee per day, Kilometreage total cost, revenue labour cost, number of schedules and number of employee's hires, etc.

Introduction

Transportation plays an important role in the overall development of economies. This is more so in the case of passenger transport more specifically, passenger road transport. It (i.e., road transport) is indispensable for the development of the economy of a country. It remains the primary choice for mobility of people and for the transport of goods due to its dexterity in utility, efficiency and inimitable litheness enhanced by a flawless link to other transport means. It also plays a major role in transporting short and medium distance passenger interchange.

The State Transport Undertakings (STUs) operate in the public sector segment. As a major player of country's transport infrastructure, the STUs are catering to transport needs of people/passengers. STUs provide transport services in not only in urban area but also in mofussil areas besides providing inter-state services to different sections of the society. They carry people and goods of household from far off locations, thus improving mobility and minimizing regional disparities. They also contribute to the overall socio-economic rebuilding of the country. The STUs own a sizeable portion of passenger vehicles in the country engaged in the provision of transport service.

Passenger Road Transport in Karnataka – An Overview

Passenger road transport services in Karnataka are provided by both the private vehicle operators and also by four STUs. Earlier, the private vehicle operators dominated the passenger road transport sector. However, due to many reasons including their inability to expand to cater to the increased demand for passenger road transport service, the state government entered into this segment. Karnataka State Government (earlier, it was named, Mysore State) started offering passenger road transport service on a small scale by its transport department by establishing Mysore Government Road Transport Department (MGRTD) on 12 September 1948 with just 120 passenger vehicles.

The State Transport which was being administered as a Department of the Government of Mysore was subsequently converted into an independent Corporation in accordance with the Provisions of Road Transport Corporations Act, 1950 (Section 3) on 1August 1961. The assets and liabilities of MGRTD, except those of Bangalore Transport Service (BTS) unit, were transferred to the new Corporation on 1 August 1961and the new corporation was named as Mysore State Road Transport Corporation (MSRTC). The assets and liabilities of the residual MGRTD viz., of BTS Unit were subsequently transferred to the Corporation on 1 October 1961. Thus, a Corporation was ultimately established for the entire State of Mysore.

Literature Review

Many researchers have worked on different dimensions of passenger road transport in the country including on STUs. A summary of some of the studies is presented below.

Madegowda (1996) examined the man-power productivity in state transport undertakings. The study considered the performance of employees of state transport undertakings in India for a period ten years. The author examined both cost and benefit side of human resources. Based on the factual evaluation, he infers that the employees of STUs are not that inefficient as generally painted by the general public. The poor performance of STUs cannot be attributed to the inefficiency of human resources alone.

Mahalingu and Madegowda (2012) made a study of performance evaluation of SRTCs in the country. The study considered both operating and non-operating cost to find out whether the corporations have been able to manage them properly. For the purpose of the study, the authors considered 19 STUs in the country. The analysis of operating and non-operating cost gives a strong basis for taking appropriate decisions relating to cost reduction and control. And they concluded that there are many avenues available for the corporations to cut down their costs without compromising on the quality of transport services. This enables the corporations to improve their productivity and also to improve their profitability.

After a study, Prabhu and Sateesh (2011) found that organizational control system must be used to design performance parameters and measurement. They analysed the management control system in KSRTC by focusing on boundary system, diagnostic control system, interactive control system and implicit hierarchy. Based on the study, they observed that core belief of KSRTC is customer centric service and employee centric administration.

Vijay Kumar (1979) analysed the operating cost of public sector transport undertakings in India. The author examined the relative share of each item of operating cost in the total cost. He concluded that when kilometres run increase, cost also increases except depreciation, personnel costs and interest on capital.

Deepal K Kothia (2012) made an attempt to analyse performance of STUs. The study considered performance variables such as fleet utilisation, fare revision, bus staff ratio, fuel efficiency, etc., for two years. The researcher opined that most of the SRTCs are loss making and their performance is going downwards. Hence, government should provide adequate financial incentives and allow STUs to decide its service price as per market conditions – suggests the author.

Objectives of the Study

In the light of the above the present study makes an endeavour to analyse the implication of man-power productivity on profitability of the corporation. Besides the primary objective it aims to evaluate the performance of man-power in Karnataka State Road Transport Corporation.

Research Methodology

The study covers only man-power productivity to analyse the performance of the corporation. Few yardsticks are used for performance evaluation purpose. Further, study covers both cost and benefit side of human resource. Statistical data for the present study about ten-year period from 2009-10 to 2018-19.Research design used to carry out this study is descriptive research. The necessary data are collected from secondary source. The major secondary sources are annual administrative reports, reports published by Central Institute of Road Transport, Pune, research papers, websites, etc.

Data Analysis and Interpretation

The performance evaluation is done by taking few parameters such as staff ratio, kilometre per employee per day, traffic revenue per employee per day, kilometreage total cost, revenue labour cost and number of schedule. The study finds if these variables having any positive implication on the profitability of Karnataka SRTCs. The statistical data about ten years from 2009-10 to 2018-19 are taken to evaluate the performance.

Table-1: Composition of Cost, 2018-19

Elements of Cost	Total Cost (Rs. Lakh)	Cost Per Effective Km (paise)	Percentage of Each Item to Total Cost
Cost of personnel	157956.80	1490.36	40.93

Material Cost	165177.61	1558.48	42.80
Motor Vehicle & other taxes	17534.83	165.45	04.54
Depreciation	21908.23	206.71	05.68
Interest	2218.46	20.93	00.57
Others	21132.53	199.39	05.48
Total	3,85,928.46	3,641.32	100

Source: Administrative report of KSRTC. 2018-19

From the Table -1 it is evidenced that the labour cost having major proportion in the total cost which accounts for 40.93% of the total cost. On an average, the corporation incurred 1490.36 paise on labour cost per effective kilometre (EKm) during the year 2018-19. The employees are eligible to get monthly remuneration as the scale set in advance, this salary is to be paid irrespective of work extracted from them. It is necessary for the corporation to evoke maximum work from their employees as the salary is not affected by the quantum of work. Keeping this reality a number of parameters are used for this study to assess the man-power productivity. Further, few parameters are used to assess the employees of the corporation are working efficiently or not.

Table-2: Kilometreage Total Cost, Labour Cost and Revenue

Year	Revenue Per EKm	Total Cost Per EKm	Labour Cost Per EKm	Profit/Loss Per EKm
2009-10	2,072.09	2,014.07	585.93	58.02
2010-11	2,387.09	2,315.92	720.80	71.17
2011-12	2,508.54	2,487.64	761.11	20.9
2012-13	2,753.11	2,751.37	923.66	1.74
2013-14	3,002.35	3,078.73	1044.71	-76.38
2014-15	3,243.28	3,287.41	1152.57	-44.13
2015-16	3,282.51	3,230.05	1357.11	52.46
2016-17	3,223.15	3,402.03	1468.51	-178.88
2017-18	3,325.98	3,321.83	1407.14	4.11
2018-19	3,513.87	3,641.32	1490.36	-127.45

Source: Administrative report of KSRTC. 2009-10 to 2018-19

Table-2 covers the details of Kilometreage total cost, labour cost and revenue. The labour cost per effective kilometre is computed by dividing total labour cost incurred during the year by the total number of effective kilometres operated. The same procedure is being followed to determine the Kilometreage total cost, revenue and profit/loss.

From the above table it is obvious that the revenue earned per effective kilometre has increased from 2,072.09 paise in 209-10 to 3,513.87 paise in 2018-19 accounting for an increase of 1,441.78 paise per effective kilometre which works out to 69.58% which means the kilometreage revenue has increased at 6.96% annually. The kilometreage total cost has also increased by 1,627.25paise (from 2,014.07 paise to 3,641.32) during this 10 year period representing an increase of 80.79%. This comes to an annual average increase of 8.08%. Except the year 2013-15 and 2016-17 it is obvious that the rate of increase in the kilometreage revenue is higher than the cost. This clearly shows that the KSRTC has increased the revenue over cost. The effort of human resource is to be appreciated due to two important reasons. (1) The fairs are not regularly and adequately revised by the corporation. (2) The continuous increase in the price of input factor such as fuel, labour, tyre and tube, etc.

It also clear that the kilometreage labour cost has been increased year after year. In the year 2009-10, it was 585.93 paise per kilometre which increased to 1490.36 paise during 2009-10 thus shows an increase of 154.36% during the above period of ten years. However the increase in the kilometreage labour cost is due to increase in the wages, salary and increase in the number of employees hired.

Table-3: Kilometres Per Employee Per Day and Traffic Revenue Per Employee Per Day

Year	KMs Per Employee Per Day	Traffic Revenue Per Employee Per Day
2009-10	69.3	1,247
2010-11	70.1	1,425
2011-12	69.3	1,584

2012-13	71.2	1,751
2013-14	69.8	1,843
2014-15	72.5	2,085
2015-16	71.3	2,045
2016-17	71.6	1,991
2017-18	74.7	2,120
2018-19	75.2	2,223

Source: Administrative report of KSRTC. 2018-19

From the Table-3 it is obvious that the man-power productivity in terms of kilometres operated per employee per day has increased continuously during the study period. However, in between the study period there was a slight reduction in man-power productivity. From this analysis, it can be said that the increase in the kilometres per employee per day increases the man-power productivity and also which leads to increase the profitability of the corporation.

Traffic revenue per employee per day has also increased year after year except 2015-16 and 2016-17 there is a slighter down fall in traffic revenue per employee per day. On an average traffic revenue has increased to 976 which accounts for 78.27%. Increase in the traffic revenue per employee leads to increase the gross revenue of the corporation which helps the corporation to increase their profitability.

As a result of the study increase in the KMs per employee per day will increases the traffic revenue per employee per day which evident from the above table-3.

Table-4: Staff Ratio Per Schedule

Year	No. of Employees Per Schedule
2009-10	5.19
2010-11	5.08
2011-12	5.11
2012-13	4.90
2013-14	4.98
2014-15	4.85
2015-16	4.87
2016-17	4.79
2017-18	4.69
2018-19	4.70

Source: Administrative report of KSRTC. 2018-19

From Table-4 it is obvious that except during 2011-12, 2013-14 2015-16 and 2018-19, the staff ratio significantly declining continuously from one year to another. That means it has been a decreasing trend in the number of employees working in the KSRTC per vehicle on road. The statistics evidenced that the staff ratio reduced from 5.19 employees per schedule on March 31, 2010 to 4.70 by March 31, 2019 registering a reduction of 0.49 employee per schedule which works out to 9.44%. This is not an insignificant since, the labour cost comes to 40.92% of the total cost in KSRTC. If the KSRTC is not able to achieve this improvement, perhaps the labour cost would be increases during the year 2018-19 by 14,911.12 lakh. Hence, there is an improvement in the employees per schedule and profit/loss having positive and negative swing during 2009-10 to 2018-19. Whereas continuous downwards in the staff ratio increases the profitability.

Concluding Remarks

The analysis in the foregoing paragraphs has substantiated that, the human resource have been functioning efficiently. There has been a continuous increase in kilometre per employee per day, traffic revenue per employee per day and staff ratio per schedule (evidenced in the tables). Hence, there has a positive implication on the profitability of the corporation. Whereas kilometreage labour cost registered continuous increase, this increase was not due to the inefficiency of employee but due to increase in salary and wage. The overall poor performance of corporation cannot be attributed to the inefficiency of employees but delay in fares, inadequate fare revision and continuous increase in the price of inputs. MA

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manjugowda.ry@gmail.com
maheshmcom69@gmail.com

EMPIRICAL MODELLING OF INNOVATIVE FACTORS RESPONSIBLE FOR MSME WELFARE: WITH SPECIAL REFERENCE TO TEA INDUSTRIES OF WEST BENGAL

Sumi Karmakar
State Aided College Teacher - Category 1
Department of Commerce, Vivekananda College, Thakurpukur
Kolkata

Aditya Sarkar
UG Student, School of Economics and Commerce
Department of Commerce, ADAMAS University
West Bengal

Abstract

In order to remove China's monopoly on tea production the British introduced tea to the Indians and undoubtedly the introduction marked the beginning of a new era in the Indian industrial sector (MSME). But with opportunities come threats and accordingly Indian tea Industries started facing several problems that resulted in failure to grab the upcoming future prospects. The study is based on the minute areas of innovations that need to be focused on to remove the weakness and grab the probable opportunities for the betterment of tea industries in India (with special reference to West Bengal).

Shounak Das
State Aided College Teacher - Category 1
Department of Commerce, Vivekananda College, Thakurpukur
Kolkata

Introduction:

Though the introduction of tea was an attempt by the British to break China's monopoly but the flavor and aroma of the tea leaves got so engraved into the minds and souls of millions all over the world that Indian tea became the most wanted energy drink in the world. The demand resulted in the flourishment of tea industries all over the Nation. But with time the industries started facing several issues that resulted in massive failure to grab every probable opportunity that could have led the industry to a height beyond reach in the international context. So the major researches concerning the identification of the areas where loopholes exist in the industry is of prime importance now, for rectifying faults through area specific innovations.

Literature Review:

- **Islam, G. M. R. (2005).** This study is based on the numerous problems such as unexpected calamities , political influence , high cost of production , demand supply non-equilibrium etc. faced by tea industries of Bangladesh and focuses mainly on the future needs in terms of demand supply equilibrium, decrease in cost of production etc. to minimize the several issues.
- **Kumar, P (2008).** This study concentrates on the several requirements in terms of efforts by stakeholders to increase tea productivity, new organizational and ownership structure, market diversification, aggressive generic promotion etc. to make Indian tea sectors more strong and buoyant.
- **Roy, S. (2011).** This study analyses the historical growth of tea industries in India by taking into consideration the measures taken by British Government and mentions the several requirements such as more investments, infrastructural developments, enhancement of managerial efficiency, lowering of cost of production etc. for gaining prosperity in the tea Industries of India.
- **Mohan, E. (2016).**This study highlights the socio economic condition as well as several problems such as monthly price fluctuations of tea leaves, increase in wage rate demand etc. faced by small tea growers of Sivsagar district of Assam.

From the above review of literature the researchers' opines that several studies have been conducted by primarily focusing on the problems and prospects of the tea industries of India, Bangladesh. But to eradicate such problems and to grab the opportunities, the minute innovations that are required the most is an area that needs to be focused on by the researchers'. So the researchers' study revolves around the innovative areas that may impact the prospects of tea industries of India (with special reference to West Bengal) by eradicating several problems that are faced by such industries.

Objectives of the Study:

1. To identify the operational areas where innovations are required.
2. To identify the extent to which future prospect isbeing decided by the areas where innovations are required, collectively.

Research Methodology:

The study is based on primary survey. 170 samples have been collected by interviewing workers and management personals of 3 tea estates of Darjeeling district of West Bengal. The data are in nominal and ordinal in nature. Research is based on 10 questions, 8 questions are in 5 point ordinal Scale (Strongly agree- Agree- To some extent agree- Disagree - Strongly disagree) and 2 questions are dichotomous in nature (Yes/No). The study is objectified to view the operational areas where innovative strategies need to be incorporated for brightening of the industry prospect. The researchers used Spearman Rank Correlation and Man-Whitney Test for identification of the operational areas where innovations are required and Ordinal Logistic Regression is being used to identify how much future prospect in terms of percentage is being decided by the areas where innovations are required, collectively. Primarily 10 operational areas have been considered for judging whether they require innovations. The test results were interpreted, analyzed and conclusions are drawn by the researchers. All the analysis was done using jamovi 1.2.25 statistical software and SPSS 20 software.

Data Presentation and Analysis:

For first research objective (jamovi 1.2.25 statistical software used):

The following 8 hypothesis were tested using Spearman rank correlation, considering H_0: There is no significant relationship between Future Prospect (dependent variable) and Operational Robustness in a particular operational section (independent variable), against H_A: There is significant positive relationship between Future Prospect (dependent variable) and Operational Robustness in a particular operational section (independent variable). The result is judged at 5% level of significance.

1. There lies no significant positive correlation (at 5% level of significance) between Future Prospect and use of most modern Production Technologies;with P= .320 (P>.050).
2. There lies no significant positive correlation (at 5% level of significance) between Future Prospect and use of most modern Farming Technologies; with P= .070 (P>.050).
3. There lies **significant positive correlation** (at 5% level of significance) between Future Prospect and good Wage Structure; with P= .002 (P<.050).
4. There lies **significant positive correlation** (at 5% level of significance) between Future Prospect and Work Related Benefits; with P= .019 (P<.050).
5. There lies no significant positive correlation (at 5% level of significance) between Future Prospect and efficient Marketing channels; with P= .988 (P>.050).
6. There lies **significant positive correlation** (at 5% level of significance) between Future Prospect and well defined, well implemented and efficient Legal Mechanisms applicable to the industry; with P= .018 (P<.050).
7. There lies no significant positive correlation (at 5%

level of significance) between Future Prospect and good internal Personnel Management system; with P= .187 (P>.050).

8. There lies **significant positive correlation** (at 5% level of significance) between Future Prospect and required Training and Orientation activities undertaken for employees and workers; with P= .007 (P<.050).

The following 2 hypothesis has been tested using Mann-Whitney U Test, considering H_0: There is no significant change inFuture Prospect in case of existence or non existence of advantageous position in the operational areas, against H_A: The Future Prospect is more better in case of existence of advantageous position in the operational areas. The result is judged at 5% level of significance.

1. The Future Prospect remains same in case of existence or non existence of advantageous position in respect to availability of Cheap and Adequate Finance, corresponding to a P value of .055 (P>.050).
2. The Future Prospect remains same in case of existence or non existence of advantageous position in respect to Quality and Cost Competitiveness of industry products in national and international markets, corresponding to a P value of .985 (P>.050).

For second research objective (SPSS 20 Softwareused):

Now the 4 operational areas, where robustness ensures brightening of the industry prospect will be considered in running Ordinal Logistic Regression to fulfill the second research objective.

Table 1: Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	353.962			
Final	318.150	35.812	16	.003

Link function: Logit.

Source: Computed Through SPSS 20 Software.

It is visible from above the table 1 that statistically significant Chi-Square statistic has been obtained or null hypothesis got rejected with P=.003 (P<.05). It tells that the model is very good in predicting the outcomes or dependent variable, based on independent variables included in the model.

Table 2: Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	443.870	424	.244
Deviance	274.853	424	1.000

Link function: Logit.

Source: Computed Through SPSS 20 Software.

It is decipherable from the above table 2 that both the null hypothesis has been accepted with P= .244(P<.05) and P= 1.000(P<.05) for Pearson and Deviance respectively. It means the data has been fitted excellently in the model and there is insignificant deviation between observed values and predicted values, predicted by the model.

Table 3: Pseudo R-Square

Cox and Snell	.190
Nagelkerke	.209
McFadden	.088

Link function: Logit.

Source: Computed Through SPSS 20 Software.

The above table 3 reveals that 20.9% of the variation in the Future Prospect of the Tea industry can be explained collectively by 4 operational areas, where robustness ensures brightening of the industry prospect.

Test of Parallel Lines[a]

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	318.150			
General	230.608[b]	87.542[c]	48	.000

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

a. Link function: Logit.

b. The log-likelihood value cannot be further increased after maximum number of step-halving.

c. The Chi-Square statistic is computed based on the log-likelihood value of the last iteration of the general model. Validity of the test is uncertain.

Source: Computed Through SPSS 20 Software.

Here the null hypothesis got rejected with a high P value of .000 (P<.050) hence slope coefficients are not equal across all the response categories. This is impacting negatively the overall excellency of the model. Still the overall model is satisfactory.

Discussions, Conclusions and Recommendations:

Based on the above study researchers decrypts that innovations in the four areas namely Wage Structure,Work Related Benefits,Legal Mechanisms ,Training and Orientation is crucial for brightening of the future tea industry prospects. As per the study the researchers exhorted a good Wage Structure in terms of timely as well as adequate wage payment to workers, Work Related Benefits in terms of enhanced bonus, free quarters , education , health facilities etc. to workers and their families,Legal Mechanisms in terms of proper implementation of efficient and easily understandable rules and regulations focusing primarily on budget estimates, permission for more tea plantation and export, enhancement of borrowing power, labour protection, environmental issues, etc. and Training and Orientation activities to new workers regarding plantation and maintenance of the seeds, processing technologies and further if required the basic education also needs to be delivered to the uneducated ones so that the training procedures becomes more fruitful to the workers.

It has further been observed that 20.9% variationin the Future Prospect of the Tea industry can be explained only. Which is definitely not so high and researchers opine that this low variation is due to the lack of non consideration of many other operational areas where innovations are needed and are indispensable for the development of Tea industry.

Limitations:

The study is primarily based on data collected from small number of tea estates and variables considered here are also limited in numbers. Larger amount of samples can be collected from much wider area and more variables can be considered to get for exhaustive results by applying more sophisticated tools like factor analysis, cluster analysis, etc. Moreover for more concrete study broad operational area based set of sub-operational areas can be undertaken for identification of areas of innovation and separate questionnaire can be used for collecting data from workers and managers/owners. MA

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Website Consulted:

1. *https://wbmsme.gov.in/*
2. *https://msme.gov.in/*

sumikarmakar1993@gmail.com
meet.aditya65@gmail.com
shounakdascu1994@gmail.com

OBITUARY

CMA R. RANGARAJAN, Membership No.2959, past Chairman for the year 2002-2006 of our Tiruchirappalli Chapter of Cost Accountants, demised on 28/08/2020. Tiruchirappalli Chapter Members' heart felt condolence to the bereaved family. God let his soul rest in peace.

LIQUIDATION AS A GOING CONCERN

Vishal Gupta
Registered Valuer, Kolkata

Abstract

IBBI vide notification dt. 25 Jul 2019 inserted Regulation 32A in the Liquidation Regulations whereby the Liquidator may sell the Corporate Debtor, or the business thereof, as a going concern. This was supposed to be a welcome move, as it is generally known that the economic value of a going concern business is higher than the value of assets. Hence, this move was supposed to increase the economic worth of national assets under Liquidation. However, the business will be sold as a going concern opens a Pandora 's Box for the buyers under such a scheme.

IBBI vide notification dt. 25 Jul 2019 inserted Regulation 32A in the Liquidation Regulations whereby the Liquidator may sell the Corporate Debtor, or the business thereof, as a going concern. This was supposed to be a welcome move, as it is generally known that the economic value of a going concern business is higher than the value of assets. Hence, this move was supposed to increase the economic worth of national assets under Liquidation.

However, it has been repeatedly mentioned in the Regulation that under such a mechanism, the "assets andliabilities" of the business will be sold as a going concern, which opens a Pandora 's Box for the buyers under such a scheme.

As per the data published by IBBI , as of 30 Jun 2020, 957 cases had resulted in liquidation with a total liquidation value of Rs. 40 kCr. Against this, the total claims were Rs. 5.46 lac Cr, i.e. the total liquidation value of the 957 cases in liquidation was a mere 7% of the total claim amount. If these companies were to be sold as going concerns, what would happen to the remaining 93% of the claims being Rs. 5.07 lac Cr? Does the company as a going concern get sold with all those liabilities? Assuming the proceeds of this liquidation value are distributed among the creditors in the Waterfall mechanism of Section 53 of the IBC, what action would the creditors take to recover these remaining dues, which have been sold to a new buyer? Are we staring at another round of CIRP for these remaining dues?

The Corporate Debtor in liquidation is already one which has gone through the process of insolvency and has failed to find a resolution. If the Corporate Debtor is left again in the economic playing field with 93% of its liabilities, it is highly unlikely that it'll survive and won't fall into the trap of insolvency again.

Our view is that once the liquidation process is initiated and completed, either by sale of assets or sale of business or sale as going concern, and the proceeds have been distributed to the claimants as per Section 53 of the IBC, the Liquidator cannot take responsibility for any pending claims. The liabilities of the Corporate Debtor are already converted to claims under the CIRP and Liquidation processes. The liabilities, if unclaimed or unsettled, cannot turn live again because their claims had not been submitted in the insolvency or liquidation processes.

But more important than that, the sale of liabilities under liquidation as a going concern is in complete violence to Section 53 itself, which speaks of settlement of claims under liquidation. If the liabilities were to come live once again even after receiving proceeds from liquidation, then the liquidation process itself is deemed to have been failed.However, one may still argue that in case of liquidation as a going concern, Section 53 of the IBC does not apply and the proceeds of liquidation shall simply be used to reduce the liabilities rather than to settle them completely.

It should also be understood that at certain times, the assets are inherently linked to certain liabilities and their separation is not possible for a going concern. Examples include long-term supply contracts where the goods are to be called off over a period as required, certain infrastructure contracts which require submission of performance guarantees, indemnification obligations etc. These are pecuniary liabilities which are essential for the operations of the going concern. Such liabilities cannot be settled under Section 53 of the IBC if the Corporate Debtor is to be sold as a going concern.

In conclusion, the transfer of liabilities in liquidation as a going concern does not do justice to the spirit of the IBC. However, there is a need of clarity from the IBBI whether the liabilities are necessary to be required to be transferred during sale as a going concern. Meanwhile, all eyes will be on the future course of legal proceedings on this issue. The Adjudicating Authority may take a view that is contrary to ours, which it has the right to do and settle the matter. However, the same Adjudicating Authority may make use of its generic powers under Section 60(5) of the IBC to clear the matter and bring a unique opportunity of liquidation as going concern giving a real resolution to the strained Corporate Debtor. MA

Reference

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vishal@intelligentgroup.org.in

Down The Memory Lane

October 2010

Seen from left to right: Dr. I. Ashok, Chairman, SIRC of ICWAI; Shri B.M. Sharma, President, ICWAI; Shri M. Gopalakrishnan, Vice President, ICWAI; Shri Karumuthu T Kannan, Chairman & Managing Director, Thiagarajar College Madurai; Shri G V Subrahmanyam, Secretary, SIRC of ICWAI; Shri A Om Prakash, RCM, SIRC of ICWAI & Dr. A Mayil Murugan, Chairman, Madurai, Chapter on occasion of Two Day Regional Cost Covention held at Madurai on 29th & 30th October, 2010

From Left to Right: S/shri A.V.N.S. Nageswara Rao, Immediate Past Chairman- SIRC of ICWAI; D.K. Astik, Chartered Accountant (Speaker); G. Narayana Rao, Chairman and M. Kameswara Rao, Chairman-Corporate Training during the meeting on "IFRS's Overview and Differences with Indian Accounting Standards" on 20th October, 2010 at Hyderabad Chapter Premises.

October 2000

MoU among ICWAI, ICAI & ICSI on 20 October, 2000 at Delhi to establish synergistic relationship among themselves with a view to further strengthening their collective competencies

Arun Jaitley, Union Minister of State for Law, Justice & Company Affairs, releasing the MOU. Seen with him from left to right are: Dr. P.L. Sanjeeva Reddy, Secretary, Department of Company Affairs, Govt.of India; J. Sridhar, President, ICSI; G.Seetharaman, President, ICAI; D.C.Bajaj, President, ICWAI; A. Ramaswamy (IAS, Jt. Secretary); N.J. Krishna, Principal Information Officer, Govt. of India.

Down The Memory Lane

Presenting the MoU. (from L to R): Dr. S.P. Narang, Secretary, ICSI; D.C. Bajaj, President, ICWAI; A. Ramaswamy, IAS, Jt. Secretary; J. Sridhar, President, ICSI; S.P. Mathur, Consultant, DCA, presenting the MoU

Joint Seminar of ICWAI and ICAI on 'Reshaping the Indian Accountant - Challenges and Opportunities in Mumbai' dated 05th October, 2000. G. Seetharaman, President, ICAI, delivering the inaugural address. Others seen in the picture from left V.V. Deodhar, Vice-President, ICWAI; M.M. Chitale, Past President, ICAI; Dr. G.P. Jakhotia and S.S. Herwadkar.

October 1990

A Professional Development Meet was organised at the Bangalore Chapter Premises on 16 October, 1990, Shri D.P. S. Rathore, Dy. Controller, RBI, Bangalore was the Chief Guest, who spoke on "FERA" Matters.

October 1980

A special meeting was held on 25th October, 1980 in the Govt. Nutan Girls College Bhopal presided over by Shri R.S. Sugadev, Chairman of the Chapter. Shri K.K. Khurana, Secretary, Bhopal Chapter introduced to the audience Shri N.S. Venkatakrishnan, Cost Adviser for the Agricultural Economic Research in Tea Plantation, Jorhat, Assam who was the speaker for the evening.

***Source:** Extracted from the various issues of The Management Accountant Journal*

EASTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA GUWAHATI CHAPTER

The Chapter has donated Rupees Two Lakh One Thousand only to Assam Arogya Nidhi, a fund specially set up to fight Covid-19 by the State of Assam. The cheque representing the donation was personally handed over to the Hon'ble Health Minister of Assam, Dr. Himanta Biswa Sarma by the Chairman of the Chapter, CMA Rana Bose and the Vice-Chairman of the Chapter, CMA Parmeswar Lal Kanoi on 7th of June, 2020. Out of the amount donated, Rupees One Lakh only was received from the Eastern India Regional Council and the balance Rupees One Lakh One Thousand only was donated from the fund available with Guwahati Chapter.

NORTHERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA MEERUT CHAPTER

Senior CMA Shri Chandra Wadhawa, Past President of the Institute delivered the Talk on How to Run Industry in Present Scenario on September 12, 2020 on the request of the chapter. The topic How to Run Industry in Present Scenario is a very hot topic of the Day, during and Post Covide-19 period. Problems before the Industry particularly before MSME Sector are numerous and Industry is suffering both ways on demand & Supply pathetic conditions, the existing buyers are not able to pay bills on due dates, the suppliers are not able to bear burden of due amount of receivables, the producers are suffering problems on labour front, on receivables front, on demand front and supply front also because of this alarming situation. The meeting was conducted through Video Conferencing, chaired by Shri Gaurav Jain, President MMA, vote of thanks was proposed by CMA Dinesh Kumar Sharma, chairman of the chapter.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA JAIPUR CHAPTER

The Chapter organised Webinar on 5th September 2020 on the Topic. "Key Issues in GST Annual Returns & Audit and Recent Developments in GST." In the beginning of the Seminar, CMA Tanuj Agrawal, Chairman, Professional Development Committee of the Chapter gave opening remarks. Thereafter CMA Swapnil Bhandari, Chairman of the Chapter welcomed the Key Speaker and participants. Key Speaker of the Webinar was CA Chitresh Gupta, Leading Tax Practitioner from Delhi NCR. He explained in detail the key issues in GST Annual Returns & Audit and also recent developments in GST. Thereafter Questions & Answers Sessions was also there in which CA Shilpi Gupta and CA Chitresh Gupta replied the queries of participants. At the end of the program CMA Sudarshan Nahar, Secretary of the Chapter thanked all he participants. The program was conducted by CMA Tanuj Agrawal. The Chapter organised a Webinar on 12th September 2020 on the topic "MILE (Maximum Impact Little Effort)" - workshop on professional growth and development. In the beginning of the Seminar, CMA Tanuj Agrawal, Chairman, Professional Development Committee of Jaipur Chapter gave opening remarks. There after CMA Swapnil Bhandari, Chairman of the Chapter welcomed the Key Speaker and participants. Key Speaker of the Webinar was CA Gaurav Kedia, Eminent Entrepreneur, he explained in detail how the maximum impact can be created with little efforts. After his speech, there was Question Answer Session in which Shri Kedia replied to the queries of the participants to their satisfaction. At the end of the program Secretary of the Chapter CMA Sudarshan Nahar thanked all the participants. The program was conducted by CMA Tanuj Agrawal.

SOUTHERN INDIA REGIONAL COUNCIL

The 74th Independence Day was celebrated at the premises of SIRC on 15th August,. 2020. CMA (Mrs.) Jyothi Satish, Chairperson – SIRC hoisted the National Flag with CMAs H. Padmanabhan, Council Member – ICAI and Rajesh Sai Iyer, Regional Council Member – SIRC and rendered Independence Day Address. Staff Members of SIRC participated in the Celebrations. CMAs H. Padmanabhan – Council Member, ICAI and Rajesh Sai Iyer – RCM – SIRC also spoke on the occasion. SIRC of the Institute organised its Oral Coaching Inaugural Event through online, on 14th

August, 2020, at 4.00 p.m. CMA (Mrs.) Jyothi Satish, Chairperson – SIRC, in her opening remarks welcomed the Oral Coaching Students for their Coaching to be conducted through online mode and informed that due to COVID-19 pandemic situations, student community has been affected very badly and hence they have to prepare themselves to meet the challenges ahead in their professional career. She also briefed on the global opportunities available for the CMA qualified students and said that CMA Professionals are occupying very senior positions in many Companies. Due to Corona Pandemic alerts, from April 2020 itself Online Revision Classes were conducted by SIRC to the students who are preparing for the June Term Examinations and the feedback received from the students are excellent & encouraging. While concluding, Chairperson – SIRC made a mention about the good number of students so far enrolled for this Course, even during the COVID – 19 pandemic situations and appreciated the parents for taking an apt decision for their children to pursue this CMA Course for their bright future. CMA H. Padmanabhan, Council Member – ICAI in his address informed that all the Regional Council Members of the entire Southern Region are always ready to help and guide the student community in completing the CMA Course. He advised the students to focus more on studies which is very important to pass in the Institute Examinations. He also briefed on the global recognition of CMA Course and the abundant opportunities available for the CMA Graduates throughout India and abroad. While concluding he advised the students to love their parents and faculties who shape the bright career of the professional students. CMA Balwinder Singh, President – ICAI who has inaugurated the Online Oral Coaching Classes, in his Inaugural Speech, briefed on the effective measures to be taken by the students during this COVID – 19 pandemic situations to complete their CMA Course by attending the Classes through online mode which is the only alternative. He also advised the students to refer the Institute Website for the updated information on all matters and to utilize ‘E – Services’ & ‘E – Library’ while pursuing their CMA Courses. CMA Sankar P Panicker, Vice Chairman – SIRC in his address highlighted the need on ‘ Adaptability to the Change’ in the prevailing scenario of COVID – 19. He also advised that for getting good placements, proper training in the respective field is very much necessary and students should have basic fundamental knowledge in their working area to enhance their professional career.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA HYDERABAD CHAPTER

Cost Accountants play a key role in the development of MSME Sector. The Hyderabad Chapter formed MSME subcommittee with 6 members to educate on various schemes of MSMEs, to give plenty opportunities to Cost Accountants and to render their services in MSME sector. MSME sub-committee’s 1st programme is on “All about MSMEs”. Shri Karumuri Srinivas, Zonal Head (South-2),National Industries Corp Ltd informed that as per the revised criteria, a unit with Rs 50 crore of investment and Rs 250 crore of turnover will fall under the ‘medium’ enterprise category. Besides, a manufacturing and services unit with Rs 1 crore of investment and Rs 5 crore of turnovers will be classified as ‘micro’ whereas a unit involving Rs 10 crore of investment and Rs 50 crore of turnovers will be categorised as a ‘small’ enterprise. CMA P. Udaya Shanker discussed various points which are very informative under the topic ‘Ease of doing business. He detailed about Procedures, time, cost factors to understand which project to suggest, Starting business with minimum capital, financials, dealing with construction permits, procedures, Getting electricity-alternate source of power, Registering property-legal issues, Getting credit-funding option, Protecting investors, paying taxes, Trading across borders, Enforcing contracts-legal process, Resolving Insolvency etc on August 5, 2020. CMA M. Kameswara Rao, PCMA and Insolvency Professional discussed about planning an audit of Cost statements, Cost Audit Documentation, Overall Objectives of the Independent Cost Auditor, e-Signatures and UDIN, Relevance of Cost Auditing Standards etc on August 15, 2020. CMA A.V.N.S. Nageswara Rao garu briefed the topics ‘Technical Cell (Cost Audit & Statutory Compliance, Comment on the Physical Visit to the plants, Document/Records/Statements & Assurance about the accuracy and authenticity, Physical Inventory Count on a date other than the date of the Financial Statements, Formation/ Expression of Opinion etc. CMA Himavidya, Secretary-HCCA welcomed the dignitaries to the online programme. CMA M. Venkateshwarlu – Chairman, HCCA has given inaugural address and CMA Khaja Jalal Uddin – Vice-President, HCCA introduced the Panelists and Moderator to the delegates on August 16, 2020. CMA Mallikharjuna Gupta played the role of moderator for the technical session.

He started the technical session, with a brief explanation about MSMEs, importance of MSMEs, MSMEs role in Economy etc. Shri Prajit Chandra Sekhar garu explained about Receivables Exchange of India –TreDs, Government Efforts taken to ease the problems, Background & Evolution of TReDs, About RXIL, Reverse Factoring Process Flow Interest Borne by Buyer, Buyer – Seller link, TReDS Workflow, Benefits for MSME Sellers, Benefits or Buyers, benefits for Financiers, Digital on boarding & Registration Process. Practicing Forum's Sub-committee has discussed about the empowerment of New practicing Cost Accountants in their sub-committee meeting on August 20, 2020. They have designed a course covering all the avenues for the benefit of Practicing Cost and Management Accountants. They have planned first session on Company Law Works. CMA P. Chandra Sekhara Reddy has discussed about course coverage, Change of Name and Objectives of the Company in his first session. On August 23, 2020 a programme on Role of CMA & CS in MSME was conducted. CS Amit Gupta, Practicing Company Secretary had detailed about Role of Professional in MSME, MSME Framework, Overview of MSMED Act, 2006, Classification under MSMED ACT, 2006, who is eligible to register under MSME, Registration Process, Benefits etc. Md. Riazuddin has discussed about CMA and CSs' Mission, Vision and Technology towards Global Capacity Building – He explained how to prepare Project Reports, Index/contents. On August 27, 2020, CMA B. Mallikarjuna Reddy elaborated the topics like Work Areas for CMAs, Technology, Model to Adapt, Cloud Based Applications, Cloud considerations, Basic Tools, Website, E-mail, Social Media, Meetings, Customer Relationship Management, ASP Solutions etc. On August 28, 2020 the chapter conducted a programme on Personal Investment Planning during a Pandamic and this programme is started with the welcome address by CMA Lavanya Kanduri, Chairperson-Members' Services sub-Committee. CMA M. Venkateshwarlu, Chairman complimented the efforts of Lavanya Kanduri, Chairperson-Members' Services Sub-Committee for organizing this type of programme. CMA U. Bhanu prakash introduced the speaker to the delegates. Shri Suresh K.P. mentioned two key mantras that everyone has to follow while investing money. First mantra is about protecting one's Savings and the second mantra is about growing Savings. On August 30, 2020 the chapter conducted a programme on Today's MSMEs- Tomorrow's MNCs and CMA Balwinder Singh- President of ICAI was invited as the Chief guest and CMA Biswarup Basu-Vice President of ICAI, CMA (Dr) K.Ch. A.V.S.N. Murty- CCM of ICAI, CS(Dr) Ashalada Rao, CCM of ICSI as guests of honour. Shri Ajay Thakur, Head BSE SME at BSE Ltd was invited as the keynote speaker for the technical session. An E-souvenir was released on this occasion from the hand of CMA Balwinder Singh, President of The Institute.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA COIMBATORE CHAPTER

The Chapter commenced the 90th Session of Oral coaching for December,2020 batch Foundation , Intermediate and Final from 31st July, 2020 on online mode in view of COVID 2019 situation. The classes were inaugurated by our Chairman. In his inaugural address Chairman advised the students to adapt to online classes and prepare well for the examination. The Chapter entered into an MoU with Suguna College of Arts & Science, Coimbatore on 17th August, 2020, for Foundation Course Satellite Centre. The MoU was signed by our Chairman as party of First Part and College Chairman as Party of Second Part.

On August 27, 2020, the Chairman conducted an online Career Counselling Program to the students of Sri Ramakrishna College of Arts & Science, Coimbatore. CMA Course Awareness Program was conducted on line on August 26, 2020 by Chairman to the Students of Hindustan College of Arts & Science, Coimbatore. Around 790 students participated in this online program. Faculty Development Program on "Opportunities for CMA aspirants – Way to Success" was conducted online by Chairman on 13.08.2020. This program was organised jointly with Department of Commerce, Hindustan College of Arts & Science, Coimbatore.

WESTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA NAVI MUMBAI CHAPTER

The Chapter conducted a Webinar CEP programme on "MSME – Survival & Growth through Strategic Cost Management" on 20th September, 2020 via Google Meet app monitored by Secretary CMA Ajay Mohan. The speaker for this event was Dr Bhavesh Patel Retired Professor of Finance XLRI, Meyers USA. CMA Sirish Mohite, Chairman of the Chapter, introduced the speaker and the importance of the topic in today's COVID 19 economic situations, to the audience. The speaker elaborated on the following by giving practical examples and real life case studies while deliberating on Importance and Vulnerability of MSMEs + Strategies for MSMEs --Do we need a Costing System-True and Fair Cost--How to get True (Accurate) Cost Data--Care one must take in determining it --Costing for Decision-Making--Marginal costing--Relevant Costing---Budgeting Cost control--Efficient Cost Management vs. Strategic Cost Management--Strategic Cost Management and Other Current Topics—Pricing Strategies—Value Chain Analysis--Corporate Posture and Strategic Position Analysis – Executional Cost Drivers –Target Costing & Quality Cost Analysis. The audience not only consisted of Cost Accountants in Employment and Practice but it was nice to see Retired Costing Professional form Industry viz . CMA Shankar Chaudhari Ex- Director of Airport Authority of India, CMA Shyamal Bhattacharya Retired Ex- Director BPCL, and a host of other such members listened with attention and were deeply enlightened with the facts. The CEP was blessed by the presence of G. Ramakrishnan Executive Director of Galaxy Surfactants Ltd and he very nicely summarised the talk and highlighted the importance of cost of missed opportunity. The lucid presentation & the interactive workshop came to an end with the speaker being felicitated by CMA Vivek Bhalerao, PD Committee Chairman of the Chapter and the vote of thanks being proposed by CMA M K Narayanaswamy, Ex Vice Chairman of the Chapter.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA NASIK OJHAR CHAPTER

The Chapter organized a live session for members and other stakeholders on 9th Sept. 2020 on "Data Analytics". Chairman of chapter, CMA Kailash Shinde welcomed the speakers and the participants. The speaker for the session was Dr. CMA Shilpa Parkhi, a Practicing Cost Accountant and Past Chairman of the Chapter. She explained the types of data analytics to improve the decision making process, how to choose the most appropriate data analytic tools etc. All Committee members took an active participation for this session. The session ended with a vote of thanks given by CMA Nikhil S.Pawar.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA PIMPRI CHINCHWAD AKURDI CHAPTER

The Chapter conducted the webinar on "Soft Skills. The Power of Subconscious Mind" on Saturday, August 1, 2020 at 6:00pm to 8:30pm through Google Digital platform. CMA Pradeep Deshpande, Secretary – PCA Chapter has welcomed Past President CMA Brij Mohan Sharma, Speakers CMA Dhananjay Kumar Vatsyayan, CMA Sagar Malpure and all the audience participated in the webinar. CMA Jayant Hampiholi, Chairman of PCA Chapter has introduced the eminent speaker CMA Dhananjay Kumar Vatsyayan, Practicing Cost Accountant & Vice-Chairman, PCA Chapter. CMA Pradeep Deshpande introduced the speaker CMA Sagar Malpure, Member of the Managing Committee. The Chapter conducted the webinar on "How to Ace the Stock Market" on Saturday, August 8, 2020 at 6:00pm to 8:30 pm through Google Digital platform. CMA Jayant Hampiholi, Chairman of PCA Chapter has introduced the eminent speaker CMA CS Hanif Shaikh, Advocate – Bombay High Court. CMA Hanif Shaikh in his speech focused on Stock Market and its Functions such as Secondary Market, Liquidity, Price Discovery, Capital Formation, Cost Effective, Transparent, Well Regulated, and Valuation etc. He further explained on Misconceptions and Myths in the market. He has shared the beautiful words of the famous economist Mr. Warren Buffet. Mr. Buffet said, "Be greedy when others are fearful, and fearful when others are greedy. The Chapter conducted inaugural function of 19th Batch of Online Coaching classes on 15th July 2020 through Google Digital Platform. CMA Jayant Hampiholi, Chairman of PCA Chapter has welcomed and introduced the Chief Guest CMA Sanjay Kushvaha, Assistant General Manager, Polycab Cooper Standards Pvt. Ltd. The Chapter has celebrated Flag Hoisting Ceremony on the occasion of the 74th Independence Day of India on 15th August 2020 at CMA Bhawan by keeping social distancing. On this occasion CMA L D Pawar, Past Chairman of WIRC hoisted the flag. CMA Pradeep Deshpande – Secretary of PCA Chapter has said, today on 15th August 2020 India is celebrating its 74th Independence Day and we are proud to say that we earned our freedom 73 years back. CMA L D Pawar has shared his thoughts before the students. The Chapter conducted the webinar on "Role of Rating Agencies in Project Funding and Type of Rating Agencies in India" on Friday, August 21, 2020 at 6:00pm to 8:30 pm through Google Digital platform. CMA Jayant Hampiholi, Chairman – PCA Chapter has welcomed all the participants and introduced the Chief Guest CMA Saikat Roy, Director - Care Ratings Ltd. CMA Abhijeet Deshmukh, Jt. Secretary – PCA Chapter introduced the speaker CMA Mahendra Bhombe, Member – WIRC of ICAI. CMA Saikat Roy in his inaugural speech talked about significant share in Public and Private Placements for FY 2021.

CMA Abhijeet Deshmukh proposed vote of thanks. The Chapter conducted the webinar on "Blockchain Insights" on Saturday, August 29, 2020 at 6:00 pm to 8:30 pm through Google Digital platform. CMA Ashish Deshmukh, Past Chairman – PCA Chapter welcomed all the participants and introduced the speaker CMA Sagar Malpure, Senior Engineer – Eaton Technologies Pvt. Ltd. and Managing Committee Member of PCA Chapter. CMA Sagar Malpure in his speech focused on what is Blockchain. He said there are two part of Blockchain. First is Centralised and second is Decentralised. He briefly gave some examples on it. He also shown some video clips related to topic. The webinar ended with vote of thanks.

DIRECT & INDIRECT TAX UPDATES - SEPTEMBER 2020

DIRECT TAXES

- **Circular No 17/2020 dated 29th Sep 2020: Guidelines under section 194-O(4) and section 206C (1-1) of the Income-tax Act, 1961.**Finance Act, 2020 inserted a new section 194-0 in the Income-tax Act 1961 (hereinafter referred to as "the Act") which mandates that with effect from 1 st day of October, 2020, an e-commerce operator shall deduct income-tax at the rate of one per cent (subject to the provisions of proposed section 197B of the Act) of the gross amount of sale of goods or provision of service or both, facilitated through its digital or electronic facility or platform. However, exemption from the said deduction has been provided in case of certain individuals or Hindu undivided family fulfilling specified conditions. This deduction is required to be made at the time of credit of amount of such sale or service or both to the account of an e-commerce participant or at the time of payment thereof to such e-commerce participant, whichever is earlier.

  Finance Act, 2020 also inserted sub-section (1 H) in section 206C of the Act which mandates that with effect from 1 st day of October, 2020 a seller receiving an amount as consideration for sale of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year to collect tax from the buyer a sum equal to 0.1 per cent (subject to the provisions of proposed sub-section (lOA) of the section 206C of the Act) of the sale consideration exceeding fifty lakh rupees as income-tax. The collection is required to be made at the time of receipt of amount of sales consideration.

  Sub-section (4) of section 194-0 and sub-section (I-I) of section 206C of the Act empowers the Board (with the approval of the Central Government) to issue guidelines for the purpose of removing difficulties. Various representations have been received by the Board for issuing guidelines for removing certain difficulties. In exercise of power contained under sub-section (4) of section 194-0 of the Act and sub-section (I-I) of section 206C of the Act, the Board, with the approval of the Central Government, hereby issues the guidelines.

- **Notification No 72/2020 dated 8th Sep 2020**: Whereas the Central Government in exercise of the powers conferred by clause (iii) of sub-section(4) of section 80-IA of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the said Act), has framed and notified a scheme for industrial park, vide notification of the Government of India in the Ministry of Commerce and Industry (Department of Industrial Policy and Promotion), number S.O.354(E), dated the 1st day of April, 2002, for the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2006.

  M/s Softzone Tech Park Ltd. situated at Survey No.80/1, 81/1, 81/2, Bellandur village, Varthur Hobli, Bangalore – 560037 is developing an Industrial Park at Survey No.80/1, 81/1, 81/2, Bellandur village, Varthur Hobli, Bangalore – 560037. The Central Government has approved the said Industrial Park vide Ministry of Commerce and Industry letter No.15/23/2006-IP&ID dated 25th July, 2006. Now, therefore, in exercise of the powers conferred by clause (iii) of sub-section (4) of section 80-IA of the said Act, the Central Government hereby notifies the undertaking, being developed and being maintained and operated by M/s Softzone Tech Park Ltd, as an industrial park for the purposes of the said clause (iii) subject to the terms and conditions mentioned in the annexure of the notification.

- **Notification No 73/2020 dated 10th Sep 2020**: In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'District Mineral Foundation Trust' as specified in the schedule to this notification, constituted by Government in exercise of powers conferred under section 9(B) of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015) as a 'class of Authority', in respect of the following specified income arising to that Authority.

  (a) Contribution by lease Holder to DMF as per the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015;

  (b) Interest received from lease holders for late payment;

  (c) Any Penalty charged to lease holder;

  (d) Income from Interest on fund available under DMF;

  (e) Interest received on Saving Bank Accounts; and

  (f) Interest received on Excess Fund invested in Term Deposit.

  This notification shall be effective subject to the conditions that each of the District Mineral Foundation Trust-

  (a) shall not engage in any commercial activity;

  (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and

  (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

(d) shall file the Audit report along with the Return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied.

This notification shall be deemed to have been applied for the assessment year 2018-2019 and 2019-2020 and shall apply with respect to the assessment years 2020-2021, 2021-2022 and 2022-2023 in respect of Trusts mentioned in the notification.

- **Notification No 74/2020 dated 11th Sep 2020:** In exercise of the powers conferred by clause (47) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies the Infrastructure Debt Fund namely, the 'L&T Infra Debt Fund (PAN: AACCL4493R)' for the purposes of the said clause, for the assessment year 2018-2019 and subsequent years subject to the following conditions, namely:-

  (i) that the Infrastructure debt fund shall conform to and comply with the provisions of the Income-tax Act, 1961, rule 2F of the Income-tax Rules, 1962 and the conditions provided by the Reserve Bank of India in this regard, and

  (ii) that the Infrastructure debt fund shall file its return of income as required by sub-section (4C) of section 139 of the Income-tax Act, 1961 on or before the due date.

- **Notification No 75/2020 dated 22nd Sep 2020:** In exercise of the powers conferred by section 295 read with section 195 and rule 5 of the First Schedule to the Income- tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes, hereby, makes the following rules further to amend the Income-tax Rules, 1962.

  In the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), in rule 29B

  (a) for the words "banking company", wherever they occur, the words "banking company or an insurer" shall be substituted;

  (b) after sub-rule (5), the following explanation shall be inserted, namely "Explanation for the purposes of this rule, "insurer" shall have the same meaning as assigned to it in sub-clause (d) of clause (9) of section 2 of the Insurance Act, 1939 (4 of 1938)."

  In the principal rules, for Form 15C, the same shall be substituted.

- **Notification No 76/2020 dated 25th Sep 2020:** In exercise of the powers conferred by sub-section (6B) of section 250 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the Scheme, this Scheme may be called the Faceless Appeal Scheme, 2020. The appeal under this Scheme shall be disposed of in respect of such territorial area or persons or class of persons or incomes or class of incomes or cases or class of cases, as may be specified by the Board. For the purposes of this Scheme, the Board may set up- (i) a National Faceless Appeal Centre to facilitate the conduct of e-appeal proceedings in a centralised manner, which shall be vested with the jurisdiction to dispose appeal in accordance with the provisions of this Scheme (ii) Regional Faceless Appeal Centres as it may deem necessary to facilitate the conduct of e-appeal proceedings, which shall be vested with the jurisdiction to dispose appeal in accordance with the provisions of this Scheme. (iii) Appeal units, as it may deem necessary to facilitate the conduct of e-appeal proceedings, to perform the function of disposing appeal, which includes admitting additional grounds of appeal, making such further inquiry as thinks fit, directing the National e-Assessment Centre or the Assessing Officer, as the case may be, for making further inquiry, seeking information or clarification on admitted grounds of appeal, providing opportunity of being heard to the appellant, analysis of the material furnished by the appellant, review of draft order, and such other functions as may be required for the purposes of this Scheme.

- **Notification No 77/2020 dated 25th Sep 2020:** In exercise of the powers conferred by sub-section (6C) of section 250 of the Income-tax Act, 1961 (43 of 1961), for the purposes of giving effect to the Faceless Appeal Scheme, 2020 made under sub-section (6B) of section 250 of the Act, the Central Government hereby makes the following directions, namely:-

  The provisions of clause (16A) of section 2, section 120, section 129, section 131, section 133, section 134, section 136 and Chapter XX of the Act shall apply to the procedure in appeal in accordance with the said Scheme subject to the various exceptions, modifications and adaptations.

- **Notification No 78/2020 dated 25th Sep 2020**: In exercise of the powers conferred under section 118 and sub- section (1) and (2) of section 120 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the amendments in the notification of the Government of India, Ministry of Finance, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (ii) vide no. S.O. 2753 (E) dated the 22nd October, 2014.

- **Notification No. 79/2020 dated 25th Sep 2020:** In exercise of powers conferred under sub-section (2) of section 143 of Income-tax Act, 1961 (43 of 1961) (the Act) read with Rule 12E of the Income-tax Rules, 1962, the Central Board of Direct Taxes hereby authorises the Assistant Commissioner/Deputy

Commissioner of Income-tax (National e-Assessment Centre) having his headquarters at Delhi, to act as the Prescribed Income-tax Authority for the purpose of sub-section (2) of section 143 of the Act, in respect of returns furnished under section 139 or in response to a notice issued under subsection (1) of section 142 of the said Act, for the purpose of issuance of notice under sub section (2) of section 143 of the said Act.

- **Notification No 80/2020 dated 25th Sep 2020:** In exercise of powers conferred by sub-sections (1) and (2) of section 120 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Act) and to give effect to the Faceless Appeal Scheme, 2020 (hereinafter referred to as the Scheme) made under sub-section (6B) of section 250 of the Act and published vide notification No. 76 of 2020 of Government of India in the Ministry of Finance, Department of Revenue, number S.O. 3296(E), dated the 25th September, 2020 in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) read with notification issued under sub-section (6C) of section 250 of the Act and published vide number 77 of 2020 of Government of India in the Ministry of Finance, Department of Revenue, number S.O. 3297(E), dated the 25th September, 2020 in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), the Central Board of Direct Taxes (hereinafter referred to as the Board) hereby directs that the Income-tax authorities of the National Faceless Appeal Centre (hereinafter referred to as the NFAC) specified in column (2) of the Schedule below, having its headquarter at Delhi, shall exercise the powers and perform functions, in order to facilitate the conduct of Faceless Appeal Proceedings, in respect of such territorial areas or persons or class of persons or incomes or class of incomes or cases or class of cases as specified by the Board in para 3 of the Scheme, with respect to appeals filed under section 246A or 248 of the Act, pending or instituted on or after 25.09.2020.

- **Notification No. 81/2020 dated dated 25th Sep 2020**: In exercise of powers conferred by sub-sections (1) and (2) of section 120 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Act) and to give effect to the Faceless Appeal Scheme, 2020 (hereinafter referred to as the Scheme) made under sub-section (6B) of section 250 of the Act and published vide notification No. 76 of 2020 of Government of India in the Ministry of Finance, Department of Revenue, number S.O. 3296(E), dated the 25th September, 2020 in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) read with notification issued under sub-section (6C) of section 250 of the Act and published vide number 77 of 2020 of Government of India in the Ministry of Finance, Department of Revenue, number S.O. 3297(E), dated the 25th September, 2020 in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), the Central Board of Direct Taxes (hereinafter referred to as the Board) hereby directs that the Income-tax authorities of the Regional Faceless Appeal Centres (hereinafter referred to as the RFAC) specified in column (2) of the Schedule below, having their headquarters at the places mentioned in column (3) of the said Schedule, shall exercise the powers and perform functions, in order to facilitate the conduct of Faceless Appeal Proceedings, in respect of such territorial areas or persons or class of persons or incomes or class of incomes or cases or class of cases as specified by the Board in para 3 of the Scheme, with respect to appeals filed under section 246A or 248 of the Act, pending or instituted on or after 25.09.2020.

INDIRECT TAXES

Customs

- **Notification No. 33/2020–Customs dated 7th Sep 2020**: In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 785(E), dated the 30th June, 2017.

  In the said notification, in the Table, against S. No. 258, in column (3), for the word "M-feature", the words "Paper Based Taggant, including M-feature," shall be substituted.

- **Notification No. 34/2020-Customs dated 17th Sep 2020**: Seeks to further amend notification No. 50/2017-Customs dated 30.06.2017 so as to reduce the Basic Customs Duty on Lentils (Mosur) for the period from 18th September, 2020 to 31st October, 2020 In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 50/2017- Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 785(E), dated the 30th June, 2017.

In the said notification

(a) in the first proviso, for clause (e), the following clause shall be substituted namely: -

"(e) the goods specified against serial numbers 21E and 21F of the said table,

(i) during the period 1st September, 2020 to 17th September, 2020"

(ii) after the 31st day of October, 2020."

(b) in the second proviso, after the figure and letter "21D,", the figure and letter "21E,", shall be inserted.

- **Notification No. 35/2020-Customs dated 30th Sep 2020:** Seeks to further amend notification No. 50/2017-Customs dated 30th June, 2017 so as to prescribe 5% BCD on Open Cell for LED/LCD TV Panels..In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 50/2017- Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 785(E), dated the 30th June, 2017.

  In the said notification, - (i) in the Table, against S. No. 515A, for the entry in column (4), the entry "5%" shall be substituted; (ii) in the first proviso, clause (d) shall be omitted.

  This notification shall come into force with effect from the 1st day of October, 2020.

- **Circular No. 39/2020 – Customs dated 4th Sep 2020:** Customs procedure for export of cargo in containers and closed bodied trucks from ICDs/CFSs through Land Customs Stations (LCSs).

- **Circular No.40/2020-Customs dated 4th Sep 2020:** All India roll-out of Faceless Assessment. Circulars No.28/2020-Customs, dated 05.06.2020 and No. 34/2020-Customs, dated 30.07.2020, launching Phases I and II of Faceless Assessment, respectively, under the umbrella of the next generational Turant Customs programme.

- **Circular No.41/2020-Customs dated 7th Sep 2020:** Auto Let Export Order under Express Cargo Clearance System (ECCS). In order to facilitate export by courier and to enhance global competitiveness of Indian exporters Board has decided to allow facility of Auto Let Export Order under the Export Cargo Clearance System.

- **Circular No. 42/2020 – Customs dated 29th Sep 2020**: Amending Circular 38/2016-Customs on Guidelines for Provisional Assessment under Section 18 of the Customs Act 1962.

- **Circular No.43/2020-Customs dated 30th Sep 2020:** Implementation of the Sea Cargo Manifest and Transshipment Regulations.

GST

- **Notification No. 65/2020 – Central Tax date 1st Sep 2020:** In exercise of the powers conferred by section 168A of the Central Goods and Services Tax Act, 2017 (12 of 2017), read with section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), and section 21 of the Union Territory Goods and Services Tax Act, 2017 (14 of 2017), the Government, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 35/2020-Central Tax, dated the 3rd April, 2020. In the said notification, in the first paragraph, in clause (i), the following proviso shall be inserted,

  Provided that where, any time limit for completion or compliance of any action, by any authority, has been specified in, or prescribed or notified under section 171 of the said Act, which falls during the period from the 20th day of March, 2020 to the 29th day of November, 2020, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended upto the 30th day of November, 2020.

- **Notification No. 66/2020 – Central Tax dated 21st Sep 2020:** In exercise of the powers conferred by section 168A of the Central Goods and Services Tax Act, 2017 (12 of 2017), read with section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), and section 21 of the Union Territory Goods and Services Tax Act, 2017 (14 of 2017), the Government, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 35/2020-Central Tax, dated the 3rd April, 2020. In the said notification, in the first paragraph, in clause (i), after the first proviso, the following proviso shall be inserted,

  Provided further that where, any time limit for completion or compliance of any action, by any person, has been specified in, or prescribed or notified under sub-section (7) of section 31 of the said Act in respect of goods being sent or taken out of India on approval for sale or return, which falls during the period from the 20th day of March, 2020 to the 30th day of October, 2020, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall stand extended upto the 31st day of October, 2020.

- **Notification No. 67/2020 – Central Tax dated 21st Sep 2020:** Seeks to grant waiver / reduction in late fee for not furnishing FORM GSTR-4 for 2017-18 and 2018-19, subject to the condition that the returns are filled between 22.09.2020 to 31.10.2020.

- **Notification No. 68/2020 – Central Tax dated 21st Sep 2020:** In exercise of the powers conferred by section 128 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act), the Government, on the recommendations of the Council, hereby waives the amount of late fee payable under section 47 of the said Act which is in excess of two hundred and fifty rupees, for the registered persons who fail to furnish the return in FORM GSTR-10 by the due date but furnishes the said return between the period from 22 th day of September, 2020 to 31st day of December, 2020."

- **Notification No. 69/2020 – Central Tax dated 30th Sep 2020:** Seeks to amend notification no. 41/2020-Central Tax dt. 05.05.2020 to extend due date of return under Section 44 till 31.10.2020.

- **Notification No. 70/2020 – Central Tax dated 30th Sep 2020:** In exercise of the powers conferred by sub-rule (4) of rule 48 of the Central Goods and Services Tax Rules, 2017, the Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 13/2020 – Central Tax, dated the 21st March, 2020.

  In the said notification, in the first paragraph,

  (i) for the words "a financial year", the words and figures "any preceding financial year from 2017-18 onwards" shall be substituted

  (ii) after the words "goods or services or both to a registered person", the words "or for exports" shall be inserted.

- **Notification No. 71/2020 – Central Tax dated 30th Sep 2020:** Seeks to amend notification 14/2020-Central Tax to extend the date of implementation of the Dynamic QR Code for B2C invoices till 01.12.2020.

- **Notification No. 72/2020 – Central Tax dated 30th Sep 2020:** Seeks to make the Eleventh amendment (2020) to the CGST Rules. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), in rule 46, after clause (q), the following clause shall be inserted, namely:- "(r) Quick Reference code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of rule 48.".

  In the said rules, in rule 48, in sub-rule (4), the following proviso shall be inserted: "Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of invoice under this sub-rule for a specified period, subject to such conditions and restrictions as may be specified in the said notification.

  In the said rules, in rule 138A, for sub-rule (2), the following sub-rule shall be substituted: "(2) In case, invoice is issued in the manner prescribed under sub-rule (4) of rule 48, the Quick Reference (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, for verification by the proper officer in lieu of the physical copy of such tax invoice."

Sources:
incometax.gov.in, cbic portal

Kind Attention !!!

Hope you are getting The Management Accountant Journal in physical form at your doorstep regularly. If not, requesting esteemed Members, Students and Subscribers to mail us at: ***journal@icmai.in*** for smooth and uninterrupted delivery of the same.

Ref. No. G/128/2/8/2020

4th August, 2020

NOTIFICATION

Sub: Merging of Intermediate and Final Examinations, 2020

The Institute of Cost Accountants of India announces the merging of June, 2020 Intermediate and Final Examinations with December, 2020.

The Institute of Cost Accountants of India has decided to cancel the rescheduled Intermediate and Final Examination of June, 2020 session to be held from 1st - 10th September, 2020 due to pandemic Novel Corona Virus (COVID- 19) to ensure the interest of all the stakeholders and in particular the candidates/students and merge the June, 2020 examination with December, 2020 examinations, with due carryover of all relevant benefits already available to students including fee payment and subject wise exemption for the Intermediate and Final Examinations to be held in December, 2020.

The Intermediate and Final Examinations for the June, 2020 session which have been merged with the December, 2020 Examinations and the Intermediate and Final Examinations' time table and programme details will be released separately on Institute's website.

Examination form already submitted by the candidates/students for the Intermediate and Final Examinations, June, 2020 session will remain same for the Intermediate and Final Examinations to be held in December, 2020. Candidates/students need not apply again.

Candidates/students who have submitted examination form for the Intermediate and Final Examinations, June, 2020 session are allowed to add their Group with payment of differential examination fee for appearing in the Intermediate and Final Examinations to be held in December, 2020.

The candidates/students who have not enrolled for the Intermediate and Final Examinations, June, 2020 session may enrol afresh by submitting online examination form for December, 2020 term of examination.

The candidates/students are advised to keep regularly in touch with the website of the Institute for further notifications and announcements relating to December, 2020 Examinations and in case of any query or clarification can e-mail us at-exam.helpdesk@icmai.in.

CMA Kaushik Banerjee
Secretary

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

INTERMEDIATE AND FINAL EXAMINATION TIME TABLE & PROGRAMME – JUNE 2020 (Merging) AND DECEMBER 2020

Day & Date	PROGRAMME FOR SYLLABUS 2016			
	ATTENTION: INTERMEDIATE & FINAL EXAMINATION WILL BE HELD ON ALTERNATE DATES FOR EACH GROUP.			
	INTERMEDIATE (Time: 10.00 A.M. to 1.00 P.M.)		FINAL (Time: 2.00 P.M. to 5.00 P.M.)	
	(Group – I)	(Group – II)	(Group – III)	(Group – IV)
Thursday, 10th December, 2020	Financial Accounting (P-05)	-------------------	Corporate Laws & Compliance (P-13)	-------------------
Friday, 11th December, 2020	-------------------	Operations Management & Strategic Management (P-09)	-------------------	Corporate Financial Reporting (P-17)
Saturday, 12th December, 2020	Laws & Ethics (P-06)	-------------------	Strategic Financial Management (P-14)	-------------------
Sunday, 13th December, 2020	-------------------	Cost & Management Accounting and Financial Management (P-10)	-------------------	Indirect Tax Laws & Practice (P-18)
Monday, 14th December, 2020	Direct Taxation (P-07)	-------------------	Strategic Cost Management – Decision Making (P-15)	-------------------
Tuesday, 15th December, 2020	-------------------	Indirect Taxation (P-11)	-------------------	Cost & Management Audit (P-19)
Wednesday, 16th December, 2020	Cost Accounting (P-08)	-------------------	Direct Tax Laws and International Taxation (P-16)	-------------------
Thursday, 17th December, 2020	-------------------	Company Accounts & Audit (P-12)	-------------------	Strategic Performance Management and Business Valuation (P-20)

EXAMINATION FEES

Group (s)		Final Examination	Intermediate Examination
One Group	(Inland Centres)	₹1400/-	₹1200/-
	(Overseas Centres)	US $ 100	US $ 90
Two Groups	(Inland Centres)	₹2800/-	₹2400/-
	(Overseas Centres)	US $ 100	US $ 90

1. **Application Forms for Intermediate and Final Examination has to be filled up through online only and fees will be accepted through online mode only (including Payfee Module of IDBI Bank). No Offline form and DD payment will be accepted for domestic candidate.**
2. **STUDENTS OPTING FOR OVERSEAS CENTRES HAVE TO APPLY OFFLINE AND SEND DD ALONGWITH THE FORM.**
3. **(a) Students can login to the website www.icmai.in and apply online through payment gateway by using Credit/Debit card or Net banking.**
   (b) Students can also pay their requisite fee through pay-fee module of IDBI Bank.
4. **Examination form already submitted by the students for the Intermediate and Final Examinations, June, 2020 session will remain same for the Intermediate and Final Examinations to be held in December, 2020. Students need not apply again.**
5. **Students who have submitted examination form for the Intermediate and Final Examinations, June, 2020 session are allowed to add their Group with payment of differential examination fee for appearing in the Intermediate and Final Examinations to be held in December, 2020.**
6. **The students who have not enrolled for the Intermediate and Final Examinations, June, 2020 session may enroll afresh by submitting online examination form for December, 2020 term of examination.**
7. **Last date for receipt of Examination Application Forms is 10th October, 2020.**
8. **The provisions of Direct Tax Laws and Indirect Tax Laws, as amended by the Finance Act, 2019, including notifications and circulars issued up to 31st May, 2020, are applicable for December, 2020 term of examination for the Subjects Direct Taxation, Indirect Taxation (Intermediate), Direct Tax laws and International Taxation and Indirect Tax Laws & Practice (Final) under Syllabus 2016. The relevant assessment year is 2020-21. For statutory updates and amendments please refer to: https://icmai.in/studentswebsite/Syl-2016.php**
9. **Companies (Cost Records and Audit) Rules, 2014 as amended till 31st May, 2020 is applicable for December, 2020 examination for Paper 12- Company Accounts and Audit (Intermediate) and Paper 19 - Cost and Management Audit (Final) under Syllabus 2016. For updates and amendments please refer to the link: https://icmai.in/studentswebsite/Syl-2016.php**
10. **The provisions of the Companies Act 2013 are applicable for Paper 6 - Laws and Ethics (Intermediate) and Paper 13 - Corporate Laws and Compliance (Final) under Syllabus 2016 to the extent notified by the Government up to 31st May, 2020 are applicable for December, 2020 term of examination. Additionally, for applicability of ICDR, 2018 for Paper-13 - Corporate Laws & Compliance (Final) under Syllabus 2016 refer to relevant circular in website for December, 2020 term examination by following link: https://icmai.in/studentswebsite/Syl-2016.php**
11. **For Applicability of IND AS and AS for Paper 5 - Financial Accounting, Paper 12 - Company Accounts and Audit (Intermediate) and Paper 17 - Corporate Financial Reporting (Final) refer to relevant circulars and notifications in website for December, 2020 term examination in the given link: https://icmai.in/studentswebsite/Syl-2016.php**
12. **Pension Fund Regulatory and Development Authority Act, 2013 is being included in Paper 6-Laws and Ethics (Intermediate) and Insolvency and Bankruptcy Code 2016 is being included in Paper 13 - Corporate Laws and Compliance (Final) under Syllabus 2016 for December, 2020 term of examination. Please refer to the link: https://icmai.in/studentswebsite/Syl-2016.php**
13. **Examination Centres: Adipur-Kachchh (Gujarat), Agartala, Agra, Ahmedabad, Akurdi, Allahabad, Asansol, Aurangabad, Bangalore, Baroda, Berhampur (Ganjam), Bhilai, Bhilwara, Bhopal, Bewar City(Rajasthan), Bhubaneswar, Bilaspur, Bikaner (Rajasthan), Bokaro, Calicut, Chandigarh, Chennai, Coimbatore, Cuttack, Dehradun, Delhi, Dhanbad, Duliajan (Assam), Durgapur, Ernakulam, Erode, Faridabad, Ghaziabad, Guntur, Gurgaon, Guwahati, Haridwar, Hazaribagh, Howrah, Hyderabad, Indore, Jaipur, Jabalpur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kalyan, Kannur, Kanpur, Kolhapur, Kolkata, Kollam, Kota, Kottakkal (Malappuram), Kottayam, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Naihati, Nasik, Nellore, Neyveli, Noida, Palakkad, Panaji (Goa), Patiala, Patna, Pondicherry, Port Blair, Pune, Raipur, Rajahmundry, Ranchi, Rourkela, Salem, Sambalpur, Shillong, Shimla, Siliguri, Solapur, Srinagar, Surat, Thrissur, Tiruchirapalli, Tirunelveli, Tirupati, Trivandrum, Udaipur, Vapi, Vashi, Vellore, Vijayawada, Vindhyanagar, Waltair and Overseas Centres at Bahrain, Dubai and Muscat.**
14. **A candidate who is fulfilling all conditions specified for appearing in examination will only be allowed to appear for examination.**
15. **Probable date of publication of result: To be announced in due course.**

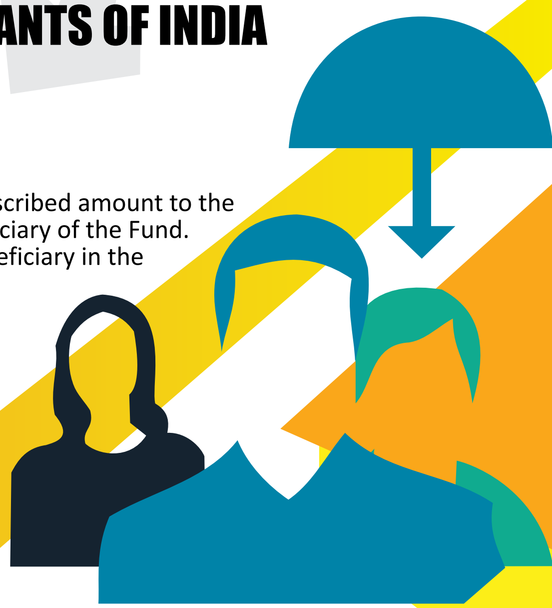
*** For any examination related query, please contact exam.helpdesk@icmai.in**

CMA Kaushik Banerjee
Secretary

Benevolent Fund

FOR THE MEMBERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

CMA Bhawan, 12 Sudder Street, Kolkata - 700016



OBJECTIVE

The Fund has been created to provide outright grant of prescribed amount to the member in the event of critical illness of a member / beneficiary of the Fund. It is also for outright grant of prescribed amount to the beneficiary in the event of death of a member of the Fund.

LIFE MEMBERSHIP FEE

Onetime payment of ₹7500/-

BENEFITS

- ***Income Tax Benefit under section 80G***
- ***Outright grant not exceeding ₹3,00,000.00/- in each case to the beneficiary in the event of death of the member.***
- ***Outright grant not exceeding ₹1,50,000.00/- in each case to the member and beneficiary for critical illness duly certified by the doctor under whom the treatment is continuing.***

Coverage of Critical Illness, leading to hospitalization, may cover the following -

- Cancer / Malignancy
- Coronary Artery Bypass Graft Surgery
- Stroke / Cerebral Attack / Paralysis
- Heart Valve Replacement Surgery
- Myocardial Infarction (heart attack) / Heart Failure / Pace Maker Surgery / Kidney Dialysis(CKD)/ Renal Failure
- Major Organ Transplant
- Hemophilia
- Thalassaemia
- Neurological Diseases
- Flue Blown acquired Immune Deficiency Syndrome
- Multiple sclerosis
- Tuberculosis / Bronchopneumonia/ Pleurisy
- Permanent disablement
- Any other disease that may be considered by the Board of Trustees to be critical in nature.

To apply for life membership or for further details please visit

https://eicmai.in/External/Home.aspx#

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