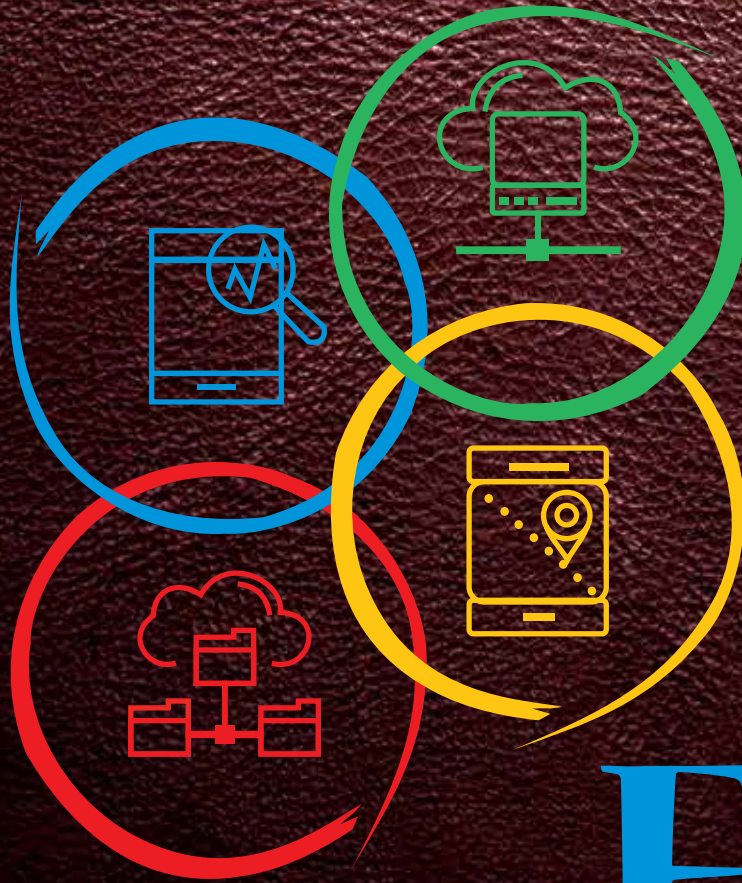


THE MANAGEMENT ACCOUNTANT

ISSN 0972-3528

April 2022 | VOL 57 | NO. 04 | Pages - 124 | ₹ 100



EBM

Evidence-based Management

Journal of

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

www.icmai.in

1



Enlisted in **UGC-CARE REFERENCE LIST OF QUALITY JOURNALS**



**DOWNLOAD,
DIGITISE & DOUBLE**
your growth in FY 2022-23

myBillBook

India's No.1 GST Billing & Accounting Software

Why is myBillBook the best choice for you & your clients' business?



Fast Billing

Create professional GST & non-GST bills & share them on WhatsApp with clients/customers



Easy Stock Management

Manage & track stock accurately with features such as low stock reminders & stock adjustment



Auto Reconciliation

Create invoices, send payment reminders, collect payments & auto-reconcile ledger balances



Accurate Reporting

Generate 20+ reports like GST reports, P&L, ledger reports and share them on WhatsApp



Smart Banking

Send payment link/QR code and collect payments via digital modes like UPI, RTGS, NEFT on time



Available on
Mobile & Desktop



ISO
Certified

60
lakh+

Businesses
Trust Us



24*7 Chat/Call
Support



Scan to Download

Get in touch for demo: 89513 90295



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory body under an Act of Parliament

www.icmai.in



- **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**

Headquarters

CMA Bhawan, 12 Sudder Street
Kolkata - 700016

Institute Motto

असतोमा सद्गमय
तमसोमा ज्योतिर् गमय
मृत्योर्मा मृतं गमय
ॐ शान्ति शान्ति शान्तिः

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

Delhi Office

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

PRESIDENT

CMA P. Raju Iyer
president@icmai.in

VICE PRESIDENT

CMA Vijender Sharma
vicepresident@icmai.in

COUNCIL MEMBERS

CMA (Dr.) Ashish Prakash Thatte, CMA Ashwinkumar Gordhanbhai Dalwadi, CMA (Dr.) Balwinder Singh, CMA Biswarup Basu, CMA Chittaranjan Chattopadhyay, CMA Debasish Mitra, CMA H. Padmanabhan, CMA (Dr.) K Ch A V S N Murthy, CMA Neeraj Dhananjay Joshi, CMA Niranjan Mishra, CMA Papa Rao Sunkara, CMA Rakesh Bhalla, CMA (Dr.) V. Murali, Shri Manmohan Juneja, Shri Sushil Behl, CA Mukesh Singh Kushwah, CS Makarand Lele

Secretary

CMA Kaushik Banerjee
secy@icmai.in

Senior Director (Studies, Training & Education Facilities and Placement & Career Counselling, Advanced Studies)

CMA (Dr.) Debaprosanna Nandy
studies.director@icmai.in, placement.director@icmai.in, advstudies.director@icmai.in

Senior Director (Membership) & Banking, Financial Services and Insurance

CMA Arup Sankar Bagchi
membership.director@icmai.in, bfsi.bod@icmai.in

Director (Examination)

Dr. Sushil Kumar Pareek
exam.director@icmai.in

Director (Finance)

CMA Arnab Chakraborty
finance.director@icmai.in

Additional Director (Public Relation, Delhi Office)

Dr. Giri Ketharaj
pr.bod@icmai.in

Additional Director (Tax Research)

CMA Rajat Kumar Basu
trd.bod@icmai.in

Additional Director (PD & CPD and PR Corporate)

CMA Nisha Dewan
pd.bod@icmai.in, prcorp.bod@icmai.in

Additional Director (Technical)

CMA Tarun Kumar
technical.adlldir1@icmai.in

Additional Director (Infrastructure)

CMA Kushal Sengupta
Infrastructure.bod@icmai.in

Director (Discipline) & Additional Director

CMA Rajendra Bose
discipline.director@icmai.in

Additional Director (Journal & Publications)

CMA Sucharita Chakraborty
journal.bod@icmai.in

Additional Director (Internal Control)

CMA Dibbendu Roy
intcontrol.bod@icmai.in

Joint Director (Information Technology)

Mr. Ashish Tewari
it.bod@icmai.in

Joint Director (Admin-HQ, Kolkata & Human Resource)

Ms. Jayati Sinha
admin.bod.Kolkata@icmai.in

Joint Director (Admin-Delhi)

CMA T. R. Abrol
admin.bod@icmai.in

Joint Director (Legal)

Ms. Vibhu Agarwal
legal.bod@icmai.in

Joint Director (CAT)

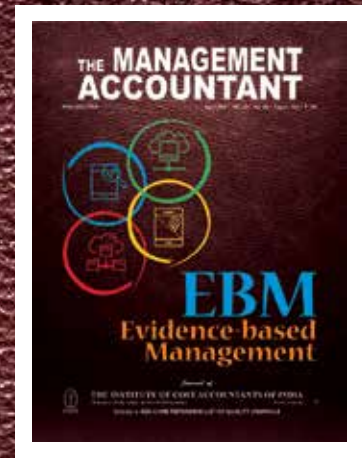
CMA R. K. Jain
cat.bod@icmai.in

Joint Director (International Affairs)

CMA Yogender Pal Singh
intlaffairs@icmai.in

CONTENTS

INSIDE COVER STORY APRIL 2022



APRIL VOL 57 NO.04 ₹100

BUILDING THE SKILLS OF EVIDENCE BASED MANAGEMENT ---- 31

MAKE EXPERIENCE MORE CREDIBLE IN THE CONTEXT OF EVIDENCE BASED MANAGEMENT ---- 34

CREATIVITY ACTS AS DRIVING FORCE TO SUSTAINABLE BANKING CULTURE IN INDIA A THEORETICAL UNDERSTANDING ---- 37

EVIDENCE BASED DECISION MAKING: ITS RELEVANCE TO A MANAGEMENT ACCOUNTANT ---- 40

EBM... IS IT STILL RIGID TO APPLY? ---- 44

EVIDENCE-BASED MANAGEMENT: CASE OF BAJAJ FINANCE LIMITED ---- 47

CREATIVITY IS CREATIVITY ---- 52

CREATIVITY, CULTURE – THE LINKAGE – AND ECONOMIC GROWTH – A PERSPECTIVE ---- 55

SUSTAINABLE HOUSING DEVELOPMENT IN INDIA AND THE NEED FOR EVIDENCE BASED POLICY MAKING: THE ROLE OF CMAs AND AN ACTION PLAN FOR 2030 ---- 59

SYNTHESIZING EMPIRICAL STUDIES TO EXPLAIN EVIDENCE BASED DECISION MAKING: A CORPORATE GOVERNANCE FUNDAMENTAL ---- 63

DIGITAL TRANSFORMATION

DIGITAL TRANSFORMATION WITH
SMART CONTRACTS -
DEMYSTIFICATION, LEGAL RECOGNITION,
NEXT AND BEYOND

6 8

INTERNATIONAL TRADE

COMPETITIVENESS IN INTERNATIONAL
TRADE THROUGH FOREIGN TRADE
POLICY

7 5

CSR

CSR & TRADE CREDIT -
THE STRATEGIC LINK -
A CASE OF ENERGY SECTOR

8 3

FINANCIAL MANAGEMENT

FACTORS CONTRIBUTING TO THE
DEVELOPMENT OF COMMODITY FUTURES
MARKET IN INDIA

9 1

VALUATION CORNER

1 0 0

Editorial	06
President's Communique	10
ICAI-CMA Snapshots	25
Digital Object Identifier (DOI) March - 2022	97
Down the Memory Lane	98
News from the Institute	101
Statutory Updates	117

We have expanded our Readership from 1 to 94 Countries

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

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

EDITOR - CMA (Dr.) Debaprosanna Nandy

on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, Kolkata - 700 016, P. S. New Market, West Bengal
e-mail: editor@icmai.in

PRINTER & PUBLISHER - Dr. Ketharaju Siva Venkata Sesa Giri Rao

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



PRINTED AT - SAP Print Solutions Pvt. Ltd. Plot No. 3, Sector II, The Vasai Taluka Industrial Co-op. Estate Ltd., Gauripada, Vasai (East), Dist. Palghar - 401 208, India on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, Kolkata - 700 016, P. S. New Market, West Bengal

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

CHAIRMAN, JOURNAL & PUBLICATIONS COMMITTEE - CMA (Dr.) K Ch A V S N Murthy

ENQUIRY

- Articles/Publications/News/Contents/Letters/Book Review/Enlistment
editor@icmai.in
- Non-Receipt/Complementary Copies/Grievances
journal@icmai.in
- Subscription/Renewal/Restoration
subscription@icmai.in

EDITORIAL OFFICE

CMA Bhawan, 4th Floor, 84, Harish Mukherjee Road Kolkata - 700 025;
Tel: +91 33 2454-0086/0087/0184/0063

The Management Accountant technical data

Periodicity : Monthly
Language : English

Overall Size: - 26.5 cm x 19.6 cm

Subscription

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

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

Contacts for Advertisement inquiries:

Mumbai

Narendra Rawat
narendra@sapprints.com
+91 98190 22331

Kiran Parte
kiran@sapprints.com
+91 9833 143118

Delhi

Sandeep Jetly
sandeep.jetly@sapprints.com
+91 99715 20022

The Management Accountant Journal is Enlisted in:

'UGC-CARE REFERENCE LIST OF QUALITY JOURNALS'

The Management Accountant Journal is Indexed and Listed at:

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

DISCLAIMER -

- The Institute of Cost Accountants of India does not take responsibility for returning unsolicited publication material. Unsolicited articles and transparencies are sent in at the owner's risk and the publisher accepts no liability for loss or damage.
- The views expressed by the authors are personal and do not necessarily represent the views of the Institute and therefore should not be attributed to it.
- The Institute of Cost Accountants of India is not in any way responsible for the result of any action taken on the basis of the articles and/or advertisements published in the Journal. The material in this publication may not be reproduced, whether in part or in whole, without the consent of Editor, The Institute of Cost Accountants of India. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Kolkata only.

EDITORIAL

Business success depends on two abilities –first, to gain new insights faster than the competition, and second, to turn those insights into good decision making. The best decisions are those supported by good data. However, while most organizations are drowning in data, they often thirst for relevant information that can support key decisions. This is where evidence-based management (EBM) comes in. Evidence lies at the heart of all good decision-making, and Evidence-based Management (EBM) can be an important tool for businesses looking to get the most from their business strategy. Evidence-based practice is about making better decisions, informing action that has the desired impact. An evidence-based approach to decision-making is based on a combination of using critical thinking and the best available evidence. It makes decision makers less reliant on anecdotes, received wisdom and personal experience – sources that are not always trustworthy on their own.

EBM reminds us that, although measurement as a business activity is essential – its true value can only be unlocked when we measure the right things, and not too many things. Once we have that measurement in place, we must analyse it to identify where there are performance gaps – and then further interrogate underpinning measures, objectives, tasks and initiatives to see where the root of the problem may exist. An evidence-based approach to management reduces the potential for irrational thinking, bias, or exhaustion to negatively impact management decisions. Rather than selecting an intervention or strategy based on gut feelings, personal experiences, or popular trends in the industry, an evidence-based manager reviews

the published literature on the subject, critically appraises the quality of the evidence from other sources like, professional expertise, organisational data and stakeholders' values and concerns, and selects a strategy that is supported by science.

As a manager or professional, decision-making is the daily business. Making the right or wrong decision has an immediate impact on organizational performance. It is the manager's responsibility to make sure that decision-making process adheres to the highest quality standards available. A decision-making process that relies on a structured and quality-oriented approach increases transparency and therefore accountability. Consequently, it will not just increase organizational performance but also one's standing, reputation, and career perspectives as a manager or professional.

We all make decisions based on evidence, but Evidence-based practice differs from traditional practices in an important way: the intentional process of filtering out the noise to make better decisions. Take the example of HR. Evidence used in typical HR environments tends to over-emphasize personal experience and often lacks a certain amount of objectivity. As it pertains to management decisions, evidence-based practice can help to create effective practices in many areas that impact performance, like hiring, compensation, change management and more.

(Moreover, in order to make) In the case of health care, as an example, the best decisions for day to day patient care, valid information about prevention, diagnosis, prognosis and treatment is required. Implementing the Evidence-Based Practice (EBP) competencies in the healthcare



setting improves healthcare quality and patient outcomes. EBM in healthcare is an approach to optimize decision making where a clinician uses the best evidence research in consultation with the patient to decide which option provides the patient the maximum benefit. The management of the health care system makes policies in order to allocate funds, purchase or manage resources.

The most important job of the management accountant is to conduct a relevant cost analysis to determine the existing expenses and give suggestions for future activities. Before a company takes any action, it needs to explore all possibilities and figure out the best tactic to increase the profit. This means management accountants ought to analyze different sales channels, products, services, and marketing activities in order to find the most profitable business model. The proposed business model may be examined based on the principles of EBM to increase the probability of its success. Once the management accounting team is done with relevant cost analysis, they establish cause and effect relationship before proposing corrective and improvement-oriented actions. EBM plays a great role in establishing the cause-and-effect relationship.

This issue presents a good number of articles on the cover story “*Evidence-based Management (EBM)*” written by distinguished experts. We are fortunate enough to have an article on EBM by Michael Vodiano, who is passionate about evidence-based management, and is an advisor for ScienceForWork, an educational platform that helps leaders use scientific research to improve their management decision-making, with over 80,000 readers per year. Further, 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 will 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

May 2022	Theme 'Social Entrepreneurship': Catalyst for inclusive business growth	Subtopics <ul style="list-style-type: none"> ⊙ Social Entrepreneurship in India: Opportunities and Challenges ⊙ Frugal Innovation and Social Entrepreneurship ⊙ Re-inventing social entrepreneurship in the COVID era ⊙ Socialpreneur vs. Entrepreneur ⊙ Agritech and Social Entrepreneurship ⊙ Fintech: Driving force for Social good ⊙ Addressing present-day inequities and gaps: Why India needs Social Entrepreneurs? ⊙ Future of Entrepreneurship in Industry 4.0
June 2022	Theme Revolutionizing Agriculture for Enhancing Food Security	Subtopics <ul style="list-style-type: none"> ⊙ Innovations for Resilient Agro-Food System ⊙ Food security and safety: Challenges and Opportunities ⊙ Doubling farmers' income by 2022: Progress so far and future course of action ⊙ Agri Cost Management & Profitability for Sustainable Food Security ⊙ Crop diversification: Significant way-out for Doubling Farmers' Income ⊙ Concerns and Policy Recommendations for building resilience in post-pandemic situation ⊙ Artificial Intelligence (AI) based Smart Agriculture for Sustainable Development ⊙ Agri Start-ups: Emerging backbone of Farm Value Chains ⊙ Agri Banking & Agri Entrepreneurship ⊙ Union Budget 2022-23: Measures to boost Farmers' Income ⊙ Technology Diffusion and R&D activities for Agricultural Sustainability in India
July 2022	Theme Emerging Trends and Innovation in Internal Audit Practices	Subtopics <ul style="list-style-type: none"> ⊙ The Fundamentals of an effective Internal Audit Practice ⊙ Significance of Internal Audit in Corporate Governance ⊙ Managing the Impact of the Pandemic on Financial Crimes: Role of Internal Auditors ⊙ IT Risk Management & Cloud Security Audit ⊙ Use of RPA in Internal Auditing ⊙ Auditing Cyber: Operational Risks ⊙ Exploring Internal Auditor's role in ESG Reporting ⊙ Risk Assessment in Audit Planning
August 2022	Theme The Indian Securities Markets – on the Cusp of Change	Subtopics <ul style="list-style-type: none"> ⊙ Managing risks and responding to crises in Indian Securities Markets ⊙ Equity Market Structure: What's next? ⊙ Issuance of Green Bonds to attain Carbon Neutrality ⊙ Indian Commodity Markets in the changing context ⊙ Financial intermediaries: special emphasis to mutual funds, hedge funds and pension funds ⊙ Regulatory Landscape ⊙ Digital Transformation of Capital Markets ⊙ Social Stock Exchange Ecosystem in India ⊙ ESG & Sustainable Finance – Emergence of new era of investing and reporting

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

An institute that aims to create future-ready cost & management accountants

The Institute of Cost Accountants of India (ICAI) is a statutory body set up under an Act of Parliament in the year 1959. The institute, as a part of its obligation, regulates the profession of cost and management accountancy, enrolls students for its courses, provides coaching facilities to the students, organises professional development programmes for the members and undertakes research programmes in the field of cost and management accountancy. The institute is the second largest cost & management accounting body in the world and the largest in Asia, having more than five lakh students and 85,000 members all over the globe.

CMA curriculum is based on four knowledge pillars – management, strategy, regulatory framework and financial reporting. It's aimed at nurturing young business leaders of tomorrow who can convert the noble initiative of Make in India and Aatmanirbhar Bharat into reality with their strategic decision-making thought process in both the national and international arena.

In view of the changes in financial



(L-R) Aditi Rao Hydari presents the award to CMA P Raju Iyer, president, and CMA Vijender Sharma, vice-president, of ICAI

CMA CURRICULUM IS BASED ON FOUR KNOWLEDGE PILLARS – MANAGEMENT, STRATEGY, REGULATORY FRAMEWORK AND FINANCIAL REPORTING

and economic scenario, the institute has revised its existing syllabus 2016 to syllabus 2022. The first examination under syllabus 2022 shall be conducted in June 2023. The institute is now introducing choice of elective papers in the final level along with contemporary subjects like risk management in banking and insurance, entrepreneurship and start-up, business data analytics etc to nurture the students as future-ready professionals.

The institute needs to ensure that the students pursuing the CMA course should possess and acquire robust employability skills to cope with the global challenges and become a future-ready professional. Hence, the institute has introduced mandatory skills training and certification on SAP finance power user; Micro-

soft Office, Cambridge University Press soft skill and e-filing as a bouquet of world-class employability and technoskill training facilities for its students.

The students have continued to find opportunities with some of the best organisations of India. More than 650 qualified CMAs have been placed through campus placements drives recently. In 2021, the highest package was ₹22 lakh annually while the average package increased to ₹10 lakh per annum. The institute is planning overseas campus placement drives soon to place young CMAs abroad.

The awareness level of students is also on the rise, as more boys and girls are considering cost management accounting as a profession and a preferred career option.



CMA P Raju Iyer, President and CMA Vijender Sharma, Vice President of the Institute receiving the 'ET Inspiring Leaders East 2022' Award Certificate of Excellence under the category 'Prime Professional Accountancy Body in India' on 6th March, 2022 at Kolkata

The Institute of Cost Accountants of India

Statutory Body under an Act of Parliament
Directorate of Studies



Kolkata Headquarters



Delhi Office

The Institute has received the
ET Inspiring Leaders East 2022 Award
under the category
Prime Professional Accountancy
Body in India



CMA Course Going Global

Mentoring Future-ready Professionals

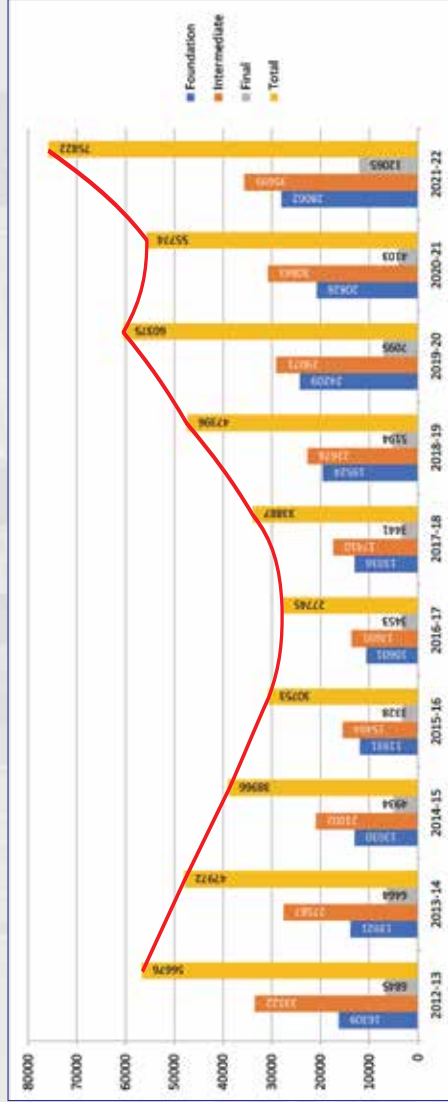
www.icmai.in

1800 346 0092
1800 110 910
studies@icmai.in

CMA

Students Statistics over the decade [2012 - 2022]: A Journey...

Course-wise Students Statistics: 2012 - 2022



Gender Diversity: 2012 - 2022



Year

Total Admission



Year

Total Admission



2012-13 56676

2013-14 47972

2014-15 38966

2015-16 30753

2016-17 27745

2017-18 33887

2018-19 47396

2019-20 60375

2020-21 55774

2021-22 75822

70:30

68:32

65:35

62:38

61:39

58:42

57:43

56:44

55:45

54:46

Behind Every Successful Business Decision, there is always a CMA



CMA P. Raju Iyer

President

The Institute of Cost Accountants of India

“A plane is always safe on the ground, but it is not made for that. Always take some meaningful risks in life to achieve great heights.”

- Chandrasekhar Azad

My Dear Professional Colleagues,

With profound grief and deep sorrow, I inform about the untimely demise of illustrious and dynamic Past President of the Institute CMA Rakesh Singh, who left for heavenly abode on 28th March, 2022. He will be remembered for his profound knowledge, his oratory skills, immense contribution towards the profession and development of the Institute. On behalf of the members of the Council, Past Presidents of the Institute, its employees, members, students, I convey our heartfelt condolences to the bereaved members of his family on this irreparable loss. We pray to the almighty to give eternal peace to the departed soul and much-needed strength to his family during this time of sorrow.

Representations submitted by the Institute

- ⦿ The Parliamentary Standing Committee on Finance (Seventeenth Lok Sabha) in its 45th Report on the Chartered Accountants, the Cost and Works Accountants, and the Company Secretaries (Amendment) Bill, 2021 has recommended as under:

“3.41 The Committee note that Clause 39 of the Bill proposes to substitute the words “Cost Accountants”

PRESIDENT'S COMMUNIQUE

instead of “Cost and Works Accountants”. However, the Institute of Cost Accountants of India have suggested that the nomenclature may be changed to ‘Institute of Cost and Management Accountants of India’ in keeping with international practice. In this regard, they have cited the example of UK where it is Chartered Institute of Management Accountants, Institute of Management Accountants in USA and Institute of Certified Management Accountants in Australia. In this regard, the Committee would suggest that the Ministry of Corporate Affairs may consider suitable change to the nomenclature of the Institute as per international practice/benchmarks.”

- ⦿ In view of the above recommendation by the Standing Committee, the Institute has submitted a representation to the Ministry of Corporate Affairs to change name of the Institute as ‘the Institute of Cost and Management Accountants of India’.
- ⦿ The Institute has submitted a representation to the Hon’ble Finance Minister on 29th March to allow CMAs to do financial audit under the Companies Act, 2013.
- ⦿ The Institute has submitted a representation to the Secretary to the Government of India, Department of Financial Services, Ministry of Finance, requesting for Inclusion of ‘Cost Accountants’ as Concurrent Auditors in Indian Banks.

Meetings with dignitaries

- ⦿ I along with CMA Vijender Sharma, Vice President of the Institute, CMA B.B. Goyal, Former Addl. Chief Advisor (Cost), Ministry of Finance, Govt. of India had an opportunity to meet Shri Ravi Shankar Prasad, Hon’ble Member of Parliament (Lok Sabha) & Member, Parliamentary Standing Committee on Finance on 4th March, 2022 at New Delhi.
- ⦿ On 9th March, I along with CMA Vijender Sharma, Vice President, CMA B.B. Goyal, Former Addl. Chief Advisor (Cost), Ministry of Finance, Govt. of India and CMA Kaushik Banerjee, Secretary of the Institute had a meeting with Mr. Hussain Niyazy, Auditor General of Maldives and other delegates from ICA Maldives at Delhi Office of the Institute. We had a very encouraging discussion on the matters of mutual interest to strengthen the bilateral relationship between our Institute and CA Maldives, and way forward in increasing the awareness of the importance of cost management in the Maldives and training opportunities.
- ⦿ I had the opportunity to visit RKM Vivekananda College [Autonomous], Mylapore Chennai and had a

discussion with Swami Shukadevananda, Secretary. Along with the officials of the colleges, we discussed the current trends in commerce and business. I sought the blessings of the Secretary Swamiji and greeted the Principal of the College with Shawl as a mark of respect and courtesy. I also had an interaction with the Department of Commerce for the Board of Studies and Syllabus Revision with the flavour of the professional curriculum and the recent trends.

- ⦿ CMA Chittaranjan Chattopadhyay, Chairman BFSI Board & Indirect Taxation Committee visited HPCL Headquarters at Kolkata on 31st March 2022 to meet its CFO Neel Patnaik and discuss about various professional opportunities for CMAs including training and placement at HPCL. CMA D.P. Nandy, Sr. Director - Studies, Advanced Studies, Training & Placement accompanied him.

MOU signed by the Institute

- ⦿ **MOU with Ravenshaw University, Cuttack, Odisha:**

I am pleased to inform that the Institute has signed a MOU with Ravenshaw University at Cuttack, Odisha on 21st March 2022 to collaborate on the areas of mutual interest on Educational, Research and Training Programs related to Cost & Management Accounting. The MOU signing ceremony was attended by me, CMA Vijender Sharma, Vice President, CMA Niranjana Mishra, Council Member, Dr. Sanjay Kumar Nayak, Vice Chancellor, Ravenshaw University, Dr. Bhakta Charan Pradhan, Registrar, Ravenshaw University, CMA Uttam Kumar Nayak, Vice Chairman, EIRC, CMA Bibhuti Bhusan Nayak, Treasurer, EIRC of the Institute, CMA Lalit Kumar Mishra, Chairman, CJK Chapter, Cuttack, CMA Mihir Kumar Mohapatra, Chairman PD Committee, CJK Chapter, Cuttack, Prof. (Dr.) Tushar Kumar Pany, Head, Dept. of Commerce, Ravenshaw University, Prof. (Dr.) Kishore Kumar Das, Dept. of Commerce, Ravenshaw University and Dr. Sanjeeb Dey, Asst. Professor, Dept. of Commerce, Ravenshaw University.

- ⦿ **MOU with Shalby Hospitals:**

I am happy to inform that the Institute has signed a MOU with Shalby Hospitals on 29th March, 2022. Shalby Hospitals have 2000 operational beds of super specialty tertiary care hospitals which have further strengthened the healthcare infrastructure in the country and have emerged as a benchmark in quality standards in healthcare delivery. The MOU offers discount to the employees, students, members of the Institute and their dependents on OPD Consultation, In house OPD Investigations, Health Checkup Package, IPD services, etc. The MOU signing ceremony was attended by me,

CMA Ashwin G. Dalwadi, Council Member of the Institute, CS Tushar Shah, Associate Vice President & Company Secretary, Shalby Hospitals and CMA Malhar Dalwadi, Chairman, Ahmedabad Chapter of the Institute.

- ⦿ **MOU with Maharaja Sayajirao University, Baroda:**

I am pleased to inform that the Institute has signed a MOU with Maharaja Sayajirao University of Baroda on 30th March 2022 with the objective of promoting Excellence inter alia in common area of interest, imparting knowledge and skills required to operate in the area of Academic, Research and Training. The MOU signing ceremony was attended by me, my Council Colleague CMA Ashwin G. Dalwadi and CMA Kartik Vasavada, Chairman, Baroda Chapter of the Institute.

Regional Cost Convention 2022 of WIRC

I am happy to inform that the WIRC of the Institute has successfully organised its Regional Cost Convention 2022 on 26th & 27th March 2022 at Gandhinagar on the theme "Emerging Trends in Strategic Cost Management in Global Economic Era". The Convention was inaugurated by Shri Jagdishbhai Ishwarbhai Vishwakarma, Hon'ble Minister for Cottage Industries, Co-operation, Salt Industries, Protocol (Independent Charge), Industries, Forest, Environment and Climate Change, Printing and Stationary (State Minister), Government of Gujarat. CMA Raj Mullick, Sr. Executive Vice President of Reliance Industries Ltd. delivered the Key Note address. I shared the dais with Shri Suresh Jain, Group Finance Controller, Adani Enterprises Ltd, CMA Dinesh Kumar Birla, Chairman, WIRC, CMA Shriram Mahankaliwar, Vice Chairman, WIRC & Convener RCC, CMA Mahendra Bhombe, Hon. Secretary & Treasurer WIRC & Co-Convener RCC, CMA Harshad Deshpande, Chairman, Professional Development Committee, WIRC and CMA Rajendra Rathi, G.M. Reliance Industries Ltd.

The Inaugural session was also attended by CMA (Dr.) K Ch A V S N Murthy, Chairman, Regional Council & Chapters Coordination Committee, CMA Neeraj Dhananjay Joshi, & CMA (Dr.) Ashish P. Thatte, Council Members, CA Mukesh Singh Kushwah & CS Makrand Lele, Govt. Nominees, CMA Dhananjay V Joshi, CMA P.V. Bhattad, & CMA B.M. Shrama, Past Presidents of the Institute, CMA Shrenik Shah & CMA Pradip H Desai, Past Chairmen-WIRC. CMA Vinayak Kulkarni, CMA Chaitanya Mohrir & CMA Ashish Bhavsar, RCMs - WIRC & CMA Malhar Dalwadi, Chairman, Ahmedabad Chapter & Managing Committee Members of Ahmedabad Chapter also present on the occasion.

Shri Rahul Maliwal, Consultant, CMA Chandrashekar Chincholkar, Strategic Advisor, CMA Atul Bhatt, Cost Accountant, CMA Sukrut Mehta, Partner, Kirit Mehta & Associates, CMA J.B. Mistri, Cost Accountant, CMA Lt. Dhananjay Kumar Vatsayan (Retd), Practising Cost Accountant, CMA Vivek Laddha, GST Consultant and

Ms. Shalini Somani, Consultant were the speakers for the Technical Sessions. I congratulate the WIRC and its team for their excellent efforts to make the Convention successful.

14th Annual Seminar of Navi Mumbai Chapter

The Navi Mumbai Chapter of the Institute conducted its 14th Annual Seminar virtually on the theme “Challenges for CMAs in the Modern Era” on 19th March 2022 covering the topics Challenges before Cost Accountants posed by AI/Blockchain, Enterprise Risk Management - Recent Trends, PLI Schemes for Chemicals/Automobiles Sector and Budget 2022 Updates including AIS. Shri Robin Banerjee, MD of Caprihans India Ltd was the Chief Guest of the Seminar. I addressed the participants during the Inaugural Session. I congratulate CMA Vaidyanathan Iyer, Chairman, Navi Mumbai Chapter and other Managing Committee members of Navi Mumbai Chapter for the successful conduct of the Seminar.

12th Global Summit of ASSOCHAM

I am pleased to inform you that I was invited to address at the Inaugural Session of 12th Global Summit organised by ASSOCHAM on 22 March 2022 virtually on the theme “Fraud & Forensics – Emerging Trends and Combating Challenges”. Prof. Triveni Singh, IPS, Superintendent of Police, Cyber Crime, Uttar Pradesh Police, Mr. Shobhit Agarwal, Chairman, ASSOCHAM National Council for Internal Audit and Risk Management, Mr. Naveen Aggarwal, Co-Chairman, ASSOCHAM National Council on Internal Audit and Risk Management, Mr. Basudev Mukherjee, Assistant Secretary General, ASSOCHAM also participated in the inaugural session.

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

BANKING, FINANCIAL SERVICES AND INSURANCE BOARD

The BFSI Board and BFSI department continued to plan and execute numerous activities during the month of March 2022 under the Chairmanship of CMA Chittaranjan Chattopadhyay. The summary of such activities and initiatives are as follows –

☉ Certificate Course on General Insurance in association with National Insurance Academy (NIA):

The 2nd batch admissions of the course have already started for the members and students. The course being a unique one, every finance professional should avail the opportunity of enrolling in the course for skill development and capacity building in the Insurance Sector. BFSIB and NIA are developing the modalities of the Level-2 of the certificate course and I am sure that soon it would take off. Please fill up the Expression on Interest Form for joining

such course if you are curious to join the course.

☉ Investment Management Course in association with National Institute of Securities markets (NISM):

The Batch No. 8 of Level-I admission has started along with Batch No. 4 of Level-II and Batch No. 3 of Level-III respectively. The fees of the courses have been revised w.e.f. 1st April, 2022.

☉ Banking Courses:

The 5th batch of Certificate Course on Treasury and International Banking was launched on 12th March, 2022. Shri Ravindra Babu, Field General Manager, Union Bank was the Chief Guest for the inaugural session.

Like all other courses of the Institute, I am sure members and students who take up the three certificate courses on Banking will greatly benefit towards their skill development and knowledge enhancement. I call upon all members and readers to visit the BFSI section on the Institute’s website for further information.

☉ Meeting with dignitaries by BFSIB Chairman:

CMA Chittaranjan Chattopadhyay, Chairman BFSIB met various dignitaries in Mumbai during his visit at Mumbai from 9-11th March, 2022. Chairman BFSIB met Dr. CKG Nair, Director, NISM, Shri Sunil Jayawant Kadam, Registrar NISM, CMA (Dr.) Latha Chari, Associate Professor and Dr. Pradiptarathi Panda, Assistant Professor NISM to discuss strategies for the two Institutes to work in synergy for various courses of the securities markets. He met Shri Gopal Murli Bhagat, Dy.Chief Executive, Indian Banks’ Association on 10th March, 2022 and discussed various matters pertaining to the activities undertaken by the BFSIB. The Chairman, BFSIB also met Ms. Padamaju Chandru, MD & CEO, NSDL on 10th March, 2022 to discuss various aspects of the BFSIB and future discourses to be undertaken by the Institute in the sphere of BFSIB. On 11th March, 2022 the Chairman, BFSIB met CMA Srikanth Kandikonda, Chief Financial Officer, Manipal Cigna Health Insurance Co. Ltd. and discussed various matters pertaining the profession and ways & means in which the CMAs can play an active role in the General Insurance sector. Further, on 11th March, 2022 the Chairman, BFSIB met Mr. Abdul Rauf, IA&AS, Director General, Indian Audit & Accounts Department, Regional Training Institute, Mumbai to discuss the various collaborative activities to be undertaken.

☉ Webinar on Journey to the Future of Banking in India:

The Banking, Financial Services & Insurance Board (BFSIB) under the directions of the Ministry of Corporate Affairs under the celebrations of Azadi Ka Amrit Mahotsav organized a webinar on 4th March, 2022 under the leadership of CMA Chittaranjan Chattopadhyay, Chairman, BFSIB, on a contemporary topic “Journey to the Future of Banking in India” which saw a huge number of participations from

Cost and Management Accountants, Bankers and other stakeholders. The Chief Guest of the event was Shri M.Karthikeyan, Executive Director, Bank of India. The other guests who graciously participated in the webinar were Shri C. Bharathi, General Manager, Indian Bank, Shri Burra Butchi Babu, Member, IT Advisory Board, Punjab and Sind Bank and Shri Nagamohan Gollangi, Chief Information Security Officer, Bank of India. The moderator of the event was the doyen and icon of our profession, CMA Mohan Vasant Tanksale, Former Chief Executive of Indian Banks' Association.

🕒 **Release of BFSI Chronicle 9th issue:**

The BFSI Board released the 9th issue of the BFSI Chronicle in the month of March, 2022. I request all members and students to contribute and read the various articles in the BFSIB sector and hope all members and students will benefit with such knowledge dissemination.

🕒 **Representation letters for inclusion of CMAs:**

As a continuous effort for further development of the profession in the BFSI sector, BFSIB has represented to various authorities and employers for inclusion of CMAs in the sector as and when such scope has come to the notice of the Institute.

CONTINUING EDUCATION PROGRAMME COMMITTEE

I am glad to share the successful completion of the 5th batch of Online Mandatory Capacity Building Training (e-MCBT) concluded on 17th March 2022. We received an overwhelming response from the participants appreciating the efforts of the CPD Directorate for their support and Coordination. I appreciate the Chairman, Continuing Education Programme Committee for his unstinted commitment towards the growth and development of the profession.

During the month, around One Hundred Ten webinars and programmes were organised by the different committees of the Institute, Regional Councils and Chapters of the Institute on the topics of professional relevance and importance like Cost Audit and Calculation in Real Estate, Legal Provisions for Directors, Role of CMAs in Internal Audit, Comprehensive Study of the Effects of Forensic Accounting on Stock Market Management, Role of CMAs in Capital Market, Blockchain The New Technology of Trust and Future Prospectus, CSR -2: A step towards more transparent CSR reporting, Insolvency & Bankruptcy Code: Vision 2025 and so on. I am sure our members are immensely benefited from the deliberations in the sessions.

CORPORATE LAWS COMMITTEE

The Corporate Laws Committee of the Institute organized Corporate Laws Month in the month of March 2022 on pan India basis. The Committee organized various activities like webinars and seminars on various areas of interest to members. The Southern India Regional Council and various

Chapters like Howrah Chapter, Talcher-Angul Chapter, Bhubaneswar Chapter, Hyderabad Chapter, IPA of ICAI and Aurangabad Chapter participated in this initiative and organized sessions for members by doing physical programs following the protocol and guidelines issued by the respective State Governments from time to time. The Committee has been making constant endeavor to create awareness among members on Corporate and other related laws through various activities and programs. Special series on RERA and Formation of Companies had been organized by the Corporate Law Committee which has been largely attended by members and also well appreciated.

DIRECTORATE OF CAT

🕒 **Implementation of CAT Course:**

I am pleased to share with you that an Agreement has been signed between the Institute and Uttar Pradesh Skill Development Mission to impart CAT course in the state of Uttar Pradesh (UP). The MOU was signed by CMA H Padmanabhan, Chairman-CAT, representing the Institute and witnessed by CMA Vijender Sharma, Vice President. I appreciate the efforts of CMA Rakesh Singh, Former President in getting this prestigious project. I am hopeful that the agreement would benefit the deserving youth of UP, who would want to shape their career in the field of finance and accounting.

In a yet another milestone under the Chairmanship of CMA H Padmanabhan, the Institute has entered into an MOU with Mahatma Gandhi University (MGU), Nalgonda (Telangana state). The MOU signing ceremony took place on 21st March, 2022 in Nalgonda-the MOU was signed by CMA H Padmanabhan, Chairman-CAT, representing the Institute and Prof Ch. Gopal Reddy, Vice- Chancellor & Prof. T Krishna Rao, Registrar representing MGU-in the august presence of CMA Rakesh Singh, former President, CMA (Dr.) K Ch A V S N Murthy (being witness to the MoU) & CMA Chittaranjan Chattopadhyay, Council Members, CMA Vijay Kiran A, Secretary-SIRC & CMA Rajesh Sai Iyer, Treasurer-SIRC. From the University's side Vice-Chancellor, Professors, Lecturers and other officials were present.

I place on records the efforts of the delegation of Committee for Accounting Technicians (CAT) and that its endeavours in different states for implementation of CAT course under the Skill development Programmes, under the aegis of renowned Universities /Institutions or other schemes for the benefit of youth/deprived section have been bearing fruits.

🕒 **MOU for conducting CAT Course Part II:**

As a part-and-parcel of the recent change in syllabus of CAT course, I am glad to share with you that an MOU has been signed with Electro-Mech Enterprises Private Limited (EME) to conduct the CAT Course Part- II. I alongwith Council Colleagues and CMA Rakesh Singh Former President ICAI were present on 25th March, 2022 at Kolkata, when the MOU was entered into and

CMA H Padmanabhan, Chairman-CAT signed the MOU on behalf of the Institute. Mr. Santosh Kumar Saha, Head-Business Development, Management & Entrepreneurship and Professional Skills Council was the Chief Guest of the MOU signing ceremony. I am sure the rechristened CAT Course will enhance the supply of skilled youth in the market equipped with the CAT course.

◎ **WEBINT by Committee for Accounting Technicians (CAT), International Affairs Committee, Public Relations Committee and AAT Board:**

I am pleased to note that the Committee for Accounting Technicians continued to impart knowledge to the Members and Students through its high quality WEBINTs on IND AS and Cost Accounting Standards, organised in association with International Affairs Committee, Public Relations Committee and AAT Board.

I would like to thank resource persons of these WEBINTS, viz., CMA (Dr.) Gopal Krishna Raju and CMA (Dr.) Ashish P Thatte respectively, for sharing their valuable wisdom.

Further, I am grateful to Ms. Neetu Kashiramka, CFO VIP Industries Limited; Mr. Bharat A Adnani, CEO FXunlimited Financial services; CMA Ramesh Iyer, Chief Financial Officer; APAR Industries Ltd. Ltd and Mr. Pradeep Mehta, President & CFO, Garware Hi-Tech Films Limited for gracing the WEBINTs on IND AS as Chief Guest. I am also thankful to my Council colleague CMA Chittaranjan Chattopadhyay, and CMA Sankar P Panicker RCM-SIRC for being the coordinators in IND AS and CAS WEBINTs, respectively.

I congratulate my Council Colleague CMA H. Padmanabhan, Chairman-Committee for Accounting Technicians (CAT), International Affairs Committee, Public Relations Committee and AAT Board for his continuous and untiring efforts in organising these WEBINTs.

IT DEPARTMENT

◎ **Finalization of IT Policies of the Institute:**

The Council of the Institute at its 335th Meeting held on 25th March, 2022 has approved the IT Policy. This document provides the policies and procedures for selection and use of IT within the institute which must be followed by all the concerned users. It also provides the guidelines. The Institute shall administer these policies in a true spirit and words.

These policies and procedures shall apply to all users of the Institute's IT Asset & IT Infrastructure. Initially it is recommendatory for all Regional Councils, Chapters and Section 8 Companies promoted by the Institute.

These policies are applicable with effect from 1st April, 2022.

◎ **Use of Government e-Marketplace (GeM) Portal:**

The IT department has extended its support in using the GeM portal for all the purchases of the Institute. The

GeM portal aims to enhance efficiency, transparency, and speed in public procurement along with inclusion. With the use of GeM Portal, the Institute is able to find a huge variety of products. The use of Online GeM portal will replace conventional tendering processes and that will lead to less paperwork.

◎ **Availability of Examination Result at Digilocker:**

I am pleased to inform that the facility to download CMA examination mark sheets from digilocker is now available in addition to ID Cards of students and Members.

INTERNAL AUDITING AND ASSURANCE STANDARDS BOARD

I am pleased to inform that the Internal Auditing and Assurance Standards Board (IAASB) jointly with Chandigarh – Panchkula – Mohali Chapter of the Institute had organized a Seminar on 'Strategic Approach to Effective Corporate Governance - Role of CMAs in Internal Audit' on 5th March, 2022 at Chandigarh.

I along with CMA Vijender Sharma, Vice President of the Institute addressed the participants about the activities and initiatives of the IAASB. Our eminent speakers, CMA Rakesh Singh, Past President of the Institute, CMA B. B. Goyal, Former Addl. Chief Advisor (Cost), Ministry of Finance, Govt. of India and CMA Mukesh Kumar Gupta, Member, IAASB deliberated on the strategic approach to effective corporate governance and the role of CMAs in conducting an internal audit.

CMA (Dr.) Balwinder Singh, Past President & Chairman, Cost Accounting Standards Board, CMA Rakesh Bhalla, Council Member and Chairman Direct Taxation Committee, CMA Ashwin G. Dalwadi, Council Member & Chairman Information Technology Committee and CAASB, CMA Shailendra Kumar Paliwal, Chairman, NIRC, CMA Anil Sharma, Past Chairman and RCM, NIRC, CMA Geeta Dhingra, Chairperson of the CHD-PKL-MHL Chapter, CMA Manasi Arora, Senior Vice Chairperson, CHD-PKL-MHL Chapter, CMA Lovinder Kashyap, Secretary, CHD-PKL-MHL Chapter, also actively participated in the Seminar. Members, students, representatives of the trade & industry, and professionals greatly engaged in exchanging their views during the seminar. The Seminar was followed by the 'Members Meet and Felicitation Program' organized by the Chandigarh – Panchkula – Mohali Chapter of the Institute.

MEMBERSHIP DEPARTMENT

I congratulate and warmly welcome all who have been granted Associate membership and those who have been advanced to Fellowship during the month of March 2022.

The membership fees for the year 2022-23 have fallen due on 1st April 2022 along with CoP renewal fee for members in practice. I call upon all members to avail of the Institute's 'Members Online System' for such renewal and payment of fees for which links are given hereunder –

For online payment of membership fees only:

<https://eicmai.in/MMS/Login.aspx?mode=EU> (with login)

<https://eicmai.in/MMS/PublicPages/UserRegistration/Login-WP.aspx> (without login)

For online renewal of CoP for FY 2022-2023:

<https://eicmai.in/MMS/Login.aspx?mode=EU>

I also request members to regularly follow the Institute's website to keep abreast of all such relevant information, facilities and announcements.

MEMBERS IN INDUSTRY & PLACEMENT COMMITTEE

12-days Pre-Placement Orientation Programme:

I am pleased to share that the 12-days Pre-Placement Orientation Programme has been successfully conducted in 11 locations in March 2022 including Kolkata, Mumbai, Chennai, Delhi, Bhubaneswar, Pune, Ahmedabad, Hyderabad, Bangalore, Vijayawada and Jaipur under the dynamic leadership of CMA Debasish Mitra, Chairman, Members in Industry & Placement Committee. More than 800 participants attended the programme with great enthusiasm. Many important and contemporary topics in connection with forthcoming campus placement drives have been delivered by eminent faculties from the industry and profession which include - Soft Skills, Interview Skills, Group Discussion, CV Writing, SAP – FICO, Advanced Business Excel, Financial Modeling, E-Filing, Direct Taxation, Indirect Taxation, Corporate Law & Audit (Cost Audit, Financial Audit, Internal Audit), Ind AS, Cost & Financial Management Strategies, Data Analytics, Forensic Audit, Information System Security Audit, IBC & Valuation, Job Opportunities for CMAs in India and abroad, HR Rounds.

CMA Campus Placement Drives:

I feel excited to share that like other terms, the Members in Industry & Placement Committee is going to organize the first phase of CMA Campus Placement drives at Mumbai, Delhi, Kolkata and Chennai for the qualified Cost Accountants of December - 2021 term in the month of April 2022.

I am delighted to convey that the following eminent companies have given their consent to participate in the ongoing campus placement drives across India - ABB Limited, Accenture, Alstom India Transport Limited, CAPITA, CEAT Tyres, Citco Shared Services India Pvt Ltd, Conseroglobal Solutions India Private Limited, CYTEL, Deloitte, Ernst & Young Services Pvt. Ltd., GAIL Limited, Holcim Global Hub Business Services, ICICI Bank, India Tourism Development Corporation, Indian Oil Corporation, Indian Railway Finance Corporation Limited, Invenio Solutions, IRCON International Ltd, ITC FOODS, ITC Limited - Hotel Division, ITC Limited - Printing, Package and Stationery, ITC Limited TM & D, JLL (Jones Lang Lasalle), L & T Constructions Limited,

Lennox India Technology Centre Private Ltd., Matix Fertilizers & Chemicals Ltd., Nova IVF fertility, Power Finance Corporation Ltd, Tata Motors, UBS, VAJRO, Vedanta Limited.

I wish all success of these Campus Placement drives and urge qualified Cost Accountants to participate in the process to grab various lucrative job opportunities to shape their career in the right direction.

PROFESSIONAL DEVELOPMENT COMMITTEE

I am pleased to inform you that on Institute's request, Tea Board of India, TIDEL Park Coimbatore Limited and National Institute of Technology Delhi has considered Cost Accountants Firms for conducting Internal Audit and other related works. Further, National Institute of Biologicals also considered for preparation and filing of e-TDS and other related activities and issued corrigendum in this regard.

PD Directorate submitted representations to various organizations for inclusion of cost accountants for providing professional services.

Please visit the PD Portal for Tenders/EOIs during the month of March 2022, where services of the Cost Accountants are required in Indian Council for Cultural Relations, Chittaranjan Locomotive Works, Eastern Coalfields Limited, THDC India Ltd., M. P. Power Generating Co. Ltd., Madhya Pradesh Poorv Kshetra Vidyut Vitaran Co Ltd., SJVN Limited, Bihar Education Project Council, Department of Commercial Taxes, Rajasthan, Karnataka State Beverages Corporation Limited, Chandigarh International Airport Limited, Braithwaite & Co. Limited, Brahmaputra Valley Fertilizer Corporation Limited, Namrup, Jharkhand State Mineral Development Corporation Limited, Indian Oil Corporation Limited, NTPC Limited, Bharat Heavy Electricals Limited (BHEL), Gujarat State Police Housing Corporation Limited, Advanced Weapons And Equipment India Limited, Housing and Urban Development Corporation Limited (HUDCO), Barharwa Nagar Panchayat, M.P. Poorv Kshetra Vidyut Vitaran Company, Jabalpur, U. P. Rajkiya Nirman Nigam Limited, Indian Railway Finance Corporation Limited, Sardar Sarovar Narmada Nigam Limited, Brahmaputra Valley Fertilizer Corporation Limited, Bharat Heavy Electricals Limited (BHEL), etc.,

Professional Development Committee organised webinars on "Aatmanirbhar Bharat-MSMEs: Growth Engines of the Indian Economy", "Nidhi Companies under Companies Act, 2013 - Provisions & Rules" and "MCA21 V3-New Ways of e-Filing for LLP".

Further, Professional Development Committee associated with the PHD Chamber of Commerce and Industry conducted webinar on "Diagnosis and Impact of all Important Changes in GST and Customs in Budget 2022".

REGIONAL COUNCIL AND CHAPTERS COORDINATION COMMITTEE

The Regional Council & Chapters Coordination

Committee under the Chairmanship and dynamic leadership of CMA (Dr.) K Ch A V S N Murthy organized two WEBINTS during March 2022, the details of which are as under –

⊙ WEBINT on “Economic Developments in Africa and Middle East-Opportunities for CMAs”:

The Committee organized a WEBINT on Sunday, 6th of March, 2022 on “Economic Developments in Africa and Middle East-Opportunities for CMAs” which I attended and addressed the participants. My Council colleagues’ CMA Vijender Sharma, Vice President; CMA (Dr.) K Ch A V S N Murthy, Chairman of RC&CC Committee AND CMA H Padmanabhan, Chairman, International Affairs Committee were present and addressed the participants.

The Guest speaker for the event was CMA N V V Chalapathi Rao, CFO/Director for a Diversified Group in Ghana & Senior Vice President-ISMA. He shared his vast experience and encouraged CMAs to Explore the opportunities abroad in addition to the ones within the country.

⊙ WEBINT on “Indian Real Estate Industry Analysis-Opportunities for CMAs”:

The Committee organized a WEBINT on Monday, 21st of March, 2022 on “Indian Real Estate Industry Analysis-Opportunities for CMAs” which I attended and addressed the participants along with my Council colleague and Chairman of RC&CC Committee, CMA (Dr.) K Ch A V S N Murthy.

The Guest speaker for the event was CMA M. Nanda Kishore, Managing Director Ramky Estates and the event was coordinated by CMA Vijay Kiran Agastya, Secretary SIRC. CMA M. Nanda Kishore shared his vast experience and knowledge by discussing innovative products and business models in the real estate sector and highlighted the importance and role of CMAs in the real estate sector.

Both the events were highly interactive and was very well received and attended by a large number of participants.

⊙ WIRC Chapters Meet:

The Regional Council & Chapters Coordination Committee, under the Chairmanship of CMA (Dr.) K Ch. A V S N Murthy organised a WIRC Chapters Meet Saturday, 26th March 2022 in Ahmedabad at Narayani Heights. The Agenda for the meeting was to discuss issues of Chapters of WIRC.

I attended the meeting along with my Council colleagues’ CMA (Dr.) K Ch A V S N Murthy, Chairman of RC&CC Committee, CMA (Dr.) Ashish Prakash Thatte, Chairman Corporate Laws Committee, CMA Neeraj Dhananjay Joshi, Chairman Management Accounting Committee and CS Makarand Lele, Government Nominee. Representatives of 13 Chapters under WIRC attended and participated in the meeting where Chairman WIRC and other WIRC Council members were also present.

TASK FORCE ON MSME & START-UP

You are kindly aware that the Micro, Small and Medium Enterprise (MSME) sector in India is one of the key drivers to the growth of India’s economy. Around 64 million MSME units / enterprises employing about 112 million people contribute to about a third (1/3rd) of our country’s GDP, 45% to the country’s manufacturing output and 40% towards our country’s exports. MSME sector’s sustained healthy growth is important to achieve India’s GDP growth targets and also to retain its global position amongst the best three GDP growth nations.

The Micro, Small and Medium enterprises (MSME’s) sector can play a crucial role in realising the vision of “Aatmanirbhar Bharat” or self-reliant India. In view of the significance of the MSME sector in the Indian economy and to spread the awareness of various schemes in MSME, the Institute is celebrating and observing April 2022 as MSME month. During this month, we are expecting to release the MSME Bulletin 2022.

Let us come forward to make this “MSME MONTH” a grand success with a series of Webints and a Seminar on “Women Entrepreneurship.”

TAX RESEARCH DEPARTMENT

The Tax Research Department organized an important Webint to celebrate Azaadi ka Amritmahotsav on 31st March, 2022 on “The Journey of GST and Way Forward – Atmanirbhar Bharat”. Shri Ashok Kumar Das, Additional Assistant Director - NACIN Kolkata graced the occasion as Chief Guest. To keep the knowledge of the members updated, the department also organised a webinar on Section 194N (TDS on cash withdrawals) on the 25th March. GST course for colleges and universities has completed in Padmashri Babasaheb Vengurlekar Mahavidhyalaya, Pandurtitha, Sindhudurg, Maharashtra. The 107th & 108th Tax Bulletin has been released. Classes for all the Taxation Courses are being conducted seamlessly. Taxation Portal is being updated time to time with latest amendments and changes in Direct and Indirect Tax.

INSOLVENCY PROFESSIONAL AGENCY (IPA) OF THE INSTITUTE

Insolvency Professional Agency of Institute of Cost Accountants of India, in its endeavour to promote profession development and sharpen the skills of the professionals have constantly been conducting various professional & orientation programs across country and publishing various publications and books for the benefit of stakeholders at large. Towards that, IPA ICAI has undertaken several initiatives, as enumerated below, during the month of March 2022.

Seminar on Evolution and Emerging scenario under IBC and Valuation was organised jointly by IPA of ICAI and ICMAI Registered Valuers Organisation on 2nd March 2022 at Scope Complex, Lodhi Road, New Delhi. The seminar was chaired by Dr. Navrang Saini, Former Chairperson & Whole Time Director IBBI who

addressed the participants. Other dignitaries who addressed the participants by sharing their wisdom included CMA Vijender Sharma, Vice President of the Institute, Dr. Jai Deo Sharma, Chairperson IPA ICAI and CMA Rakesh Singh Past President of the Institute. Two technical Sessions on IBC, 2016 and Valuation were taken by our eminent faculties, which was very beneficial for participants at the seminar.

Similarly, a seminar on IBC, 2016 and its Emerging Scenario was jointly organised by IPA ICAI, IBBI and Pune Chapter of the Institute on 5th March 2022 at Pune Chapter which was addressed by Mr. Sankarnarayanan, General Manager IBBI. The seminar brought out various important aspects of IBC, 2016 and the career avenues in this evolving field. The young professionals who participated were highly benefitted and got motivated to pursue their career in IBC.

A two days Online Learning Session on a futuristic topic of Cross border Insolvency was organised on 04-05 March 2022 which revealed various nuances and highlights of this emerging dimension.

A three days Master Class on CIRP & Liquidation was conducted by our eminent faculties on 11 – 13 March 2022, wherein the timelines and the challenges during both these important processes under IBC were discussed with professional member participants at length. The program brought out a number of take aways for the benefit of participants.

In order to sensitise the environment about the emerging field like IBC, 2016, a Seminar on IBC and its Emerging Scenario was jointly organised by IPA ICAI, IBBI and Dehradun Chapter of Institute on 12th March 2022 at Dehradun too. The Seminar was chaired and addressed by Mr. Sushanta Kumar Das, Deputy General Manager, IBBI. The seminar was well attended by a number of local participants, the budding professional which included CMA students besides professionals and IPs as well.

In our perseverance to promote and develop the profession, a Seminar on IBC and its Emerging Scenario was jointly organised by IPA ICAI, IBBI and Corporate Law Committee ICAI on 12th March 2022 at Mumbai which was chaired and addressed by Whole Time Member IBBI and eminent speaker Dr. (Mrs) Mukulita Vijaywargiya, CMA Vijender Sharma Vice President of the Institute, Mr. Rajesh Kumar General Manager, IBBI, Mr. V. Anand, General Manager, Bank of India and CMA (Dr.) Ashish P. Thatte, Council Member of the Institute who shared their valuable thoughts with the audience. The interactive session and exchange of views on the subject, during the seminar, was the highlight of the program.

An online Workshop on Committee of Creditors was conducted on 20th March 2022, which received an overwhelming response from around 100 participants who got benefitted with the knowledge sharing.

Similarly, an online workshop on a very important topic of Ethics for Insolvency Professionals was conducted on 24th March 2022. This program also received an overwhelming

response appreciation of over 80 participants.

In its endeavour to promote profession, knowledge sharing and sensitisation of the environment, IPA ICAI published Au-Courant (Daily Newsletter), weekly IBC Dossier and monthly e- Journal which are hosted on its website.

ICMAI REGISTERED VALUERS ORGANISATION (RVO)

I am pleased to inform that ICMAI RVO has successfully organized 15th Online COP Program, Seminar on “Evolution and Emerging Scenario under Insolvency & Bankruptcy Code & Valuation, Power Learning Session - Using Automated Valuation Models for Effective Valuation, Seminar on the occasion of International Women’s Day, Certification Course on Valuation of Intangible Assets, Certificate Course on IVS (Revised), Certificate course on Practical Aspects of Valuation, Master Class on How to Execute a Valuation Assignment, Current Economic Scenario and its Effects on Valuation, Certificate Course on Valuation, Certificate Course on Proficiency in Valuation, 15th Online Batch of Seven Days Program on Land & Building and 21st Online Batch of Seven Days Program on Securities or Financial Assets during the month.

I wish prosperity and happiness to members, students and their families on the occasion of Mahavir Jayanti, Good Friday, Jamat-ul-Vida & Hindu New Year which is celebrated with joy in various states of our country as Gudi Padwa, Chaitra Navratri, Ugadi, Baisakhi, Navrey, Cheti Chandi, Poila Baishakh. May this Hindu new year bless you and your family with good health, wealth, peace and prosperity.

Stay safe and healthy!

With warm regards,



CMA P. Raju Iyer

April 4, 2022

Regional Cost Convention 2022 of the Western India Regional Council

at Gandhinagar on 26th & 27th March 2022

Theme - "Emerging Trends in Strategic Cost Management in Global Economic Era"

Regional Cost Convention 2022 of the Western India Regional Council conducted at Gandhinagar on 26th & 27th March 2022. Theme of RCC 2022 was "Emerging Trends in Strategic Cost Management in Global Economic Era".

Convention was inaugurated by Shri Jagdishbhai Ishwarbhai Vishwakarma, Hon'ble Minister for Cottage Industries, Co-operation, Salt Industries, Protocol (Independent Charge), Industries, Forest, Environment and Climate Change, Printing and Stationary (State Minister), Government of Gujarat. CMA Raj Mullick, Sr. Executive Vice President of Reliance Industries Ltd. delivered the Key Note address. Shri Suresh Jain, Group Finance Controller, Adani Enterprises Ltd, CMA P. Raju Iyer, President- ICAI, CMA Dinesh Kumar Birla, Chairman-WIRC, CMA Shriram Mahankaliwar, Vice Chairman, WIRC & Convener RCC, CMA Mahendra Bhombe, Hon. Secretary & Treasurer WIRC & Co-Convener RCC, CMA Harshad Deshpande Chairman-Professional Development Committee, WIRC-ICAI, and CMA Rajendra Rathi, G.M. Reliance Industries Ltd were on the dais.

CMA (Dr.) K.Ch.A.V.S.N. Murthy, Chairman, Regional Council & Chapters Coordination Committee, CMA Neeraj Dhananjay Joshi, & CMA (Dr.) Ashish Prakash Thatte,

CCMs-ICAI, CA Mukesh Singh Kushwah & CS Makrand Lele, Govt. Nominees, CMA Dhananjay V Joshi, CMA P.V. Bhattad, Past President ICAI & CMA B.M. Shrama, Past Presidents, ICAI, CMA Shrenik Shah & CMA Pradip H Desai, Past Chairmen-WIRC were also present during Inaugural session.

Inaugural Session was started by Saraswati Vandana by Gaytri Pariwar and lighting the lamp by all dignitaries on dais. Colourful Souvenir was released at the hands of Chief Guest Shri Jagdishbhai Ishwarbhai Vishwakarma, Hon'ble Minister for Industries and Co-operation, Government of Gujarat on the occasion.

In the 1st Technical Session on "Technological Implications through Strategic Cost Management" Shri Rahul Maliwal, Consultant spoke on "Value addition through technologies in Cost Management" and CMA Chandrashekar Chincholkar, Strategic Advisor spoke on "Strategic Cost issues towards Net Zero". CMA Shriram Mahankaliwar was the Moderator of the Session. In 2nd Technical Session on "Cost Reduction", CMA Atul Bhatt, Cost Accountant spoke on Real Case Studies and CMA Sukrut Mehta, Partner, Kirit Mehta & Associates spoke on Case studies for Cost Reduction. CMA Mahendra Bhombe was the Moderator of the Session. In 3rd Session on "Cost Control / Optimization" CMA

J.B. Mistri, Cost Accountant spoke on "Cost Optimisation through Waste Management" and CMA Lt. Dhananjay Kumar Vatsayan (Retd), Practising Cost Accountant spoke on "Product Inventory Cost". CMA Harshad Deshpande, was the Moderator of the Session. On 2nd day in the 4th Technical Session on "Tools for Cost Management" CMA Vivek Laddha, GST Consultant spoke "Piloting the Costs of Taxation" and Ms. Shalini Somani, Consultant spoke on "Optimisation of Cost through Automation". CMA B.M. Shrama, Past President, ICAI was the Chairman of the session.

CMA P.V. Bhattad, Past President ICAI was Guest of Honour for Valedictory session. CMA P. Raju Iyer, President, ICAI, CMA (Dr.) K.Ch.A.V.S.N.Murthy, Chairman, Regional Council & Chapters Coordination Committee, CMA Dinesh Kumar Birla, Chairman-WIRC, CMA Shriram Mahankaliwar, Convener RCC, CMA Mahendra Bhombe, Co-Convener RCC, CMA Harshad Deshpande -Chairman-Professional Development Committee, WIRC-ICAI were on the dais.

In the summing up Session CMA Shriram Mahankaliwar, Vice Chairman, WIRC-ICAI & Convener RCC, thanked all the Central Council & Regional Council Members, CMA Dhananjay V Joshi, Past President, ICAI, CMA Shrenik Shah, CMA Pradip H Desai

and Past Chairman-WIRC, CMA Rajendra Rathi, CMA Bhawarlal Gurjar, CMA S.N. Mundra, CMA Rahul Modh, all sponsors companies, all advertiser companies, all Chapter representatives, Delegates, WIRC Staff members and also CMA Malhar Dalwadi, Chairman

& Managing Committee of Ahmedabad Chapter for their support. In the end CMA Dinesh Birla, Chairman WIRC thanked Shri Jagdishbhai Ishwarbhai Vishwakarma, Hon'ble Minister for Cottage Industries, Co-operation, Government of Gujarat, CMA P. Raju Iyer,

President ICAI, CMA Raj Mullick, Sr. Executive Vice President of Reliance Industries Ltd, Shri Suresh Jain, Group Finance Controller, Adani Enterprises Ltd. He also gave special thanks to CMA Rajendra Rathi, CMA S.N. Mundra & CMA Bhanwarlal Gurjar.





Members in Industry & Placement Committee 12-DAYS PRE-PLACEMENT ORIENTATION PROGRAMME

for Qualified Cost Accountants of December 2021 Term



Kolkata (HQ) (Inaugural Session)



Kolkata (HQ) (Valedictory Session)



Mumbai (WIRC)



Delhi (NIRC)



Chennai (SIRC)



Bhubaneswar



Ahmedabad



Pune



Bengaluru



Hyderabad



Vijayawada



Jaipur

12 days Pre-Placement Orientation Programme at different Locations

Sl. No.	Location	Date	Time	Venue
1	Grand Inauguration	05.03.2022	10.30 am - 6.30 pm	Online
2	Kolkata (HQ)	14.03.2022 - 17.03.2022 and 20.03.2022 - 26.03.2022	10:30 am - 6:30 pm	The Institute of Cost Accountants of India, Headquarters, CMA Bhawan, 12 Sudder Street, Kolkata - 700016.
3	Mumbai (WIRC)	12.03.2022 - 22.03.2022 (except 18.03.2022)	10:00 am - 5:00 pm	A M Shah Institute Ghatkopar, West Mumbai
4	Delhi (NIRC)	09.03.2022 - 16.03.2022	10:00 am - 5:00 pm	The Institute of Cost Accountants of India, Northern India Regional Council, , Basement Hall, 3, Institutional Area Lodhi Road, New Delhi - 110003
5	Chennai (SIRC)	16.03.2022 - 26.03.2022	10:00 am - 5:00 pm	The Institute of Cost Accountants of India, Southern India Regional Council, CMA Bhawan, 4, Montieth Lane, Egmore, Chennai - 600 008
6	Bhubaneswar	09.03.2022 - 21.03.2022 (except 19.03.2022)	10:00 am - 5:00 pm	The Institute of Cost Accountants of India, Bhubaneswar Chapter, CMA Bhawan, A 122/2, Nilakantha Nagar, Nayapalli, Unit -8, Bhubaneswar -751012, Odisha
7	Ahmedabad	13.03.2022 - 23.03.2022	10:00 am - 5:00 pm	The Institute of Cost Accountants of India, Ahmedabad Chapter 402-403, Shopper's Plaza-III, 4th Floor, Opp. Municipal Market, C.G. Road, Navrangpura, Ahmedabad , Gujarat, Pin Code: 380009
8	Pune	14.03.2022 - 25.03.2022 (except 18.03.2022)	10:00 am - 5:30 pm	The Institute of Cost Accountants of India Pune Chapter CMA Bhawan, Sr. No. 22, Hissa No. 1+2/2B, CTS No. 323, Canal Road, Lane No. 2, Vikas Mitra Mandal Chowk, Karvenagar, Pune, Maharashtra, Pin Code: 411052
9	Bangalore	14.03.2022 - 24.03.2022	10:00 am - 5:00 pm	The Institute of Cost Accountants of India, Bengaluru Chapter, "CMA Bhavan", No.81, Mallikarjuna Temple Street, Basavanagudi, Bengaluru - 560 004
10	Hyderabad	12.03.2022 - 22.03.2022	10:00 am - 5:00 pm	The Institute of Cost Accountants of India Hyderabad Chapter, Besides Bank of Baroda, Post Office Road, Sanathnagar, Hyderabad: 500018
11	Vijayawada	09.03.2022 - 19.03.2022	10:00 am - 5:00 pm	The Institute of Cost Accountants of India Vijayawada Chapter CMA Bhawan, 58-6-14 Karanamgari Street, Patamata, Vijayawada, Andhra Pradesh, Pin Code: 520010
12	Jaipur	11.03.2022 - 16.03.2022 and 20.03.2022 - 24.03.2022	10:00 am - 5:00 pm	The Institute of Cost Accountants of India, Jaipur Chapter CMA Bhawan, 3-A, Institutional Area Jhalana Doongri, Jaipur, Rajasthan, Pin Code: 302004



CMA Farheen Naaz
Kolkata
Qualified Cost Accountant
of December 2021 Term

My Dream "CMA"

*Maine logo ko din raat ek kar padhte dekha,
Girkar uthkar phir sambhalte dekha,
Kathin raaste kehte the sab,
Lekin phir bhi haar naa maan, aage badte dekha !*

*Mehnat karne ke baad bhi "Attempt laga yaar" kehte,
Ankhon mein nami liye "Koi nahi wapas se padhenge"
kehte dekha,
Aisi takleef ko bhi hasi mein udaate dekha !*

Zindagi ke kaafi sukh त्याग कर takleef se ladte dekha,

*Tumse na hopayga kehkar log hanste,
Phir bhi khudko aashvasan diye, aage badte dekha !*

*Pariksha ke din logon ko darte dekha,
Jab natije aye toh khushi se haste dekha,
Us din khud mein maine ekb "CMA" dekha !*

*Maata-pita ki umeedo pe khara utarna,
Yahi hmesha tha sapna mera,
Unhi sapno ko aaj maine hasil kiya,
Aaj ap sabke samne maine khudko Farheen Naaz se
CMA Farheen Naaz bnaya !!!*

Presented during the Valedictory Session at Kolkata HQ on 26.03 2022

**MOU Signing Ceremony
with Ravenshaw University, Bhubaneswar on 21/03/2022**



MOU signing ceremony was held at Ravenshaw University, Bhubaneswar on 21.03.2022 at 11.30 AM with the august presence of the following dignitaries:

Esteemed President ICAI CMA P Raju Iyer, Esteemed Vice President, ICAI CMA Vijender Sharma, CMA Niranjana Mishra, Central Council Member, ICAI, Vice Chancellor

Ravenshaw University Dr Sanjay Kumar Nayak, Registrar Ravenshaw University Dr. Bhakta Charan Pradhan, CMA Bibhuti Bhushan Nayak, Treasurer, EIRC, ICAI, Kolkata, CMA Uttam Kumar Nayak, Vice chairman, EIRC, ICAI, Kolkata, CMA Lalit Kumar Mishra, Chairman, CJK Chapter, Cuttack, CMA Mihir Kumar Mohapatra, Chairman PD Committee, CJK Chapter, Cuttack, Prof. Dr. Tushar Kumar Pany, Head, Dept.

of Commerce, Ravenshaw University, Prof. Dr Kishore Kumar Das, Dept. of Commerce, Ravenshaw University, Dr. Sanjeeb Dey, Asst. Professor, Dept. of Commerce, Ravenshaw University.

It is intimate that CMAs, Research scholars, Faculty members, Print and electronic media attended the above ceremony. The MOU with Ravenshaw University would definitely act as the catalyst for motivation to the students to join the CMA Course.

MOU Signing Ceremony with Mahatma Gandhi University, Nalgonda (Telangana) on 21/03/2022



CMA Rakesh Singh, Former President, CMA Chittaranjan Chattopadhyay, Council Member, CMA (Dr.) K Ch A V S N Murthy, Council Member, CMA H Padmanabhan, Chairman-CAT, International Affairs Committee, PR Committee and AAT Board, Prof Ch. Gopal Reddy, Vice- Chancellor and Prof. T Krishna Rao, Registrar Mahatma Gandhi University along with office bearers of SIRC during MOU signing ceremony between the Institute and Mahatma Gandhi University, Nalgonda (Telangana State) to work together to offer CAT course to the students of MGU

MOU Signing Ceremony with Electro-Mech Enterprises Private Limited (EME) on 25/03/2022



CMA P Raju Iyer, President, CMA Vijender Sharma, Vice President, CMA Rakesh Singh, Former President, CMA Chittaranjan Chattopadhyay, Council Member, CMA (Dr.) K Ch A V S N Murthy, Council Member, CMA Ashwin Dalwadi, Council Member, CMA H Padmanabhan, Chairman-CAT, International Affairs Committee, PR Committee and AAT Board, Mr. Santosh Kumar Saha, Head-Business Development, Management & Entrepreneurship and Professional Skills Council along with team EME

Webinar on JOURNEY TO THE FUTURE OF BANKING IN INDIA

04/03/2022 from 4:00 - 6:00 PM

Organised by: Banking, Financial Services and Insurance Board (BFSIB)



Azadi Ka Amrit Mahotsav is an initiative by the Government of India to celebrate and commemorate 75 years of progressive India and the glorious history of its people, culture and achievements. This journey of 75 years is a testimony to the resilient spirit of the Indian people who have been instrumental in bringing India to its present state, fuelled by the Prime Minister of India's vision of *Atmanirbhar* Bharat. The official journey of Azadi Ka Amrit Mahotsav commenced on 12th March 2021 which started a 75-week countdown to our 75th anniversary of independence and will end post a year on 15th August 2023.

The Banking, Financial Services and Insurance Board (BFSIB) under the leadership of CMA Chittaranjan Chattopadhyay, Chairman, BFSIB, had organised a webinar on a contemporary topic "Journey to the Future of Banking in India" which saw a huge number of participations from Cost and Management Accountants and Bankers. The Chief Guest of the event was Shri M.Karthikeyan, Executive Director, Bank of India. The other guests who graciously participated in the webinar were Shri C. Bharathi, General Manager, Indian Bank, Shri Burra Butchi Babu, Member, IT Advisory Board, Punjab and Sind Bank and Shri Nagamohan Gollangi, Chief Information Security Officer, Bank of India. The moderator of the event was the doyen of our profession, CMA Mohan Vasant Tanksale, Former Chief Executive of Indian Banks' Association.

Shri M. Karthikeyan stressed the relevance of the country to be financially inclusive. He iterated that it is the necessity that the last man should have insurance coverage along with livelihood cover, accidental cover, credit cover as well as of health coverage. Only when

such an universal coverage is guaranteed a nation can be called a financially inclusive country. He stressed that with the help of technology and the support of the Government who had merged several Public Sector Banks, there are plenty of funds for the infrastructure development. He further stated that it is the time for Know- Your -Technology has come, which will leapfrog from ways in which things have been conducted thus so far. He stated that a huge country of 1.3 billion, we have huge opportunities to implement various Government insurance schemes such as Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Jeevan Jyoti Bima Yojana. Further, he elucidated how the PM Street Vendor's Atmanirbhar Nidhi (PM SVANidhi) Yojana has helped crores of small vendors and how the United Payment Interface (UPI) is helping them, even with smaller currency values to connect digitally in the age

seeding and Mobile linkage (JAM trinity). He exemplified how India has got one of the best payment systems in the world.

Shri Burra Butchi Babu explained as to how has the pandemic changed the consumer behaviour and the technology which have determined the path of the future. He touched upon as to how IMPS and the UPI are game-changers and that Artificial Intelligence and Machine Learning are useful to the Banks and will take the Banks forward. The utility of the technology outweighs the greatness of the technology.

Shri C.Bharathi addressed about the technology being an enabler. It is the business vertical who should improve the adoption and the implementation in the Banking industry. demonetisation, the effect of Covid and now Fintech have all made stiff competition in the Banking industry. The inequalities or the tyranny of distance, for a small MSME, such as a bangle manufacturer are suddenly gone due to more opportunities on a platform. Due to techniques such as data mining now new potential borrowers can be identified and approached easily via the Credit Ledger. Gradually, inequalities are disappearing and now the products are reaching in every corner of the globe. The whole documentation is becoming seamless and the turnaround time is now getting reduced.

Shri Nagamohan Gollangi discussed about the cyber-security challenges and how it can be perfected with respect to the future of the Banking industry. He spoke in length about digitisation being real-time and mobile-based. The connectivity between Banks will increase the common portal between Banks and there will be an advent of super-apps.

The discussion came to the stage where how digital connectivity will bridge the economic disparity between urban India and rural Bharat. CMA Mohant V.Tanksale pointed out about the prevalent rules of the Reserve Bank of India's rules about data localisation.

The webinar concluded with thought provoking question and answer session.



of online banking. He has pointed out how, in the financial inclusion portfolio, around 18,000 Bank accounts gets opened daily, 50 per cent of which under the Jan-Dhan category. He wanted the nimble-footedness and agility of the NBFCs combined with the humongous Current Account and Savings Account (CASA) of the Banking industry in both public and private can join in the collaboration and the customer may benefit in the process.

CMA Mohan V Tanksale took the discussion further by touching upon the relevance of the topic. He stated that Banking is the lifeline of the economy and can drive the financial inclusion to the last mile connect. He stated how proud we as a nation are of the Jan-Dhan, Aadhaar

The 45th International Kolkata Book Fair - 2022

The Institute of Cost Accountants of India had set up a stall (Stall No. 430) at “The 45th International Kolkata Book Fair-2022” at Central Park Mela Ground, Salt Lake, Kolkata from February 28 to March 13, 2022. This year focal theme country of Book Fair was Bangladesh to mark Bangabandhu Sheikh Mujibur Rahman’s birth centenary and the golden jubilee of Bangladesh’s independence. Our Stall was inaugurated by Prof. S. K. Das, Treasurer, The Asiatic Society, Kolkata in the presence of Former Presidents of the Institute, Central Council Members, Secretary of the Institute and HoDs of various Departments of the Institute. Around 800 visitors had visited our Stall; many of them had purchased our various publications, Journals, Study Material and Prospectus. Some have expressed their desire to subscribe our Journals annually. Many youngsters and professionals have inquired about our CMA course, its curriculum and future prospects. Quiz Contest was organized for 3 days under the guidance and support of Quiz Master Shri Sabyasachi Ray; which had earned a very good response from all the participants.

On the International Women’s Day, i.e., on March 08, 2022, we had organized a Discussion Meet at the Main

Auditorium of the Book fair. We were fortunate enough to have galaxy of women personalities from Academics, Industry, CMA profession and Media- CMA (Dr.) Sharmistha Banerjee, Professor, Department of Business Management University of Calcutta; CMA Arundhati Basu, Secretary, The Institute of Cost Accountants of India - Eastern India Regional Council; CMA Neha Shaw, Deputy Manager (Finance), Hindustan Steelworks Construction Ltd.; Indrani Chatterjee, Group Chief People Officer, Allcargo Logistics Ltd.; Sonchita Banerjee Das, Co-Founder, JBL Spices & Oliflora Botanica; Moupia Nandy, Deputy Editor, Zee24Ghanta and Priya Sengupta, Founder-Owner, Re-mind & ALTAVEU Group. We were thoroughly inspired with their success stories. The stage was also shared by CMA P. Raju Iyer, President and Council members: CMA Biswarup Basu (also Immediate Past President), CMA Chittaranjan Chattopadhyay, CMA H. Padmanabhan, CMA (Dr.) K Ch A V S N Murthy and Secretary CMA Kaushik Banerjee of the Institute to convey the theme “Women in Leadership”. The book entitled “Digital Transformation – A Prismatic View” got released in this prestigious event. Institute officials and support staff worked impeccably and smilingly to make our participation in the Book Fair a huge success.





Meeting with Hon'ble Justice RS Mantha Calcutta High Court on 08.03.2022



CMA P Raju Iyer, President and CMA Vijender Sharma, Vice President of the Institute receiving the 'ET Inspiring Leaders East 2022' Award Certificate of Excellence under the category 'Prime Professional Accountancy Body in India' on 6th March, 2022 at Kolkata



CMA P Raju Iyer, President and CMA Vijender Sharma, Vice President of the Institute receiving the 'ET Inspiring Leaders East 2022' Award Trophy under the category 'Prime Professional Accountancy Body in India' on 6th March, 2022 at Kolkata



Glimpses of Seminar organised by IAASB jointly with Chandigarh-Panchkula-Mohali Chapter of the Institute on 5th March, 2022 at Chandigarh



CMA P. Raju Iyer, President, CMA Vijender Sharma, Vice President, CMA B.B. Goyal, Adviser, ICAI MARF and CMA Kaushik Banerjee, Secretary of the Institute during a meeting with Mr. Hussain Niyazy, Auditor General of Maldives and other delegates from ICA Maldives on 9th March, 2022 at CMA Bhawan, New Delhi



Eminent dignitaries deliberating at the 45th International Kolkata Book Fair 2022, SBI Auditorium, Central Park Mela Ground, Salt Lake, Kolkata



Special address by CMA P. Raju Iyer, President, ICAI at the 45th International Kolkata Book Fair 2022, Kolkata



Release of Book titled "Digital Transformation-A Prismatic View" by the eminent dignitaries in the dais



CMA P. Raju Iyer, President along with CMA (Dr.) K. Ch. A. V. S. N. Murthy, Council Member of the Institute had a meeting with Prof. Udai Paliwal, Dean, Faculty of Commerce, Nirma University, Ahmedabad



CMA P. Raju Iyer, President, Swami Shukadevananda, Secretary in office, Dr. K. Sethusankar, Principal & Other officials of the RKM Vivekananda College [Autonomous], Chennai during a visit on 19th March 2022



CMA H Padmanabhan, Chairman-CAT, International Affairs Committee, PR Committee and AAT Board, CMA Chittaranjan Chattopadhyay, Council Member, CMA (Dr.) K Ch A V S N Murthy, Council Member, CMA Rakesh Singh, Former President along with office bearers of SIRC during MOU signing ceremony between the Institute and Mahatma Gandhi University, Nalgonda (Telangana State) to work together to offer CAT course to the students of MGU.



CMA Chittaranjan Chattopadhyay, Chairman of Banking, Financial Services and Insurance Board (BFSIB) met Shri P K Arora, Member IRDAI and apprised him of various activities undertaken by BFSIB on Insurance Sector



CMA Chittaranjan Chattopadhyay, Chairman BFSIB of the Institute met CMA Srikanth K, CFO, Manipal Cigna Health Insurance Co.Ltd



CMA Chittaranjan Chattopadhyay, Chairman BFSIB of the Institute met Mr Abdul Rauf, IA&AS, Director General of Regional Training Institute of CAG and handed over a copy of the book titled Aide Memoire on Lending to Micro Small and Medium Sector Enterprises (including Restructuring of MSME Credit)



CMA Chittaranjan Chattopadhyay, Chairman BFSIB of the Institute met Shri Gopal Murli Bhagat, Dy Chief Executive Officer and Shri Shiva Kumar Sharma, Senior Advisor of the Indian Banks' Association



CMA Chittaranjan Chattopadhyay, Chairman BFSIB of the Institute met Smt Padmaja Chundru, MD & CEO of NSDL, Former MD & CEO of Indian Bank and discussed on the role and relevance of CMAs in Capital Market



**INTERNATIONAL WOMEN'S DAY CELEBRATION
AT THE INSTITUTE ON 8th MARCH 2022**



Celebrating International Women's Day based on the theme "WOMEN IN LEADERSHIP" on 8th March, 2022 at 45th International Kolkata Book Fair 2022, SBI Auditorium, Central Park Mela Ground, Salt Lake, Kolkata



International Women's Day celebration at CMA Bhawan, New Delhi on 8 March, 2022

Obituary
In Loving Memory of
CMA Rakesh Singh
President (2012 - 13)



The members of the Council, office bearers of the Regional Councils and Chapters, members and students fraternity and all employees of The Institute of Cost Accountants of India deeply mourn the untimely demise of their beloved Former President CMA Rakesh Singh, who left for his heavenly abode on 28th March 2022.

He had a long association with the Institute for nearly four decades as an active student, passionate member, tireless professional, inspiring mentor and dynamic leader in various capacities. He represented the Institute in various national and international forums of persuasion in upholding the dignity of our profession. He will always be remembered for his profound knowledge, his oratory skills and immense contribution to the profession.

Let us pray together for the eternal bliss of the departed soul of CMA Rakesh Singh and express our deep condolences to the bereaved family!





The Institute of Cost Accountants of India

Statutory Body under an Act of Parliament

www.icmai.in



Members in Industry & Placement Committee

Organizing

CMA CAMPUS PLACEMENT PROGRAMME 2022

For Qualified Cost Accountants of December 2021 Term



Locations & Participating Companies - Phase I

Mumbai
6th - 8th April, 2022

Delhi
11th - 13th April, 2022

Kolkata
20th - 22nd April, 2022

Chennai
25th - 27th April, 2022

And many more....



placement@icmai.in / cpt@icmai.in



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

BUILDING THE SKILLS OF EVIDENCE BASED MANAGEMENT



Michael Vodiano

MA, MHS Assessments
Toronto, Canada

Michael.vodiano@mhs.com

Abstract

Evidence-based practice has a tremendous value for HR and Management, but it requires the use of a broad skill set in order to overcome barriers to implementation. This article outlines some of these barriers and identifies some of the core skills and abilities that practitioners should develop in order to successfully implement evidence-based practices into decision-making processes, as well as suggestions for strategies and resources that they can use.

At its core, evidence-based practice (EBP) is based on a simple premise namely to make decisions using the best evidence available. There are many potential benefits of this practice: we are better able to sort fact from fiction, avoid fads and implement solutions that really work, engage in a decision-making process that values truth more than ego, limit the influence of bias, and, ultimately, make better decisions. It doesn't guarantee that every decision will be correct, but it makes success more likely, and provides a foundation that enables decision makers to act after decisions have been made to improve outcomes.

Since the early 1990s, evidence-based practice as a discipline has slowly grown in acceptance in different areas and domains. In some parts of the world, this practice has become the professional standard in fields like medicine, policing, education, public policy and more. The reason for this growth is simply that evidence-based practice shows results. It has helped uncover flawed or failing practices and has contributed to improving and even saving many lives. In HR and Management, the world's most advanced companies invest in an infrastructure that enables them to create better hiring processes, build

more inclusive cultures, and turn their people into a strategic advantage.

Evidence-based practice can be primarily thought of as a set of learnable skills that start with the clear identification of a problem and continue through assessment of the results of the final decision. Those skills are:

- ⊙ *Asking*: Translating a problem into a question.
- ⊙ *Acquiring*: Systematically searching for evidence.
- ⊙ *Appraising*: Judging the trustworthiness of evidence.
- ⊙ *Aggregating*: Pulling the evidence together.
- ⊙ *Applying*: Incorporating evidence into decision-making.
- ⊙ *Assessing*: Evaluating the outcome of the decision.

These skills have become increasingly accessible, as various organizations and educational institutions around the world have been providing training and resources to teach them. If you are interested in developing or sharpening your skills, then better start with Evidence-Based Management by Eric Barends and Denise Rousseau. Developing the ability to think critically about organizational problems and effectively using evidence from various sources will not only be beneficial to

your company, employees, and clients, but to you personally as well.

While the premise of evidence-based practice may sound simple and the potential benefits might seem intuitive, there are many barriers to implementing those practices at scale and realizing those benefits. Some of the challenges in implementing EBP in HR and Management include the low barrier for those to call themselves "experts", the diverse challenges of different organizations, and the gap between leaders' espoused and implicit goals. By that I mean that while leaders may say their goals are to speak truth to power, solve important problems and do what really works, they may really be motivated to attain or preserve power, fix surface problems, and get things done fast.

Beyond these barriers, culture plays an important role as to whether EBP is to be adopted, and if it is, what form it takes in decision-making processes. In a 2012 paper on the role of culture in evidence-based management, Potworowski and Green argue that for an organization to adopt and institutionalize the most basic level of EBP, it must have three factors:

1. It must understand the epistemic value of different forms of evidence.

2. It should be oriented to change over stability.
3. It should be balanced in focus on the gathering of both internal and external sources of information.

To the extent that your organization is not aligned with these factors it will be difficult to implement EBP. And how you address and overcome these barriers is crucial, as a mature, well-developed evidence-based practice requires buy-in and investment in the resources that are needed to gather and maintain data from relevant stakeholders in your organization consistently and judiciously.

Given these challenges, you will need to cultivate and draw upon abilities beyond the six core skills listed above to really be effective as an evidence-based practitioner and influence decisions on a broader scale. Given below are three abilities that you will need to have:

- ⊙ **Intellectual Humility:** EBP follows a conscientious and rational process in which evidence is judiciously gathered and evaluated before final decisions are formed. Often, the biggest shift companies must make when implementing EBP is leaving an over-reliance on expert (or in many cases, the highest-paid person in the room's) input and instead considering that input as part of a larger information-gathering process. That is not to say that EBP negates the value of expertise and lived experience, but it does democratize the information by using multiple sources of evidence. Companies that are committed to EBP recognize the value of expertise in the context, but don't necessarily defer to authority. While this might seem like a threat to some with decision-making power, the goal is not to limit their influence but rather to utilize it in the context of a more informed and rigorous decision-making process. An evidence-based mindset respects the professional judgement of experts, but only affords them the respect they earn based on their understanding of evidence. As we continuously seek to learn and build our understanding of the factors that impact the decision, we can benefit from added transparency and a more reliable and repeatable process. However, to the extent that one's culture leans towards centralized, hierarchical decision-making driven by status or seniority, the power of evidence can be stifled.

Humility is the need for intellectual flexibility. We are often more comfortable following principles that are held as dogma or deep truths. Evidence-based practitioners approach ideas with open minds and a willingness to engage with nuance. They practice a healthy skepticism and challenge convention as their situation requires. However, the reality is that even experienced practitioners often struggle with this and follow what they perceive as "the science" without

The biggest shift companies must make when implementing EBP is leaving an over-reliance on expert

evaluating the quality of the evidence. The idea of "following" or "trusting" science is antithetical to being effective as an evidence-based practitioner and can be just as bad as making decisions with no evidence at all. We should use the best evidence available to inform our understanding of problems and potential solutions, but we also exercise our judgement in following, or choosing not to follow, that evidence. That is why expert judgement still has an important role in an evidence-based process.

- ▲ **Start practicing:** Do you have deeply held opinions or beliefs about management topics, like the most important factors when hiring new employees, the right way to motivate your team or how to build training programs that get results? Ask yourself what sort of evidence those beliefs are based on and challenge yourself to acquire more evidence of a higher quality to determine what the best position really is.

- ⊙ **Impulse Control:** Very often we are faced with an imperative in business: to have a bias for action and to move quickly to solve problems. This isn't surprising, as most of us are evaluated and paid based on what we get done, not how well we've thought about all the variables. That is why EBP is so important. It slows us down and prevents us from "solutioning". That is, to jump to find a solution before getting a full understanding of the problem. Controlling the impulse to be reactive and jump to conclusions can certainly be difficult, but an effective information gathering process can pay dividends very quickly as it may uncover factors that change the way you might approach a solution, or even validate whether a solution is needed at all.

In practice, there are times when expedience is required, where the cost of delaying a decision requires that you take an approach that is less evidence-based. However, many times we have more time than we think. The extent to which you are empowered to spend additional time and effort on articulating your problem and asking the right questions, acquiring high-quality, relevant evidence, applying them to arrive at the best approach to a solution, can pay off in terms of clarity of purpose, alignment, and continued learning. And even if a decision must be made quickly, you can assess the results to modify or change the course as needed and learn from the experience.

- ▲ **Start practicing:** Are you currently experiencing the results of a decision that was made without evidence? Try to analyze that process and build a case for how it could have been improved with an evidence-based process. Some examples of questions to ask during this process are:
 - Was the problem we addressed framed as a question we could try to answer?
 - How was this decision made? How we could have benefitted from gathering information

from additional sources?

- How do we know if our solution was successful? Did we agree on the criteria that would indicate success and take steps to assess them?

- ⊙ **Interpersonal and Communication Skills:** Many people mistakenly think that simply providing good evidence in support of a position will make them more influential. The truth is that the ability to acquire and apply evidence is very different from the ability to influence others and inspire action. While there are times when using evidence will make your position more credible to others, it is also possible that evidence will lead dissenters to pull back and lean even more strongly into their positions. This is especially true if your opinion is seen as a threat to one's status or identity. That is why building trust and strong relationships is crucial for building influence and getting buy-in for important decisions.

One example where information has been insufficient to change the minds and behaviour is climate change. The scientific community has struggled for decades to communicate the urgency of the issue using data, leading advocates to reconsider their approach. In fact, the Center for Research on Environmental Decisions published a guide on the Psychology of climate change communication that can help us think about the ways we communicate using evidence. CRED research shows that, in order for climate science information to be fully absorbed by audiences, it must be actively communicated with appropriate language, metaphor, and analogy; combined with narrative storytelling;

made vivid through visual imagery and experiential scenarios; balanced with scientific information; and delivered by trusted messengers in group settings (CRED, 2009). Building these skills will be an important factor in your ability to effectively use evidence to inform decisions.

- ▲ **Start practicing:** Are you preparing to make a persuasive presentation using evidence? Make the effort to learn about your audience. What are their personal goals, needs and ambitions? What objections might they have to your position? Consider how you can present your arguments in a way that is empathetic, non-threatening and compelling.

Evidence-based practice has tremendous value for HR and Management, but it requires effort and the use of a broad skill set. However, there are different tools available to help you to develop your skills, and as the language of business becomes increasingly data-focused, your efforts will start to be met with less resistance. Don't neglect the human factors and start working on the ways that you can influence positive change and use evidence to become a more trusted advisor and deliver results of greater value. **MA**

References

1. Potworowski, Georges & Green, L.A. (2012). *Culture and Evidence-Based Management. The Oxford Handbook of Evidence-Based Management*. 10.1093/oxford/dhb/9780199763986.013.0016.
2. Center for Research on Environmental Decisions. (2009). *The Psychology of Climate Change Communication: A Guide for Scientists, Journalists, Educators, Political Aides, and the Interested Public*. New York.

Office of Chief Adviser Cost

Ministry of Finance
Department of Expenditure
2nd Floor, 'C' Wing, Lok Nayak Bhawan,
Khan Market, New Delhi-110003

Vacancy Circular No. A-12025/2/2021-CAC dated 4th April, 2022

Applications are invited from the eligible candidates for filling up 10 posts of Joint Director (Cost) in Indian Cost Accounts Service (ICoAS) under the Ministry of Finance, Department of Expenditure in Level-12 of the Pay Matrix (Pay scale Rs.78,800-209,200) by deputation (including short term contract) from officers of the Central Government or State Government or Public Sector Undertakings or Autonomous or Statutory Organizations.

The last date for receipt of applications would be within 60 days from the date of publication of above vacancy circular in the Employment News.

For detailed information regarding essential qualification, experience, application form and general conditions, please visit our website: <http://cac.gov.in>

Adviser (Admn)
O/o Chief Adviser Cost

MAKE EXPERIENCE MORE CREDIBLE IN THE CONTEXT OF EVIDENCE BASED MANAGEMENT

Abstract

Evidence based management considers expert's advice or opinion as one of the sources of evidence. But the reliability of the management expert's views has been questioned in academic literature. A decision maker develops expertise under two conditions working in a predictable environment with explicit outcomes and an opportunity to learn, based on quality feedback on the accuracy of past decisions and predictions. It is quite challenging to comply with these two conditions in the management domain. In this article an approach has been suggested for the management experts to make expertise more credible.



Dr. Prabir Kumar Bandyopadhyay

Independent Researcher
Kolkata

Prabir01955@gmail.com

Introduction

Ever since Evidence Based Practice has formally been accepted as the best practice of clinical decision making, the use of Evidence Based Management (EBM) in Health Care, public policy making and in all aspects of managerial decision making in general is gaining popularity (Hewison 1997; Axelsson 1998; Homa 1998; Ovretveit 1998; Leicester 1999; Kovner et al. 2000; Iles and Sutherland 2001; Walshe and Rundall 2001; Stewart 2002 as mentioned in Learmonth (2006). While highlighting the problems associated with the application of evidence-based management like medicine Walshe and Rundall (2001) has also emphasized that efforts should be made in 'outlining an agenda for action to promote the development of evidence-based management' (2001, p. 430).

One of the major problems in using evidence as a basis of management decision making, as per Walshe and Rundall, is that, 'personal experience and self-generated knowledge play a much larger part in determining how managers approach their jobs, and there is much less reliance on a shared body of formal knowledge in decision making' (2001, p. 439). In other words, Walshe and Rundall and many other critiques of EBM feel that in EBM the importance of managers' own experience will play a minor role, though there are genuine reasons for this, in managerial decision making. Managers are also highly influenced by several management fads without critically examining it. Managerial fads like MBO, Sensitivity Training, Quality Circles, TQM, Self-Managed Teams, Weisbord's Six-Box Organizational Model, Theory of Constraints, BPR (Business Process

Reengineering), The Learning Organisation the impact of which are not evidenced or at the best with limited evidence mainly anecdotal (Gibson et al. 2001).

EBM as evolved today gives due consideration to the experts' views and knowledge. Centre for evidence-based management (CEBMA) has defined EBM as "The starting point for evidence-based management is that management decisions should be based on a combination of critical thinking and the best available evidence. And by 'evidence', we mean information, facts or data supporting (or contradicting) a claim, assumption or hypothesis." Evidence-based management uses four sources of resources for evidence: Organizational data, Practitioners' professional experience, scientific literature and stakeholders' values and concerns. While considering evidences from each source it systematically

appraises the evidences to judge the trustworthiness and relevance of the evidence.

Professional experience does not automatically make an experienced professional an expert in his domain. In this case the domain is the field of management. As per Shanteau (1992) 'expertise' is defined as increased quality of performance, which is gained with additional experience. And individuals should be able to use their expertise to improve their performance and outcomes. To develop expertise two conditions shall exist: 1. the environment is predictable and with explicit outcomes and 2. there is an opportunity to learn, based on quality feedback on the accuracy of past decisions and predictions (Kahneman and Klein (2009) and Shanteau (1992)). With a few exceptions, management domain hardly provides predictable environment and frequent, direct and objective feedback (Hamori, M and Koyuncu, B 2015). On the contrary managers may need to unlearn their knowledge in order to be effective in a changed environment as they develop knowledge corridors and decision-making templates over a period of time (ibid).

Keeping this information in the background this article examines how to learn from experience and become an expert.

Learning from experience and becoming an expert

Key learnings from several papers from the extant literature are described in this paragraph so as to give some "how to" points to develop expertise while working in one's own area of expertise.

Kuhlmann et al. (2015) coined two terms for experienced professionals: Experienced non-experts and experienced experts. The issue is: "What differentiates the experienced non-expert from the expert? And what factors contribute to the formation of expertise?" (2015, p.263). The experienced non-experts will be proficient at the highest level of

their profession and the experienced experts will develop expertise at the highest level of their profession. The term 'proficient' indicates that the individual will develop routines for routine problems in their profession and will be able to carry out routine assignments with highest level of efficiency. On the other hand, an expert will develop himself to be comfortable in the more gray and complex areas and will solve the problems using research. "Experts acquire extensive knowledge that affects what they notice, and how they organize, represent, and interpret information. This, in turn, affects their capacity to remember, reason, and solve problems" (Fazey et al. 2005). Fazey et al. (2005) have identified six characteristics of experts' knowledge that differs from that of a novice. From these six characteristics we may derive the characteristics that differ experts' knowledge that of a proficient. Experts exhibits different degrees of flexibility so as to adapt and deal with new situations in a creative way. It is the creativity that makes experts different from the proficient ones. Therefore, experts develop "adaptive expertise" (Hatano and Inagaki 1986 as mentioned in Fazey et al., 2005).

One interesting point is that the research suggests "expertise was a learned rather than innate" (Bryan and Harter, 1897; De Groot, 1965; Simon and Chase, 1973; Chase and Ericsson, 1981; Schön, 1987; Gobet, 1998 as mentioned in Kuhlmann et al. (2015) p.263). Though development of proficiency and expertise both are functions of time and experience, developing expertise depends more on quality of experience. The quality of experience depends on getting the chance to solve increasingly complex problems- which Bereiter and Scardamalia (1993) called as progressive problem solving. At the complex level of the problem needs conducting research to develop a solution, which needs careful reading, analyzing and writing (Kuhlmann et al. 2015). Kuhlmann et al. (2015) identified personal attributes of experts like, intelligence matched to

the discipline, willingness to work hard, fascination with the domain area and tolerance of ambiguity supported by practical, real-world complex problem-solving experience. Thus, desire to address complex, ambiguous situations is a differentiating attribute of experts.

Gary Klein (1997) identified strategies one can adopt to become experts: "Engaging in deliberate practice, so that each opportunity for practice has a goal and evaluation criteria; using attentional control exercises to practice flexibility in scanning situations; sampling alternative task strategies; compiling an extensive experience bank; obtaining feedback that is accurate and diagnostic and reasonably timely; enriching experiences (i.e. reviewing prior experiences to derive new insights and lessons from mistakes) and building mental models and obtaining coaching" (1997, p.348).

Out of all the strategies, special attention may be given to 'enriching experiences' as it needs a unique skill of how to reflect on. K. Lewin's cyclical account of learning, which is popularly known as "plan, act, review, and try again approach" is a good point to start practicing reflection. There is evidence to suggest that it is more important to be aware of what was done, and what resulted from it rather than concentrating on what were the shortcomings. Understanding such cause-and-effect relationship in case of management actions are quite challenging. As the result of actions in management takes long time to become apparent and results are also confounded by many other factors. Apart from these factors another important point that prohibits an individual to learn from his own actions as all human beings are influenced by cognitive biases.

Identifying self-biases and rational decision-making using evidences

Best way to debias is to be aware of one's own biases through continuous reflection on past decisions and the outcome. Overuse of confirmatory

and hindsight biases and failure to engage in specific hypothesis testing are the main hindrances to develop expertise. It is through hypothesis forming and testing knowledge is gained. This does not mean that always testing of hypothesis has to be done by statistical testing. Qualitative testing also serves the purpose (Wertz, F. J., 2014). Rousseau et al. (2011) offered several suggestions to reflect on decisions taken. Apart from decision aware the authors suggested to make decision explicit – by reflecting on how decisions were made. Decision maker may ask himself six questions-“from whom or where did you learn about the facts used in this decision (validating the assumptions made)? What evidence supported the actual path taken? Did some pieces of information influence the decision more than others? Was some evidence missing? What indicators do you have of the decision’s success? Where does it fall short? What alternative ways might this decision have been made (e.g., using additional or different information, stakeholder discussions, etc).” (2011, P. 226).

Conclusion

Evidence based management does consider expert’s views and opinions as one of the sources of evidence. But the issue is reliability of the expert’s views particularly in the domain of management decision making. A decision maker develops expertise under two conditions: 1. the environment in which a professional works should be predictable and with explicit outcomes and 2. there is an opportunity to learn, based on quality feedback on the accuracy of past

Best way to debias is to be aware of one’s own biases through continuous reflection on past decisions and the outcome

decisions and predictions. It is quite challenging to comply with these two conditions in the management domain. From the review of relevant works available in the extant literature it may be concluded that mere experience does not give expertise automatically. Conscious efforts shall be taken to develop expertise in a domain, which include but not limited to: getting the chance to solve increasingly complex problems in ambiguous situations, acquire the art of conducting research – formation of hypothesis and testing the same, validation of assumptions and retrieve research findings from reports and published papers. Deliberate efforts need to be taken to get timely reliable feedback, developing habit of reflecting on what was done and what resulted from it and deriving new insights and lessons from it. MA

References

1. Mark Learmonth; Nancy Harding (2006). *Evidence-based management: the very idea.* , *Public Administration*, 84(2), 245–266.
2. Walshe , K. and T. G . Rundall (2001) . *Evidence-based Management: From Theory to Practice in Health Care* , *The Milbank Quarterly* , 79 , 429 – 57 .
3. Gibson Jane Whitney and Dana V. Tesone,(2001). *Management*

- Fads: Emergence, Evolution, and Implications for Managers, The Academy of Management Executive*, Vol. 15, No. 4, pp. 122-133
4. Shanteau J (1992). *Competence in experts: The role of task characteristics. Organizational Behavior and Human process*, 53(2):252-266.
5. Kahneman, D., & Klein, G. (2009). *Conditions for intuitive expertise: A failure to disagree. American Psychologist*, 64(6), 515–526.
6. Hamori Monika and Koyuncu Burak (2015). *Experience Matters? The Impact of Prior CEO Experience on Firm performance. Human Resource Management*, 54(1),23-44.
7. Kuhlmann, Diane & Ardichvili, Alexandre. (2015). *Becoming an expert: Developing expertise in an applied discipline. European Journal of Training and Development*. 39. 262-276.
8. Fazey, I., J. A. Fazey, and D. M. A. Fazey. 2005. *Learning more effectively from experience. Ecology and Society* 10(2): 4. [online] URL:<http://www.ecologyandsociety.org/vol10/iss2/art4/> (accessed on 20th January 2022).
9. Bereiter, C., & Scardamalia, M. (1993). *Surpassing ourselves: An inquiry into the nature and implications of expertise. Chicago, IL: Open Court.*
10. Gary Klein (1997) *Developing Expertise in Decision Making, Thinking & Reasoning*, 3:4, 337-352.
11. Wertz, F. J. (2014). *Qualitative inquiry in the history of psychology. Qualitative Psychology*, 1(1), 4–16.
12. Rousseau Denise M., Eric G. R. Barends (2011). *Becoming an evidence-based HR practitioner, Human Resource Management Journal*, 21, (3), pages 221–235.

On representation by the Institute the Banks Board Bureau has included CMAs for the posts of Deputy Managing Director, Lending and Project Finance, Deputy Managing Director, Chief Risk Officer and Deputy Managing Director, Chief Financial Officer respectively of National Bank of Financing Infrastructure and Development (NaBFID) .

The last date of application has been extended till 22nd April,2022.

<https://banksboardbureau.org.in/wp-content/uploads/2022/04/Combined-Detailed-Advertisement-for-3-DMDs-Modified-vf-22-Apr.pdf>

CREATIVITY ACTS AS DRIVING FORCE TO SUSTAINABLE BANKING CULTURE IN INDIA

A THEORETICAL UNDERSTANDING

Abstract

In the current economic scenario, all development should be sustainable in nature. Creative thinking entails the technological development which ensures sustainability. Indian banking culture as an integral part of the overall society's culture is also affected by the creative innovation and development in digital banking sphere that implicitly supports the vision of creating sustainable banking culture. More the creative solution to be developed, more will be the generation of banking habit and banking development will also sustainably grow.



Biswajit Dey

Additional Treasury Officer (WBA&AS)
Department of Finance, Government of West Bengal
Kolkata

lal.biswajit96@gmail.com

1. INTRODUCTION

The term 'creativity' is understood to have some unique result by a process of activities or innovation that brings novelty in usage. It is the ability of a person or a company to produce or give a unique solution to a problem. Thus it fosters innovation and innovative ideas in a person's mind as well. Its meaning can be inferred from three ways: it may be either a process i.e. creative thinking or personal traits i.e. ability of person, personality etc. or might be the end result i.e. creative products or services. Today banking sector tries to implement sustainable banking culture, both in internal operations and external activities by providing innovative services and customers' values that have social influence and economic acceptability. Indian banking sector is widely occupied by highly aspiring youth who always prefer to have an experience of world class service provision and

convenience which compel the banks to be creative and innovative. Sustainable banking ensures positive growth and sustainable return to the banks over the long run and market share is also getting increased along with it.

2. REVIEW OF LITERATURE

Das (2013), stated that technology has played tremendous role in improving the banking services and operation. Indian banking is also moving to sustainable banking by focusing on social banking and innovative service offerings to the customers which ensures providing value added service with standard quality. It is also found that both private and public sector banks use creative innovation as part of their future sustainable strategy and becoming customer-service centric banks.

Kaur (2015), mentioned in his study the different innovations that banks now use to provide high value services to the customers, which include biometrics technology, smart watches, robotics, artificial intelligence and cheque truncation etc. He concluded that foreign banks are well ahead with latest technology than Indian banks but some private sector banks have also taken good initiative for utilising new technology.

Deloitte Report (2017) made a survey in Nigerian banks and the key findings suggest that 83.3 per cent of respondent banks stated that they have a sustainable strategy and 100 per cent of the respondent banks have an Environmental & Social (E&S) framework. Banks are currently concerned with sustainability issues and the most common sustainable priorities for the banks include energy efficiency and financial inclusion.

Chauhan (2021), studied the role of innovation in Indian

banking sector and stated that bank procedure becomes faster due to automation process taken by the banks and banking innovation has made a robust change in banking performance. Innovation competition brings in the highest quality in banking services which are mostly appreciated by the customers.

3. OBJECTIVES AND METHODOLOGY

This study is purely a theoretical one in nature and mainly focuses on the need and relevance of creativity as an essential factor for innovation and making sustainable banking culture in the society. Relevant concepts, facts and literature have been collected from secondary sources like books, national and international journals and reports which are publicly available over internet. Column charts are used to depict the information to establish the stated objectives.

4. CREATIVITY IN SUSTAINABLE BANKING CULTURE

Creativity and sustainability compliment each other in the sense that creativity supports sustainable development and innovation is the outcome of creativity. A country's economic development, to a great extent depends on sound banking culture and its sustainable growth over the years. Banking culture comprise of beliefs, understanding, attitude and habits of customers towards the banking sectors. Banking culture is integral to the overall society's culture since banking is highly integrated with people's economic life and standard of living. Sustainable banking culture is a signal of becoming a developed nation.

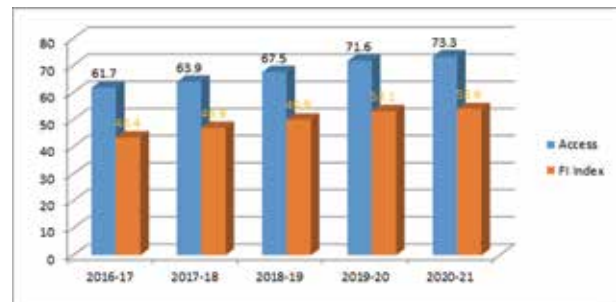
'Sustainability' is a buzz word in economic world and is highly considered by most of the industries including banking. The shift in demand and demographic dividend that India enjoys compels the banking sector to focus on sustainable development. It has to meet the short term performance along with long term achievement. Banking culture needs to be redesigned in such a way that it must be sustainable and sustainable innovation plays a crucial role. Here sustainable innovation refers to the innovations that can improve the performance sustainably within the domain of economy, ecology and society.

Banks need to invest a good amount of time on how they can be the innovative competitors against each other. The banking domain has widened enough to increase their profitability. Digital development in Indian banking has also increased the financial inclusion which ensures the financial accessibility and sustainable banking with special reference to rural banking improvement. Financial innovation and development of digital payment network have also hiked the accessibility to the banking which is crucial for bringing sound banking culture in the economy. The more the customers become accessible to their banks and fund, the more they would become accustomed to the

continuous banking culture.

According to *RBI Bulletin (Sept, 2021)* the financial index has improved sustainably. Fig 1 reveals that in the year of 2016-17, Financial Inclusion Index was 61.7 which increased to 73.3 accompanied by increase in accessibility sub index from 43.4 in 2016-17 to 53.9 in 2020-21. Such increase is largely influenced by the digital innovation and creative action in banking services.

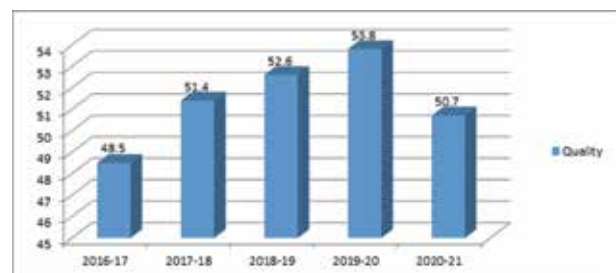
FIGURE 1
FINANCIAL INCLUSION INDEX AND
ACCESSIBILITY SUB INDEX*



*Source: RBI Bulletin (Sept, 2021)

Banks also face a challenge from the demographic dividend, that is, a good portion of the active banking customers is from the young generation who are well aware of the internet and smart phone. The netizens always prefer to have convenient banking with latest innovation. Therefore, banks need to be highly creative in catering to the needs of these customers who have very less intention for physical banking and banks also focus on the quality for their services especially in digital service (Fig 2).

FIGURE 2
QUALITY SUB INDEX*



*Source: RBI Bulletin (Sept, 2021)

Another important aspect requiring creativity is super servicing the customers and mitigate the needs of physical banking. In India the banking population is on the rise in higher proportion to the increase in the bank branches and banking personnel. Self-help or self-reliant banking is present day's need of the society. To transit the dependence

Creativity and sustainability compliment each other in the sense that creativity supports sustainable development and innovation is the outcome of creativity

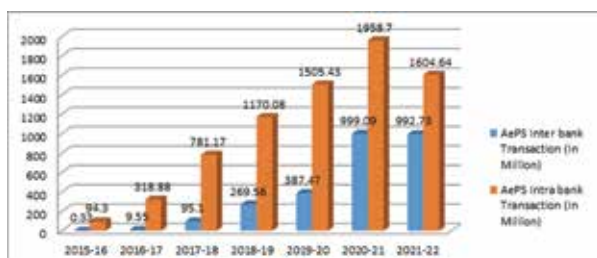
on banking personnel to self-dependent banking, creative solution is very much necessary in the banking culture.

5. RECENT DEVELOPMENTS IN CREATIVE INNOVATION

Indian banking has witnessed lots of innovation in banking culture so as to solve the different problems of the society and customers. Pandemic has made banking realise that digital banking can entirely change the banking methodology and banking ecosystem. Pandemic has barred the people from opening bank accounts physically, but various banks in India introduced the concept of video banking in which bank accounts can be opened by video calling. Video based banking is very convenient. Rural people who are basically from backward region having less education, face the problem of digital banking where they need to know password id etc. AePS that is Aadhaar enabled Payment System has been introduced in which customers can transfer their fund through Aadhaar card and biometric process. It has seen huge growth in digital transactions and other basic banking services in India. Following 3 reveals the fact that volume of AePS inter banks non-financial transactions was 0.33 million in 2015-16 which increased to 992.73 million in 2021-22 whereas volume of AePS intra banks non-financial transaction was 94.3 million in 2015-16 which increased to 1604.64 million in 2021-22.

FIGURE 3

AADHAAR ENABLED PAYMENT SYSTEM*



*Source: NPCI Report 2022 (2021-22 includes upto January 2022)

Customers face some problems in communicating with their banks through mobile apps and getting information due to technical problems. This issue is also resolved by introduction of creative solution in Whatsapp banking

mode. Since Whatsapp is common and most user-friendly its application is very easy, just like Whatsapp chat.

Another example of creative innovation which can mitigate the problem of internet connectivity is e-Rupi. E-Rupi is an e-voucher that can be redeemed by the beneficiary with the merchant without requiring any internet. It is an addition to the development of digital governance and ensuring financial as well as social inclusion. It is a contactless process and specific digital payment solution to be provided by any Government agency and corporation. Here a QR code is to be provided to the mobile number of the beneficiary via SMS and such QR code is to be shown to the merchant who will scan it. A verification code is to be accepted by the beneficiary in his phone and payment will be done to the merchant (*The Times of India, Aug 10, 2021*). NPCI has already partnered with 11 banks for e-Rupi transaction in India.

6. CONCLUSION

In India both private and public sector banks are more inclined to the use of digital technology so as to create sustainable banking eco-system and bringing a sustainable banking culture in the society which in turn entails the financial inclusion. Over the years the performance for financial inclusion has increased and many creative innovations and developments took place to support sustainable banking culture. Creative innovation in digital banking has exaggerated this culture. MA

References

1. Das, S.K. (2013). *Innovation and Challenges in Indian Banking*. *International Business Management*, Vol. 59, pp. 15394-15403.
2. Kaur, S. (2015). *A Study on New Innovations in Banking Sector*. *International Journal of Science and Research (IJSR)*, Vol. 5(11), pp. 1780-1782.
3. *Deloitte Report (2017). Sustainable Banking as a Driver for Growth A survey of Nigerian Banks.*
4. Chauhan, D. (2021). *Role of Innovation on the Performance of Indian Banking Sector*. *PalArch's Journal of Archaeology of Egypt/ Egyptology*, 18(18), pp. 603-607.
5. *The Times of India, (Aug 10, 2021). The contribution of e-Rupi to digitalize Indian Economy.* <https://timesofindia.indiatimes.com/readersblog/writgenix/the-contribution-of-e-rupi-to-digitalize-indian-economy-36190>.

EVIDENCE BASED DECISION MAKING: ITS RELEVANCE TO A MANAGEMENT ACCOUNTANT

Abstract

Evidence based decision making (EbDM) is a derivative of Data Analysis/ Analytics. Success of a Business predominantly depends on two parameters – to gain new insights faster than the competition, and to turn those insights into right decisions. To take right decision in right time, one needs the support of reliable evidences i.e., data. Organisations emphasise on evidence-based information which are most relevant to support key decisions.



CMA Arunabha Saha

Practicing Cost Accountant
Thane

saha.arunabha@gmail.com

INTRODUCTION

Dr. Gordon Guyatt, first conceived the idea of evidence-based diagnosis than unsystematic clinical experience which is based on intuition. He explained that evidence based clinical decision making is a combination of not only research evidence but also clinical expertise and circumstances of individual patients. Application of best evidences available from multiple sources, at a particular time, which suits to the situation to take decision is the basic fundamental of EbDM. EbDM is continuously evolving and dynamic in nature. The evidences considered in past for a decision making may not be the same for a decision in future as some more suitable and scientific evidence might be available at that time.

PERTINENCE EVIDENCE

Evidence includes data, information (both quantitative and qualitative)

that can be used for solutions to an issue in a particular situation. The pertinence evidence either supports or counters an established hypothesis based on timing and circumstances. The evidence derived from careful observations and practical experiments, rather than instinct or theory, is a pertinence evidence.

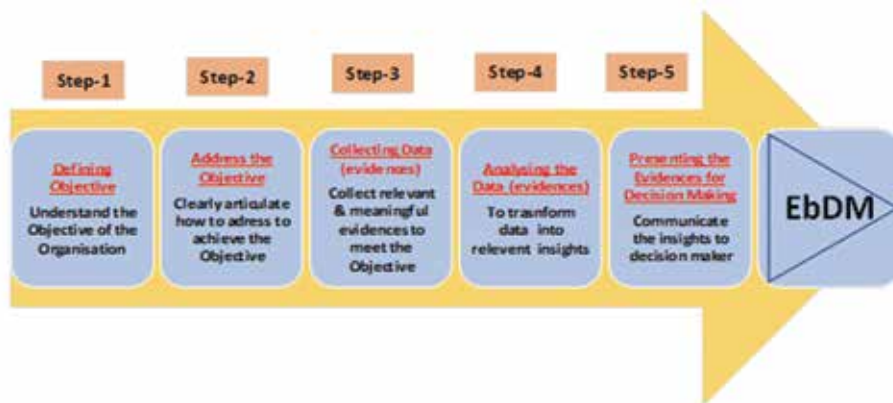
RELEVANCE OF EBDM TO A MANAGEMENT ACCOUNTANT (MA)

Decision-making process is the most crucial, difficult and challenging task of the management. Even though vast evidence-based data is available, it is still hard to decide which particular evidence is most appropriate to a particular situation for a specific business challenge. Tuning the matrix of numerical data into an acceptable pattern needs systematic approach without any irrational personal judgement or instinct. Here the role of a MA is foremost important. As a decision

maker a MA should thoroughly understand the situation with logical parameters, carefully consider the evidence available and select the best available evidence. This is done to justify the best option to address the situation and not a judgement on mental bias.

The basic steps an MA considers in any decision-making process, based on evidence can be summarised as under for illustration purpose:

**Tuning the matrix
of numerical data
into an acceptable
pattern needs
systematic
approach without
any irrational
personal
judgement or
instinct**



Some practical illustrations on how decision is to be taken by a MA based on EbDM are indicated in the following paragraphs.

1. Organisation wants to decide which customers are to be targeted?

Probable decision based on instinct:

- Customer's uptake based on volume.
- Customers with long-term commitment.
- Customers having good interpersonal relationship.

A MA will set the following key analytical questions instantly and give a decision based on evidence:

- Who are the most profitable customers?
- Which product or service attributes do the customers value the most?
- Which customers have the highest lifetime value to an organisation?

Based on a careful review and analysis of the above questions from reliable and trustworthy evidence available in the marketing database of own and related organisations, a MA will take the best decision.

2. Organisation likes to decide how much to invest further in branding?

Probable decision based on intuition:

- Further branding in the existing market will have no impact on sales.
- Difficult to quantify and no immediate decision on further investment.
- To capture more in a particular

market, the company has to do branding very aggressively.

A MA will place and analyse the following questions at once:

- What is the level of brand recognition among the customer group?
- What is the brand value and its impact on business growth?
- Return on investment on branding.

A MA will calculate the brand value as under:

Value of a business multiplied by Percentage of that value due to brand = Brand Value

(Difference between the estimated price to sales ratio for a branded company and the price to sales ratio for an unbranded company, multiplied by the sales of the branded company). A MA also calculates what will happen to business growth if the brand loses its shine or is degraded. A systematic approach supported by authentic statistical evidence presented by the MA collected from various sources will have much more impact on decision making. Based on those statistical evidences the MA can highlight when, where and how much to invest in branding and its probable return.

3. Organisation desires to maximise its turnover?

Probable decision based on theory:

- Increase in sales volume of low-priced products/ service
- Increase in incentives
- Offer special sales promotions and discounts

A MA will study and investigate the related query and take decision based on available evidence:

- What is the ideal product/ services configuration to maximize the turnover?
- How well the organisation is promoting the product / services?
- How do the customers perceive the product/service?

A MA will derive the product/ service wise contribution and its market potential. Accordingly, the products/ services will be sequenced and emphasis will be given on the product/ service giving highest contribution. An MA will analyse the survey of the customers perception about the product / service of the organisation and also similar product/ service offered by other organisations. The MA then highlights the limitations of the organisation for promoting the product/ services based on the available historical data. Also gives ideas to improve the product/ services to achieve targeted turnover.

4. Organisation ought to reduce the machine layoff due to maintenance?

Probable decision based on general concept:

- Replace all the machineries which are very old and prone to maintenance.
- Review all the maintenance procedure and simplify them.
- Keep alternative machines as standby.

An MA will judiciously and conscientiously apply the concepts of EbDM and submit opinions for decision

making:

- a. Application of better management in case of unpredictable, unplanned or breakdown maintenance.
- b. Advice to have a maintenance calendar of scheduled work to be executed in the next month/quarter or year for critical equipment.
- c. Application of the concept of predictive maintenance.

An MA will study the maintenance history of machines which are critical and prone to maintenance from plant maintenance data. After vigorous discussion with the technical persons based on live data (evidence), The MA will frame the strategy to reduce the layoff in production due to maintenance of machineries.

It is pertinent that an MA has applied the concept of “6A approach” for decision making as shown in the figure above.

1. **Ask:** Perceive the problem and translate it to answerable question.
2. **Acquire:** Gather the evidence from various sources.
3. **Appraise:** Examine the evidence available and make judgement about its trustworthiness.
4. **Aggregate:** Consider the best available evidence which can address the situation most effectively.
5. **Apply:** Use the best evidence selected to mitigate the situation.
6. **Assess:** Estimate the outcome of the decision taken based on the evidence and keep those as repository.

PROBABLE ISSUES IN EBDM PROCESS

- a. How to define the concern to be addressed?
- b. How to convey the type of evidence required?

- c. How to identify various sources from where the evidence had to be collected?
- d. How to collect the most appropriate evidence pertaining to the issue?
- e. How much evidence is enough?
- f. How to validate the evidence?
- g. How to eliminate the biased evidence?
- h. How to decide the best evidence out of alike evidence?
- i. How to translate the evidence in to best decision making?
- j. How to examine both direct and indirect effects that will occur?

MIS-CONCEPTIONS & OBSTACLES AGAINST EBDM AND THEIR ALLEVIATION

There are some misconceptions and obstacles which prevent the perception of an evidence-based approach. However, those misconceptions are turned down as follows: -

1. EbDM ignores the rich professional experience of consultants. In reality it is simply the opposite. EbDM practice is not based on single source of evidence; rather multiple sources of evidence.
2. Most of the times managers are required to decide on the spot and do not have time for evidence-based practice; rather even a quick decision requires reliable and trustworthy evidence.
3. EbDM is based on statistical numbers and may not be applicable in all cases; on the contrary EbDM is based on recent and most authentic evidence.
4. The EbDM is unique to an organisation and cannot be benchmarked; reverse is the case; different organisations face similar issues and respond in similar ways.

Other than reliable and authentic data, EbDM process also requires (i) skilled leadership, (ii) openness/explicitness, (iii) inclusiveness / participation and (iv) transparency, because the shop floor/ on site persons are the repository of huge evidence which cannot be kept in data base. Involvement and participation of those people are vital for EbDM process. A skilled leader should be very transparent to accept the ideas conceptualised by a group of such people. They should be rewarded immediately. Creating a knowledge-to-action culture which is conducive for implementing EbDM in an organisation, requires (i) sharing of experience and information from all employees and make those as repository, (ii) developing widespread analytical capabilities throughout the organisation, (iii) building appropriate IT infrastructure so that all can have access to keep respective experience in real time, (iv) training the people to be more judgmental and (v) developing a culture of converting knowledge through experience turned into action.

An organisation can improve all its parameters for growth in this unpredictable and competitive world by aligning the best evidence gathered/ collected and using those to extract valuable insights and allow to act on those insights. EbDM approach enables organisations to rely more on evidence-based decision in making and keeping away from the traps of making decisions based on anecdotal or half-truth data.

“Use of analytics is accelerating, and that means more data-driven decision making and few hunches. Evidence-based management complements analytics by adding validated cause-and-effect relationship between policies and effects”- Paul Gibbons. **MA**

References:

1. <https://www.cimaglobal.com>
2. <https://cebma.org>
3. <https://www.shrm.org/>

Kind Attention !!!

To make the wide publicity of your Region and Chapter of the Institute we print the matters/happenings/news achievements/ activities related to your Region and Chapter. For the wide coverage of the same you are hereby requested to provide us the brief write-ups related to any activities organised by your Region and Chapter for the purpose of publication in “*The Management Accountant*” Journal along with the selected high resolution pictures (.jpeg format) within 45 days of the date of the event and within 20th of every month to editor@icmai.in



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in



CELEBRATING APRIL 2022 AS MSME & START-UP MONTH

WEBINTs



CMA P Raju Iyer
President, ICAI

WEBINT 1

10/04/2022 : Growth Accelerator of Indian Economy - MSME

WEBINT 2

17/04/2022 : MSME Sunrise Sectors - Pharma & Agriculture

WEBINT 3

24/04/2022 : MSME Sunrise Sectors - Marine & Startups

WEBINT 4

30/04/2022 : Alternative Methods of Funding MSMEs



CMA Vijender Sharma
Vice President, ICAI

SEMINAR ON WOMEN ENTREPRENEURSHIP

“Communicating - Collaborating - Changing”

Objective of the Seminar

Interaction between Women Entrepreneurs,
Government Officials and the Institute

Target Audience

Women Entrepreneurs
Government Officials
CMAs

Date and Time of Event : 12th April, 2022 at 3:30 P.M.

Venue : J. N. Bose Auditorium, CMA Bhawan,
12, Sudder Street, Kolkata - 700016

Mode : Physical and Online with Live Streaming on YouTube



CMA Chittaranjan Chattopadhyay
Chairman,
Task Force on MSME & Start-up and BFSI Board, ICAI

ORGANIZED BY

TASK FORCE ON MSME & START-UP



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

EBM... IS IT STILL RIGID TO APPLY?



Dr. Rohan Prabhakar Dahivale

Head of the Department
Rajgad Institute of Management Research &
Development
Pune

rohandahivale@gmail.com

INTRODUCTION

Managers in the business environment have to take many speedy and yet effective decisions in daily their routines. Generally, the decision-making process is based on various parameters like already available information, past experiences of managers, forecasted and expected results after decisions and so on. Managers may rely on available theories and theoretical framework models for getting an expected solution as an outcome of an issue.

As the business world is leveraging its path towards a customization approach, 'one size fits all' strategy is proving to be ineffective for many sectors, especially in services. Many manufacturing sectors are trying to be innovative in terms of providing customized products as unique solutions to satisfy one's desire. The same thing is applicable to the decision-making process. Every issue in any business is having a unique blend of several inherent characteristics. These characteristics are inclusive of the uniqueness of its business environment, operating sector, channel partners, business cycle, industry life cycle, supply-demand equations, etc. Thus each and every issue will be perfectly addressed if the manager applies a set of actions based on the 'evidence' which previously occurred within the same or similar business environment.

Abstract

Evidence based management (EBM) is said to be one of the quicker and cost effective ways of decision-making for managers. Evidence can be said to be those few key facts coming as inherent solutions for the existing unsolved management issues/problems. Managers need to effectively utilize such evidence by proper identification, classification, dissemination, and application process. In few cases, EBM may be found as a miracle solution for critical, complex, and unsolved management issues. EBM is not just imitation of evidence but it is an evolution process to be adopted by a company.

FIGURE 1
SOURCES FOR 'SUITABLE EVIDENCE'



Before applying EBM to any organization, managers must think of the best suitable evidence that truly 'fits' as a solution to any business issue and will address the management dilemma.

- i. Managers can get plentiful of published research articles and case studies in reputed and reliable journals along with the theses published after the conduct of research. Managers can search initially with desired keywords and then sort out required materials for further reading as 'external search'.
- ii. Managers can even recall their personal experiences or predictive judgments regarding similar issues they have faced or overcome in the past, which are termed as 'internal search'.
- iii. Managers must keep the vision and preferences of

their organization in their mind so as to identify the best suitable evidence towards the projected outcome.

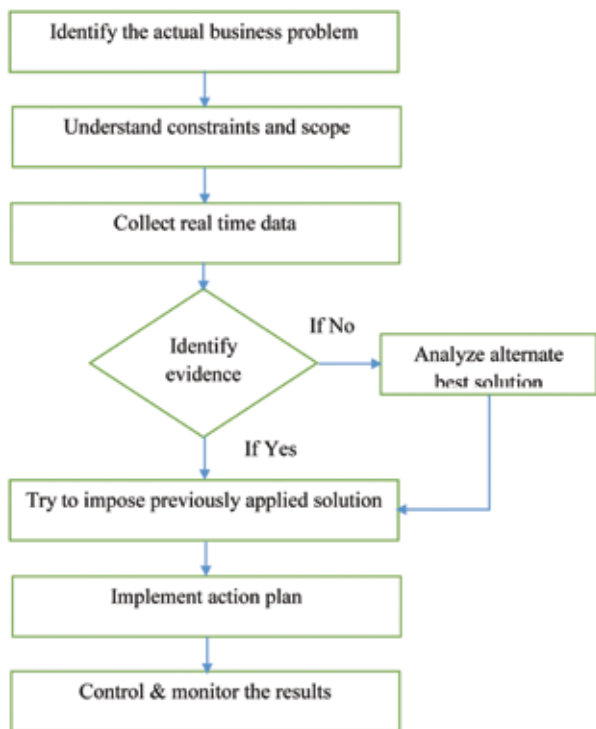
- iv. All evidence or selective evidence from all these available evidence should be matched with the existing ‘organizational behavior’.

This is the critical task of the manager to analyze all the resources and select the best suitable evidence for their organization.

SUGGESTED PROCESS FLOW CHART

FLOW CHART 1:

PROCESS FLOW: EBM IMPLEMENTATION



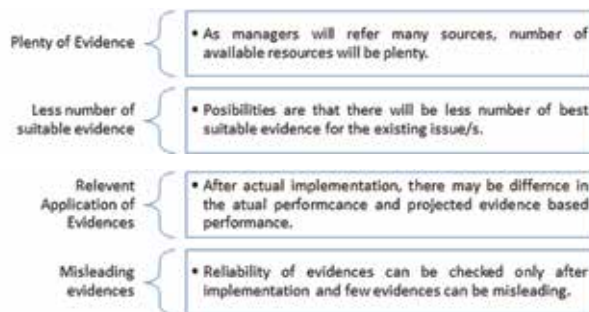
The above is the suggested flow chart for the implementation of EBM in any organization. First the managers need to understand the actual issues or problems by carefully understanding management dilemmas. This first step is essential and crucial for the successful implementation of EBM. Then managers need to understand the in-depth scope and constraints associated with the issues to be handled.

Real-time and relevant data/information collection should be done prior to the identification of evidence. This identification should be done by carefully matching the specifications of the issues. Previous research, managers’ experiences and judgments, companies’ preferences, etc. must be taken into consideration (as shown in Figure 1).

If the best suited evidence is available or found, then try to apply the solution and implement the action plan accordingly. If the best suitable evidence could not be

found, then try to find alternate solutions.

POSSIBLE HURDLES IN EBM IMPLEMENTATION



CAN EVIDENCE BE USED AS BENCHMARKING?

This question can raise a debate in the minds of many managers. Benchmarking looks like a cost-effective tool that is very easy to implement without much efforts. Benchmarking can lead to an actual comparison between the performances. These performances can be between employees, products, action plans, projects, departments, etc. Though benchmarking looks essential to set up a target for visualizing or achieving the best performance as an output, it may turn into a hazardous activity. The reason is comparison is not always done in the exactly same environment. The dynamic nature of the environment logically creates different opportunities and characteristics for the performances. On these changing background, the evidence seems to be different in each circumstance.

For example, the performance of a particular stock in a particular sector in a particular year and just a few days before the election may differ in another year in a similar situation. Here we cannot treat that performance as a benchmark as there are many other factors that can affect the performance of that stock.

CORRELATION: SWOT AND EVIDENCE



Each organization is having its own strengths and weaknesses. Business leaders and decision makers must thoroughly understand the inherent characteristics of their own organization. This knowledge is essential as a building platform for an effective decision making. Evidence must be matched with the existing strengths, that can give a

winning edge over the competition battle in the market. Thus managers can identify the opportunities and forecast the threats from the business environment. There must be updating in the business and technical knowledge, precise information collection process and required key skills.

Thus capitalization of own strengths is essential for identification of right evidence and this should be done specially by the experts.

EBM: EXPECTED GAINS



Successful implementation of EBM process and effective control activities certainly enhance the performance of the organization. Wrong decision-making has an adverse and direct impact on the performance. EBM tries to reduce this effect by suggesting better decisions based on evidence.

If the decision-making process is judgmental and is done only on the basis of 'gut feelings' or 'latent preconceptions' then it will certainly lead to error generation. The decision-making process should be based on the rational thinking of the decision-makers and not on the current popular decision-making trends. After going through several similar cases, managers can aggregate the probable results and then come out with their own thinking based on the facts in that circumstances.

EBM: IMITATING OR EVOLVING?

Instead of "evidences" correct as "evidence" at all the four places in the figure



The dynamic nature of the environment logically creates different opportunities and characteristics for the performances

EBM can be simply thought of as an implementation process of previously identified evidence-based solutions. But this idea may be found to be hazardous.

- ⊙ Imagine an HR manager found a remedial action plan as evidence for an issue of 'attrition rate reduction' in an IT sector. If he/she tries to implement the same action plan in the manufacturing sector, the results could be different.
- ⊙ Similarly, if a marketing manager tries to adopt effective advertisement strategies for a particular product in Japan and he/she tries to implement the same advertisement strategies for the same product in another country say in South Africa, then results can be successful or adverse.

It would be a myth to think that, if the decision-makers have identified the best evidence, then they will reach the perfect results within a shorter time period. Rather the actual practice of the evidence and evaluating the performances of the results to the expected benchmarks should be appreciated. This will encourage constant learnings of the managers through 'trial and error' approaches, experimentation with the available resources, and conduction of the pilot studies etc.

Thus, EBM is not about imitation of the previously matched evidence but it is an evolving process of identification of the best suited evidence and thus creating an organization's own database of the evidence. MA

Reference

1. Pfeffer J, Sutton RI (March 2006). *Hard Facts, Dangerous Half-Truths and Total Nonsense: Profiting from Evidence-Based Management (first ed.)*. Boston, Mass: Harvard Business Review Press. ISBN 978-1-59139-862-2

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.

EVIDENCE-BASED MANAGEMENT: CASE OF BAJAJ FINANCE LIMITED

Abstract

Evidence-based Management (EBM) is a contemporary thought in management. The decisions of the management under EBM are taken based on informal or formal evidence. Thus, the decision would be free from subjectivity and personal bias. In this study, with the help of the decision-making process of Bajaj Finance, successful application of evidence-based management has been demonstrated.



Monica Mahali

UGC Junior Research Fellow
Department of Commerce
Vidyasagar University, Midnapur
monicamahali840@gmail.com



Dr. Kalpataru Bandopahdyay

Professor
Department of Commerce
Vidyasagar University, Midnapur
bkalpa.0to1@gmail.com

INTRODUCTION

Evidence-based management (also known as EBM or EBMgt) is a management approach that involves using multiple sources of scientific evidence and empirical results to gain knowledge (Barends, Rousseau, and Briner, 2014). Evidence-based management gets its inspiration from evidence-based medicine which relies on scientific, experimental, and carefully tested approaches. Pfeffer & Sutton (2006) observed that the decisions are often driven by dogma and belief. When the decision maker is excessively influenced by the ideology, he/she would often fail to think whether a decision will work or not. Again, it is seen that the managers opt for a weak evidence for

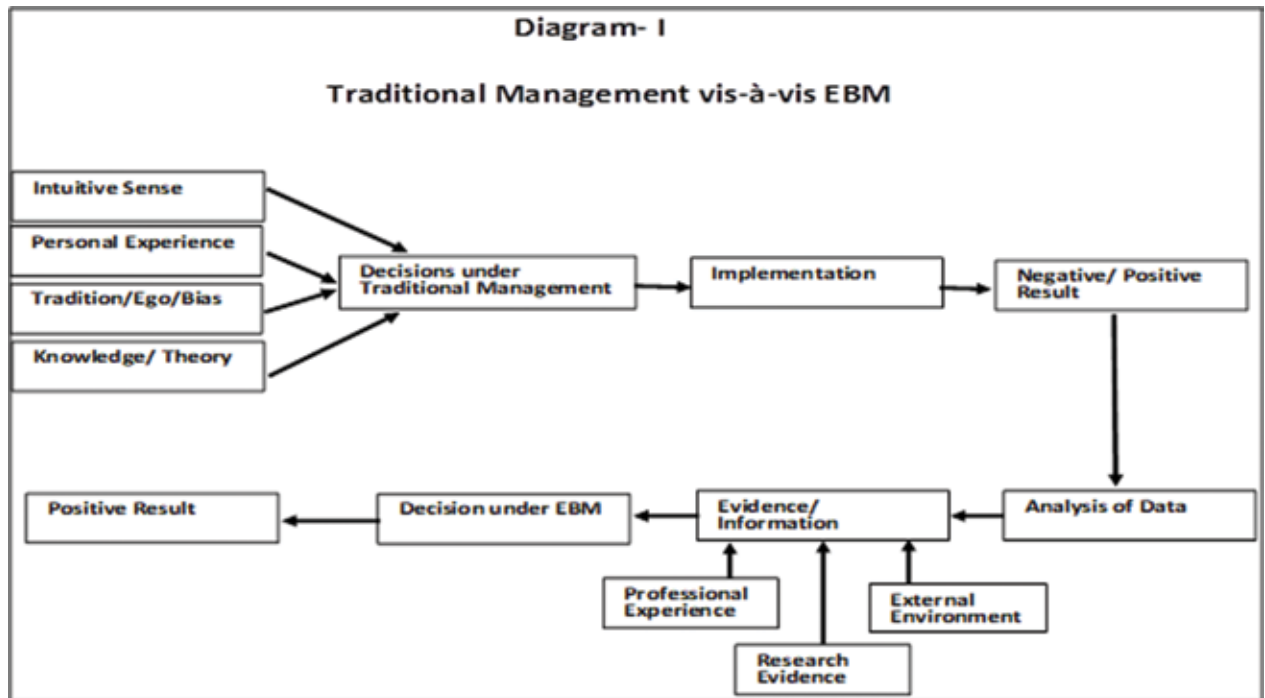
Under evidence-based management, there is hardly any scope of discretion and judgement

making a judgment based on their personal experience, corporate beliefs, and their intuition.

TRADITIONALIST MANAGEMENT VIS-À-VIS EVIDENCE-BASED MANAGEMENT

As discussed above, the decisions under traditional management are taken based on the intuitive sense and personal experience of the entrepreneur. These decisions are influenced by tradition, egos, and bias of the business person. The decisions are implemented to arrive at the outcome. There is no certainty that the result of such decisions would be positive.

Managing risk is the most important function for any lending business



© Bandopadhyay, K (2022)

Diagram-I demonstrates the transition from traditional management to EBM. With the analysis of data of the company results and performance, vital business information can be generated to understand what to do and what not to do. Such business information helps in decision-making and is considered as evidence. Decisions based on such real-world information are considered as evidence-based management (EBM). This type of management may also be called 'information based management'. The evidence for decision or information can also be obtained from other sources as well: (a) evidence out of research findings (b) information from the macro-environment including that of competitors (c) Information obtained from professional experience (d) information obtained from data analytics of internal activities. The information so obtained is time and process tested and thus reliable. The decision under EBM is objective and free from personal bias. As a result, EBM is more scientifically oriented than traditional management

and ensures a better outcome of the decisions.

BENEFITS OF EVIDENCE-BASED MANAGEMENT

There are quite a few benefits in the approach of evidence-based management. Some of authors including *Price (2020)* have observed the following advantages of EBM.

- ⊙ It increases accountability for the decision-making of the managers and professionals
- ⊙ It reduces the chances of error in decision making.
- ⊙ It helps managers in making strategies to improve the efficiency of the organization.
- ⊙ It is scientific and based upon evidence related to the past hence is more appropriate and logical.
- ⊙ It gives junior managers the opportunity to provide the data or information to the management that need to be heard by their senior or top management leading to democratic management.

- ⊙ The decision making in EBM is more of system or process driven. Unlike traditional management, decision making in EBM does not depend too much on efficiency of lower-level managers.

In the following paragraphs the EBM practiced by Bajaj Finance Limited is demonstrated.

BAJAJ FINANCE LIMITED (BFL)

Bajaj Finance Limited is a deposit-taking non-banking finance company (NBFC) registered with the Reserve Bank of India engaged in the business of lending and acceptance of deposits. Bajaj Finance Limited has a different lending portfolios across the retail market, small and medium-sized enterprises, and trading customers with a symbolic presence in both rural and as well as urban areas.

BFL has a comprehensive range of different financial service products for purchasing lifestyle, consumer durables, digital products etc. BFL has one distinctive feature in contrast

with its peers. It has substantially invested in technology in general and digital technology in particular. The investment in technology has a three pronged purposes: (a) Maintenance and updating of different kinds of data bases (b) Instant response for any query to serve the customers (c) Application of business analytics on data through Algorithm from subscribed database and collected data base.

Evidence-based Management: Bajaj Finance Limited

The lending business of the

company can be divided into two segments (a) consumer financing (b) business financing. The company is a market leader in consumer financing with 70 per cent market share. The company is basically dealing in 17 different credit products for consumer finance. It is also engaged in financing small and medium sized enterprises and self-employed professionals.

DATABASE & EVIDENCES IN DECISION MAKING PROCESS

The company maintains and updates several sets of databases which include (1) Macroeconomic

database (2) Credit score of all PAN card holders (3) Database of existing borrowers. (4) Data and information of industry in general and competitors in particulars (4) Historical data on operating performances updated on a real-time basis. The evidence for decision making is generated from those data and information of such databases. Bajaj Finance Limited applies algorithm and business intelligence to support decision points. Following Table-I will help to demonstrate the evidence- based management of the company.

TABLE 1
EVIDENCE- BASED MANAGEMENT\
Bajaj Finance Limited

Particulars	Evidence	Decisions/ Management	Positive Impact/ Outcome
Database of 40 cr. Indians	Data of low-risk class of borrowers	Approving credit to low-risk borrowers	Lowest NPA
	Data of high-risk class of borrowers	Discouraging loan to high-risk borrowers by charging high interest rate	Superior Management of Risk
	Data of least risk genre of borrowers	Offering loan at lowest interest rate	Business Monopoly
PAN based electronic feedback	Credit Score of PAN verified customer	Instant approval is possible	Sanctioning credit in 2-minutes
Database of existing borrowers	Existing borrowers data base with 4- successful instalment payments	Real time communication to target customers	'Zero' cost marketing
		Automatic sanctioning of loan in 16 other credit- categories	Cross selling
Non-consumer lending: Financing construction machinery	Poor ROE in the past several years	Stopped machinery financing	Improved profitability
Business Intelligence	Identified high-risk class as per traditional financing	Approaching with loan offers to quality borrowers as per own database	Higher market share

[Compiled by authors from different web sources]

MACRO-ECONOMIC DATABASE & DECISIONS BASED ON SUPERIOR RISK MANAGEMENT MODEL

Managing risk is the most important function for any lending business. Bajaj Finance Limited collected database of Indian consumers since 2008. By 2016, they built a database of 40 cr. Indian consumers.

The company also maintains the database of credit score based on PAN. With the application of business analytics, the company characterised those consumers in different categories based on their credit score. The company offered loan at differential interest rates to different risk-class people. The competitors charged average interest

rate to all borrowers due to lack of comprehensive database and the credit product looked unattractive. Some competitors attempted to reduce the average lending rate to win over the competition at the cost of profitability. Bajaj Finance could offer loans at lowest interest rate to classified least risk borrowers and beat the competition both in

volume and margin. Further, Bajaj Finance discouraged the high-risk borrowers. The lending rate for the high-risk people was much higher and unattractive. These high-risk people went to the competitors for the loan at an average rate. Thus the level of non performing assets (NPA) of Bajaj Finance was much lower than that of its competitors. Bajaj Finance never competed by lowering risk adjusted interest rate but still enjoyed highest profitability in the industry.

DATABASE OF EXISTING BORROWERS & CROSS-SELLING

Bajaj Finance maintains the data of existing and previous borrowers. Based on the repayment history, the company classifies the customers into 'good borrowers' and 'bad borrowers'. Bajaj Finance approaches its good borrowers with various credit products. In fact, in many cases with the help of the demographic database of 40 cr. Indians, it offers loan for specific products. Over a period of time, the company has improved the system. Now, as soon as an existing borrower repays 4 instalments successfully, he is approached with the automated system. The company has seventeen credit products for its customers. Not only that, Bajaj offers refinancing the existing loan from other sources to their 'good borrowers'. And being low-risk borrowers, the interest rate charged by Bajaj Finance to the 'good borrowers' is lower and more competitive than the interest rate charged by their competitors. Thus in many cases Bajaj Finance gets the refinancing business.

INSTANT REAL-TIME DATA & INSTANT APPROVAL

Sometimes delay in decision making

makes the decision meaningless. However, under evidence-based management, there is hardly any scope of discretion and judgement. The decision points are machine generated and almost automatic. Bajaj Finance intends to offer loan within minimum possible time. As stated earlier the company maintains and updates database of credit score of PAN Card holders. Therefore, when an intended borrower approaches Bajaj Finance, his/her credit score is noted from the PAN number. Within two-minute of real-time processing, the credit to the customers would be either approved or disapproved. The competitors take two days or more to approve a loan. Bajaj Finance has an edge over its competitors through this instant approval system.

HISTORICAL OPERATING DATA AND ABANDONING BUSINESS LINE

Like many other companies Bajaj Finance maintains and analyses its historical performances. In fact, the business analytics department of the company maintains and updates (a) all publicly and privately available information and (b) data base of its competitors (c) information and data about the lending sector. The company was into lending into construction machinery and equipment financing earlier. However, from the financial performance of construction equipment financing it was observed that the ROE of the business was poor and the industry analysis forecast for the sector was also not as encouraging. Based on the above evidence, Bajaj Finance discontinued the business line of equipment financing. This decision has improved the profitability of the company.

DATA BASE OF HIGH-RISK BORROWERS CLASS AND OFFERING LOAN TO CREDIT WORTHY AS PER DEMOGRAPHIC DATABASE

There are some classes of borrowers who were considered to be high-risk as per traditional financing. Thus they were charged high interest rates. However, Bajaj Finance, as per their database, found that out of the high-risk category, there are one/two classes who are credit worthy and may be considered as low -risk category as per their demographic description. For example, self-employed persons are considered as high-risk class as per traditional financing and were charged high interest rate for offering loan. However, Bajaj Finance found that among the self-employed category some professionals like Chartered Accountant, Management Accountant, Doctors may be considered under low-risk category as per demographic database. Therefore, Bajaj Finance offered low interest loan to those categories and won over competitors and increased its market share.

FINANCIAL PERFORMANCE OF BAJAJ FINANCE AND ITS COMPETITORS

It is needless to mention that financial performance depends on several factors. However, if a company beats its competitor within the same industry then its management deserves a mention. In this regard, it may be highlighted that, the lending decisions in Bajaj Finance is objectively taken based on evidence. Unlike, the competitors, there is hardly any scope of subjectivity of personal bias.

TABLE-II

Financial Performance: Bajaj Finance & Competitors					
Company	Sales Rs. (Cr.)	Avg. Sales Gr. (3Yrs) %	Avg. ROE (3Yr) %	Avg. ROA (3Yr) %	Latest NPA (%)
Bajaj Finance	29856.47	27.91	17.45	3.37	1.73

Cholamandalam. Inv. & Fin.	10014.65	19.91	17.33	2.09	8.5
Shriram Transport. Fin.	18667.53	8.87	14.64	2.29	8.4
Source: www.moneycontrol.com, 2022					

Cholamandalam Inv. and Shriram Transport Finance are two major competing finance companies of Bajaj Finance. Among the three top consumer finance companies, Bajaj Finance is the youngest in the business and started its operation from 1987. However, from Table-II, it is observed that Bajaj Finance still occupies the top position in turnover. In fact, if only consumer finance market, which is the most lucrative from the point of view of profitability, is considered, then Bajaj Finance accounts for around 70 per cent of the market share of that segment. The average growth figures for the past three years also shows the Bajaj Finance (28 per cent) is much ahead of its competitors. Further, Bajaj Finance has fared better than Cholamandalam Inv. and Shriram Transport Fin. from the perspective of two profitability indicators of average return on equity and average return on assets. The prime function of finance company is to manage risk. Bajaj Finance is the champion here also. Its net non-performing asset (NPA) is well below (1.73 per cent) industry average. From whatever way it is looked at, Bajaj Finance is the clear winner. There may be several causes for such stupendous financial performance of the company and the top management deserves a mention. Now, the philosophy of the management to take decision on formal proof and to support the decision-making process with the adequate infrastructure may be one of the reasons behind the exemplary financial success.

CONCLUSION:

Evidence-based management approach is one of the valuable tools which can be used by companies looking forward to make the best out of their strategy. The study

shows that how the evidence-based management approach is helping BFL in achieving its desired goals. It shows how the databases and historical data of the company act as the important sources of evidence for the company's decision-making process. Instant real-time data and instant approval have helped the company management to quickly make decisions thereby leaving their competitors behind, Bajaj Finance Limited had thus emerged as one of the leading financial service providers. **MA**

References:

1. *Annual Report of Bajaj Finance Limited, 2020-21*
2. *Barends, E, Rousseau, D.M., Brinar, R.B. (2014). Evidence-Based Management: The Basic Principles. Centre for Evidenced-based Management, Amsterdam, retrieved from <https://cebma.org/wp-content/uploads/Evidence-Based-Practice-The-Basic-Principles-vs-Dec-2015.pdf> accessed on 4th March, 2022*
3. *Pfeffer, J. (2012). Evidence-based management for entrepreneurial environments: Faster and better decisions with less risk (pp. 71-82). Routledge.*
4. *Pfeffer, J., & Sutton, R. I. (2006). Evidence-based management. Harvard business review, 84(1), 62.*
5. *Price, D. (2020). The Benefits of Evidence-Based Management in a nutshell. Retrieved from [www.https://ckju.net/en/blog/benefits-evidence-based-management-nutshell/1246](https://ckju.net/en/blog/benefits-evidence-based-management-nutshell/1246)*
6. *Saurabh Mukherjea's Take On Bajaj Finance: CNBC TV18, 6th. January, 2020; <https://www.youtube.com/watch?v=DKEFKkFHag&t=425s>*

Congratulations!!!



CMA Dr. Chidambara Ganapaiah has been conferred the Ph.D Degree in Management by CMR University from the Honourable Governor of Karnataka, Dr Thawar Chand Gehlot during their Annual Convocation held on 28th March, 2022 on the research topic "Strategic Cost Management and Business Performance: A Study of Small and Medium Enterprises (SME's) in Karnataka".

We wish CMA Dr. Chidambara Ganapaiah the very best for all of his future endeavours.

CREATIVITY IS CREATIVITY



Dr. Jyotsna Haran
Visiting Faculty
Mumbai
haranjyotsna@gmail.com

Abstract

At every step of our life, we are creative. Basically, it is the inherent feature of everyone irrespective of caste, culture, religion, country, development. There are enhancing elements of culture but difficult to generalize them for common purpose. If we have a set of line for doing anything then creativity cannot emerge, doing something by breaking the line enhances or gives embryo to creativity. As oxygen and water is required for life, without that creation of life is not possible, so without creativity any activity would die at earliest. It must be recognized, nurtured and flourish without time lag and time loss, nonstop to move in all spheres of activities at all levels of areas. It must be given top priority and to be above all variety of discussions.

At every step of our life, we are creative. Basically, it is the inherent feature of everyone irrespective of caste, culture, religion, country etc. So, what to say, 'CREATIVITY IS CREATIVITY'. There are enhancing elements of culture but it is difficult to generalise them for common purpose. If we have a set of line for doing anything then creativity cannot emerge; doing something by breaking the line enhances or gives embryo to creativity.

Creativity is the skill to imagine about a job or a problem in a different or unusual way, or the power to use the imagination to cause new ideas. Creativity empowers to solve complex problems or find exciting ways to deal with tasks. There may be some risk involved with being creative, regarding the accomplishment of the work, but can put forth the example of self-motivation to try things that have not been done earlier.

Creativity expands our perceptions and perception expands creativity on the vehicle of thought.



Enlarged perceptions come out with new ways of solving the problem.

CREATIVITY IS PART OF LIFE

Why is creativity vital in routine life? Simply because, it creates life enormously appealing and gratifying. Creativity is a sense of living a life that incorporates originality and makes exclusive links between seemingly dissimilar ideas. Creativity is about journey of living life with happiness. Doing non interesting things with happiness is creativity of doing.

Why is creativity important in everyday life? Because it makes life very attractive and enjoyable. Creativity is a presence that involves originality and exceptionally connects seemingly dissimilar ideas. Creativity is the journey of life with happiness. Creativity is making fun of boring things. Creativity is not doing something new, but doing the same thing using something new, or differently. As Picasso said, "I always do the impossible to learn." Even if someone feels a vibration and observes how the world vibrates, this is a result of creation. The by-product of creativity is one of the major achievements of evolution.

HOW TO CULTIVATE CREATIVITY?

Several factors contribute to creative growth.

Competitive Attitude: A feeling of competition and a healthy atmosphere encourage creativity. The idea and mission of Make in India is a creative and innovative step in India's creative path.

Consolidation of the global economy: The gradual globalization that provides a common platform for selling goods has created an attractive new style of online store. ITOKRI (<https://www.itokri.com/>) is one of them.

- ⊙ **Environment:** Quiet, beautiful, lively and spacious environment encourages creativity. For example, you can write a poem in a flower garden.
- ⊙ **Freedom:** Freedom of thought, freedom of action, gratitude for not following the path that repeats, appreciation for not criticizing failure open the door to creativity. Thus, we observe different levels of creativity that correspond to different types of families.
- ⊙ **Problems are the key:** How many new methods have recently appeared in almost every aspect of life? Loans belong to CROWN. Different masks, disinfectants, styles of selling things, approaches to people, self-perceptions, attitudes to life, and social and family expressions testify to multi-type creativity.

The education sector has become very creative with the best alternatives and it stays there anyway. Striving for survival makes people creative.

HOW TO DEVELOP CREATIVITY?

- ⊙ If you invest in imagining in a window for 10-15 minutes, you will improve your ability to dream. The invention of the airplane is the result of the creative mind.
- ⊙ Getting out of your comfort zone is a great way to develop your creativity. For example, in everyday life, traveling and choosing a non-standard way, working with new people, students can go to work on a project with strangers, moms or those who have cooked routinely can choose non-standard methods with new dishes. You can go on an ever-changing cooking plan. You can list new experiments, good examples.
- ⊙ Bringing together like-minded people strengthens the process of cultivating creativity by building trust and supporting each other.
- ⊙ Don't think too much about the same thing and write it in a different way.
- ⊙ Toys and playing with toys promotes creativity. "There's nothing shameful about collecting toys," says Sawyer. "If you go to a creative company, you can find toys everywhere." (Des Marais, n.d.)
- ⊙ Understanding the problem and exploring and implementing all possible solutions encourages creativity to flourish.
- ⊙ Lack of resources is good for creativity. I've

seen very creative ways to use mobile devices for online classes without smart settings.

- ⊙ Various creative ideas emerged in the village, such as in the fields of transport and vehicle use. Electric and solar vehicles are the result of the search for alternative fuels
- ⊙ How to develop and commercialize different types of farsan, khakra and different flavors of teas.
- ⊙ Hybrid posters and signage in stores are living examples of nurturing creativity.

STATE OF CREATIVITY

Creativity is necessary for an active life. Humans are the only beings that can create. So where is creativity? Why isn't it developed to our expectations? If quality is innate, why is it dormant?

Why isn't this the most common? Do you also need opportunities for further research and implementation?

WHY NO CREATIVITY?

Lack of motivation: Motivation is extrinsic, intrinsic, and undoubtedly work-like, but later cumulative and continuous. Extrinsic motivations such as gratitude, reward, monetary gain, and recognition are temporary, but intrinsic motivation is always persistent and only works when autonomy and environmental criticism are low. Managers in any organisation destroy creativity with an approach towards outcome evaluation. They were mostly critical of new suggestions. As an employee, an individual is at all times frightened to tell his boss about ground-breaking ideas to expand his domain of activity. The member of staff is always enthusiastic about the budding of his idea, but at the end he does not communicate to his boss. This usually happens in any office. This happens because people are encouraged and acknowledged. The main problem is that people don't welcome new ideas or things done differently. In the office, normally people must follow established rules of procedure and do not admit changes. They are highly adamant.

When creativity dies, organizations lose new ideas, a powerful competitive weapon. It may also lose the energy and devotion of his people. "In fact, in the years I've been researching creativity, perhaps the most difficult thing has been to hear people complain about feeling overwhelmed, frustrated, and closed off in their organizations. A member of the national team said, "Every time I go home, I am physically, mentally, and intellectually exhausted. Help!" (Amabile, 1998)

Consider the recent transformation of Procter & Gamble. Once a hotbed of creativity, P&G has experienced a significant decline in product innovation in recent years. For example, in terms of challenge, CNV team members

Motivation is extrinsic, intrinsic, and undoubtedly work-like, but later cumulative and continuous

were able to choose for themselves. What's the best way to get someone to intrinsically motivate a mission rather than asking for volunteers? The composition of the volunteer team deviated significantly from standard P&G procedures. Members of the CNV team are also given a clear and challenging strategic goal to develop radical new products that will shape the future of the company.

Creativity is not making something new; rather making the same with some NEW idea or differently. As Picasso said "I am always doing that which I cannot do, in order that I may learn how to do it."

Even if someone feels being vibrant it is the outcome of creativity. Creativity's by-products are some of the major accomplishments.

CREATIVITY IS THE OXYGEN OF ANY ACTIVITY

As oxygen and water are required to be alive and without that life imagination is not possible, so too without creativity any activity would not survive. Creativity is the oxygen of any activity; it is not to be killed or discouraged. It must be recognised, nurtured and allowed to flourish in

all spheres of activities at all levels. **MA**

References:

1. Amabile, T. M. (1998, October). <https://hbr.org/>. Retrieved from <https://hbr.org/topic/innovation>.
2. Berc, S. (n.d.). <https://creativityworkshop.com/>. Retrieved from <https://creativityworkshop.com/articles/creativity-in-everyday-life-3>: <https://creativityworkshop.com/articles/creativity-in-everyday-life-3>
3. DesMarais, C. (n.d.). <https://www.inc.com/christina-desmarais/25-ways-to-be-more-creative.html>. Retrieved from <https://www.inc.com/innovate>.
4. Robertson, L. (2021, December 15). <https://www.creativitypost.com/create/the-beauty-of-creativity-the-force-we-miss-and-minimize>. Retrieved from <https://www.creativitypost.com/create/the-beauty-of-creativity-the-force-we-miss-and-minimize>: <https://www.creativitypost.com/create/the-beauty-of-creativity-the-force-we-miss-and-minimize>
5. Team, I. E. (2021, December 9). <https://www.indeed.com/career-advice/career-development/creativity-skills>. Retrieved from <https://www.indeed.com/career-advice/career-development/creativity-skills>

Ref. No.: G/82(85)/03/2022

8th March, 2022

NOTIFICATION

In pursuance of Regulation 146 of the Cost and Works Accountants Regulations, 1959, the Council of the Institute at its 334th Meeting held on 22nd January, 23rd January, 6th March and 7th March, 2022 by virtue of power conferred therein has decided to change the name of "The Institute of Cost Accountants of India, Serampore Chapter" to "The Institute of Cost Accountants of India, Serampore-Hooghly Chapter".

The Institute of Cost Accountants of India - Serampore-Hooghly Chapter
CMA Bhavan, Srishti Apartment 89, G.T. Road (West)
Serampore, West Bengal
Pin Code - 712 203.


(CMA Kaushik Banerjee)
Secretary

CREATIVITY, CULTURE – THE LINKAGE- AND ECONOMIC GROWTH – A PERSPECTIVE

Abstract

Creativity is critical to the advancement of innovation and civilization. Intangible assets accrue as a result of creativity, repositied in a knowledge framework. Culture is having a relative influence in the path and helps accelerate the creativity.

With the increasing role of creativity in improving the innovation basket and product profiles for corporates, it has become a must to have a clear understanding as to how culture affects creativity and in turn creates intangible assets which then generates cash flows for long term for an organisation.

1. INTRODUCTION

The importance of corporate culture is very much relevant today and is being looked at closely in the context of creativity and its role in innovation, creation of intangible assets cannot be denied. Cultural fit has been a major challenge for CEOs and Boards to put the right person in the organisation and it takes more time to groom and place the right candidate for the right job. This takes precedence over other skill sets and is now a pre-requisite for any Board level or corner office executives.

This study is an exploratory one to examine the linkage between culture and creativity as well as innovations, and examine the factors involved in culture that affect creativity and thereby innovations are generated and transformation into intangible assets happen, which in turn generate sustainable cash flows for an organisation in the long term.

The Authors have examined the past literature in this regard, which brings out the relationship between culture and creativity and why certain cultures are more successful at stimulations innovations thereby capitalising the intangible assets, leading to a strong IP regime and hence a possible lasting source of income and wealth.

The steps needed to ensure that India improves in its culture and innovations are also outlined.

2. REVIEW OF LITERATURE

Martins, E. C., & Terblanche, F. (2003), examined the determinants of organisational culture which influence creativity and innovation. With the help of cultural variables such as strategy, structure, support mechanisms, behaviour



CMA R. Ravichandran

Assistant Professor
School of Commerce Studies
Jain University
Bangalore

rchandrain@yahoo.com



Dr. Reshma Sultana

Assistant Professor
School of Commerce Studies
Jain University
Bangalore

reshmaph@gmail.com

that supports invention, and open communication, the relationship between creativity, innovation, and culture is investigated, and the influence of each on creativity and innovation is discussed

Potts, J. (2009), examines the role of the arts and cultural sector, as well as the copyright industries and creative industries, in the process of economic evolution by facilitating the adoption and retention of innovations in terms of the growth and provision of social technologies for consumer and producer interactions. They also claim that it bridges the gap between innovation's origination, acceptance, diffusion, and retention technologies.

Alves, J., Marques, et al. (2007) in their paper explore the relation between creativity, multidisciplinary and multisectoral contexts which foster creativity and new product creation. They claim that generating a larger quantity of creative ideas makes it easier to produce unique products. They also argue that the idea creation process might be more lucrative in collaborative multidisciplinary environments where businesses and science and technology institutes coexist and collaborate. They also try to find favourable conditions for these processes as well as concerns that affect the creative potential of multidisciplinary groupings.

Chiu, C. Y., & Kwan, L. Y. (2010), have examined the role of culture in creativity. They discuss (i) Where does creativity reside? And (ii) What conceptual modifications are required to advance the field? They show a process model of creativity and explain the role of culture at each stage of knowledge creation, arguing that successful innovation entails one or more iterations of the following three stages: (i) generating new ideas; (ii) selecting, editing, and marketing new ideas; and (iii) market acceptance of new ideas. While the expected objectives vary depending on the stage, culture has an impact on all stages of the process. Existing

Cultural fit has been a major challenge for CEOs and Boards to put the right person in the organisation

knowledge serves as a benchmark for assessing the originality of ideas; anticipated cultural consensus serves as the normative foundation for concept selection, editing, and marketing; and actual cultural norms determine the likelihood of an idea's acceptance in a culture. Apart from the fact that distinct social and psychological processes are at work at various phases of the creative process, culture can influence the outcomes of the creative process by influencing these social and psychological processes.

Florida, R., & Goodnight, J. (2005). mention that creative employees, pioneer new technologies, give birth to new industries, and power economic growth. However, the method by which they accomplish this is convoluted and chaotic. They show how to maximise the value of a company's creative capital by enhancing efficiency, improving quality, and increasing productivity., by recourse to the example and practices at the software giant SAS, and give its three pronged strategy as apt example. These include assisting employees in doing their best job, holding management accountable for creativity, and involving customers as creative collaborators, all of which have contributed to SAS's 28-year revenue increase and 98 per cent subscription renewal rate.

Danish, R. Q., Asghar, J., Ahmad, Z., & Ali, H. F. (2019), have looked at the impact of openness to change and self-efficacy on entrepreneurial culture, as well as the function of creativity as a mediating factor. Because of its predictive value, they utilised creative culture as a substitute

for measuring an organization's entrepreneurial culture. They employed SPSS and AMOS using a SEM technique, and the results show that there are substantial correlations among the variables, as well as that openness to change and self-efficacy have a beneficial effect on entrepreneurial culture when creativity is present as a mediator.

Yusuf, S. (2009.) examines the role of talent in society, and contends that it is the bedrock for creative society and that developing and nurturing talent entails mobilising culture and tradition, establishing institutions to enhance the stock of human capital, improve its quality, and instilling attitudes that reward accomplishment and initiative. Ideas may generate productivity, which can be boosted by cultivating wicapital, or network capital. According to the author, transforming creativity into innovation is a function of several incentives, and sustaining innovation is inextricably linked to significant research expenditure. Finally, the journey from innovation to commercially viable products necessitates the involvement and help of numerous service providers, as well as the entrepreneurial skills of both small and large businesses.

3. DISCUSSION

The authors after having reviewed the above literature, the current economic and global conditions, in regard to technology, creativity and culture, believe that given the current dimensions of culture and creativity in India, considerable improvements need to be made on various fronts, in the areas of institution building ,science and technology , digital disruption, change in values and beliefs, protection for IP rights, an entrepreneurial mindset to enable cultivate and set up a good ecosystem in this regard. In the Indian context we can observe the following: -

- i. High level of talented pool of youngsters passing out of the

educational system which is outdated and not producing enough and adequate graduates of quality that are industry ready and can be readily provided for wealth creation and value added output.

- ii. A bureaucracy that is slow to change and though happening with push from new initiatives of the Government, has a long way to go.
- iii. Need change in belief and culture ingrained which values the service provider, employment as salaried class, as more respected in society than an entrepreneur.
- iv. Perverse risk reward syndrome and providing little or no incentive for behaving like an entrepreneur.
- v. A culture that does not tolerate rebels or individuals with radical ideas, which only can bring about a major socio cultural transformation and that may lead to creativity and innovation. A case in point could be drawn from successful Indian entrepreneurs abroad than in domestic market.
- vi. The success of Indian entrepreneurs abroad, as compared to that in India, in terms of numbers could perhaps point out to the high level of flexibility and adaptability as ingrained by the entrepreneurs in their DNA.
- vii. The Government has started that *Atmanirbhar* and related measures to help support and create an eco-system for startups and India is now the home to large number of Global unicorns, ranking next only to US, China, and given a proper support system can reach even higher.
- viii. More collaboration and co-operation efforts to be encouraged with other

countries having open value systems like US, Germany, Sweden etc which encourage experimentation and learning from failures. These initiatives if done properly can indeed help the growth of entrepreneurs significantly. The startup success rate in Israel is of the order of 50 per cent and it is primarily due to an open culture and dissent being accepted there.

- ix. The Central Govt needs to set up Centres for Incubation of creativity, across the country in various States in the first place and these should be integrated with cultural set ups or loose form of alliances with such entities which can be set up on a NGO pattern. They will help in diffusion of creativity from culture and will help further innovations to germinate and develop. Reverse diffusions of technology can happen from India, to overseas- emerging economies, by examining their local needs and requirements so that the Indian products, and experiments, can be successful in meeting the requirements in the overseas markets.
- x. IP rights should be strengthened further, while more support to open source software codes and technologies should be encouraged into MOOC platforms which will help us to create intangible assets that can be useful for monetising in future and give sufficient cash flows to the corporates in future.
- xi. Pedagogy and education system needs a complete overhaul; though the NEP 2020 has made some progress in this dimension, it is still a long way to go and this may result in talent moving out of the country to other countries where it is more supportive

and respected. Recent NEP 2020 is certainly a way to go to visiting the UGC curriculum or a set up to facilitate this may be a first step to this end.

- xii. Industry sectors like IT, Financial services, AI, ML and Disruptive technology like BlockChain, Bit-Coin, IOT etc, and Telecom, Renewable Energy, Health care and Pharmaceuticals, Food and consumables, education etc may be the ones which are more likely to see and experience gains of a higher order, with increased stress on creativity.
- xiii. *The Government efforts in the direction of self-reliance, in the form of Atmanirbhar and Atal Innovation* have accelerated the process of unleashing creativity, but still much more needs to be done, in the form of transforming the nation from culture oriented towards religion to one more logical reasoning oriented and imbibing or assimilating other cultures which are more oriented towards creativity; e.g the culture as prevalent in Germany, Sweden, Israel etc – possibly bridging schools to be set up in association with these countries in the form of structures in entities that can help accelerate the growth of creativity and innovations.
- xiv. Culture and institution building for innovation acceleration needs to be given prime importance to ensure that considerable efforts are put across towards creativity, and that helps the role of innovation in creating knowledge assets.

The authors believe that post Covid phase there is likely to be increase in new innovations, but the same may not be substantial as we have to re-jig our culture set up and it is time for

the Government to come up a proper framework.

4. LIMITATIONS OF THE STUDY

Empirical study on culture and its link to creativity, is not fully discussed and also the various social dimensions of culture need to be discussed from an empirical studies perspective. Beliefs and culture are closely inter-related and this factor also has to be examined in the context of empirical studies as to how these affect creativities and through the same creation of intangible assets. This aspect has not been discussed.

5. CONCLUSION

The implications arising from the close linkages between culture and creativity imply that unless we change our culture or make efforts to nurture the sort of culture needed for creativity and thus innovation, India will mostly lag in terms of technology from a producer to a consumer of high end technology as time goes by. This has adverse consequences in terms of higher outlay of capital flowing outside of India, followed by brain drain on a continuing basis. However, with the startup eco-system doing relatively well, there is a chance that this trend can get reversed if stakeholders are roped in and the Government takes initiatives for the same. Frugal innovations coupled with cultural changes may as well

see the growth of new innovations coming out of India, that can be conducive to overseas economies, particularly African countries and technology diffusion can be reversed into as an export for India. A case in point could be the various SDCs, Centre for Innovation and Excellence being set up by multinationals in India like Microsoft, Apple, IBM, GE, Centres of Excellence etc. Positive indications thus emerge as India becomes the third largest hub for startups but collaborations and exchange of ideas need to be more frequent and the touch points for radical ideas need to be increased and a rebel approach to innovations, need to be encouraged. The authors believe this approach will greatly enhance the linkage between creativity and culture and add more to intangible assets and provide greater value added to society, in industry and commerce.

The attempt to develop the economy to US\$5 Trillion level can happen only if these support measures are provided to the concerned stakeholders. **MA**

REFERENCES

1. Martins, E. C., & Terblanche, F. (2003). *Building organisational culture that stimulates creativity and innovation. European Journal of Innovation Management.*
2. Potts, J. (2009). *Why creative industries matter to economic*

3. Alves, J., Marques, M. J., Saur, I., & Marques, P. (2007). *Creativity and innovation through multidisciplinary and multisectoral cooperation. Creativity and Innovation Management, 16(1), 27-34.*
4. Chiu, C. Y., & Kwan, L. Y. (2010). *Culture and creativity: A process model. Management and Organization Review, 6(3), 447-461.*
5. Florida, R., & Goodnight, J. (2005). *Managing for creativity. Harvard business review, 83(7), 124.*
6. Danish, R. Q., Asghar, J., Ahmad, Z., & Ali, H. F. (2019). *Factors affecting "entrepreneurial culture": The mediating role of creativity. Journal of Innovation and Entrepreneurship, 8(1), 1-12.*
7. Yusuf, S. (2009). *From creativity to innovation. Technology in Society, 31(1), 1-8.*

Obituary



CMA Jaswantray Harilal Shah (M-4357), passed away on 24th February, 2022 at age of 84 years. He was the Ex CFO – The Premier Automobiles Ltd. and Ex Chairman – PAL Credit and Capital Ltd.

CMA Jaswantray Harilal Shah was a man of integrity, honesty, dedication and the contributions made by him towards the development of CMA Profession will always be remembered. Our deepest condolences to all his family members at this time of inconsolable grief. God let his soul rest in peace.

SUSTAINABLE HOUSING DEVELOPMENT IN INDIA AND THE NEED FOR EVIDENCE BASED POLICY MAKING: THE ROLE OF CMAs AND AN ACTION PLAN FOR 2030

Abstract

In view of the global agreement 'The 2030 Agenda for Sustainable Development' (2030 Agenda) on the one hand and the national goal 'Affordable Housing for All by 2022' (2022 Goal) applicable to India on the other hand, this article moots for revision of India's 2022 Goal. India's progress in attaining its Affordable Housing (AH) Goal being nowhere near the target, it must be revised in conformity with 2030 Agenda viz. Sustainable Development Goals (SDGs), especially SDG-11 on human settlements. As reliable data and evidence for informed policy decisions are often absent, evidence-based policy making (EBP) is vital. CMAs with their holistic decision making ability can play a key role in the EBP process.

1. INTRODUCTION

'Affordable Housing for All by 2022' (2022 Goal) is India's national housing goal, and schemes like Pradhan Mantri Awas Yojana (PMAY) seek to attain this national goal. But the actual results attained are only 50 per cent of the target, in respect of major PMAY plans, PMAY-Urban [PMAY (U)] and PMAY-Gramin [PMAY (G)], both.

Evidence-based policy making (EBP) is especially relevant in developing nations. (Sutcliffe & Court, 2005) [26]. Due to global pandemic and other macro-economic factors attaining India's 2022 Goal is impossible. In order to really attain this goal and that too qualitatively and meaningfully use of EBP is of crucial significance, as it involves assimilation of data and evidence from multiple sources and their effective use for prudent policy decisions that can trigger social change. CMAs with their unique ability for holistic decision making have a key role to play in an EBP process.

2. AIMS AND METHODOLOGY

This article seeks to (i) study the significance of attaining Affordable Housing (AH) for all in India, impossibility of attaining it in 2022, and the need for extending the target year; (ii) need for aligning India's 2022 Goal with global agreements like 2030 Agenda on the SDGs, the use of EBP in attaining India's AH goal; and also the role of CMAs in the effective EBP adoption in AH sector. The methodology is descriptive-analytical and exploratory. The data used are those from authentic secondary sources like the RBI, NHB, IMF, ADBI etc. and simple tools of statistics have been used



Dr. Manoj P K

Faculty Member & Research Co-ordinator
Department of Applied Economics, CUSAT
Kochi

manoj_p_k2004@yahoo.co.in



Dr. Mini Joseph

Head
P.G Dept. of Commerce & Research Centre
KG College, Kottayam

minijkgc@gmail.com

for data analysis.

3. HOUSING IN INDIA: A GLOBAL OUTLOOK

In the backdrop of the ongoing global pandemic of Covid-19, it is meaningful to look into the global housing scenario. It is noted that the pandemic has not affected the housing prices; rather housing prices have been on the rise even during pandemic days. Based on the data for 84 Quarters (21 years) viz. 2000 Q1 to 2020 Q4, there has been an obvious rising trend and that too with a high R² value of 84.8 percent. (IMF Data) [1]. (Figure I).

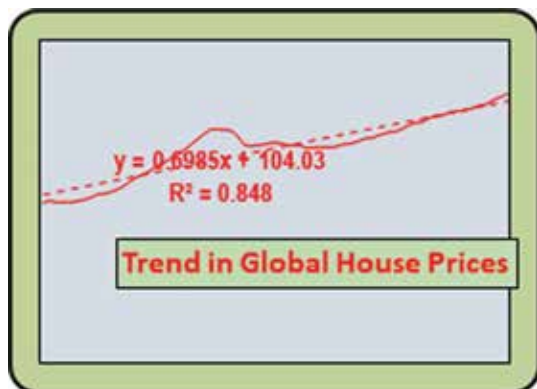


Figure I: Global House Prices.
Source: IMF data (www.imf.org) [1]

As of Q4-2020, house prices have been rising across the globe and 52 out of the total 58 countries have registered rise in house prices. Only the rest 6 countries have registered fall in house prices, these being Indonesia, Peru, Serbia, Philippines, India, UAE. The highest rise is in Luxembourg (17.18 per cent) and the highest fall is in UAE (-4.45 per cent). India's fall in house price (-3.56 per cent) is second only to that of UAE. Among the BRIC nations, India is the only nation with fall in prices, as per IMF data. [1]. (Figure II).



Figure II: House Prices- BRIC Nations.
Source: IMF data (www.imf.org) [1]

GOI's policy of promoting housing and attaining the 2022 Goal still continues, and its new Budget for 2022-2023 (Feb.2022) too seeks to promote housing. The fact is that the actual number of houses constructed under the urban scheme viz. PMAY(U), launched on 25th June 2015, as of 12th Dec. 2021 is 53 lakhs, against 1.14 Crore houses sanctioned, i.e. 46.49 per cent completed, as per the data of PIB, GOI (2022) [28]. Under the rural (Gramin) scheme viz. PMAY (G) as against 2.95 Crore houses planned only 1.65 Crore houses are completed, i.e. 55.93 per cent is completed. (GOI, 2022) [3]. In short, the progress of PMAY as a whole is roughly 50 per cent as of Dec.2021. It is noted that an extension of the deadline from 2022 is imminent. In respect of PMAY (G) the GOI has extended the target year to 2024 from 2022, on an *ad hoc* basis. PMAY (U) too will have to be extended further from 2022.

3. INDIAN HOUSING SECTOR: NEED FOR EBP

Housing sector in India can act as growth engine for the whole economy owing to its extensive linkage effects, both forward and backward, with nearly 350 other industries, and with 21 sectors its linkage is very close, like, cement, transport etc. (Figure III) [4].



Figure III: Linkages of Housing.
Source: GOI (2021), MHUA. [4]

Close linkage effects of housing with 21 key sectors enable housing investments to create substantial and growing levels of direct and indirect employment every year. The case of PMAY(U) is as reflected in Figure IV.[4]

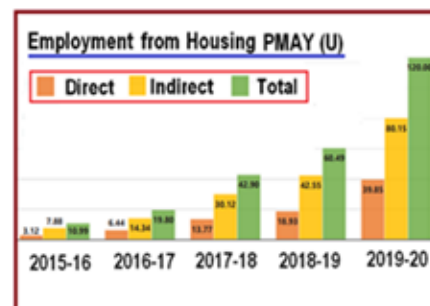


Figure IV: Employment in Housing Sector.
Source: GOI (2021), MHUA. [4]

For the rapid growth of India’s housing sector and hence the entire economy, it is imperative that policy decisions are taken with solid evidence and qualitative data in a time-bound mode. For instance, PMAY (U) and PMAY (G) are being implemented by separate Ministries of GOI viz. PMAY (U) by Ministry of Housing and Urban Affairs (MHUA), GOI while PMAY (G) is under the Ministry of Rural Development (MRD), GOI. Besides, a large number of other housing schemes or comprehensive schemes (including housing) are run by the Union and State Governments in India, like, JNNRUM, AMRUT, Smart City, etc. albeit the higher prominence of PMAY schemes. As the ‘Real Housing Problem’ of India is that of the low income people viz. LIG (low income group), EWS (economically weaker section) and MIG (middle income group) etc. Affordable Housing (AH) schemes can solve it and the governmental schemes are mainly focusing on them. Thus, the need of the hour is to coordinate the activities of these diverse housing schemes, ensure collation of reliable data on their progress including regular monitoring of the schemes through field visits and progress reporting using standard formats. Such systematic steps can procure right level of evidence and quality information which are required for informed policy decisions, as per an evidence based policy making (EBP) process. CMAs with their most suited skills play a key role here.

4. INDIAN GOALS: ALIGNING WITH THE GLOBAL

The crucial significance of promotion of housing sector for rapid economic growth of India is well recognized. Macro-economic reasons (like, the global pandemic Covid-19 causing and many others) pose hurdles in attaining India’s grand ‘2022 Goal’ on AH. Hence, it is vital to align India’s AH Goal (no more a ‘2022’ Goal, it being impossible) with the global agreements and goals, and also adopt EBP for meaningfully attaining the revised and globally aligned goal. Or else, a vicious cycle of constantly falling economic growth may arise. This is because of the rapid urbanization that is going on in India (Figure V) because of slow economic growth, agrarian distress etc.

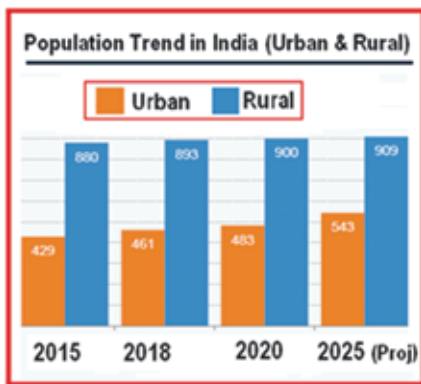


Figure V: Indian Population: Urban & Rural
Source: IBEF (2021), *Real Estate*, Nov, p.18

The global pandemic has given another dimension to the congestion and other urban issues related to growing slums. Growing urban poor increases the demand for AH and their dependency on informal housing (like, slums) and informal finance rises, given the poor savings and falling incomes. Need for Government. subsidies and budgetary supports rises and

creates heavy load on the exchequer, thus limiting Government’s public investments. This slows down economic growth. In brief, a vicious cycle might form (Figure V).



Figure VI: Vicious Cycle of Falling Growth
Source: Authors’ Creation

To prevent the economy moving into a vicious cycle and ensure fast and sustained economic growth through the promotion of its housing sector, India’s National Goal viz. *Affordable Housing for All by 2022* needs revision and the same has to be duly aligned with global agreements like 2030 Agenda on SDGs, especially the SDG-11 on sustainable human settlements with all basic amenities. In India PMAY (G) goal on AH (rural) has since been extended to 2024. Rather, a more comprehensive policy that includes all housing schemes like PMAY (both R and G) and AMRUT, Smart City etc. (housing part) that is globally aligned is more advisable.

5. GLOBALLY ALIGNED ‘2030 AH GOAL’

A comprehensive and globally aligned AH Goal that imbibes 2030 Agenda viz. SDGs especially SDG-11 on human settlements is required. The cut-off year of 2022 fixed earlier needs to be extended till 2030 so as to fall in line with the global pacts like the 2030 Agenda. An action plan that seeks to use EBP has to be drawn up wherein CMAs should play a major role, being the professionals with relevant professional skills and orientation for making informed policy decisions.



Figure VII: AH Goal 2030 – EBP Approach
Source: Authors’ Compilation

Based on the conceptual models on EBP by experts, like, Gray (1997) [5] and Young and Quinn (2002) [27] it is relevant to suggest an EBP-based model for attaining India's AH Goal 2030 (aligned with 2030 Agenda on SDGs, especially SDG-11) as shown in Figure VII.

In Figure VII, the migration from the current policy (opinion based) to EBP should start from the Governments at Union and States through mutual discussions. The policy alternatives too have to be designed mutually by the Governments. The global agreements and timelines need to be strictly adhered during these steps. In the third step (policy choice) and the fourth step (policy design), the role of functional experts is of high significance, like, CMAs. More so are the phases of monitoring (step five) and evaluation (step six), wherein the services of CMAs would be useful for regular monitoring, progress reporting and follow up of diverse schemes for housing development under the Union and State Governments.

6. CONCLUDING REMARKS

Evidence-based policy making (EBP) has become an imperative rather than a choice for the proper formulation, execution and evaluation of various affordable housing (AH) schemes under the Central and State Governments in India. India's national goal of 'Affordable Housing for All by 2022' needs to be revised and globally aligned by falling in line with international agreements like *The 2030 Agenda for Sustainable Development*. This in turn ensures global standards of quality, performance evaluation and also deadlines, and above all a global perspective for vital national policies. In the entire EBP process, the CMAs can play a vital role in ensuring quality and timelines. **MA**

REFERENCES

1. International Monetary Fund (IMF), <https://www.imf.org/external/research/housing/index.htm>.
2. Govt. of India (2022), *Economic Survey 2021-22*, Ministry of Finance, New Delhi. (www.indiabudget.gov.in/economicsurvey)
3. Govt. of India (2022), *Ministry of Rural Development*, New Delhi – 110 01., March. <https://rural.nic.in/en/press-release/houses-sanctioned-under-pmay-gramin>
4. Govt. of India (2021), *Ministry of Housing and Urban Affairs (MHUA), Urban Transformation through Housing for All*, New Delhi. pp.15-16. (<http://pmaymis.gov.in/assets/pdf/book.pdf>)
5. Gray, J.A.M. (1997), *Evidence-Based Healthcare: How to Make Health Policy and Management Decisions*, New York, Edinburgh, London, Churchill Livingstone.
6. India Brand Equity Federation (IBEF) (2021), *Real Estate, Industry Report*, Nov.
7. Lakshmi, L., & Manoj, P. K. (2017). *Service quality in rural banking in north Kerala: A comparative study of Kannur district co-operative bank and Kerala Gramin bank*. *International Journal of Applied Business and Economic Research*, 15(18), 209-220.
8. Lakshmi, & Manoj, P. K. (2017). *Rural customers and ICT-based bank products: A study with a focus on Kannur district co-operative bank and Kerala Gramin bank*. *International Journal of Economic Research*, 14(14), 423-434.
9. Joju, J., Vasantha, S., & Manoj, P. K. (2017). *Electronic CRM & ICT-based banking services: An empirical study of the attitude of customers in Kerala, India*. *International Journal of Economic Research*, 14(9), 413-423.
10. Joju, J., Vasantha, S., & Manoj, P. K. (2017). *Financial technology and service quality in banks: Some empirical evidence from the old private sector banks based in Kerala, India*. *International Journal of Applied Business and Economic Research*, 15(16), 447-457.
11. Joju, J., Vasantha, S., & Manoj, P. K. (2017). *Future of brick and mortar banking in Kerala: Relevance of branch banking in the digital era*. *International Journal of Civil Engineering and Technology*, 8 (8), 780-789.
12. Joju, J. & Manoj, P. K. (2019). *Banking Technology and Service Quality: Evidence from Private Sector Banks in Kerala*. *International Journal of Recent Technology and Engineering*, 8(4), 12098-12103.
13. Manoj, P. K. (2003), "Retail Banking: Strategies for Success in the Emerging Scenario", *IBA Bulletin*, XXV (11), 18-21.
14. Manoj, P. K. (2004), "Dynamics of Housing Finance in India", *Bank Quest*, 75 (3), 19-25, July-Sept.
15. Manoj, P. K. (2008), "Learning from Cross-country Experiences in Housing: A Micro Finance Approach for Inclusive Housing in India", *Journal of Global Economy*, Research Centre for Social Sciences, Mumbai, India, Vol. 4 (3), 208-224, Sept.
16. Manoj, P. K. (2009), *Emerging Technologies and Financing Models for Affordable Housing in India*, Directorate of Public Relations and Publications, Cochin University of Science and Technology (CUSAT), Kerala. (www.opac.cusat.ac.in).
17. Manoj P. K. (2012), "Potential of micro enterprises in women empowerment: A critical study of micro enterprises run by women under the Kudumbashree Programme in Kerala", *International Journal of Business Policy and Economics*, 5(2), 1-16.
18. Manoj P.K. (2012), "Information and Communication Technology (ICT) for Effective Implementation of MGNREGA in India: An Analysis", *Digital Economy of India – Security and Privacy*, Serials Publications, New Delhi, pp.145-150.
19. Manoj, P. K. (2015), "Socio-Economic Impact of Housing Microfinance: Findings of a Field based Study in Kerala, India", *International Research Journal of Finance and Economics*, 137, 32-43.
20. Manoj, P. K. (2015), "Deterrents to the Housing Microfinance: Evidence from a Study of the Bankers to 'Bhavanashree' in Kerala, India", *International Research Journal of Finance and Economics*, 138, 44-53.
21. Manoj, P. K. (2018). *CRM in old private sector banks and new generation private sector banks in Kerala: A comparison*. *Journal of Advanced Research in Dynamical and Control Systems*, 10(2 Special Issue), 846-853.
22. Manoj, P. K. (2019). *Dynamics of human resource management in banks in the ICT era: A study with a focus on Kerala based old private sector banks*. *Journal of Advanced Research in Dynamical and Control Systems*, 11(7) (Spl.), 1667-1680.
23. Manoj, P. K. (2019). *Social banking in India in the reforms era and the case of financial inclusion: Relevance of ICT-based policy options*. *Journal of Advanced Research in Dynamical and Control Systems*, 11(7)(Spl.), 1654-1666.
24. National Housing Bank (NHB) (2022), *Annual Report 2021*. (www.nhb.org.in).
25. Reserve Bank of India (RBI) (2021), *Financial Stability Report*, No. 22. Jan.
26. Sutcliffe, S. & Court, J. (2005), *Evidence-based Policymaking: What is it? How does it work? What relevance for developing countries?*, Overseas Development Institute (cdn.odi.org/media/documents/3683.pdf).
27. Young, E. and L. Quinn (2002), *Writing Effective Public Policy Papers: A Guide to Policy Advisers in Central and Eastern Europe*, Budapest: LGI.
28. Official website of the Press Information Bureau, Govt. of India. (www.pib.gov.in).

SYNTHESIZING EMPIRICAL STUDIES TO EXPLAIN EVIDENCE BASED DECISION MAKING: A CORPORATE GOVERNANCE FUNDAMENTAL



Samuel S Mitra

Research Scholar
St. Xavier's College (Autonomous)
Kolkata

samuelsmitra18@gmail.com



Ruby Mary Notts

Assistant Professor
Dept. of Commerce (Evening)
St. Xavier's College (Autonomous)
Kolkata

rubymarynotts@sxccal.edu

INTRODUCTORY CONTEMPLATIONS

“Evidence Based Decision Making” basically refers to the process of the usage of rich and reliable information for conveying decisions related to government policies. It comprises a systematic data collection procedure and its appropriate analysis with robust methods of research, thus creating evidence serving as the basis for decision making. It leverages knowledge about effective content for informing policy discussions at every

Abstract

Recent literature on corporate governance had focused more on the disclosure of “environmental, social and governance” (ESG) initiatives implemented by firms. ESG encompasses a plethora of issues related to the environment, social responsibilities and corporate governance with an impeccable indicator of non-financial performance. But a major research gap exists in examining the determinants of ESG disclosure to prove its association with corporate governance, to explain evidence based decision making in the corporate sector. To fulfil this research gap, a total of 24 existing studies from 2001-2018 have been synthesized by meta-analytical approach. The article also deliberates upon practical applications of evidence to make sound decision making in the corporate sector.

stage of decision-making. The evidence must be generated and available to meet requirements like determination of specific policies for advancement, setting up of levels of funding, and/or development of regulations. It comprises of the following three stages.

- ⦿ **Data Collection:** For the purpose of decision making, relevant data including information related to administration must be collected. Similarly, conducting research through observations, surveys and face to face interviews can also aid in data collection process. Such data can then be connected and combined for production of information which caters to answering of complex information to address the various challenges.

- ⊙ **Data Analysis:** Data analysis largely depends upon the type of question which needs to be answered and the availability of various resources like time, funds, human resource, evaluation specifics and the kind of intervention. At the grass-root level, analysis of data could help to fathom a situation *via* descriptive statistics and trend of information reflecting on the changes of data over time. Furthermore, evaluation studies can be used for addressing complex questions for identification of opportunities for improvements in the operations of programs and determining its efficacy.
- ⊙ **Evidence Use:** Decision making is a non-linear process and involves complexities. The framing of policies depends upon factors like context, constraints, stakeholders, specific issue, politics and other considerations. The formulation of a policy response could be crafted upon the identification of an issue and the determination of decision makers to direct resources for addressing problems on the basis of important evidence base. Such evidence could be used by decision makers at various stages of the decision making process, starting from defining a problem to identification of a solution.

EVIDENCE BASED DECISION MAKING IN CORPORATE GOVERNANCE

In the current ultra-competitive era, work demands and complexities pose a plethora of challenges for human resources which needs to be appropriately addressed. The herculean task of managing the arduous tasks more often than not, results in “thinking” errors which could have a cascading impact on the outcomes of the business. In this context, self-conscious board members must be cognizant about their own prejudices and rather deploy efficient systems and processes for ensuring that the firms are not blighted by any kind of bias and/or lack of “evidence based” process of decision making. This pro-actively calls for evidence based decision making in the corporates.

A fundamental determinant of an excellent corporate governance exists in the board collectively acting in the best interest of the firm. However, individual members present on the board might have varied knowledge, experience, perceptions including separate agendas and bias as well, but such bias need to be channeled into the best interest of the firm. An efficient way for supporting this approach is

A fundamental determinant of an excellent corporate governance exists in the board collectively acting in the best interest of the firm

the successful integration of an “evidence based decision making” process to the modus operandi of the board.

FIGURE 1:
BISMARK’S MODEL ON EVIDENCE BASED
DECISION MAKING IN BOARDS



(Source: governwith.us)

RESEARCH GAP

There is no literature that deliberates upon corporate governance and ESG disclosures which can be used to make decision based on evidences. Moreover, a robust methodological analysis can further be seen as yet another missing factor in existing studies.

DATA AND METHODOLOGY

A “meta-analysis” technique has been adopted in the present study. Meta-analysis is actually a methodology based on statistics that aims to synthesize quantitative findings which stem from various empirical studies (Rosenthal, 1991). This technique involves preliminary assumptions related to the observed phenomenon. Studies have been selected using linear regressions, resulting to 1,63,791 total observations between the testing variables emerging from 24 different literatures.

Moreover, the “meta-analysis” technique used in the study encompasses a couple of steps. The model is first run on a set of independent variables to probe into the relationship between “corporate governance” and “voluntary disclosure”. Again the same relationship is determined by running the model over variables belonging to homogenous subgroups. As per Higgins et al. (2003), a check on the heterogeneity is also required to find if there exists any consistency among the selected literatures. This is done by calculating the t^2 statistics, where,

$$t^2 = \chi^2 - df/\chi^2$$

where, χ^2 represents “chi-squared statistics” and **df** the “degrees of freedom”. This will help in the calculation of the variability percentage resulting from heterogeneity. The determination of heterogeneity occurs in two techniques. The running of a random effects model based on the assumption of the impacts underlying different research papers to be obtained from a normal distribution and investigation of the association between subgroups of variables by performing a subgroup analysis. Pearson’s “Bivariate Correlation Analysis” has been used. There might be the existence of a high skewness for sample distribution as correlation exists between -1 and +1. Therefore, transformation of the skewed distribution into a normal distribution is necessary for which the application of “Fisher’s r-to-z transformation” is very much required (Fisher, 1921). The sample size would estimate the standard error of the study.

$$z = \frac{1}{2} \log(1 + r \div 1 - r)$$

where, **z** is approx. normal distribution with “mean” $\mu_z = \mu$ and a “standard error” $\sigma_z = \frac{1}{\sqrt{n}} - 3$

On the assumption of the “random effects model”, the assigning of weights to each study is $W_i = 1 \div V_y$

where, $V_y = V_{y_i} + T^2$. The weighted mean then can be calculated as follows

$$M = \frac{\sum_{i=1}^K W_i Y_i}{\sum_{i=1}^K W_i}$$

The variance in the effect and the predicted “standard error”, respectively, as $V_M = 1/\sum_{i=1}^K W_i$ and $SE_M = \sqrt{V_M}$

The lower limits (95%) is $LL_M = M - 1.96 * SE_M$ and the upper limits (95%) is $UL_M = M + 1.96 * SE_M$.

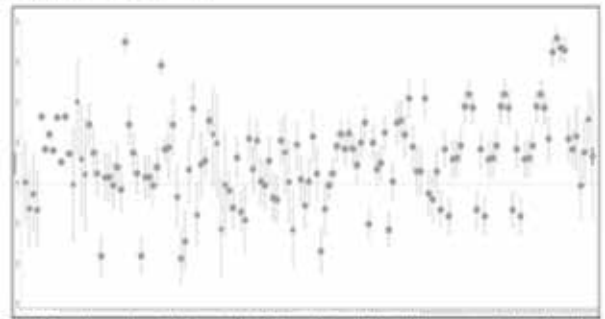
DATA ANALYSIS

The meta-analysis findings have been analyzed in the following table. The Forest Plot has also been represented identifying the correlations in rows as well as measures all the intervals which will show the impact. The weights have been represented by the magnitude of points on the basis of sample size of each study. It is observed that almost all the “confidence intervals” lies on positive side of the X-axis, implying a positive knitting between traits of “corporate governance” and “voluntary disclosure”. But, there are some “confidence intervals” on the negative side. Other studies which fall between the positive and negative side (zero), are not statistically significant, confirming lack of unanimity in the associated literatures.

**FIGURE 2:
FOREST AND PLOT**

Weighted average effect size	
Correlation	0.13
Confidence interval LL	0.10
Confidence interval UL	0.17
Prediction interval LL	*
Prediction interval UL	0.42
Z-value	6.81
One-tailed p-value	0.00
Two-tailed p-value	0.00

Confidence interval LL is the confidence interval lower limit for the mean as computed in the meta-analysis investigation; Confidence interval UL is the confidence interval upper limit for the mean as computed in the meta-analysis investigation; Prediction interval LL is the prediction interval lower limit, computed with a 95% level of confidence; Prediction interval UL is the prediction interval upper limit, computed with a 95% level of confidence.



The figure above shows the forest plot of the analysis. Each study is represented by a line, the mid-point of the line represents the mean effect estimate for each study. The length of each line represents the weight given to the study. Last line represents the overall effect.

A positive relationship is explored which is also statistically significant at 95 per cent, making the acceptance of alternate hypothesis valid. It also implies that increase in one of the independent variable will result in the amelioration of “voluntary disclosure”. Hence, a sub-group analysis has been conducted on the indicators of corporate governance.

• **Board Independence**

A significantly negative link is observed between “board independence” and “voluntary disclosure”. The lower and upper limit confidence intervals are [0.05 and 0.21].

**TABLE 1
SUBGROUPS ANALYSIS**

Subgroup name	Correlation	CI lower limit	CI upper limit	Weight
Board independence	0.128	0.048	0.204	0.119
Board meeting	0.120	-0.527	0.679	0.101
Board ownership	-0.187	-0.311	-0.056	0.105
Board size	0.163	0.098	0.226	0.127
Duality	-0.018	-0.111	0.076	0.116
Family Ownership	0.138	0.082	0.193	0.140
Gender	0.140	0.051	0.227	0.121
Institutional investors	0.013	-0.067	0.093	0.121
State ownership	0.065	-0.223	0.342	0.049
Combined effect size	0.068	-0.007	0.142	

Note: Subgroup name is the name of each investigated subgroup of corporate governance independent variables used in each selected paper; Correlation is computed in the meta-analysis investigation; CI lower is the confidence interval lower limit for the mean as computed in the meta-analysis investigation; CI upper is the confidence interval upper limit for the mean as computed in the meta-analysis investigation; Weight is the weight of each observed subgroup as computed in the subgroup analysis.

⊙ **Board Meetings**

From Table 2 and Figure 2, it is evident that there are inconclusive results due to the confidence interval [-0.53 and 0.68].

⊙ **Board Ownership**

A surge in ownership percentage by board is significantly negative to “voluntary disclosure” as the interval level falls on the negative side along the x-axis with their respective lower limits and upper limits being [-0.31 and -0.06].

⊙ **Board size**

The degree of “voluntary disclosure” depends upon the number of directors on board. A positive and significant association is also unearthed and a confidence interval of [0.098 and 0.23] is obtained.

⊙ **CEO Duality**

This is a situation when a company’s CEO also happens to be the board’s chairman. The result in this case indicates a negative relationship which is insignificant too, but the existence of zero within [-0.11 and 0.07] proves no correlation.

⊙ **Family Ownership**

Family ownership in this case represents heterogeneity which is not significant to conclude on the relationship between percentages of shares that a family member of a person holds and “voluntary disclosure.”

⊙ **Gender**

Gender here refers to the representation of female directors on the board. The subgroup analysis is supportive that a surge in the number of female on board which fine tunes the “voluntary disclosure”. This is indicated by the confidence interval that of [0.05 and 0.23].

⊙ **Institutional Investors and State Ownership**

Here the percentage of the shareholdings is both inconclusive and insignificant. It is also evident that their confidence intervals too [-0.07 and 0.09] and [-0.22 and 0.34] contain zero in the midst, hence, making it impossible to draw valid conclusions on the association between particular types of ownership and “voluntary disclosure”.

CONCLUSIVE REMARKS

The study pioneers a meta-analysis approach conducted on 24 scholarly articles / papers published during the period 2001–2018. An attempt has been made to unearth the association between “Corporate Governance and ESG disclosures” to further use it as a basis for decision making. It has been found that board size, independence and women directors on board enhance ESG disclosure which cannot be said in the case of board ownership and CEO duality, while there exists inconclusive evidence regarding the frequency at which board meetings are held and institutional and family ownership. The blending of “meta-analysis” in the existing literatures of “corporate governance” would be pivotal for greater complementation of financial information and non-financial information, to make evidence based decision making.

MANAGERIAL IMPLICATIONS OF THE APPROACH

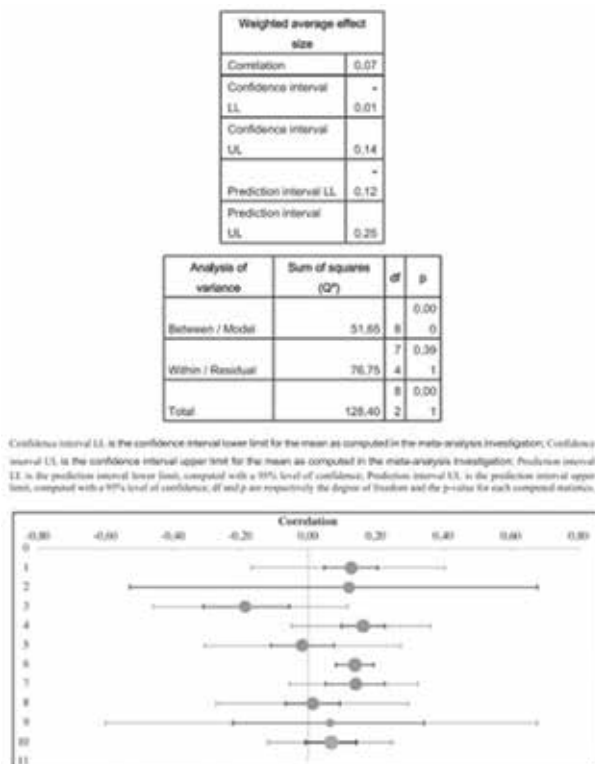
There are two methods for the application of this principle which have been deliberated below.

First method is developing a standardized framework of business case which should be applied to every investment decision over an agreed amount. The following framework would comprise of research and other supporting documents necessary, a planning model from the lens of finance, a risk assessment relating to the firm’s risk plan and profile and a capacity-capability assessment which explains as to what could be achieved on the basis of existing capacity.

The second is the application of a “stress test” to options considered and positioned and removing the bullish bias from the process of assessment. Very often than not, remaining optimistic and bullish about something to work, may lead to ignorance about the obvious and crucial aspects that would otherwise deter the firm from acting on a specific course.

As mere human beings working in the board, it would be challenging for them to remove personal bias from the process of decision making of the board but being

FIGURE 3: FOREST PLOT FOR SUBGROUP ANALYSIS



efficient governors sometimes there does not exist any choice. The adoption of a policy of an evidence based decision making, could possibly result in the introduction of a process obliging every individual who have the responsibility of following a pre-determined methodology and that its fundamental determinant supports evidence. It is noteworthy to mention that this would not remove the individual bias of the board members; nevertheless, it would provide a framework for good governance and this aspect needs to be worked towards. **IMA**

References

1. Rosenthal, R. (1991). *Meta-analysis: A review. Psychosomatic Medicine, Vol. 53, No. 3, pp. 247–271.*
2. Fisher, R. A. (1921). *On the probable error of a coefficient of correlation deduced from a small sample. Metron, Vol. 1, pp. 3–32.*
3. Schultz, M. (2022). *Governance Today. Available online at <http://www.governancetoday.com>*

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

(Statutory Body under an Act of Parliament)

www.icmai.in

Research Bulletin, Vol. 48 No. I April 2022 (ISSN 2230 9241)**Call for Research Papers/Articles**

We invite you to contribute research paper/article for “Research Bulletin”, a peer-reviewed Quarterly Journal of The Institute of Cost Accountants of India. The aim of this bulletin is to share innovative achievements and practical experiences from diverse domains of management, from researchers, practitioners, academicians and professionals. This bulletin is dedicated to publish high quality research papers providing meaningful insights into the management content both in Indian as well as global context.

Guidelines to submit full Paper

- » Soft Copy of the full paper should be submitted in double space, 12 font size, Times New Roman, keeping a margin of 1 inch in four sides, MS Word (.doc) format.
- » Each paper should be preferably within 5000 words including all.
- » An abstract of not more than 150 words should be attached.
- » The cover page should contain the title of the paper, author’s name, designation, official address, contact phone numbers, e-mail address.

Papers are invited on the following topics, but not limited to:

- ⊙ Capital Markets in India
- ⊙ Healthcare Cost Management
- ⊙ Environment, Social & Governance (ESG)
- ⊙ Startups
- ⊙ Agritech and Social Entrepreneurship
- ⊙ Direct and Indirect Taxation
- ⊙ Natural Resource Accounting
- ⊙ IT Audit in SAP Environment
- ⊙ Internal Audit
- ⊙ Women Empowerment
- ⊙ Evidence-based Human Resource Management
- ⊙ Vocal for Local: Aatmanirbhar Bharat
- ⊙ MSME
- ⊙ Digital Transformation
- ⊙ Ease of Doing business

Papers must be received within 30th April, 2022 in the following email id:

research.bulletin@icmai.in



DIGITAL TRANSFORMATION WITH SMART CONTRACTS - DEMYSTIFICATION, LEGAL RECOGNITION, NEXT AND BEYOND



CMA (Dr.) Paritosh Basu

Senior Professor
NMIMS School of Business Management
Mumbai
paritosh.basu@sbm.nmims.edu

Genesis of Smart Contract

Many lawyers across countries and continents follow one century old axiom which signifies that “There is everything in law, and there is law in everything”. Business entities, government agencies and even NGOs also follow this axiom for success without frictions and litigations. They always aim at remaining on the right side of law. One of the building blocks in their functional framework is exclusive reliance on legally enforceable contracts, terms of

which are executed with external interventions beyond ICT systems. Compliance with legal and regulatory provisions are generally ensured by incoherent human interventions for performing in compliance with the policies and processes defined and laid down with idiosyncratic judgement and interpretations of statutes and regulations by people at the helm of affairs.

No technology until late 1990s by itself could help ensuring such a unique and all-pervasive responsibility totally and squarely. ERP systems and solutions, offered by likes of SAP, Oracle, Microsoft, etc., to a certain extent facilitated the process by disjointed actions and customisation of applications but not by the software itself in an automated mode. Again, the same is to large extent dependent on human judgement and interventions breaking the chain of automation. The process offered by them are limited to the user entity only and cannot ensure legal and regulatory compliances by all stakeholders involved in transactions on an end-to-end basis.

Blockchain technology recognises and facilitates ensuring implementation of the said axiom in both letter and spirit. Its framework of distributed ledger, with participation of stakeholders and execution principles for establishing one version of truth as the guiding principle. It guarantees execution of mutually agreed transactions without the

Image Source:

<https://softwareengineeringdaily.com/2018/03/29/enterprise-smart-contracts-with-marley-gray/>.

intervention of any trusted party and/or intermediary. One of the guiding principles for designing and writing software for a blockchain platform is to embed in the script itself all legal provisions, rules, regulations, policies, and procedures that are to be followed for executing any transaction. This is one of the major reasons for which the Supreme Court of China announced¹ in September 2018 that, “*Internet courts shall recognize digital data that are submitted as evidence if relevant parties collected and stored these data via blockchain with digital signatures, reliable timestamps and hash value verification or via a digital deposition platform and can prove the authenticity of such technology used.*”

Objective

The first article on smart contracts by the author under this column was published in January 2020 after which there has been many developments in blockchain technology and smart contracts (SC). Objective of this one is to demystify the subject with more dimensional analyses for clarity of understanding about SCs. Efforts would be made to bring out how solution designers can serve multivarious objectives by innovative crafting of solutions and scripting of codes for a blockchain platform with the help of a SC.

The general myth, associated with the word smart would be clarified by analysing how a SC can function as a transaction engine for a blockchain platform and how it can perform more if embedded with rules and SOPs for operational, accounting, reporting, compliance and controlling aspects of participants’ businesses. The author would also examine legal status of SCs. In the last section there would be narratives on the author’s next and beyond ideas about how SCs can be made smarter and versatile for guiding, directing, and monitoring performance of other digital technologies integrated with the concerned blockchain platform

Blockchain Revisited

It would be worthwhile to revisit blockchain technology once more. The simplistic definition of a blockchain is that it is a Chain of Blocks where each block contains transactional data of values without any central supervision. It is also synonymously known as Distributed Ledger Technology for establishing a P2P Network in which each online anonymous ledger protects identity of users. Participants of a blockchain platform follows dual key mechanism, viz. private key for entering the system and public key for performing transactions

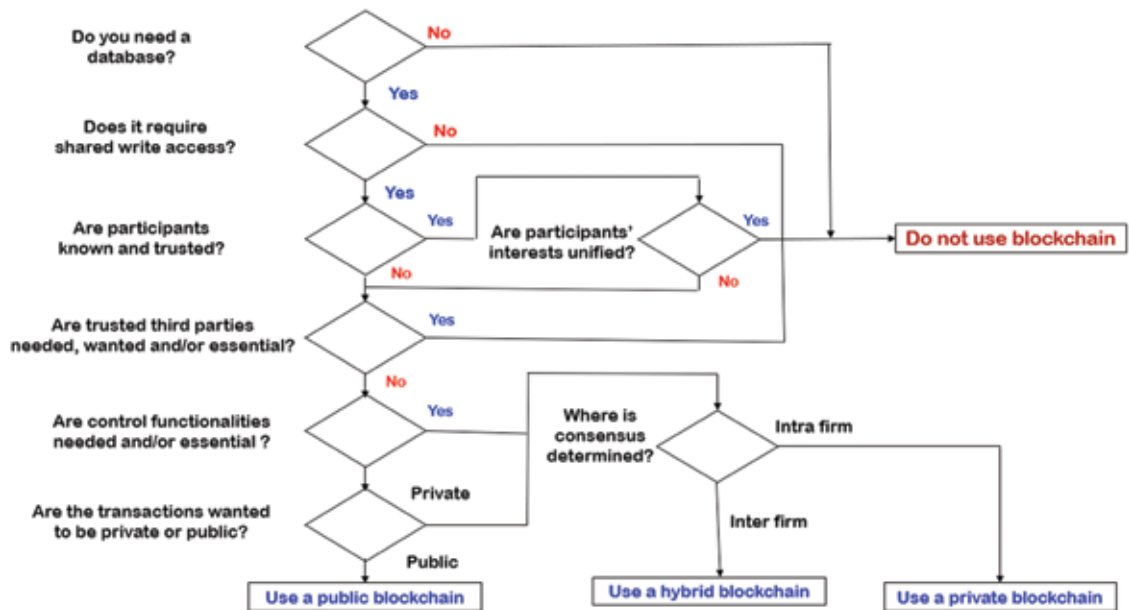
Readers may read the present author’s several published papers³ on blockchain published under this column before and elsewhere. Readers can also learn about blockchain and its various applications for digital transformation by watching the author’s several video-recorded sessions hosted at his personal YouTube channel⁴. For the shake of brevity, and assuming that, readers have read the said

papers and seen the said videos, it would be useful to summarise the salient feature of blockchain technology in the following lines:

1. It is a internet based platform for initiating and completing P2P and B2B transactions by participating individuals, business entities, government, NGOs, etc.,
2. Any blockchain platform is embedded with smart contract(s) and pre-provisioned compliance requirements,
3. It follows the doctrine of decentralised data storage mechanism (DDSM) with decentralised ledger technology (DLT) in which every participant’s computer is called a node,
4. All applications, developed using blockchain, ensures transparency with pseudonymity and are driven by smart contracts,
5. There is no need for any central authority to maintain master and transaction data,
6. Participants of most blockchain platforms are required to pass through the process of ‘Know Your Participant’ in similar line with the KYC done by a bank before onboarding a customer,
7. Every transaction is authenticated by one or more nodes other than the initiator,
8. An authenticated transaction data is pooled into the chain of blocks of transactions and the related documents are stored in its integrated document storage system,
9. Each block is encrypted with a cryptographed hash function which can’t be changed,
10. Applications are programmed with cryptographed computational logic and algorithmic rules which can be dynamic,
11. All transactions and stored documents can easily be retrieved for submission as evidence in eventuality of any litigation or any other requirement,
12. Cryptographed DDSM renders the system almost non-hackable, and
13. Blockchain platforms are of three types, viz., private, public and hybrid.

The common question of business managers to be answered is how one can decide whether blockchain based platform is the best suited solution for digitally transforming their operations, executing transactions and recording all details thereof with due documentation and storage of evidence? Instead of understanding the same from long paragraphs of narratives, readers may follow the route of decision making as have been delineated by the following graphics

Steps for deciding whether blockchain is the right solution to be adopted



Source: Designed by the author

The above graphic reinforces the fact that fundamental reasons for using blockchain technology are creation of databases, shared access of participants into the platform, establish trust within participating unknown and untrusted people/entities, establishing control functionalities in both public and private network of blockchain. It would be useful to corroborate this understanding with comments of one of EY⁵, one of the Big4 consulting firms, in the context of application of a blockchain platform to manage supply chain management. It writes the following:

“If a company’s vendors and customers are also invited to join a private blockchain, it can track and display an entire supply chain, complete with documentation and real-time visibility of all its transactions. It’s even possible that with blockchain’s increasing adoption, new sources of bigger and better data will enable a more frequent application of the comparable uncontrolled price method for establishing arm’s-length prices between MNEs and their subsidiaries and related groups.”

EY has also gone ahead several steps further ahead in the context of application of blockchain for taxation domain. Their view is, *“So far, blockchain technology has received sensible praise and skepticism. We are thrilled by the challenge of understanding its promising implications for the tax world, and we urge our colleagues in the tax function to join in shaping this exciting future.”*

Since blockchain technology-based platforms provide facilities for execution of business and/or non-business transactions by governmental agencies, NGOs, etc., without intermediation of any third party, the entire governance and compliance system of the platform is driven by the Smart Contracts embedded in its duly coded software.

Some people prefer to call it ‘Contractware. The objective is to ensure appropriate controlling and monitoring of transactions in compliance with the pre-articulated policies, systems, and procedures, and in compliance with related legal and regulatory stipulations. All these in turn improves speed, productivity while dealing with many parties that participate in the platform. Such software is suitably written to take care of differentiated requirements of the specific nature of each type of platform, viz., public, private or hybrid as delineated in the above graphic.

Smart Contracts - Genesis, Definitions and Enabling Features

Genesis

It would be useful to understand the attributes of a binding contract to start with which would equally be applicable to smart contracts. A synthesis of Chapter II of the Indian Contract Act 1972 reveals the following essential features of a legally binding contract:

- ⊙ Was there a valid offer with valid consideration?
- ⊙ What was the agreement for and whether its objective is lawful?
- ⊙ Who are the parties and whether they are competent to sign a contract?
- ⊙ Was there valid acceptance of offer without any force, fraud, or duress from any side?
- ⊙ Did equal consideration flow both ways between the offeror(s) and acceptor(s)?
- ⊙ Were there good faith and efforts without any excuses for breach?

- ⊙ Was there partial performance of the contractual obligations?
- ⊙ Is there any breach of any other law and/or regulation?

The genesis of a smart contract lies in the above features of a legally valid contract which is almost the same under similar such statutes legislated by every sovereign nation. A blockchain platform can be designed, digitally crafted, and auto regulated to ensure that every transaction is performed in compliance with the above attributes being ensured on an end-to-end basis, albeit there being no interventions by physical lawyer(s).

Nick Szabo, with his unique combination of talents as a cerebral computer scientist, cryptographer legal scholar and innovator, applied his critical skills to design digital contracts for administering a digital currency. He is considered as the first creator and applicator of a smart contract in 1996 for crypto currency. The SC designed by him had the ability to autonomously execute the terms of a contract, positively influence business associations which can facilitate transparent, trust-less, and distributed application solutions at a faster pace than ever before. Nick Szabo applied his crafted SC through blockchain technology. However, one must keep in mind that these two wonderful phenomena were applied simultaneously.

During the continuing course of evolution of blockchain technology since its first application for cryptocurrency transactions, SCs have also evolved over the years. Many business and compliance requirements, which are not essentially related to contractual terms for performing transactions, are also more and more being embedded into SCs to make it comprehensive as a driver of transactions.

Definition of Smart Contract

A smart contract is therefore, a legally binding contract that is executed and then performed within the digitally crafted platform created by application of blockchain technology. Within the domain of one platform there can be more than one smart contract. When any participant, irrespective of being a person, a legally incorporated entity, a government agency, or an NGO, etc. enters a blockchain platform, the first contract they should execute is the 'Super Smart Contract' with the administrator of the platform to the effect that while conducting transactions with other participants of the platform the related and relevant SCs, as duly embedded in the platform, will be accepted, and resorted to. However, in every subsequent SC, there are required flexibility enabled by provisions to amend the terms of any SC with mutual consent of parties without violating governing laws and regulations as applicable to any given transaction.

This can be explained by an example of the contract to be digitally signed by and between, an importer-buyer,

exporter-seller, and the third-party quality control certification agency in a Blockchain platform for conducting export-import transactions. While the said buyer and seller has bilaterally executed before a separate SC for sell and purchase, this tripartite SC is for the purpose of quality certification which is an essential document as per terms of other SCs, e. g., letter of credit and payment settlement by bank, acceptance of cargo by the captain of ship for carriage insurance company, etc.

Ellis Solaiman, Todd Wike and Ioannis Sfyarakis in their seminal research paper⁶ has defined a smart contract as "... an executable program (written in a programming language ...) that is deployed to monitor interactions between two or more parties. Its main aim is to prevent or at least detect deviations from agreed upon behavior. To achieve this, the smart contract (i) intercepts each initiated operation, (ii) analyses it to determine if it is contract compliant, (iii) produces a verdict (contract compliant or none contract compliant), and (iv) records the outcome in an indelible log that is available for inspection, for example, to sort out disputes". Some digital technology professionals christened digitally embedded smart contracts into the software code of a blockchain platform as 'Contractware' because those help physical instantiation of comprehensible contracts by computers for execution. Thus, execution of contracts in compliance with terms and conditions included in the SCs essentially tantamount to conditional statements which are essential for computing. These qualities of a digital contract make it smart and self-executable.

Enabling Features

Leon Adato of Solar Winds had very aptly said that "*Smart Contracts are where the rubber meets the road for businesses and blockchain*" Essentially any blockchain technology platform starts functioning with constant help and support from the SCs embedded in it. The present author has captured in the following graphic the salient features of a SC in one of his presentations. Readers will be able to appreciate that a SC is not only time efficient but also cost efficient, and safe even without the intervention of lawyer in person at different stages of executing the contract. The terms of smart contracts are embedded while scripting the software code for crafting the platform. Hence none can take a transaction forward without compliance of the terms and conditions of the governing SCs. enable execution of business transactions in compliance with the contractual terms and conditions in an automated mode without the intermediation of a trusted intermediary as a participant in the digitally performed process. Thus, it not only reduces cost, but also reduces lots of risks and time lags. Because of these enabling features the set of smart contracts are also called 'Transaction Engine of Blockchain Platform.'

Smart Contract - The Digital Lawyer of Blockchain Technology

- An embedded digital framework (duly coded lines) to enter into a **legally binding contract** between two or more parties, subject to meeting conditions
- The embedded contract is **precompiled** with concerned Laws and Regulations
- **Flexibilities** can be built in to change terms and conditions
- A **Super Set of several Smart Contracts** covering different types of transactions
- Functional contract(s) serves as **backbone of the Blockchain** binding all parties



Source: Presentation of the author for blockchain technology and smart contract

SCs are drafted, reviewed, tested, and cleared by best of the legal brains before those are adopted for writing software scripts to digitally insert terms and conditions thereof in the code of software. If a blockchain platform for conducting commercial transactions involves parties from more than one sovereign countries, the related SC will ensure compliance of legal and regulatory provisions of the concerned countries as well as international protocols, e. g., ‘Incoterms’ for international trade in case of an Export-Import trading platform.

SCs eliminate the need for reinventing the wheel by avoiding repetitive negotiation of terms of conditions, drafted contracts, documentation and so on. While converting legal contracts into a smart contract for scripting into the software for a blockchain platform there are definitive needs for clearly defining and capturing terms involving rights, obligations, prohibitions, force majeure clauses, penalties against not meeting obligations, etc. Enabling provisions are kept for rendering the SC flexible to the extent that each contracting party can change certain terms and conditions. Scalability of a blockchain platform depends on versatility of the SCs embedded into it.

Taking care of pervasive provisions of many types of business transactions with increased variety of specificities is a challenge by itself. Digital giants like IBM, Microsoft, etc. are engaged in developing ‘Digital Library for Smart Contracts’ which can be adopted by solution developers. Ajay Kumar Shrestha, et.al. in the researched article⁷ concluded that, *“All contract transactions are stored in chronological order for future access along with the complete audit trail of events. If any party tries to change a contract or transaction on the Blockchain, all other parties can detect and prevent it. If any party fails, the system continues to function with no loss of data or integrity.*

It, therefore, creates a single large secure logically computer system without the risks, costs and trust issues of a centralized model.”

Legal Recognition of Smart Contracts

It would be useful to briefly understand the history of granting legal recognition for electronic documents and signature by giant nations of the world. Forty-seven states of the USA passed the “Uniform Electronic Transactions Act (UETA)” in 1999 followed by the “Electronic Signatures in Global and National Commerce (ESIGN) Act” in 2000. These two Acts facilitated proliferation of digital transformation business operations including internet banking and eCommerce. Section 4, 5, 6, and 7 of the Information Technology Act, 2000 of India granted legal recognition for electronic records, electronic signature, and retention of electronic records. By an amendment of the Act in 2008 the phrase ‘Digital Signature’ was inserted replacing. The General Data Protection Rule of Europe passed in 2016 by the European Union provided comprehensive regulation for this purpose. With proliferations of ICT and internet-based applications almost all nations gradually followed the line for granting such recognitions.

When the world was dealing with internet, electronic data, records, signature etc., came the Blockchain technology and its applications for creating transactional platforms. Law makers could not find any logic to refuse legal recognition for transactional records and supporting documentation created while operating through blockchain platforms. However, the question that started crowding minds of all concerned is, whether existing laws and legal framework are sufficient to help deriving benefits from enormous potentials for value generation by various tailored applications of blockchain technology, besides

enhancing ease of doing business. Such a question is not necessarily related to regulating cryptocurrency because blockchain is not equal to cryptocurrency. It only provides the digital solution and platform for administering and transacting for that.

Dr. Robert Herian⁸ of the University of Exeter in his widely read paper mentioned that *“Blockchains could shape law as much as law shapes them. The balance between the two may change as so called blockchain tourism abates and practical business applications start to appear.”* In a paper published by Ikigai Law in July 2020 details have been provided on how various states of the USA are gradually granting recognition to Blockchain. It states, *“Legal recognition of blockchain and related technologies is imperative on multiple counts – not only does it facilitate enforcement of blockchain based contracts in the courts of law, but it also unlocks innovation by signalling that the regulatory environment of the country looks at blockchain technology favourably – something that India has struggled with off late. Needless to say, this has a cascading effect on all emerging technologies, which can also draw some solace from the government’s innovation friendly outlook”*

As indicated before in September 2018 the Supreme Court of China announced that blockchain based digitally created evidence will be legally binding and accepted as rightful documents by courts of law. Government of India announced the updated version of the ‘National Strategy on Blockchain’ in December 2021. Its objective is to enable creating trusted blockchain framework for development of applications based on this technology. This is a step forward in the direction towards granting recognition of self-executable and self-enforceable computerised contracts which are nothing but SCs. Thus, one can conclude that SCs are nothing but pre-emptive self-help for efficient conduct of business

Next and Beyond

Accounting, Auditing and MIS

Since its advent blockchain technology is advancing and becoming more capable with versatile use cases as days are passing by. The author in his quoted articles³ have cited authentic survey based reports by eminent consulting houses and findings/conclusions of research scholars, Business managers are more and more being convinced that blockchain technology, powered by smart contracts, are more becoming a necessity for gaining competitive advantages than a nice to have digital aid.

In its next level developments, which are gradually migrating from test use cases to production, blockchain technology is helping participants with a wallet created in the node of every participant. Such a wallet can contain all transactional records and have enabling facilities for retrieving underlying documents from the central document storage management system (DSM) of the main platform

as and when required. This is an excellent help for every player because such nodes can be connected using APIs with the ERP system of the participant for generating reports, MIS, auto-posting of accounting entries, etc. The blockchain platform in course of time would also be able to handle payment and settlement transactions as and when central bank digital currencies (CBDC) are issued sovereign nations.

The point to be noted is that the SCs of the main blockchain platform can be articulated and ICT scripts can be coded to ensure that every transaction-related provisions as prescribed by accounting standards, e. g., IFRS, Ind AS, etc., are also complied with while generating structured data/ information from the records of the blockchain. Those are then transferred to the wallet of the participant for further use. Such a process is a huge enabler with cost and time efficiency, because the participant need not have to replicate efforts for generating information for posting in to accounting records, maintain any separate controlling and/or monitoring tracker.

Again, the above facilities will help Auditors to perform online audit on a real-time basis with the application of digitally crafted auditing tools. As a proactive measure, blockchain platform developers can involve statutory and management/internal auditors even at the software development and testing stages to ensure that all their requirements are complied with, including for accounting and auditing standards. Thus, SCs would also be enablers of cost, time and quality efficient auditing systems and processes.

SCs - The integrators of Digital Technology

The author in his previous articles^{9 and 10} on blockchain platforms for agriculture, healthcare service delivery has written about integration of other major technologies with blockchain, e. g., AI and ML, Drone, the cluster of IoTs like IoB, IIoT, IoRT, Robot, RPA, AR, and VR etc. Readers would be able to get ideas on how the SCs of blockchain technology platform would be able to guide and direct performance of other digital technology-based tools/applications as and when integrated with the related blockchain. For example, drones are more and more being applied for:

- ⊙ Surveillance of crops in a large agricultural fields and orchards of farmers,
- ⊙ Sharing pictures of crops with soil scientists to get expert advice before sprinkling of pesticides and insecticides,
- ⊙ Survey of the extent of damages done to crops by natural calamities before insurance claims are processed and paid to the affected farmers and so on.

The author has ideated in his quoted articles that

the edge computing and GPS systems fitted into those drones can be integrated with the concerned blockchain platform for agricultural activities. The SC embedded in the platform would serve as a guide and driver for the drone to perform efficiently, generate information and pass on to blockchain for recording and storing. Similarly, while designing blockchain platforms for healthcare service delivery even the doctor's smart stethoscopes, testing devices of clinicians like Xray, sonographer, CT scanners, etc. can also be integrated with the platform for efficient and quality service delivery. For the sake of brevity and limitation of space the author would like to stop here and look for more opportunities to write in future

Conclusion

Blockchain as a technology, aided by contracts with higher degree of smart capabilities, is extremely potential for value addition. Business entities and national regulators are more and more appreciating its capabilities not only for creating huge financial impacts but also for changing the legacy foundation of economy and society of any nation. The author is convinced more and more research is required for further advancement of this technology. Digital scientists, lawyers, auditors and business professionals from other disciplines must collaborate to explore more in search of excellence for minimisation of value destruction and maximisation of value creation. The objective ultimate objective would be to achieve inclusive happiness and shared values. **MA**

Bibliography and Weblibliography

All these websites have been accessed during March 2022

1. https://www.coindesk.com/markets/2018/09/07/chinas-supreme-court-recognizes-blockchain-evidence-as-legally-binding/#:~:text=Blockchain%20can%20now%20be%20legally,from%20the%20country%20Supreme%20Court.&text=shutterstock_1036746571-,Blockchain%20can%20
2. <https://docs.google.com/viewerng/viewer?url=http://www.innovationians.com/wp-content/uploads/2020/01/5th-Monthly-Column-Digital-Transformation-Jan-2020.pdf>
3. Website reference for the Author's Papers on Blockchain Technology and its applications for digital transformation
 - a. <http://jbnagarca.org/wp-content/uploads/2020/10/10-October-2020-Blockchain-Paper-3-published-by-AIMA-CA-Paritosh-Basu.pdf>
 - b. <https://docs.google.com/viewerng/viewer?url=http://www.innovationians.com/wp-content/uploads/2021/04/18th-Monthly-Article-on-Digital-Transformation-Blockchain-February-2021.pdf>
 - c. <http://www.innovationians.com/wp-content/uploads/2021/08/24th-Monthly-Article-on-Digital-Transformation-Blockchain-Accounting-and-Auditing-August-2021.pdf>
4. https://www.youtube.com/channel/UCXvrkrRuhM_6TDqM9pX3EQ/videos
5. https://www.ey.com/en_in/tax/how-blockchain-can-support-smart-contracts
6. Ellis Solaiman, Todd Wike and Ioannis Sfyrakis, Implementation and evaluation of smart contracts using a hybrid on-and-off-blockchain architecture, <http://wileyonlinelibrary.com/journal/cpe>, pp 1-17 <https://onlinelibrary.wiley.com/doi/epdf/10.1002/cpe.5811>
7. Ajay Kumar Shrestha, Julita Vassileva and Ralph Deters, A Blockchain Platform for User Data Sharing Ensuring User Control and Incentives, University of Saskatchewan, Saskatoon, SK, Canada. <https://www.frontiersin.org/articles/10.3389/fbloc.2020.497985/full>
8. Robert Herian, Legal Recognition of Blockchain Registries and Smart Contracts, December 2018 https://www.researchgate.net/publication/329715394_Legal_Recognition_of_Blockchain_Registries_and_Smart_Contracts
9. <https://docs.google.com/viewerng/viewer?url=http://www.innovationians.com/wp-content/uploads/2020/08/12th-Monthly-Column-Digital-Transformation-August-2020.pdf>
10. <https://docs.google.com/viewerng/viewer?url=http://www.innovationians.com/wp-content/uploads/2020/08/12th-Monthly-Column-Digital-Transformation-August-2020.pdf>

Kind Attention CMA Students !!!

Dear Students,

Expand your Knowledge with **The Management Accountant - The Journal for CMAs**. The Journal (ISSN 0972-3528) started its Journey in 1966. We have expanded our Readership from 1 to 94 Countries. The Management Accountant Journal is indexed at Index Copernicus and J-gate. It is also having Global Impact and Quality factor (2015):0.563.

The Articles incorporated here are written on current topics covering various interesting areas of Finance, Tax, Laws, Cost & Management, Economics, Accounts, Professional Updates, Interviews of eminent personalities, Information related to Examinations, Newly Launched courses, Placement news, etc. makes the Journal more Student-friendly.

Kindly note: 70% Discount is available for CMA Students

- If delivered via Ordinary Post - ₹300/- for 12 issues for registered students of the Institute
- If delivered via Courier/Speed Post - ₹550/- for 12 issues for registered students of the Institute (₹250 for Courier Charge in addition to ₹300)

Subscribe now: http://icmai-rnj.in/public/journals/254/images/MA_Subscription.pdf

COMPETITIVENESS IN INTERNATIONAL TRADE THROUGH FOREIGN TRADE POLICY



CMA Ashok Nawal

Founder

Bizsolindia Services Pvt Ltd.

Pune

nawal@bizsolindia.com

Foreign Trade Policy is announced by Ministry of Commerce and Industry which promotes, monitors and grow the trade in the international market, which also impact balance of payment. Foreign Trade Policy was notified for the year 2015-20 and it was further extended upto March '21 and thereafter, once again extended and it has been further extended till 30th Sept 2022. We are expecting new foreign trade policy to be announced on 1st October 2022 at least. It is important to note, while drafting the Foreign Trade Policy and promoting the growth of

Foreign Trade, Ministry of Commerce are abided by the terms

of agreement of WTO.

Important aspects of WTO Agreement need to be studied on this background.

- In terms of Agreement on Subsidies and Countervailing Measures (ASCM), no export subsidies are allowed. It means following benefits will never be allowed to the developed countries. India having completed 10 years from the date of agreement, criteria of the same is applicable to India.
- In terms of the ASCM agreement followings are not allowed:
 - ⊙ Direct Transfer of funds
 - ⊙ Financial contribution by a government or any public body
 - ⊙ Subsidy upon Export Performance, whether solely or other conditions and
 - ⊙ Subsidy upon use of domestic over imported goods.
- In terms of ASCM agreement, Government can grant exemption of an exported product from duties or taxes borne by the like product when destined for domestic consumption, or the remission of such duties or taxes in amounts not in excess of those which have accrued.
- Footnote 1 read with Annex I to Article provides for nature subsidies, which shall not be prohibited and the same is summarized in the following chart:

#	Footnote 1	Annex I(g)	Annex I(h)	Annex I(i)
1	Exemption or remission	Exemption or remission, including (footnote 58) refund or rebate	Exemption, remission, or deferral, including (footnote 58) refund or rebate	Remission or drawback, including (footnote 58) full or partial exemption or deferral
2	of duties or taxes	of indirect taxes (defined in footnote 58)	of prior-stage cumulative indirect taxes (defined in footnote 58)	of import charges (defined in footnote 58)
3	on an exported product	in respect of the production and distribution of exported products	on inputs that are consumed in the production of the exported product (defined in footnote 61; see also Annex II)	on imported inputs that are consumed in the production of the exported product (defined in footnote 61; see also Annex II)
4	not in excess of the duties and taxes which have accrued	not in excess of those levied in respect of the production and distribution of like products when sold for domestic consumption	(not in excess of those) levied on those inputs ³⁰¹	not in excess of those levied on those inputs (or on substitute inputs in case of substitution drawback, on which see Annex III)

5. Illustrative list of prohibited subsidies under Article 3.1 read with Article 1 is given below:

- ⊙ Provision by governments of direct subsidies to a firm or an industry contingent upon export performance
- ⊙ The full or partial exemption remission, or deferral specifically related to exports, of direct taxes or social welfare charges paid or payable by industrial or commercial enterprises.
- ⊙ The exemption or remission, in respect of the production and distribution of exported products, of indirect taxes/import charges in excess of those levied in respect of the production and distribution of like products when sold for domestic consumption.

Already, United State of America have filed the case against India challenging EOU Scheme, Advance Authorization Scheme, EPCG Scheme, SEZ Scheme, MEIS Scheme and Appellate Authority have accepted their grounds and of course, India has filed the appeal against the said order WT/DS541/R dtd 31st October 2019. Government has already initiated the steps of not allowing MEIS and introducing RoDTEP. However, this will not be sufficient.

Hon. Prime Minister of India has already announced the dream to make Indian Economy to USD 5 trillion Economy and Government have initiated lot of actions to promote the exports and also protect Indian Industry and promoting “Make-In-India” Brand but, due to pandemics of COVID-19 and thereafter, threat of world war as aftermath of Ukraine VS Russia War have changed the scenario of International Trade and also given the rise in overall inflation in the world. India is going through such hassles and fighting for not only for survival but leading to achieving the dream of Hon Prime Minister Shri Narendrabhai Modi. Fortunately, Indian industry is also striving the excellence and therefore, India achieves \$400 billion goods export target ahead of schedule.

However, India still struggling against competitive disadvantage on account of following factors:

- ⊙ High transaction costs
- ⊙ High cost of finance
- ⊙ Infrastructural bottlenecks
- ⊙ Inadequate infrastructure
- ⊙ Sub optimal connectivity with global transport networks
- ⊙ low transport capabilities and complicated administrative requirements that causes delays at ports & customs
- ⊙ Over reliance on USA as export destination (more than 15% of exports are to US)
- ⊙ High Interest Rate
- ⊙ Taxes on Indirect Material & Services

Ministry of Commerce & Industry have to balance between WTO agreement and parameters as stated above as well as resolve the issues, so that competitive disadvantages to the Indian Exporters will be eliminated, which is really tough task. Simultaneously, Indian exporters have to really work extra time and convert their infrastructure and resources more productive and cost efficient and create the demand through competitive export pricing using costing techniques like marginal costing techniques, cost

reduction techniques, activity-based costing, budgetary control and focusing on value added products & services.

Govt of India has newly introduced RoDTEP Scheme for providing reimbursement towards Indirect Tax, which is not allowed to get the set off or credit like:

1. Central & state taxes on the fuel (Petrol, Diesel, CNG, PNG, and coal cess, etc.) used for transportation of export products.
2. The duty levied by the state on electricity used for manufacturing.
3. Mandi tax levied by APMCs.
4. Toll tax & stamp duty on the import-export documentation. Etc.
5. Ineligible ITC on GST
6. Tax involved on free samples and destruction

But substituted the same for MEIS & SEIS. However, rates of RoDTEP are not sufficient enough and further it is not allowed to EOU and SEZ Scheme so far even though as on date above cost is incurred on the goods & services procured by EOU & SEZ for export products.

While doing the exports & imports, exporter has to be associated or interact online or offline with following Agencies:

- ⊙ Ministry of Commerce
- ⊙ DGFT
- ⊙ Shipping Line / Air Lines
- ⊙ Port
- ⊙ Freight Forwarder
- ⊙ Shipping Line Agent / Air Line Agent
- ⊙ Insurance Agencies
- ⊙ Internal Container Depo (ICD)
- ⊙ CFS
- ⊙ Bonded warehouse (Public / Private)
- ⊙ Duty Free Shops
- ⊙ Cold Storages
- ⊙ Ministry of Finance, Department of Revenue
- ⊙ CBIC
- ⊙ Customs
- ⊙ Custom House Brokers
- ⊙ Chartered Engineers / Valuers
- ⊙ Transporters
- ⊙ Service Providers on Port
- ⊙ Export Promotion Council
- ⊙ Chamber of Commerce & Industries
- ⊙ Indian Drug Authorities
- ⊙ Food & Drug Authority (FDA)
- ⊙ Representative of Parent Ministries like Fertilizers, Petroleum,
- ⊙ Certificate Agencies for Quarantine
- ⊙ Chartered Accountants / Cost Accountants

INTERNATIONAL TRADE

When landed cost of imported goods needs to be reduced, it is very important to negotiate with Shipping Line / Air Lines, Port, Freight Forwarder, Insurance Agencies, Shipping Line Agent / Air Line Agent, bonded warehouse (Public/ Private), Custom House Brokers Transporters and also effectively follow import condition and do proper documentation to avoid retention and demurrages.

Hon'ble Prime Minister Shri Narendrabhai Modi has the dream to clear the import and export consignment within the shortest period of time like Singapore and therefore, CBIC introduced certification of importers and exporters as Authorized Economic Operator (AEO- Tier I, Tier II & Tier III) and provided them the following benefits and thereby reduced the transaction cost and transaction time, which will help to be more competitive.

T1 Certification	T2 Certification	T3 Certification
High facilitation at port Direct Port Delivery (DPD) Email on arrival / departure of container Expediated investigation & dispute resolution On request 24 X 7 help at all sea ports & airports ID Cards / Space in warehouse 50 % Bank Guarantee	High facilitation at port Direct Port Delivery (DPD) Email on arrival / departure of container Expediated investigation & dispute resolution On request 24 X 7 help at all sea ports & airports ID Cards / Space in warehouse 25% Bank Guarantee Refund & Rebate in 45 days	High facilitation at port Direct Port Delivery (DPD) Email on arrival / departure of container Expediated investigation & dispute resolution On request 24 X 7 help at all sea ports & airports ID Cards / Space in warehouse No Bank Guarantee Refund in 30 days
	Deferred Custom Duty Payment Waiver of Seal Verification Priority in Scanning / assessment Client Relationship manager from Port Faster drawback	Deferred Custom Duty Payment Waiver of Seal Verification Priority in Scanning / assessment Client Relationship manager from Port Faster drawback
		Scanning only on Intelligence Reliance on self certified copies Risk based intervention by other department

Further, Ministry of Commerce has provided following schemes to ensure the WTO norms that no subsidies will be provided, and taxes will not be exported. In other words, Govt will not provide any subsidies and will not collect or will reimburse the taxes in input content of finished goods which are exported.

Ministry of Commerce have notified various schemes to meet the said objectives like Advance Authorisation Scheme, EPCG Scheme, Duty Free Import Authorisation Scheme (DFIA), EOU Scheme, SEZ Scheme. Further, Govt also provided the scheme for the input which is procured from domestic and used for export products and therefore introduced deemed export benefits. Each importer and exporter need to study each scheme and compare which scheme is suited and benefited based on their import and export requirements. The comparison of the schemes is given below:

SNO	CRITERIA	SEZ	EOU / STP / EHTP / BTP	Licensing Under Special Warehousing Provision (MOOWR)
1	Eligibility	Any person - For manufacture / services / trading of imported goods and services	Any person - For manufacture of goods, including repair, re-making, reconditioning, re-engineering, rendering of services, development of software, agriculture including agro processing, aquaculture, animal husbandry, pisciculture, viticulture, poultry and sericulture. No trading units shall be permitted.	Any person can set up the unit for manufacturing in warehouse and start operations. Existing unit also can convert into manufacture in private bonded warehouse
2	Approving Authority	Development Commissioner, SEZ	Development Commissioner, SEZ. However, for other than specified services, Board of Approval	Chief Commissioner of Customs
3	Location	Notified Special Economic Zone by Ministry of Commerce	Any location	Any location
4	Investment Criteria	No limit	Investment minimum of Rs.1 crore in plant and machinery, however no criteria for conversion of existing units.	No criteria
5	Conversion to any Scheme	Allowed subject to physical shifting of plant	Allowed	Allowed

INTERNATIONAL TRADE

6	Export Obligation / Export Performance	No export obligation, export performance should earn positive Net Foreign Exchange in 5 years	No export obligation, export performance should earn positive Net Foreign Exchange in 5 years. However for DTA Sale, positive NFE is must.	No Export Obligation
7	Net Foreign Exchange	Yes - Positive	Yes - Positive. Further proportionate Customs and excise duty (For Procurement Prior to 30th June 2017) saved must be paid along with interest if NFE is less than depreciation already claimed, before exit and hence NFE to the extent of depreciation being claimed is required to ensure no additional impact of duty.	Not Required
8	Import / Procurement of Construction Material on original work	Duty Free	No duty benefit including no ITC available	Not Allowed. However, any material obtained for maintenance, no custom duty to be paid.
9	Import of CG			
	Duty free entitlement	Yes	Exemption of Basic Customs Duty and customs cess, IGST upto 31st March 2021. Exemption of Basic Customs Duty and customs cess. IGST needs to be paid after 31st March 2021but ITC is available	Exemption of Basic Customs Duty and customs cess, IGST Exemption of Basic Customs Duty and customs cess.
	List for Approval	Not required	Required - LUT with Exemption material list to be given including capital goods. Further list needs to be submitted to the specified Jurisdictional Authority of Customs who will attest it and send one copy to the port of import	Any goods received in the warehouse subject to permission of Commissioner of Customs
	Nexus	Not required	Compulsory	Compulsory
10	Justification for import	Not required	Required	Required
11	Import of Office Equipment / EPBX	Yes	Yes	Yes
12	Import of Spares	Yes	Yes	Yes
13	Import of Inputs			
	Duty free entitlement	Yes	Exemption of Basic Customs Duty and customs cess, IGST upto 31st March 2021 Exemption of Basic Customs Duty and customs cess. IGST needs to be paid after 31st March 2021but ITC is available	Exemption of Basic Customs Duty and customs cess, IGST Exemption of Basic Customs Duty and customs cess.
	List for Approval	Not required	Required - LUT with Exemption material list to be given including capital goods. Further list needs to be submitted to the specified Jurisdictional Authority of Customs who will attest it and send one copy to the port of import	List to be submitted to Principal Commissioner

INTERNATIONAL TRADE

14	Nexus	Not required	Required - LUT with Exemption material list to be given including inputs	Required
15	Time Limit for Consumption of Inputs	Within the period of validity of LOP	Within the period of validity of LOP, i.e. 5 Years	Not specified
16	Other Benefits	RoDTEP is available.	RoDTEP is not available.	RoDTEP is available.

17	Input / Output Norms	Not Required. Norms required only for sub-contracting	SION required for having reconciliation of Duty free input received, consumed, in stock. SION is also required for payment of Custom Duty and Cess thereon, when Finished Goods are sold in DTA and proportionate duty saved on Inputs will have to be paid before effecting DTA Sale	To be fixed by Principal Commissioner
18	Rejections	No Norms	Rejections upto 5%	No Limit
19	Clearance of Imported Capital goods			
	Permission	Not required	Required - Permission from Jurisdictional Deputy Commissioner required	Required permission from Bond Officer

	Value for clearance	Depreciated value as on the date of clearance	<p>> For capital goods procured prior to appointed date, depreciated value to be calculated as specified under Notification 52/2003 dt.31.0.3.2003 as amended and pay Basic Customs duty and cess along with IGST / CGST + SGST on the same</p> <p>> For goods procured on or after appointed date, reverse the input tax credit availed after considering 5% reduction per quarter from the date of invoice or pay IGST / CGST + SGST on transaction value, whichever is higher</p>	duty needs to be paid on Depreciated value
	Duty rate	Applicable at the time of clearance	Duty forgone to be calculated on depreciated value and rate at the time of importation.	Duty Forgone at the time of clearance
20	Clearance of Imported Inputs As such			
	Permission	Not required	Required - Permission from Jurisdictional Deputy Commissioner required	Permission from Bond Officer located in the premises

	Value for clearance	Import Value	Import Value	Import Value
	Duty rate	Applicable at the time of clearance - Basic customs duty, Cess, IGST is payable	Duty forgone to be calculated on depreciated value and rate at the time of importation and to be paid	Duty applicable at the time of clearance
21	Procurement of Indigenous Capital Goods			
	Duty impact	Free	<p>On payment of IGST / CGST + SGST and subsequent availment of input tax credit</p> <p>Refund of GST paid will be entitled either to the supplier or EOU Unit.</p>	On payment of IGST / CGST + SGST and subsequent availment of input tax credit

	Benefit to supplier	Physical Exports	Deemed Exports	Nil
22	Procurement of Indigenous Inputs			
	Duty impact	Free	On payment of IGST / CGST + SGST and subsequent availment of input tax credit Refund of GST paid will be entitled either to the supplier or EOU Unit.	On payment of IGST / CGST + SGST and subsequent availment of input tax credit
	Benefit to supplier	Physical Exports - DFIAS / AAS / Duty Drawback are allowed	Deemed Exports - DFIAS / AAS are allowed	Nil
23	Clearance of Indigenous Capital Goods			
	Value for clearance	Depreciated value as on the date of clearance	> For goods procured prior to appointed date, depreciated value to be calculated as specified under Notification 22/2003 dt.31.0.3.2003 as amended and pay IGST / CGST + SGST on the same > For goods procured on or after appointed date, reverse the input tax credit availed after considering 5% reduction per quarter from the date of invoice or pay IGST / CGST + SGST on transaction value, whichever is higher	> For goods procured prior to appointed date, depreciated value to be calculated as specified under Notification 22/2003 dt.31.0.3.2003 as amended and pay IGST / CGST + SGST on the same > For goods procured on or after appointed date, reverse the input tax credit availed after considering 5% reduction per quarter from the date of invoice or pay IGST / CGST + SGST on transaction value, whichever is higher
	Duty Rate	Applicable at the time of clearance	Applicable at the time of clearance	Applicable at the time of clearance
24	Sale of Indigenous Inputs			
	Value for clearance	Purchase Value	Purchase Value	Purchase Value
	Duty Rate	Pay Customs Duty applicable at the time of clearance and reversal of benefit availed.	Applicable at the time of clearance	Applicable at the time of clearance
25	Indigenous Office Equipment	Duty Free. Physical Export for Suppliers	Duty Free, With approval of BOA. Deemed Export for Suppliers	GST to be paid and credit to be availed
26	GST on Services		GST to be paid and credit to be availed	GST to be paid and credit to be availed
27	Refund of GST paid on Exports under Rule 96(10)			Allowed
28	Refund of Input Tax Credit on exported goods under Rule 89(4)			Allowed

29	Refund of GST under Inverted Duty Structure under Rule 89(5)			Allowed
30	Income Tax	<p>Section 10AA: > 100% exemption for first 5 years on Export Earnings > 50% exemption for next 5 years > 50% exemption for next 5 years, provided that the 50% of the Profit earned is reinvested in next 3 years. These benefits will be available to only those units which commence commercial production on or before 30th Sept 2020. For the units who has obtained the LOA prior to 31.03.2020 for new units setup after 31.03.2020. No deduction available w.e.f. AY 2021-22</p> <p>Trading profits are fully taxable even in respect of trading exports. MAT Applicable w.e.f. AY 2012-13</p>	<p>No exemption</p> <p>MAT Applicable</p>	<p>No exemption</p> <p>MAT Applicable</p>
31	Stamp Duty	Exempted	Exempted only on Immovable Properties	Applicable
32	Electricity Duty	Exempted	Exempted for 10 years.	Not exempted
33	DTA Sale	Allowed without any limit, but full import duties as if import	<p>Allowed without any limit, but Basic Customs Duty saved on inputs will have to be paid back.</p> <p>In addition to the above DTA sale will be on payment of IGST / CGST + SGST, subject to achieving positive NFE.</p> <p>Advance DTA sale is also permitted for new unit.</p>	<p>DTA Sale is allowed without any limit and without anybody's permission. However, on removal of goods duty is required to be paid on import contents in the goods to be removed and it should be against bill of entry for home consumption and to be removed in the presence of bond officer.</p>
34	Sub-contracting	Sub-contracting of part of production / production process is allowed. Maximum limit is value of goods produced by the unit within its own premises in the immediately preceding financial year	Part of production process is allowed to be sub-contracted in DTA on filing of intimation . Substantial production process to be done inside EOU. In addition to above, 50% of FOB Value of exports can be sub-contracted totally, if capacities are fully utilised. Sub-contracting may be carried out through another EOU without any limit. Sub-contracting can be done by EOU only for exports	Allowed with the specific permission of the bond officer.

35	Labour Laws	Labour reforms are applicable, subject to State Government Policy	Labour reforms are not applicable	Labour reforms are not applicable
36	Procedures	Customs Clearance at Special Economic Zone	Customs Clearance at the port of import - superficial examination w.r.t. marks and numbers.	Customs Clearance at the port of import - superficial examination w.r.t. marks and numbers.
		Procedures at par with Physical Exports	Permissions required for sub - contracting, removal/inward movement of goods	No provision for sub-contracting, removal / inward movement of goods
		Hardly any permissions are required to be obtained	Digital Record based control	Record based control with intimation / permission

Govt has modified and substantially scheme made liberal in the year 2019. MOOWR Scheme 2019 was modified with the object to manufacture in the Custom Bonded Warehouse with record-based control rather than physical control and pay the duty whenever such manufactured goods are sold in domestic market to the extent of duty saved on import content in the finished goods. This is mainly to ease out the liquidity for manufacturer and promote Make-in-India to achieve the dream of building Indian Economy to USD 5 Trillion. However, there are operative difficulties which needs to be removed by the CBIC and ensure objective of ease of doing business and 100% reduction of interface then only this scheme will be popular and will be beneficial to make Indian industry competitive.

If Government removes the difficulties in MOOWR Scheme as well as introduce new & vibrant Foreign Trade Policy at the

earliest after incorporating suggestions given by the trade and industries, then Indian exporters will be more competitive in the International Trade. Further Indian exporters have to focused on introduction and monitoring of effective costing system, implement cost & management techniques including but not limiting to Activity Based Costing, Standard Costing, Target Costing, Cost Reduction, Value Addition Drives & Continuous Innovations in the process of manufacture, process of distribution, process of logistics, then there is no reason, why to be afraid of pricing of any country including China.

Let's hope Govt & industry with the help of experts & professionals will make Indian Industry more competitive and achieve the dream of making in India Superpower!! **MA**

Dear Member,

We feel extreme pleasure to announce that the printed copies of the monthly journal 'The Management Accountant' has already been in the process of circulation to all the members of the Institute. We solicit your feedback and valuable suggestions for the overall development of the Journal. Kindly mail us at editor@icmai.in for your valuable feedback on the same.

Since you must be aware that we are sending journals through India Post bulk posting, sometimes due to postal discrepancies some copies are getting returned marking as Incomplete Address/Addresses Not Found etc. So you are hereby requested to update your address details in the membership department through the web portal of the Institute <https://eicmai.in/MMS/Login.aspx?mode=EU> by providing yourself generated Login ID and Password.

If Login and Password could not be accessed, you are requested to download M8 Form available at link https://eicmai.in/external/PublicPages/WebsiteDisplay/forms/M_8.pdf

Further, for any assistance visit: <https://eicmai.in/external/ContactUs.aspx>.

Please feel free to write back to us for any further support. We will be happy to assist you.

We assure you of our best service at all times.

Warm Regards,

The Management Accountant
 Directorate of Journal & Publications
 CMA Bhawan, 4th Floor, 84 Harish Mukherjee Road
 Kolkata - 700 025, India

CSR & TRADE CREDIT - THE STRATEGIC LINK - A CASE OF ENERGY SECTOR

Abstract

The proportion of renewables in the total energy mix has been in an increasing trend in the business portfolio of energy sector companies to attain sustainability goals. This article provides evidence as to how corporate social responsibility (CSR) coupled with trade credit can be leveraged for optimizing the overall financing cost towards achieving such sustainability goals. This study aims to provide evidence towards the existing body of research showing how CSR reduces cost of financing and availability of trade credit. The study also provides evidence as to how CSR expenditure is correlated to trade credit, leading to sustainable financing and impacting the overall achievement of sustainable business goals.



CMA Raja Ghosh
Doctoral Research Scholar
ICFAI University
Ranchi
raja.g20@iujharkhand.edu.in



Sarojkant Singh
General Manager (Business Strategy & Risk)
McNally Bharat Engg. Co. Ltd.
Ranchi
saroraj.s20@iujharkhand.edu.in



Cedric Goubert
Director Synergies
Frigoglass, Spin-off of Coca Cola Hellenic
Group, Hyderabad
cedricgoubert@yahoo.fr

INTRODUCTION

Trisa Thompson, the CFO of Dell, emphatically professed movement of corporations towards sustainable production regardless of geopolitics, citing the reason of business necessity. Many firms invest resources and time on CSR activities to appease investors who give importance to social responsibility. CSR investment has a double-fold strategic advantage: Firstly, it exemplifies commitment to the society and secondly it improves the firm's performance through investments which impact the society in a beneficial manner.

There is a gradual shift from fossil fuels towards renewable energy as is evident from the study of current business portfolio of 8 global companies and the business investments in pipeline for the 11 Indian companies. We

have studied the annual accounts of these companies and analyzed the data from S&P Capital IQ to analyze the trend of trade credit and quality/amount of CSR spending. The following table shows the companies studied:

Oil & Gas companies	Power & Steel	EPC	Global Companies
Oil India, GAIL, Reliance,	NTPC, Coal India, SAIL	L&T, KEC, ISGEC, MBE, Tata Projects	Total, Shell, Chevron, BP, Equinor, Eni, Exxon Mobil, Petrobras

We also see the future business plans for investment in renewables in these companies.

LITERATURE REVIEW

Vaidya (2011) researches Indian manufacturing firms and shows that firms which are profitable receive and extend less trade credit. The author correlates inventory management and trade credit, and says that firms offer less credit to their customers which have access to bank credit. (Xu et al., 2020) 463 U.S. firm-year observations that represent more than 2455 individual firms over the 1996–2016 period, we investigate the relation between all aspects of CSR and trade credit. We provide strong and robust evidence that higher overall CSR scores are related to a higher level of trade credit. A further examination reveals positive associations between trade credit and the four CSR individual components (i.e., the environment, employee relations, community, and diversity) shows that suppliers' willingness to extend credit is linked to CSR in US firms and that CSR lowers the cost of equity and debt, as shown. Zhang et al., (2020) also enforces that supplier willingness to pay increases for socially responsible firms where CSR activity is more. Shou et al., (2020) shows a nonlinear U-shaped relationship of CSR and trade credit for SMME firms in China. Arcuri & Pisani, (2021) show that trade credit is more prevalent in green MEs than non-green MEs. The authors also show that trade credit is a preferred sustainable source of financing compared to bank credit.

Prior studies have shown that firm performance is improved with CSR (Statman & Glushkov, 2009); M.-W. Wu & Shen, (2013), minimizes risk of the firm (Lee et al., 2009), decreases the monetary value of capital (El Ghoul et al., 2011); (Sharfman & Fernando, 2008), and will increase the overall credit rating of companies (Attig et al., 2013); (Prommin et al., 2014). Corporate finance literature proves that socially accountable companies have higher access to finance and fund (Cheng et al., 2014) and low default risk in debt service (Sun & Cui, 2014) (Boubaker et al., 2020). Previous studies additionally shows that a firm with higher spending in CSR and higher quality CSR attracts both equity (El Ghoul et al., 2011) and debt (Goss & Roberts, 2011) finance. With reference to the debt aspect, long-term debt is taken into account as a major tool for debt finance. Usually, a firm additionally uses trade credit as a strategic tool (Accounts Payable) to increase its finance together with debt. Trade credit could be a very important supply of funding for low value firms, avoiding extended procedures, and maintaining spare liquidity. Usually, companies prefer purchase on credit to extend their revenues and supply assets to small or financially distressed companies (McMillan & Woodruff, 1999). On preliminary review of the company finance literature, we tend to see a scarcity of study that investigates the impact of CSR on trade credit (both for the debtors and creditors aspect of it). In this article, we tend to try and fill this gap. A recent study shows that increase in CSR activities brings in a positive impact on firm price as CSR performance reduces excessive risk-taking and risk dodging (Harjoto

& Laksmana, 2018).

Moreover an improvement in CSR performance positively influences the firm's credit rating; it implies that more cost-effective capital is on the market (Attig et al., 2013) (Prommin et al., 2014). Another study conducted on 625 small as well as medium enterprises (MEs) illustrates that the higher handiness of bank loans influences positively the access to trade credit (both liabilities and receivables) (Tsuruta, 2015). This indicates that higher CSR performance will increase the firm trustworthiness. Kleine & von Hauff, (2009) provide the triple bottom line and CSR linkage. Lu et al., (2019) study the framework for linking CSR for energy utilities and sustainability development. Manish et al., (2006) provide a framework to assess sustainability analysis.

HYPOTHESIS TAKEN FOR THE STUDY

In this study we have tested the following hypotheses:

Null Hypothesis #1 (H₀): Company's CSR performance has no relation with trade credit extended to clients.

Null Hypothesis #2 (H₀): Company's CSR performance has no relation with the trade credit received from its suppliers.

Null Hypothesis #3 (H₀): Company's CSR performance has no relation with the net cash flows

We measure CSR performance with the parameters CSR/Turnover and CSR/Net Profit.

SOURCE OF DATA AND ACTUAL STUDY

Data of three years from FY 2017-18 to FY 2019-20 were taken from S&P Capital IQ, Annual Accounts of 19 companies, Energy Intelligence (2016) and Energy Business Review (2016). The following variables are analyzed: CSR/Turnover, CSR/Net Profit, AR Ratio i.e [Net Credit / Avg. Accounts Receivables], Account Receivables (days outstanding), Account payables (days outstanding).

RESEARCH METHODOLOGY

To establish the relationship between trade credit and corporate social responsibility for energy companies, first we collate the data for last three years for CSR, turnover, net profit, accounts receivables (ar) ratio, ar days outstanding, accounts payable (ap) days outstanding, net cash flow.

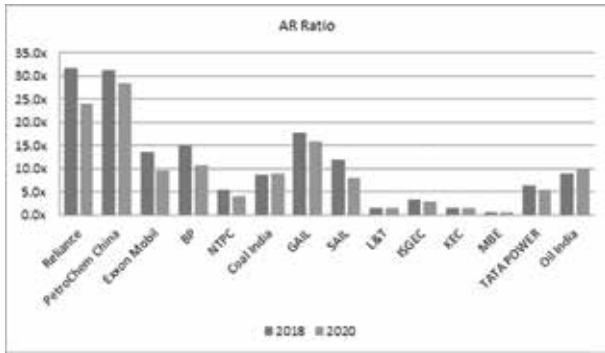
We then take the average values for each of the variables over these three years for the 11 Indian companies.

Through a regression analysis we analyse the relationship between the dependent variables viz, AR ratio, AR days outstanding, AP days outstanding and independent variable CSR/Turnover and CSR / Net profit.

DATA ANALYSIS AND RESULTS

We first observe the AR Ratio for these companies. We see a gradual decreasing trend.

FIGURE 1: ACCOUNTS RECEIVABLE TURNOVER



Oil and gas majors -30.3 per cent over the period versus -12.3 per cent for Indian firms (-25.6 per cent if Oil India is excluded)

TRADE CREDIT & CSR

AR Ratio = Net Credit Sales/ Avg. Account Receivables; i.e a decrease in this ratio implies net credit sales extended is decreasing or average account receivables is increasing. A decrease in this variable implies that the energy companies are extending more credit to the clients than the rate at which they are receiving credit from the suppliers. In other words, they are paying off creditors faster and collecting later from clients, thus, increasing their working capital needs.

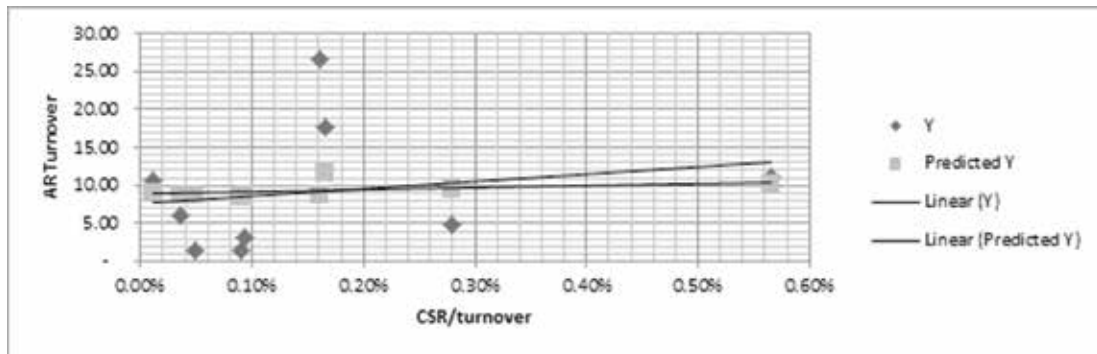
We run a regression analysis to analyze this further.

Note: We exclude the Oil India data from this, as it is an aberration, also the data for the AR outstanding and AP outstanding are not available for Oil India.

TABLE 1: REGRESSION RESULT AR RATIO OVER TIME

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	8.525377	3.430117	2.485448	0.037789	0.615513	16.43524	0.615513	16.43524
X Variable 1	313.2051	906.3758	0.345558	0.738586	-1776.9	2403.311	-1776.9	2403.311

FIGURE 2 : AR RATIO v/s CSR/TURNOVER



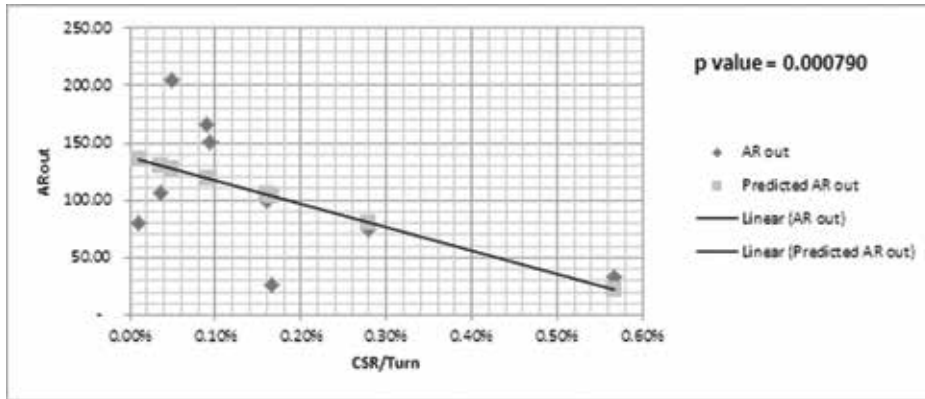
We see that the *p-value* of 0.03 indicates the relationship is statistically significant, and also indicates a relationship between AR ratio and CSR/ turnover. A similar regression of AR ratio and CSR/Net profit does not provide a statistically significant result. This indicates that net credit extended is more correlated to turnover than net profit i.e as company’s turnover grows, companies extend more trade credit to its customers, rather than when net profit increases. This is in support of the evidence provided by Vaidya (2011).

Null Hypothesis #1 (H0): Company’s CSR performance has no relation with trade credit extended to clients.

TABLE 2: AR OUTSTANDING DAYS V/S CSR/TURNOVER

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	137.3161	24.38839	5.63039	0.00079	79.64676	194.9855	79.64676	194.9855
CSR/Turn	-20234.8	10643.48	-1.90115	0.099039	-45402.7	4932.996	-45402.7	4932.996

FIGURE 3: AR OUTSTANDING v/s CSR/TURNOVER



We reject the null hypothesis as the *p-value* indicates a statistically significant result. Furthermore, we also see that as the CSR performance measured by CSR/Turnover increases, the AR outstanding's decreases ie with CSR performance clients are ready to pay the dues earlier, thus reducing cost of capital.

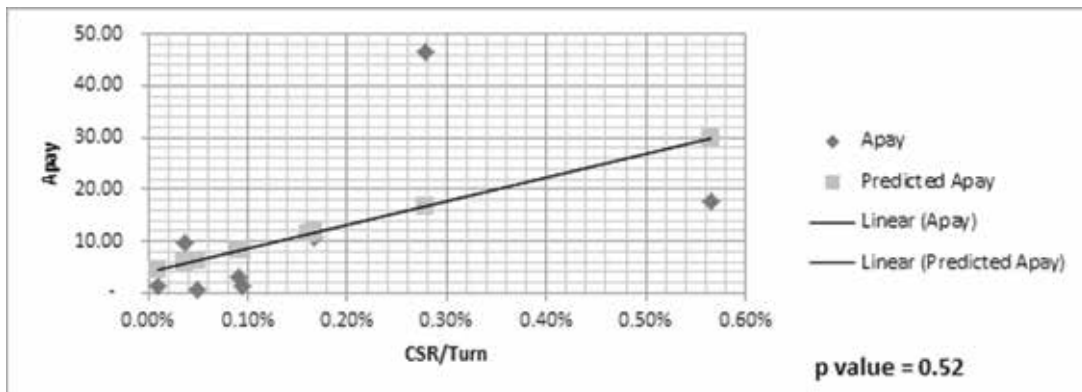
Null Hypothesis #2 (H0₂): Company's CSR performance has no relation with the trade credit extended to its suppliers.

We then do a regression analysis of CSR/ turnover and AP days outstanding and find the following:

TABLE 3: CSR TURNOVER BY AP DAYS OUTSTANDING

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	4.115177	6.077503	0.677116	0.520074	-10.2558	18.48619	-10.2558	18.48619
CSR/Turn	4556.917	2652.319	1.718088	0.129477	-1714.82	10828.66	-1714.82	10828.66

FIGURE 4: AP DAYS OUTSTANDING VERSUS/ CSR TURNOVER



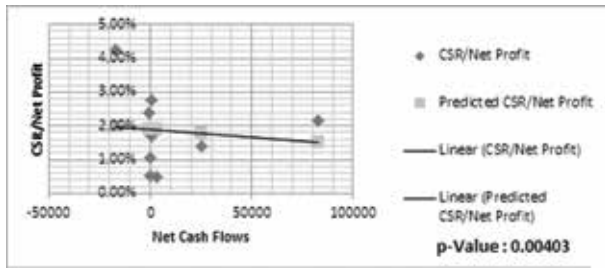
The results show that as CSR performance increases, the AP days outstanding increases, i.e suppliers will extend more trade credit. However, the results are not statistically significant indicating that we cannot reject the null hypothesis.

Null Hypothesis #3 (H0₃): Company's CSR performance has no relation with the Net Cash flows

TABLE 4 : CSR/ NET PROFIT V/S NET CASHFLOWS

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.019098	0.004547	4.199932	0.004036	0.008346	0.029851	0.008346	0.029851
Average	-4.7E-08	1.54E-07	-0.30142	0.771851	-4.1E-07	3.19E-07	-4.1E-07	3.19E-07

FIGURE 5: CSR /NET PROFIT v/s NET CASH FLOWS



We see that the results are statistically significant and we can reject the null hypothesis

ENERGY COMPANIES AND PORTFOLIO OF RENEWABLES

Renewable Leaders and Laggards among oil majors (Source: Energy Strategy Reviews 26 (2019) 100370) show that the energy companies shifting portfolio towards renewables is a distinct sustainability business model renovation step. This is a key initiative towards CSR. The present research reinforces this.

FIGURE 6: EFFORTS TOWARDS RENEWABLES AND RANK BY RESERVES (OIL AND GAS)

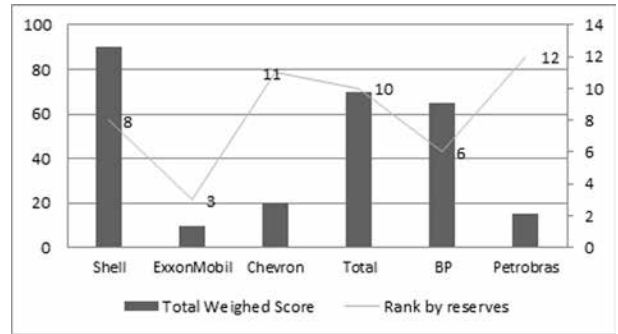


Figure 6: Efforts towards renewables and rank by reserves (oil and gas) classifies eight majors oil and gas companies on their efforts towards renewables energies. The criteria utilized have a dual nature. Qualitative (no activity: 0, activity: 1) and Quantitative e.g. billion \$ for capital investments. A weighing factor has been applied to highlight the actual spending. We observe two main patterns; Firstly, all the firms, except ExxonMobil, have announced a renewable strategy in wind and solar sectors. Secondly, not even a single company of the eight oil giants

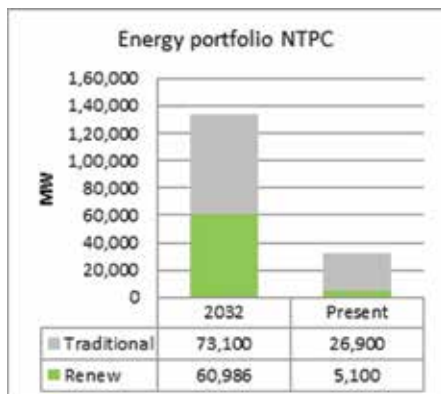
decided to invest further on Geothermal. Bio fuel and Energy Storage is well represented and we illustrate the correlation of market trend for electrical vehicles.

Three companies, out of the eight oil majors score above 60 per cent while three of them are below 25 per cent (Chevron, ExxonMobil and Petrobras). The strategy in renewable described can be linked with oil and gas reserves as per Figure 6. (supra)

Annual Net Income (US\$ billion)	2013	2014	2015	2016	2015 vs 2014	2016 vs 2015
Exxon	\$32,580.00	\$32,520.00	\$16,150.00	\$7,840.00	-50.34%	-51.46%
Shell	\$16,371.00	\$14,874.00	\$1,939.00	\$4,575.00	-86.96%	135.95%
Chevron	\$21,423.00	\$19,241.00	\$4,587.00	(\$497.00)	-76.16%	-110.83%
Petrobras	\$11.09	(\$7.37)	(\$8.45)	(\$4.84)	14.65%	-42.72%

SOLAR INVESTMENT PLANS OF INDIAN COMPANIES

Figure 7: NTPC Energy Portfolio



The following investment announcements in the Indian companies illustrate the intent to move towards a sustainable business model.

NTPC plans to make total capital expenditure of Rs1 trillion between 2019 and 2024

Coal India Ltd (CIL) to utilize solar power as an alternative source of energy; subsidiary wise total capacity of installed roof top at ECL -197 kWp, CCL - 872.5 kWp, BCCL - 6 kWp, WCL - 1097 kWp, Coal India Office, HO, Kolkata -160 kWp, CMPDIL HQ and others - 500 kWp. At present they have 4.35 MW installed capacity of solar power(India). By 2040 the company plans to generate 20 GW of energy through solar (PTI).

GAIL plans to have 1 GW of renewable energy in its portfolio with a plan to spend INR 4000 crs. (PTI) The

Increase in CSR activities brings in a positive impact on firm price as CSR performance reduces excessive risk-taking and risk dodging

company has put a Rs 1,000-crore bet on setting up two plants each for producing ethanol and compressed biogas (CBG) from municipal wastes.

LIMITATIONS OF THIS STUDY

The data pertaining to the last 3 years only was analyzed. Only 19 firms were analyzed in the study. A much larger research frame would have been desirable. Also the effect of inventory days outstanding was not factored into the study. The solar portfolio and revenue analysis for EPC companies in order to observe the portfolio shift was not carried out in the study. The causality of CSR performance to trade credit was not researched and this may be investigated further.

CONCLUSION:

Energy companies are extending more credit to the clients than what they are receiving from the suppliers. We also found that CSR performance w.r.t turnover to net profit is more strongly related to AR outstanding days i.e. as turnover increases when more trade credit is extended to clients. The trade credit extended to clients is negatively correlated to CSR performance and hence, as CSR performance increases, the clients will be willing to pay earlier, thus reducing working capital financing. The awareness about the influence of CSR on access to trade credit and working capital needs to be increased. A distinct shift towards renewables is visible, but the companies with larger oil reserves though claiming to move towards renewables, are not aggressive in meeting the goals. Also we found that Indian companies are more open in publishing their CSR spending and most of the public sector companies outperform their budgeted targets, whereas global energy companies do not explicitly publish these spending. Hence, our study shows that CSR impacts the achievement of business sustainability growth in a multi-dimensional manner.

SCOPE FOR FUTURE RESEARCH

Further research on relationship between trade credit extended by suppliers can be taken up with a larger dataset. Also effect of working capital needs on CSR performance may be studied w.r.t sustainable financing goals. An empirical study in this area will provide a good scope for further research. An analysis of stock prices and meeting sustainable energy goals may be studied. Analysis of shift of portfolio towards renewables for EPC companies will

be another area for future research. The causality of CSR performance to trade credit was not researched and this may be investigated further. MA

Bibliography

1. Agarwal, R. (2017). *Integration of Project Risk Management into Enterprise Risk Management*. In Y. Raygudin, *Leveraging Risk and Uncertainty for effective project management* (pp. 109-294). Hershey PA: IGI Global.
2. Agarwal, R. (2017). *Monte Carlo Risk Analysis*. In Y. Raygudin, *Leveraging Risk and Uncertainty for effective risk management* (pp. 109-130). Hershey PA: IGI Global.
3. Anreas Kremper, F. K. (2004). *Corporate restructuring dynamics : A Case Analysis*.
4. Apte, R. B. (2014). *Risk Management in EPC Contract -Risk Identification*. *IOSR Journal of Mechanical and Civil Engineering (IOSR-JMCE)*, 7-12.
5. Avens, T. (2016). *Risk assessment and risk management: Review of recent advances on their foundation*. *European Journal of Operational Research*, 1-13.
6. Ayub, B. (2003). *Risk analysis for Engineering and Analysis was referred for different techniques for risk management*. Boca Raton, Florida, USA: CRC Press.
7. Bernstein. (1996). *Against the Gods: The remarkable story of risk*. Newyork: Wiley.
8. Bokharey, S. K. (2010). *Risks and Mitigation Measures in Build-Operate-Transfer projects*. *World Academy of Science, Engineering and Technology International Journal of Civil and Environmental Engineering Vol:4, No:3, 2010, 81-87*.
9. Bowers, A. R. (1995). *System dynamics in project management: a comparative analysis with traditional methods*. *System Dynamics review Vol. 12. no. 2, 121-139*.
10. Burcu Tan, a. E. (2010). *Evaluating system dynamics models of risky projects using decision trees: alternative energy projects as an illustrative example*.
11. Chapman, R. J. (2017). *Complexity theory and SD for Project Risk mmanagement*. In Y. Raydugin, *Leveraging Risk and uncertainty in effective risk management* (pp. 152-176). Hershey: IGI Global, DOI:10.4018/978-1-5225-1790-0.ch008.
12. CIOCA, C. (2011). *QUALITATIVE RISK ANALYSIS METHODS*. *Journal of Defense Resources Management (JoDRM)*, 72-84.
13. Ministry of Coal, .). Retrieved from <http://www.coal.nic.in/sustainable-development-cell/promoting-renewable>
14. Corpoley, C. H. (2017). *The case of for Truly integrated Cost and Scheule Risk Analysis*. In Y.

- Raygudin, *Leveraging Risk and Uncertainty for effective project management* (pp. 76-108). Hershey, PA: IGI Global.
15. Dale F. Cooper, S. G. (2005). *Managing Risk in Large Projects and Complex Procurements*.
 16. Damodaran, A. (2008). *Strategic Risk Taking*. Wharton: Wharton School Publishing.
 17. Farnad Nasirzadeh, H. r. (2013). *A fuzzy group decision making approach to Construction Risk Management*. *International Journal of Industrial Engineering & Production Research*, 71-80.
 18. Fernando José Barbin Laurindo (POLI/USP) Cláudio Roberto Leandro (POLI/USP) crleandro@terra.com.br, f. (2006). *Using System Dynamics to Identify Competitive Movements. A Case Study in a Small Hardware Manufacturer*.
 19. Fordb, J. M. ((2007)). *System dynamics applied to project management: a survey, assessment, and directions for future research*. *Syst. Dyn. Rev.* 23,, 157–189.
 20. Fordb, J. M. (2000). *Strategic management of complex projects: a case study using system dynamics*. *System Dynamics Review*, 237-260.
 21. Galway, L. (2004). *Quantitative Risk Analysis for Project Management*.
 22. Hallowman, J. K. (2017). *Systemic Risk and Parametric Modelling*. In Y. Raygudin, *Leveraging Risk & Uncertainty for effective project management* (pp. 61-75). Hershey, PA: IGI Global.
 23. Hass, K. B. (2017). *Living on the edge Managing Project Complexity*. In Y. Raygudin, *Leveraging Risk and uncertainty in effective risk management* (pp. 177-201). Hershey, PA: IGI Global.
 24. Huang, L. (2008). *Can System Dynamics Improve Project Management Teaching? An Experimental Study*. Bergen: University of Bergen.
 25. Coal India, (N.D.). Retrieved from <http://archive.coalindia.in/en-us/company/aboutus.aspx>
 26. James M. Lyneis, a. K. (2001). *Strategic management of complex projects*. *Syst. Dyn. Rev.* 17, 237–260.
 27. John, H. K. (2017). *Complexity Risk and Modeling Disorder*. In Y. Raygudin, *Leveraging Risk and uncertainty in effective risk management* (pp. 138-151). Hershey, PA: IGI Global, DOI:10.4018/978-1-5225-1790-0.ch007.
 28. JohnOrgan, L. (2017). *The Control of Human Factors in Catastrophic Financial Systems Risk using Ontologies*. *IFAC-PapersOnLine*, 6367-6372.
 29. Kasperek, D. (2016). *Structured Based System Dynamics- Analysis Of Engg And Design Process*. Munich: Technische Universitat Munchen.
 30. Lele, D. V. (n.d.). *Risk assessment: A neglected tool for health, safety, and environment management*. *IJOEM- Indian Journal of Occupational & Environmental Medicine*.
 31. Mane, S. (2013). *Risk Assessment for BOT projects*. *International Journal of Computational Engineering Research* | Vol, 03 | Issue., 63-69.
 32. Matejaka, P. (2014). *Survey on Risk Awareness during the implemenation process of BIM IN THE CZECH CONSTRUCTION MARKET*. *Construction Macro economics conference*. Prague: CTU Prague.
 33. Metawie, M. R. (n.d.). *A Rationale for Using System Dynamics in Marketing Analysis*. *ICBR*.
 34. Michale, J. (2017). *A holistic multicriteria decision making and risk analysis method for CCS and GHS*. In Y. Raygudin, *Leveraging Risk and uncertainty in effective risk management* (pp. 384-405). Hershey, PA: IGI Global.
 35. MJ Thaheem, A. D. (2012). *A review of quantitative analysis techniques for construction project risk management*. *Proceedings of the Creative*.
 36. Nahkies, G. (N.D.). *Getting on Board, A governance resource guide for arts organizations, prepared*. Creative New Zealand .
 37. Ofer Zwikael, J. S. (2014). *Project Governance: Balancing Control and Trust in Dealing with Risk*. *International Journal of Project Management*, 852-862.
 38. OilIndia. (N.D.). Retrieved from <https://www.oil-india.com/IRenewable-energy1>
 39. Plumery, R. C. (2017). *Risk centric performance measurement*. In Y. Raygudin, *Leveraging Risk & Uncertainty for Effective Risk Management* (pp. 318-336). Hershey, PA: IGI Global.
 40. PTI. (N.D.). Retrieved from <https://energy.economicstimes.indiatimes.com/news/renewable/coal-india-sets-20-gw-solar-power-generation-target-in-next-10-yrs/63566675>
 41. PTI. (N.D.). Retrieved from <https://www.thehindubusinessline.com/companies/gail-eyes-to-build-1-gw-renewable-energy-portfolio/article35070942.ece>
 42. Raydugin, Y. (2017). *Integrate risk based and project baed methodology for selection of project*. In Y. Raydugin, *Leveraging Risk and uncertainty in effective risk management* (pp. 459-469). Hershey, PA: IGI Global.
 43. Saleem gul, T. W. (n.d.). *Project Complexity for uninitiated*.
 44. Seyed Hossein Hosseini, H. S. (2019). *A system dynamics investigation of project portfolio management evolution in the energy sector: Case study: an Iranian independent power producer*.
 45. Singh, B. &. (2007). *Corporate restructuring: Reconfiguring the firm*. *Strategic Management Journal* 14(S1): 5 - 14.
 46. Srivastava, S. A. (1998). *Market Based Assets and*

Study shows that CSR impacts the achievement of business sustainability growth in a multi-dimensional manner

Shareholder Value: A Framework for Analysis. Vol 62, Journal of Marketing.

47. Stefan Hartleih, G. S. (2020). *Handling Uncertainty in Project management and business development. In M. T. Start-Ups and SMEs: Concepts. Hershey: IGI Global.*
48. Swin, K. (2017). *Improving Objectivity in Project Risk Management (PRM). In Y. Raygudin, Leveraging Risk and Uncertainty for effective project management (pp. 248-265). Hershey: IGI Global.*
49. Taofeeq.D.Moshood, A. (2020). *Ranking of human factors affecting contractors' risk attitudes in the Malaysian construction industry. Social Sciences&Humanities Open, 1-17.*
50. Thamhain, H. (2013). *Managing Risks in Complex Projects. Project Management Journal, 2-3.*
51. Townley, T. W. (2017). *Modeling risk and opportunity reality. In Y. Raygudin, Leveraging Risk and uncertainty in effective risk management (pp. 435-459). Hershey, PA: IGI Global.*
52. Vaidya, R. R. (2011). *The Determinants of Trade Credit: Evidence from Indian Manufacturing Firms. Modern Economy, 2, 707-716.*
53. Vijay2, V. T. (2001). *Research Seminar in Engineering Systems.*
54. Wang, J. (n.d.). *A System Dynamics Model for R&D Portfolio Management. Technology and Social Science 2019 (ICTSS 2019).*
55. Warren, K. (2005). *Improving strategic management fundamental principles of system dynamics†. System Dynamics, 329-350.*
56. Warren, K. (n.d.). *System Dynamics. Retrieved from <https://strategydynamics.com/books-and-papers/strategy-dynamics-essentials/>*
57. Yuri. (n.d.). *Project Risk management- Popular faclacies and overlooked practices.*



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

BANKING, FINANCIAL SERVICES AND INSURANCE BOARD

ADMISSION

has started for the

***7th Batch of Certificate Course on Credit Management of Banks &**

****7th Batch of Certificate Course on Concurrent Audit of Banks and**

****6th Batch of Certificate Course on Treasury and International Banking**

****2nd Batch of Certificate Course on General Insurance in association with NIA**

****8th Batch of Level-I, 4th Batch of Level-II & 3rd Batch of Level-III of Certificate Course on Investment Management in collaboration with NISM**

*Enrolment for expression of interest for the BFSI Courses: https://icmai.in/Banking_Insurance/Courses.php

**Admission Link: <https://icmai.in/advsc/Home.aspx>

Please login to the BFSI portal for further details.

The Link is stated as follows: https://icmai.in/Banking_Insurance/

For details please call the department:

CMA Dibbendu Roy
Additional Director
96434 43047 / 83686 93781

Ms. Indrakshi Bhattacharya
Asst. Grade - I
98302 49447

Please email to bfsi@icmai.in for any queries

FACTORS CONTRIBUTING TO THE DEVELOPMENT OF COMMODITY FUTURES MARKET IN INDIA

Abstract

Commodity markets have been a major source of economic development of any country. With globalisation efforts since 1991, commodity markets in India too have been developing at a fast pace. With changes in regulations like SEBI taking over the regulation of commodity markets in India in 2015, these markets have developed very significantly on the lines of other financial markets. This article identifies the factors contributing to the growth of commodity future market in the emerging economy of India. A literature review is conducted to identify the different factors responsible for the development of commodity future markets in India. Qualitative research method is employed to identify the factors from the expert interviews. A thematic analysis is done to identify themes and sub-themes as a step towards identifying the factors contributing to the development of commodity futures market in India.

1. INTRODUCTION

Commodity markets in developing countries have begun to play a major role in International Commodity markets (Srinivas, 2018). But the price volatility in such markets is defined by both the macro-economic variables and also the international macro-economic environment (RBI Report ,2015). The commodity derivatives market started long back in India. The first derivative market was established as far back as in 1875 in Mumbai for cotton futures. This was followed by future markets for commodities, like, edible oil seeds, raw jute and jute products (Kolamkar, 2003; and Ahuja, 2006).

With the opening up of Indian commodity markets, the market participants are exposed to greater price risk. The typical process in an agri-market in India is that farmers bring their produce to the mandi and offloads



CMA Vivek Chandra Kuchhal

Research Scholar
PCJ School of Management
Maharaja Agrasen University, Baddi
vckuchhal@rediffmail.com



Dr. Anil Kumar Parti

Professor
PCJ School of Management
Maharaja Agrasen University, Baddi
anilkparti@yahoo.co.in



Dr Ravi Kumar Gupta

Director
Maharaja Agrasen Institute of Management Studies
Delhi
director@mains.ac.in

to commission agent (Aggarwal et al., 2017). Then the parties come to inspect the goods and bid for them and a

unique identification is made for bids made. All these transactions are cash based, with cheque and direct bank transfers constituting only a small proportion (Aggarwal et al., 2017).

Government intervention in the pricing of agricultural products is very high by setting minimum support prices. Securities and Exchange Board of India (SEBI) is the regulator for Commodity Exchanges also. The commodity futures contract was introduced by the Indian Government in 2002.

This article discusses the factors contributing to the growth of commodity future market in the emerging economy of India using qualitative research method from the expert (academic experts and industry practitioners) interviews conducted. The interview transcripts were analysed using thematic analysis. Following research question is discussed in the article with the help of thematic analysis:

RQ1: What are the different factors contributing the growth of commodity future market in the emerging economy, India?

2. LITERATURE REVIEW

Commodity Futures markets perform two primary functions, i.e., price discovery and risk management (Garbade and Silber 1983). Commodity future markets are developing fast as they offer optimum asset mix strategy, when macro-economic shocks push the investors financial portfolios and the return on commodity assets in

opposite direction. It helps investors in managing and reducing the risks with hedging and also help to optimize asset and portfolio allocation. (Belousova and Dorfleitner, 2012; Karyotis and Alijani, 2016). Financialization of commodity markets have triggered a sharp rise in investment in commodity markets with large inflow of investment in commodity futures market.

As some of the common macro-economic factors such as interest rates, inflation rates and industrial production are able to influence different commodities simultaneously, prices in commodity markets also move together. India has a significant place in agri-commodities production, consumption and trading. Since the merger of FMC with SEBI in 2015, commodity markets have grown rapidly in trading volumes. This has been largely attributed to modern electronic exchanges; exhaustive reforms in trading, clearing and settlement systems including independent clearing, settlement guaranteed fund, and robust risk management platforms (Lakshmi, 2017).

3. RESEARCH DESIGN

This article identifies the factors contributing to the growth of commodity future market in the emerging economy India. Qualitative research method is used to identify the factors from the interviews with experts. The interviews were conducted with different academic experts and industry practitioners.

The interviews were then converted into transcripts and thematic analysis was done on the transcripts.

4. ANALYSIS

This section discusses the different factors identified in the study which plays a very significant role in the development of commodity future market in India. The factors were identified with the help of existing literature and discussion with the academic as well as industry experts working in the derivatives market. Qualitative approach is used for the analysis and reaching at the conclusion of the objective.

4.1 Factors contributing to the development of commodity futures market - Thematic analysis

The thematic analysis was performed after reading the transcripts several times and identifying the different possible themes.

Theme 1: Commodity Market Development

First theme “Commodity market development” discuss about the reasons behind the development of commodity market in India. The main reason is the availability of relevant, timely and accurate information to market participants in the agricultural mandis and APMCs. The availability of information was possible due to computer based online trading facilities. Information is captured online real-time for every trade makes it available to market participants, regulators and exchanges.

THEME 1: COMMODITY MARKET DEVELOPMENT

Sub Themes	Reference	Keywords	Reference	Relative Weight
Availability of information to Indian agricultural mandis and APMC	2 references, 2 files	Market information affects the future market first and then the futures market impacts the spot market	12	9.52%
		Availability of information to Indian agricultural mandis and APMC	2	6.79%
			5	6.26%
			7	11.12%

Better trading practices by Agriculture Markets	2 references, 2 files	Move towards better trading practices of agricultural markets	4	5%
		Better trading facilities for farmers where they feel more secure in trading	6	6%
Increase in awareness level of market participants	4 references, 4 files	Increase in awareness level of market participants	1	4.17%
		Growth in participation of farmers in market trading	11	8.07%
		The overall development of awareness of stakeholders in agricultural commodities markets	4	9.02%
		Awareness programs for farmers education	5	3.25%

Theme 2: Economic Development

The second theme is “*Economic Development*” which focuses on aspects of economic development affecting development of commodity markets in India. The commodity markets are impacted by the adoption of various e-Governance systems by the Government authorities and agencies. These agencies mandate online information from various markets including commodity markets now. Development of logistics and transportation facilities in India had resulted in better reach to markets.

THEME 2: ECONOMIC DEVELOPMENT

Sub Themes	Reference	Keywords	Reference	Relative Weight
Development of e.Governance systems	3 references, 3 files	Development of e-Governance systems right down to district levels	5	5.23%
		Continuous Government support and attention towards development of agricultural sector	6	6.7%
		Government push towards e-Governance and policy towards commodity exchanges	7	8.02%
Development of logistics and infrastructure facilities in India	3 references, 4 files	Greater development of logistics and infrastructure in India	2	6.17%
		Growth in technology development and availability of internet in India	2	7.2%
		Vast improvement in technologies and various agricultural infrastructure including storage and transport facilities	4	9.43%
		Overall growth in technology and infrastructure availability	7	6.42%
Development of NCDEX as a commodity exchange	2 references, 2 files	Functions of price discovery and risk management	10	4.48%
		Development of NCDEX as a primary exchange for Commodity derivatives	6	5.3%
Development of online markets in commodity derivatives	2 references, 2 files	Development of online markets in commodity derivatives	3	5%
		Rapid development of technology and its availability in India	5	4.92%

Theme 3: Regulatory Mechanism

The third theme is the “*Regulatory Mechanism*” which explains the role of regulatory institutions and Government policies on development of commodity markets. Commodity markets had developed at a fast pace under SEBI since 2015. SEBI became the sole regulator of commodity markets in 2015. The autonomy and transparency imparted to NCDEX had been quite evident.

THEME 3: REGULATORY MECHANISM

<i>Sub Themes</i>	<i>Reference</i>	<i>Keywords</i>	<i>Reference</i>	<i>Relative Weight</i>
Supportive Government regulation for commodity derivatives markets	1 reference, 1 file	Supportive Government regulation for commodity derivatives markets	10	7.94%
Appointment of SEBI as a Regulator for commodity derivatives market	2 references, 2 files	Appointment of SEBI as a Regulator for Commodity Derivates market	5	5.15%
		The regulatory control under SEBI has also streamlined the functioning of Commodity Exchanges	8	10.62%

Theme 4: Global Integration

The fourth theme is “*Global Integration*” of Indian commodity markets with world commodity markets. With world economies opening up, integration with global markets had increased. Foreign trade, both in scope and magnitude had been growing. India is the top tenth exporter of agricultural products in the world (sugar, beef, rice, and shrimp).

THEME 4: GLOBAL INTEGRATION

<i>Sub Themes</i>	<i>Reference</i>	<i>Keywords</i>	<i>Reference</i>	<i>Relative Weight</i>
Indian financial system is getting matured	1 reference, 1 file	Indian financial system is getting matured	1	3.5%
Growth in foreign trade of various commodities	1 reference, 1 file	Growth in foreign trade of various commodities	4	3.77%
Impact of Geo-political factors affecting the Trading partners	1 reference, 1 file	Significant impact of Geo-political factors affecting the trading partners	3	6.85%
Exports and imports of agriculture products	2 references, 2 files	Exports and imports of agriculture products	1	3.67%
		Quantum of production and import-export of commodities	12	5.04%
Integration with global agricultural markets	3 references, 3 files	Integration with global agricultural markets	1	3.67%
		Integration of Indian financial derivative markets with other global markets	3	7.03%
		Integration of Indian financial system with other global markets	6	4.99%

Theme 5: Macro Economic Factors

The fifth theme is the “*Macro economic factors*”, which covers impact of macro-economic on commodity markets. The short-term market unpredictability is caused by market returns and currency rate. The long-term variations in market were caused by the impact of macro-economic factors. Besides, the macro-economic factors, commodity markets are also influenced by the international macroeconomic environment (RBI Report 2015). Agriculture contributed to 15.4 per cent (2017) to GDP in India and 15.87 per cent to GVA (2019). With growth in GDP and per-capita GDP, emphasis on macro-economic indicators became significant.

THEME 5: MACRO ECONOMIC FACTORS

<i>Sub Themes</i>	<i>Reference</i>	<i>Keywords</i>	<i>Reference</i>	<i>Relative Weight</i>
Overall growth and development of Indian economy	1 reference, 1 file	Overall growth and development of Indian economy	7	5.13%
Integration between agriculture markets and industries	2 references, 2 files	Larger participation of downstream manufacturers	10	4.48%
		Integration between agriculture markets and industries	8	6.1%

Interest rates and currency rate movements	2 references, 2 files	Interest rate or the carrying cost also affect the development of markets	12	7%
		World-wide currency rate movements and interest rate movements	9	5.37%

Theme 6: Entry of New Participants

The sixth theme is “*Entry of new participants*” in the commodity futures market in India such as FII, hedging operators, speculators, traders and arbitragers etc. The growth in investment by corporates and investor community including speculators led to the growth of commodity markets in India. Investors who are not associated with agriculture are trading at NCDEX in increasing numbers. These investors provide the much-needed liquidity to the markets. The direct investment in commodities market is by buying into a futures contract.

THEME 6: ENTRY OF NEW PARTICIPANTS

Sub Themes	Reference	Keywords	Reference	Relative Weight
Increased investment by FIIs and foreign investors	2 references, 2 files	Participation from large number of parties in different roles like investors, dealers, farmers, FIs, FIIs and speculators.	10	11.39%
		Increased participation of foreign investors and FIIs	9	4.59%
Entry of corporates and other investors	3 references, 3 files	Growth of number of speculators in these markets	11	7.61%
		Entry of corporates and other investors	2	4.01%
		Entry of corporates, FIIs and investors in this sector	5	4.28%

Theme 7: Commodity specific characteristics

The seventh theme is “*Commodity specific characteristics*” explaining the features related to commodity market such as effect of seasonality on certain commodities, weather conditions, demand and supply conditions and hedging in the market. Agricultural commodities are seasonal in nature with two sowing seasons in India, *Rabi* and *Kharif*. Farmers plan their output and expected price for output with the start of sowing season. Seasonal factors and global warming are affecting the agriculture a great deal.

THEME 7: COMMODITY SPECIFIC CHARACTERISTICS

Sub Themes	Reference	Keywords	Reference	Relative Weight
Seasonality and climate change	2 references, 2 files	Weather conditions, which also affect the commodity markets	12	5.51%
		Seasonality of agricultural produce and changing weather conditions including climate change in recent years	8	12.2%
Increase in demand and supply of commodities	4 references, 4 files	Increase in demand and supply	1	2.5
		Both demand side and supply side factors	12	3.73%
		Huge gap in demand and supply of various commodities	3	4.81%
		Large gaps in demand and supply.	8	3.62%
Adoption of risk management methods by participants	5 references, 5 files	Risk management methods are now adopted by different participants	1	5/5%
		The sentiment of various participants in the market	12	4.76%
		Increase in risks of various stakeholders in agriculture sector	2	6.48%
		Innovative risk management approaches associated with coverage of risks involved	4	6.56%
		Better risk management practices and systems needed to protect the various trading partners	6	7.09%

5. CONCLUSION

The present qualitative study highlights the seven major themes which were found responsible for growth in Commodity Futures Market in India in recent years. These themes have been divided into sub themes. The major thrust areas are ease in Government regulations, increased awareness to farmers and main participants, investment from global investors and online trading systems being made available by latest advanced technologies and infrastructure.

The study identifies the factors ranging from conducive Government regulation to technology support in the form of trading platforms to make trading on commodity future markets more automated, accurate and information oriented. All the participants in market are getting the relevant information on time and with greater accuracy.

The “word cloud” indicating the key words in the interview transcripts are shown below in figure. The “word tree” of the different themes identified in the analysis is also shown in figure. **MA**



The first derivative market was established as far back as in 1875 in Mumbai for cotton futures

References

1. Aggarwal, N., Jain, S., Narayanan, S., (2017). *The long road to transformation of agricultural markets in India: Lessons from Karnataka. Economic and Political Weekly* 52(41), 47–55.
2. Baffes, J., & Savescu, C. (2014). *Monetary conditions and metal prices. Applied Economics Letters*, 21(7), 447–452. <https://doi.org/10.1080/13504851.2013.864029>.
3. Belousova, J., Dorfleitner, G., (2012). *On the diversification benefits of commodities from the perspective of euro investors. J. Bank. Finance.* 36, 2455–2472.
4. Karyotis, C., Alijani, S., (2016). *Soft commodities and the global financial crisis: implications for the economy, resources and institutions. Res. Int. Bus. Finance.* 37, 350–359.
5. Kolamkar, D.S. (2003). *Regulation and policy issues for commodity derivatives in India*, in SusanThomas, (ed.), *Derivatives Market in India*, Oxford University Press, India
6. Lakshmi, V.D.M.V. (2017). *Efficiency of futures market in India: evidence from agricultural commodities. IUP Journal of Applied Economics* 16(3), 47-68.

Dear Readers,

Complete your 2018, 2019 & 2020 volumes immediately with missing issues. We are glad to inform all the Journal lovers that ‘The Management Accountant’ Journal, Volume – 53, Year – 2018, Volume – 54, Year – 2019 and Volume – 55, Year – 2020 would now be available at 50% discount (courier charges extra) for sale* & until stocks last.

	Volume – 53, Year – 2018	Volume – 54, Year – 2019	Volume – 55, Year – 2020
Month	Special Issue Topic	Special Issue Topic	Special Issue Topic
January	Paradigm Shift in Indian Banking Sector	Indian Banking Scenario: Dynamism and Optimism	Steering Transformation in Banking
February	Transforming Energy Sector	Contemporary Issues in Corporate Governance	Arbitration and Conciliation: Challenges and Prospects
March	Fair Value Accounting: Changing Contour of Financial Reporting in India	Artificial Intelligence – An Emerging Trend of Technology	The Next Gen Women: Equal Rights, Opportunities and Participation
April	Capital Market & Derivatives	Public Sector Accounting	* Internal Audit: The way forward
May	Foreign Trade Policy of India	Big Data Analytics in Accounting and Auditing	* National Education Policy (NEP) – Changing Contour of Indian Education Eco-System
June	Block chain Technology: A Game Changer in Accounting	Industry 4.0 Leveraging for Efficiency, Adaptability, Productivity	* Environmental Management Accounting: Issues and Practices
July	Indian Railways: CMAs as Game Changers	Integrated Transport Ecosystem - The Way Ahead	* Goods & Services Tax (GST): Recent Changes and Emerging Issues
August	Doubling Farmers’ Income: Strategies and Prospects	GST Audit Emerging Scope for CMAs	* Driving India towards 5 Trillion Dollar Economy
September	Professional Scepticism	Cost Governance	Insurance Sector in India: Today’s reality and the path ahead
October	Global Management Accounting Research	Financial Technology (Fintech) - Changing Landscape in Financial Services	Self-Reliant India: Pathway to a Robust Economy
November	Skill Development and Employability	Real Estate Investment and Capital Markets	Agricultural Costing & Pricing
December	Corporate Social Responsibility & Beyond	Startups and Entrepreneurship	Indian MSMEs: Key to Economic Restart

*per issue cost Rs. 70/- (inclusive all) **No Copies Printed due to Lockdown / No Print Version Available

Send your requests to:

Editor
 Directorate of Journal & Publications
 The Institute of Cost Accountants of India
 (Statutory body under an Act of Parliament)
 CMA Bhawan, 4th Floor, 84 Harish Mukherjee Road
 Kolkata – 700025; Email: journal@icmai.in

Name of The Article	Name of Author/s	Volume	Issue	Issue No.	Page No.	DOI Numbers
ESG -MARCHING TOWARDS SUSTAINABLE DEVELOPMENT GOALS	CMA (CS) A Sekar Ranjith Krishnan	57	Mar-22	3	17-21	10.33516/maj.v57i3.17-21p
SUSTAINABILITY REPORTING PRACTICES OF INDIAN OIL AND GAS INDUSTRY: AN EMPIRICAL ANALYSIS	Dr. Ashish Kumar Sana CMA Sandip Basak	57	Mar-22	3	22-26	10.33516/maj.v57i3.22-26p
FINANCING ESG INITIATIVES - AN INSIGHT INTO SOCIAL STOCK EXCHANGE	Prof. Subhrangshu S Sarkar CS Amitava Banerjee	57	Mar-22	3	27-30	10.33516/maj.v57i3.27-30p
REDEFINING THE PATHWAY TOWARDS SUSTAINABLE GROWTH: THE ESG WAY	CMA (Dr.) Debdas Rakshit Ananya Paul	57	Mar-22	3	31-35	10.33516/maj.v57i3.31-35p
ADVENT OF ESG ECOSYSTEM IN INDIA	Mohd Merajuddin Inamdar Dr. (CA) Minaxi A Rachhh	57	Mar-22	3	36-39	10.33516/maj.v57i3.36-39p
PERFORMANCE EVALUATION OF ESG FUNDS IN INDIA – A STUDY	Dr. Swapan Sarkar	57	Mar-22	3	40-47	10.33516/maj.v57i3.40-47p
ESG ADOPTION BY HOUSING INDUSTRY IN INDIA FOR ATTAINING THE NATIONAL HOUSING GOAL: THE KEY ROLE OF CMAs	Dr. Manoj P K Faculty Dr. Mini Joseph	57	Mar-22	3	48-52	10.33516/maj.v57i3.48-52p
ESG REPORTING – GENESIS AND SIGNIFICANCE	Dr. Hema Gwalani CMA (Dr.) Smita Mazumdar	57	Mar-22	3	53-57	10.33516/maj.v57i3.53-57p
ESG: A NEW HORIZON	Dr. Rohan Prabhakar Dahivale	57	Mar-22	3	58-60	10.33516/maj.v57i3.58-60p
COP 26 AND PUBLIC CLIMATE FINANCE	CMA Arnab Chatterjee	57	Mar-22	3	61-63	10.33516/maj.v57i3.61-63p
A STUDY OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG): THE EVOLVING METRICS CONSIDERING PEOPLE AND PLANET	Dr. Mrinal Gaurav CMA Quiser Aman	57	Mar-22	3	64-67	10.33516/maj.v57i3.64-67p
COP 26: ACCELERATING EFFORTS TOWARDS EMISSION REDUCTION AND NET ZERO PLEDGE	Dr. Amit Kumar Nag , Rahul Joshi	57	Mar-22	3	68-70	10.33516/maj.v57i3.68-70p
ESG RATING OF INDIAN COMPANIES OF SELECT SECTORS: A COMPARATIVE STUDY	Dr. Kingshuk Adhikari Ankita Ghosh	57	Mar-22	3	71-74	10.33516/maj.v57i3.71-74p
AN EMPIRICAL STUDY OF BUSINESS RESPONSIBILITY REPORTING AS ESG PERSPECTIVE IN SELECT INDIAN BANKS	Shivam Agnihotri Prof. Pramod Kumar Dr. Arun Kumar Attree	57	Mar-22	3	75-79	10.33516/maj.v57i3.75-79p
COP 26 GOALS FOR TRANSITION TOWARDS A CLEANER AND CLIMATE RESILIENT FUTURE: A BIRD'S EYE OBSERVATION	Dr. Debrupa Chakraborty Dr. Satabdee Banerjee	57	Mar-22	3	80-84	10.33516/maj.v57i3.80-84p
BOOK REVIEW	Dr. Jayanta Kumar Seal	57	Mar-22	3	85	10.33516/maj.v57i3.85-85p
DIGITAL TRANSFORMATION - THE NEW UNIVERSE OF METAVERSE	CMA (Dr.) Paritosh Basu	57	Mar-22	3	87-90	10.33516/maj.v57i3.87-90p
VALUE CREATION SKILL OUTWEIGHED EDUCATION FROM TOP UNIVERSITY	CMA Mrutyunjaya Mohanty	57	Mar-22	3	91-93	10.33516/maj.v57i3.91-93p
THE ADOPTION OF CRYPTO CURRENCY	CMA Shalu Saini Dr. Jagat Narayan Giri	57	Mar-22	3	94-98	10.33516/maj.v57i3.94-98p
STARTUP IPO: LISTING AND POST LISTING	CMA Venkata Narayana D	57	Mar-22	3	99-101	10.33516/maj.v57i3.99-101p

Down The Memory Lane

April 2012



Dr. P.V. S. Jagan Mohan Rao, Council Member with the members, students and staff members of HCCA & Hyderabad Chapter of ICSI on the occasion of 42nd World Earth Day celebrations on 22.04.2012



President of the Institute felicitating Smt. Nandna Munshi, Govt.Nominee at the Quality Review board meeting held at Kolkata. Also seen, Dr. Navrang Saini, Regional Director (E & NER), MCA, GOI.

April 2002



Shri Hemant Chatpatwala, Hon'ble Minister of Law, Justice & Higher Education, Government of Gujarat, inaugurates Western India Regional Conference at Surat.



K.L. Jaisingh, CCM addresses the members at Tehri on the occasion of a Talk on Union Budget.

Down The Memory Lane

April 1992



Release Ceremony of House Journal on 19 April 1992. Cross Section of the audience. (Inset) Seen on the dais: Shri B.L. Khanda, Ministry of State for Labour and Planning, Government of Rajasthan (second from right). Others seen in the picture Prof. Sanwar Lal M.L.A.; Shri Subhas Garg, MD; Tilam Sing; Shri B.L. Jain, Secretary and Shri B.L. Shetty, Chairman.



Shri Nagendra Jamatia, Minister for Agriculture, inaugurating the 11th Semester of Agartala Oral Coaching Centre on 22 April, 1992 by lighting the lamp. Standing Behind is Smt. Jamatia.

April 1982



A two day joint professional programme with The Institute of Chartered Accountants of India on 17th & 18th April 1982 at Hotel Oberoi Grand, Calcutta.

From Left: Shri H.P. Ray Chaudhury, Shri N. Balasubramanian, Shri M.P. Pandit, Shri N.K. Bose

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

An Interview with Late CMA Rakesh Singh, Past President of the Institute of Cost Accountants of India and Past Chairman of the Valuation Standards Board of ICAI Registered Valuers Organization

Dr. S K Gupta MD – ICAI Registered Valuers Organization caught up with CMA Rakesh Singh in March 2022 to gather his perspectives on the current state of valuation profession including challenges and opportunities facing the valuation sector.



How do you see the emergence of valuation as the focus for the business

Since the emergence of International Financial Reporting Standards (IFRS) over recent years, the valuation sector has moved more prominently under the spotlight. Appraisal services are now more integrated with other areas of the financial world, from accounting and tax, to mergers and acquisitions, IPOs and fixed assets. As a result, valuation professionalism has become more mainstream and attained a higher level of respect. It has also undoubtedly improved the quality and consistency of data available in the marketplace.

The demand for business valuation services has significantly grown since the second half of the 20th century. Today, business valuations are considered to be an important component in the financial system, as they are used for purposes impacting many areas of business such as company listings, mergers and acquisitions, funds and investments, financial reporting,

secured lending, regulatory compliance, taxation, litigation, insolvency and insurance.

How do you see the importance of International Valuation Standards underpinning the evolving valuation profession?

The effects of the pandemic have made the role of valuation even more pertinent in today's world. I believe that a key takeaway from the pandemic is an emphasis on the broader adoption of existing standards and qualifications. The biggest message for all of us is that business cycles are getting shorter and shorter, disruptions will continue and volatility is a given. We must accept that valuations will be dynamic in today's world and have to be based on the best available information as of the measurement date. Hence, we need to emphasize best practices, governance and transparency. That is where standards and qualifications play a huge role.

What topics in the domain of valuation do you think will be critical future agendas?

Valuation of social and Human Capital as part of the movement towards evolution and adoption of Integrated Reporting the world over is an exciting new Dimension in valuation domain, Another hot topic is the impact of ESG on measuring stakeholder value creation, which has been of significant interest to governments, regulators, international bodies, investors, valuers and the larger community.

How has the perception of valuation changed in the boardroom over the last decade?

From a boardroom perspective, there is certainly a lot more awareness of the need for independent valuations or fairness opinions, either at the time of the transaction or for subsequent reporting to investors and other stakeholders, both purposes being equally important.

Why do you think it's important to have an independent global standard setter for the valuation profession?

Business is global, and so is valuation profession. A professional in one country can provide valuation services anywhere in the world. As the business and the financial world become more and more connected, the ability of end users of valuation services – whether it be regulators, business owners, courts, or governments – to be able to turn to a standardized, high-quality set of principles-based standards, will only serve to increase credibility and confidence in the global valuation profession.

What are some of the big challenges facing the business valuation profession in the coming years and how do you see it evolving to meet these challenges?

A major challenge we're following is the influx of automated valuation models. Ready access to these technologies is leading to an uptick in individuals offering valuation services to the public, some of whom we expect will be lacking in formal valuation education and training, and appropriate experience. While such technologies can be used as tools to support decision-making and communication, they cannot replace critical thought and professional analysis to achieve the most informed view for business decision-making. Another challenge is that the market demand for professionals accredited in business valuation is currently at an all-time high. While this is excellent news for growth in the valuation profession, particularly amongst young professionals, it may be an ongoing challenge for us and other RVOs to keep reinforcing to the market that formal valuation education and accreditation is a professional imperative, and in the public interest.

NEWS FROM THE INSTITUTE



EASTERN INDIA REGIONAL COUNCIL

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
GUWAHATI CHAPTER**

The Chapter conducted a CEP Programme on “Recent Amendments in Schedule III under Companies Act, 2013 and Disclosure requirements in Financial Statement” on 12th March 2022 at Guwahati Chapter Office premises. Members of the Chapter including Office Bearers and CMA Final student attended the programme. CMA Rana Bose, Chief General Manager (Finance), North Eastern Electric Power Corporation Ltd and CMA Mrityunjay Acharjee, General Manager (Finance), Numaligarh Refinery Ltd. were the speakers for the session. A presentation was made before the participants along-with detailed deliberation on recent amendment to Schedule III of the Companies Act and its impact in Financial Statements for the year ended 31.03.2022. The session was interactive and it was ended with satisfactory compliments.

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
ROURKELA CHAPTER**



The Chapter felicitated 54 students who have successfully cleared the Intermediate Examinations of the Institute. Sri N.K.Nanda, the Chairman of the Chapter, when contacted has expressed immense contentment that the Chapter is consecutively winning laurels by making history in helping the students to achieve their goal. The felicitation programme was organised in the chapter premises at Sector-17, Rourkela. The Chief Guest of the programme was Sri M K Patel, Sr. RAO, Govt. Audit. In his address, the chief guest complemented Rourkela Chapter for being a self-rejuvenating organization, attaining institutional excellence by imparting professional education in the field of cost and management accountancy in and around Rourkela. Sri Patel in his address emphasized that CMA being the best managers of 3M of business must ensure that wasteful activities and costs associated therewith are removed to help in improvement of processes and systems to reduce avoidable costs and justify each rupee

invested in a business. Also, a website “icmairklin” has been inaugurated by the Chief Guest and Chairman of the Chapter dedicated to the students and members, as a step towards digitisation for faster and proper communication. The celebration was concluded with a cultural programme presented by the students and members of the Chapter. The programme was attended by more than 100 participants. CMA S C Sahoo, Secretary of the Chapter extended a formal vote of thanks. The inaugural session was anchored by Shalini Agrawal, a student of the Chapter and the prize distribution and cultural session was anchored CMA R R Sarangi, Sr. Faculty of the Chapter.

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
BHUBANESWAR CHAPTER**

The Chapter successfully organized in association with All Chapters at Odisha a WEBINT for CMA Students on the theme “Relevance of Ind AS in Financial Reporting & Analysis” held on 27.02.2022. CMA Neeraj D Joshi, Council Member and Chairman, Management Accounting Committee, ICAI graced and addressed on the occasion as “Chief Guest”. CMA Niranjan Mishra, Council Member and Chairman, Committee on Cost and Management for Public and Government Services, ICAI graced and addressed as “Special Guest”. CMA Bibhuti Bhusan Nayak, RCM & Treasurer, ICAI-EIRC and CMA Uttam Kumar Nayak, RCM & Vice Chairman, ICAI-EIRC graced on the occasion as “Guest of Honour”. CA. S.B.Dash, Practicing Chartered Accountant, Bhubaneswar delivered & interacted with the participants as “Resource Person”. CMA Himoj Mishra, Chairman of the Chapter delivered welcome & keynote address and CMA Surya Narayan facilitated the programme and extended vote of thanks. Among others CMA Antaryami Acharya, Chairman, ICAI-Talcher Angul Chapter, CMA Kshirod Chandra Nanda, Chairman, ICAI-Sambalpur Chapter and CMA Ch N K Nanda, Vice Chairman, ICAI-Rourkela Chapter also addressed on the occasion. WEBINT was a grand success. The Bhubaneswar Chapter celebrated “International Women’s Day” on 8th March, 2022 at CMA Bhawan, Nayapalli, Bhubaneswar following appropriate behaviour of COVID-19 guideline and also live in virtual mode. The theme of discussion was “Women’s Empowerment”. Dr. Saudamini Mohapatra, Sr.Obstetrician and Gynecologist ,Maternity Care Hospital & IVF Centre, Bhubaneswar graced , inaugurated and addressed in the celebration as “Chief Guest”. Mrs. C Sridevi , Regional Manager (Odisha Region), National Insurance Company Ltd., Bhubaneswar and Ms. Manju Prava Dhal , Founder and Chief Executive , Centre for Action Research and Documentation (CARD), Bhubaneswar graced and addressed as “Guest of Honour”, CMA Bhaswati Sarangi, Assistant General Manager(Finance) , TATA Power Central Odisha Distribution Ltd. (TPCODL), Bhubaneswar

graced and addressed as “Special Guest”. On the occasion, CMA Niranjana Mishra, Council Member and Chairman, Committee on Cost and Management for Public and Government Services, The Institute of Cost Accountants of India also graced and addressed as “Special Guest”. Among others, CMA Nilamani Mohapatra, Past Chairman and one of the Founder Members of the Chapter, few CMA Members and Students also addressed.

CMA Saktidhar Singh, Chairman, PD Committee and Past Chairman of the Chapter facilitated the entire program and extended formal vote of thanks and CMA Himoj Mishra, Chairman of the Chapter delivered welcome address. As assigned by the Institute, the Chapter has conducted successfully 12 Day Pre-placement orientation programme on physical platform for the period from 09.03.2022 to 21.03.2022 covering the areas such as Corporate laws, GD Techniques, IBC & Valuation, CV Writing & Review on GD Techniques, SAP –FICO, Interview Skill, Indirect Taxation, e- Filing, Cost Audit Record and Report Rules and Cost Accounting & Auditing Standards, H R Round, Cost & Financial Management Strategies, Job Opportunities for CMAs, Forensic Audit, Direct Taxation, Ind AS, Internal Audit, Advanced MS Excel, Financial Modeling, Data Analytics & Information System Security Audit and Mock Interview vis a vis Counseling. Valedictory session held on 21.03.2022. In the said session CMA P Raju Iyer, President, ICAI graced and addressed as “Chief Guest” CMA Pravakar Mohanty, Past President, ICAI graced and addressed as “Special Guest”, CMA Vijender Sharma, Vice President, ICAI and CMA Niranjana Mishra, Council Member and Chairman, Committee on Cost and Management for Public and Government Services, ICAI graced and addressed as “Guest of Honour”. CMA Himoj Mishra, Chairman, ICAI-Bhubaneswar Chapter & CMA S N Tripathy, Secretary, ICAI-Bhubaneswar also addressed and interacted on the occasion, this Chapter also felicitated to CMA P Raju Iyer, President, CMA Vijender Sharma, Vice President and CMA Pravakar Mohanty, Past President, ICAI.

The inaugural day of 3- day Workshop on “Advanced MS Excel” held at Chapter on 13.03.2022. CMA Niranjana Mishra, Council Member and Chairman, Committee on Cost and Management for Public and Government Services, The Institute of Cost Accountants of India inaugurated , graced and addressed as “Chief Guest” in the presence of CMA Shiba Prasad Padhi, Past Chairman, ICAI-EIRC , CMA Himoj Mishra, Chairman and CMA Saktidhar Singh, Chairman, PD Committee and Past Chairman of the Chapter. CMA Satya Sundar Mahasuar, Sr. Manager (Fin), NALCO Ltd, Bhubaneswar took the whole day session and interacted/guided the Participants considering Practical Aspects. This Chapter has conducted successfully WEBINT on “Blockchain: The New Technology of Trust and Future Prospects” on 13.03.2022. Dr A Damodaran , Professor in Economics & Social Sciences, Indian Institute of Management (IIM), Bangalore delivered detail on the topic

as “Resource Person”. CMA Himoj Mishra, Chairman of the Chapter delivered welcome address and briefly highlighted about the Institute and Bhubaneswar Chapter & CMA S N Tripathy, Secretary of the Chapter extended formal vote of thanks. CMA Saktidhar Singh, Chairman PD Committee and Past Chairman of the Chapter facilitated the entire programme. This Chapter has successfully conducted a National Seminar Cum Career Awareness Programme in association with Pranath College (Autonomous) at their Auditorium at Khordha, odisha on 15.03.2022. The theme kept in the said National Seminar was “Cryptocurrency-Policy and Investments”. Dr. Ranjita Sethi, Principal, P N College (A), Khordha inaugurated, graced addressed the occasion as “Chief Guest”, CMA Niranjana Mishra, Council Member and Chairman, Committee on Cost and Management for Public and Government Services, ICAI, Maj.K.P.Mohanty , Former Vice Chancellor, NOU , Odisha, Prof. (Dr.) Subas Kumar, Former Principal, PN Autonomous College, Prof. (Dr.)Ch. P.K.Das, Former Principal, PN Autonomous College graced and addressed as “Guest of Honour”. Shri J N Sahu, HOD (Commerce), P N Autonomous College also addressed on the occasion. More than 200 participants consisting pursuing commerce Students and Faculties actively participated the Seminar. CMA CS Uttam Kumar Mohallik , Advocate, Orissa High Court delivered in detail on the topic as “Resource Person”. This Chapter has conducted a Workshop on “Know Your Mental Health” on 22.03.2022 at CMA Bhawan. On the occasion, Dr Nibedita Mohanty, Critical Psychologist, Dr Soumya Prakash Biswal, Project Head and entire team of Feel Alive, Cuttack shared valuable inputs for maintaining a healthy life. CMA Himoj Mishra, Chairman of the Chapter delivered welcome address, CMA Saktidhar Singh, Chairman, PD Committee delivered keynote address and CMA Surya Narayan Tripathy, Secretary of the Chapter extended formal vote of thanks.



Welcome to CMA Vijender Sharma , Vice President, ICAI at Biju Pattnaik Airport, Bhubaneswar by CMA

Himaj Mishra, Chairman, ICAI- Bhubaneswar Chapter , CMA Surya Narayan Tripathy, Secretary, ICAI-Bhubaneswar Chapter , CMA Saktidhar Singh, Chairman, PD Committee, ICAI-Bhubaneswar Chapter and CMA Uttam Kumar Nayak, Vice Chairman, ICAI-EIRC on 20.03.2022.



Welcome to CMA P Raju Iyer, President, ICAI at Biju Pattnaik Airport, Bhubaneswar by CMA Himaj Mishra, Chairman, ICAI- Bhubaneswar Chapter, CMA Surya Narayan Tripathy, Secretary, ICAI-Bhubaneswar Chapter , CMA Bharat Chandra Mahanta, Member, ICAI-Bhubaneswar Chapter and CMA Niranjana Mishra, Council Member, ICAI-EIRC on 20.03.2022.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA TALCHER ANGUL CHAPTER



The Chapter celebrated Corporate Laws Month at NALCO Auditorium, Angul on 27 th March,2022. To mark the occasion, a seminar on “Capital Market- Mutual Funds” was successfully organized. CMA K R Vasudevan, Director (Finance), Mahanadi Coalfield Ltd. (MCL) & Central coalfields Ltd (CCL) inaugurated, graced and addressed on the occasion as “Chief Guest” and lauded the effort of Chapter in bringing an awareness to the investors about the avenues and safety of investment of their hard earned savings and income. CMA Niranjana Mishra, Central Council Member and Chairman, Committee on Cost and Management for Public and Government Services, ICAI, and Shri Ambika Prasad Panda, ED S&P , NALCO graced the occasion as “Special Guest” . They appreciated the efforts of chapter in providing finance and accounting literacy amongst the students of the industrial city, Angul and such type of efforts of Chapter will go a long way in skill development of the future generations. Shri Trinath Lenka, MD, Wallet 4 Wealth and CS Bharat Kumar Sahoo, Addl company Secretary Nalco addressed the participants as Resource Speakers. CMA Antaryami Acharya, Chairman of Talcher Angul Chapter delivered Welcome and Keynote address and also highlighted about the contribution of the Chapter to the Students, Members, Industries, Stakeholders and to the Society as whole. CMA Sanjay Kumar Sahoo, Vice Chairman of the Chapter extended formal vote of thanks in the inaugural session. On the occasion, few meritorious CMA Inter and Foundation students who qualified in last examination have been awarded with trophies and certificates. In the Technical Session, CS. Bharat Kumar Sahu, and Shri Trinath Lenka deliberated in details about the theme “Capital Market- Mutual Funds”. CMA Mihir Ranjan Rath, Group General Manager (Finance), NALCO, Angul and CMA C R Dash Area Finance Manager, MCL moderated the technical session. Guest of Honour CMA Mukesh Chaubey, MC Member & Past Chairman of Bhubaneswar Chapter, also deliberated on topic and CMA Sankar Sengupta

Sengupta, Secretary, Talcher Angul Chapter extended vote of thanks. CMA Suchismita Parida, Manager (Finance) of MCL, team members Seeta and Phalguni, Accounts trainees facilitated the entire programme in a nice and grand manner.



NORTHERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA JAIPUR CHAPTER



The Chapter conducted career awareness and counselling program at Parishkar College of Global Excellence, Mansarovar, Jaipur on 19th February 2022. CMA Harendra Kumar Pareek, Executive Member was the key speaker of the session who explained in detail about CMA Course and its future prospects. The chapter celebrated International Women's Day on 8th March 2022. Chief Guest of the program was Ms. Veena Gupta, Financial Advisor, Rajasthan State Road Transport Corporation. In the beginning of the program, Chairman CMA S.L. Swami welcomed Chief Guest and all the participating lady members. Thereafter Chief Guest Ms. Veena Gupta addressed the participants. She also spoke on women participation and rights for national development. On this occasion immediate past Chairman CMA Swapnil Bhandari, Vice-Chairman cum Joint Secretary CMA Purnima Goyal, and Executive member CMA Harendra Kumar Pareek also addressed the participants. The program was coordinated and conducted by CMA Purnima Goyal, Vice-Chairperson cum Joint Secretary and CMA Kanika Agarwal. The prizes were

given in the memory of Late CMA K.C. Gupta Ex-Chairman of Jaipur Chapter by his family members. The Chapter organised Pre-Placement training program for students qualified in CMA Final examination held in Dec. 2021 in order to train them for ensuing Campus Placement. The program was inaugurated on 11th March 2022 by CMA G.D. Rathod, Retd Registrar ICAI University, At the beginning of the program Chairman CMA S.L. Swami welcomed the Chief Guest and the participating budding CMAs. In his inaugural address CMA G.D. Rathod shared his practical experiences in life and motivated the students. The program was conducted by CMA Sudharshan Nahar, Secretary. At the end of the program CMA Purnima Goyal, Vice-Chairperson cum Joint Secretary thanked the Chief Guest and all the participants.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BEAWAR CHAPTER



The Chapter honored the Ranker students and organized interview and resume writing skills workshop on Saturday 5th March 2022 at Institute Premises. CMA Rupesh Kothari, the immediate past chairman of the Beawar branch of the institute, said that in the examination held in December 2021 from Beawar, Bhavna Ratwani (AIR 4), Harshit Jhalani (AIR 7), Priyanshi Jain (AIR 17) have secured Ranks from Beawar at Indian level. They were honored with a trophy by the chapter. CMA CS Lekhak Agarwal Chairman of Young CMA's Cell of NIRC along with CMA Mandeep Singh, gave interview tips to the students. He highlighted the problems faced by the students in making their resume effective. During the program, there was a dignified presence of CMA Manish Kandpal, Vice Chairman of North Indian Regional Council, Former Member of NIRC CMA Navneet Jain and former chairman of Jaipur branch CMA PR Jat. CMA Prakash Kothari, chairman of Beawar Chapter, welcomed the dignitaries by wearing safa and shawl with Rajasthani customs. During the program, Beawar branch secretary Mitesh Chopra said that the institute will always be grateful to the students of Beawar who have brought laurels to the branch across the country. CMA Jyoti Maheshwari conducted the stage. CMA Ankur Singhal, CMA Mayank Pipara, CMA Shubham Sankhla, CMA Vijayshree Dosi, Rajendra Jangid, Divyanshi Goyal, Meghna Agarwal, Harshita Mangal, Komal Jain, Ayushi Sharma, Vimla Panwar, Hitesh Tated etc. were

present in the occasion. The Chapter was represented by Treasurer CMA Jyoti Maheshwari at the Women’s Day celebration held by NIRC at Headquarters in New Delhi. Also two speakers: Dr. Sulaxmi Toshniwal and Mrs. Vandana Upadhyay were delegated by the Beawar Chapter for the event. Dr. Sulaxmi Toshniwal is Head of Department and Assistant Professor in Business Administration, at S.D. Government College, Beawar, Rajasthan. She spoke about the changes in the condition of women since independence to date and how there has been a positive advancement in educational, cultural and social conditions of women. Mrs. Vandana Upadhyay is a Teacher, Poet, Social worker rolled into one. She is the Founder of *Vedangi Sangh* which is committed to the all-round development, security, cultural moral advancement of the girl child and has provided free self-defense training to more than 5000 girls and women via offline and online mode.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
JODHPUR CHAPTER



The Chapter in association with THE NIRC has organised a two day event “SMILE 2.0” over the past weekend. President, CMA P. Raju Iyer and Vice President, CMA Vijender Sharma of the Institute along with the NIRC council members attended this event. This has also been a special day as with the presence of the National Head, Regional Head, Chapter Head, Fellow Chapter Heads, Fellow Members, Associate Members, Students, Office Bearers, Family Members. SMILE 2.0 is an attempt to highlight the role of SMALL and MEDIUM Industrial sector with CMA’s as torchbearers in amplifying the growth of the Nation in the new decade.



SOUTHERN INDIA REGIONAL COUNCIL



SIRC jointly with the Corporate Laws Committee of ICAI, conducted a PD meeting on 04.03.2022 in observance of “National Corporate Law Month – March 2022”. Guest Speaker was CS A Sekar, Practicing Company Secretary on the topic “Inbound and Out Foreign Investments”. Guest Speaker was CS V Vasumathy, Practicing Company Secretary & Insolvency Professional on the topic “Role of Independent/Women Directors in Corporate”. CMA H. Padmanabhan, Council Member & Chairman, CAT & International Affairs Committee, Public Relations Committee, AAT Board –ICAI and CMA Thatte P. Ashish, Council Member & Chairman, Corporate Laws Committee addressed the participants. A Pre-Placement Orientation Programme (for qualified Cost Accountants of DECEMBER 2021 Term) was organised by Members in Industry & Placement Committee in association with SIRC conducted from 16.3.2022 to 26.03.2022 to impart all the required ‘Skill Sets’ for facing the interview well and the job opportunities offered by the well-known Corporates with high pay package. On the last date of Pre-Placement Orientation Programme, 26.03.2022, a valedictory function held at SIRC, Management Hall and also are issued to the participants who has successfully completed this “12 Days Pre-Placement Orientation Programme”.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BENGALURU CHAPTER



The Chapter organized a Practitioners' Forums on "Suggestion in respect of Statutory Audit of Co-operative Society" at the chapter on 07.03.2022. Shri N.R. Adarsh Kumar, Director, Co-operative Society, CMA Kumar H N, Chairman BCCA, CMA Jayaram A V – Secretary BCCA and CMA Pranabandhu Dwibedy – Chairman - Practitioners' Forum attended the forum. The Chapter organized a Practitioners' Forums on "Recent changes to Schedule III and its interplay with Revised CARO 2020 (Applicable w.e.f 1.4.2022)" at the chapter and CMA Pranabandhu Dwibedy – Chairman- Practitioners' Forum, CMA CS Chandra Sekhar, Practicing Company Secretary, Insolvency Professional & Regd. Valuer – SFA, CA J.K. Sharath, - Partner, MSKA & Associates (a member firm of BDO International), CMA Kumar H N – Chairman BCCA, CMA Jayaram A V – Secretary BCCA attended the forum. Various Career Counselling programmes in Mangalore & Shimoga were organized from 11.03.2022 to 16.03.2022 and CMA Satish R – Vice Chairman – BCCA was the speaker of the programme. "Students' Fest - Samyoga 2022" - Theme - Independence and Interdependence for Sustainable Growth was organized on 20.03.2022 and CMA Padmanabhan H, Central Council Member, Chairman - International Affairs, Public Relations & Committee for Accounting Technicians, ICAI, chief guest, CMA Rajesh Sai Iyer - Treasurer SIRC, CMA Srinivasa Rao Y - Regional council Member, CMA Vishwanath Bhat - Vice

Chairman SIRC, CMA Kumar H N – Chairman BCCA, CMA Vijayalakshmi K R – Chairperson Student's Guidance Bureau, CMA G N Venkataraman - Past President ICAI, CMA Satish R – Vice Chairman BCCA, CMA Manjula B S – PD Chairman, CMA Sreepada H R – Member BCCA, CMA Pranabandhu Dwibedy – Chairman Practitioners' Forum. The Chapter organized a "Pre- Orientation Programme for Final Passed Student's for December 2021 Batch" from 14.03.2022 to 24.03.2022 and CMA Kumar H N – Chairman BCCA, CMA G N Venkataraman – Past President ICAI, CMA Jayarama V – Secretary BCCA, CMA Manjula B S – Chairman Professional Development, Mrs. Keerathana – Mission Catalyst attended the programme.

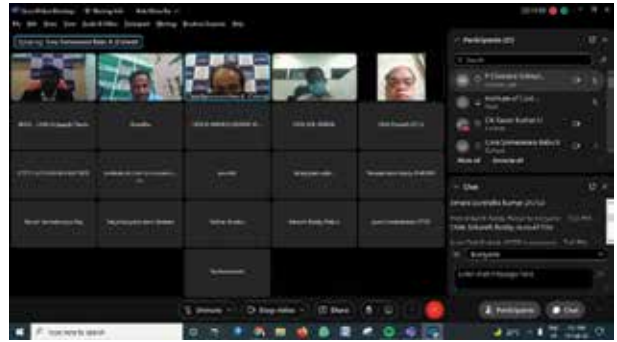


THE INSTITUTE OF COST ACCOUNTANTS OF INDIA HYDERABAD CHAPTER



The Chapter arranged the program as Union Finance Minister presented the union budget 2022-23 on the 1st of February 2022 on 02.02.2022. Smt D. Komali Krishna, IRS - Commissioner of Income Tax (Appeals) – 10, Hyd graced this programme as chief guest. CA Abhishek Murali clearly explained about Tax rates, surcharge of co-operatives, new type of Return, Penal fee payable for filing this new return, Crypto Taxation, Reduction in Litigation etc. The Chapter conducted career counselling programme on 02.02.2022 at Tapasya Junior College, Shalibanda. CMA Khaja Jalal Uddin - MC member on behalf of the Hyderabad Chapter'

counselled the students. 05.02.2022 - Career prospects for CMAs with ACCA Qualification, The Institute of Cost Accountants of India and The Association of Chartered Certified Accountants (ACCA), UK signed a Memorandum of Understanding on 9th August, 2021 to work together towards co-operation in respect of professional training, education and examinations. CMA Dr. K.Ch. A.V.S.N. Murthy, Central Council Member as Chief Guest. Mr. Gaurav Kapur – Head of Policy at ACCA – India, Mr. Shyam Sarrof, Qualified CPA/CMA/CIA/CISA, CMA Vijay Kiran Agastya, Secretary of SIRC of ICAI, CMA K.V.N. Lavanya, Past Chairperson of HCCA addressed the participants about the career prospects with ACCA Qualification. 06.02.2022 - Cost Accounting System in Service Sector – Aeronautical Services – Cargo Facilities: CMA Vemuganti Jayaprakash, Practising Cost Accountant elaborated the Amendment Rules 31.12.2014, CETE Code covered under Cost Audit, Cost Accounting Policy, Cost Accounting System in Service Sector, Companies Amendment Rules 31.12.2018, Cargo Analysis -Cost Audit etc. 11.02.2022 – Clause wise analysis of Income Tax, GST, Customs with reference to the Finance Bill 2022. CMA Kedarnath Tax Rates, Changes w.r.t Co. Op Society, Computation of capital gains, Slump sale, Dividend received from foreign companies, cash credit, Filling of an updated return etc. CA Shailesh Khandelwal explained Direct Tax Provision – Key highlights, Virtual Digital Assets, NPS, Annuity to a disable person, Sale of Immovable Property etc. CMA Mallikarjuna Gupta discussed about the key changes and additions with respect to Input Tax Credit etc. CAD. Vineet Suman explained about customs reforms and duty rate changes. 14.02.2022 – Student Orientation Programme: Oral coaching classes inaugurated for June 2022 batch on 14th February, 2022 and invited CMA S.Papa Rao, CCM & Past Chairman, SIRC of ICAI as Chief guest. We are conducting only virtual classes for oral coaching students because of Covid situation. 19.02.2022 – Usage of Data Analysis Tools in Forensic Audit: CA U Saran kumar detailed the topic “Usage of Data Analysis Tools in Forensic Audit “. He explained about Usage of Excel Tool (Case studies, Usage of IDEA Tool – Case Studies), Mathematical Models (Benford’s Law, Relative Size Factor), Check Digit concept (Luhn Algorithm) etc. 19.02.2022 – ICICI Bank officials visit to Hyderabad Chapter: CMA Rangaswamy MS – Zonal Credit Head – Retail Assets, ICICI Bank and Sri Nanda V – Zonal Credit Manager – Retail Assets, ICICI Bank have visited our Hyderabad Chapter and have discussed about the openings for newly qualified CMA Candidates in their organization. 24.02.2021 Visited the office of Shri Promod Vijayvargia, GM, SIDBI: CMA P. Chandra Sekhara Reddy – Chairman, CMA K. Someswara Babu – Secretary visited the office of Shri Promod Vijayvargia, GM, SIDBI to invite him as Chief guest for our upcoming programme. 28.02.2021, CMA P. Chandra Sekhara Reddy – Chairman, CMA K.



Someswara Babu – Secretary visited the office of NCLT and met Hon’ble Judicial Member Sri Venkata Ramakrishna Badrinath Nandula (NCLT, Hyderabad) and invited him as chief guest for our upcoming programme. 28.02.2021 Visited the office of Regional Director: CMA P. Chandra Sekhara Reddy – Chairman, CMA K. Someswara Babu – Secretary paid a courtesy visit to the office of Regional Director and met Sri Shashi Raj Dara, ICLS, Joint Director.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
SALEM CHAPTER



The Chapter conducted a seminar on ‘Filing of TDS Return’ on 31-01-2022 and the seminar was handled (on line) by CMA Dr K Nagarajan, Practising Cost Accountant, Namakkal. The speaker in his speech dealt with the latest developments in filing of TDS Return and the session was well received by our members. An on line seminar titled ‘Union Budget 2022-23’ was conducted on 09-02-2022 by Salem Chapter and the faculty was BA Shankar, Chartered Accountant and a Member of the Salem Branch of the Institute of Chartered Accountants. The speaker in his speech stated that there was no proposal to change the rates of tax as well as basic exemption limit for individuals, HUF, Companies etc. He explained that a new Scheme is proposed (Section 115BBH) for the taxation of virtual digital assets under which any income from transfer of virtual digital asset would be taxed at 30% and no deduction in respect of any expenditure or allowance would be

allowed. A workshop (on line) on ‘Advanced Excel’ was organized by Salem Chapter on 27th February 2022 and the faculty was CMA TCA Srinivasa Prasad, Former CCM of the Institute and former Executive Director, SAIL. As a part of ‘National Corporate Law Month’, Salem Chapter of Cost Accountants conducted a seminar titled ‘NCLT and role of CMAs’ on 18th March 2022 at Chapter premises. CMA K Senthilkumar in his address stated that the NCLT as well NCLAT were constituted under the Companies Act 2013 by the Govt of India to act as a single judicial forum to adjudicate all disputes concerning the company affairs and the Company Law Board was dissolved after formation of NCLT. Civil Courts have no jurisdiction for suit filing/injunction of orders of NCLT. He dealt in detail the powers of Tribunal, procedure to approach Tribunal and Appellate Tribunal, time frame for disposal of petitions and appeals by NCLT and NCLAT. He also explained the documents to be attached with Petition and for appeal. The seminar concluded with an interactive session followed by vote of thanks by CMA RV Thiyagarajan, Vice Chairman of the Chapter.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
MADURAI CHAPTER



The Chapter in association with the Coimbatore Chapter and Dindigul Chapter celebrated National Corporate Law Month – March 2022 by holding a Professional Development Programme on 5th March '22 from 11.00 A.M. to 02.00 P.M. at Hotel Moskva, Madurai. The programme was inaugurated with Lighting of lamps, Tamil Thai Vazhthu and playing of Motto Song of ICAI. CMA Shri R.K. Bapulal Chairman, Madurai Chapter welcomed the gathering. CMA Shri V. Mathanagopal, Chairman, Coimbatore Chapter and CMA Shri D. Kalaichelvan, Chairman, Dindigul Chapter of ICAI addressed the Meeting. CMA Shri R.K. Bapulal, Chairman, Madurai Chapter of ICAI gave detailed lecture on Companies Act 2013 and its related Rules and Regulations. Further CMA Shri S. Kumararajan, Vice Chairman, Madurai chapter has delivered detailed lecture on Competition Laws and CMAs and also conducted the Interactive session. The PD Meeting was concluded with a vote of thanks by CMA Shri R. Sarathbabu, Madurai Chapter and singing of National Anthem.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
TRIVANDRUM CHAPTER



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
SOUTHERN INDIA REGIONAL COUNCIL
TRIVANDRUM CHAPTER | KOZHIKODE - MALAPPURAM CHAPTER

Corporate Law Month
Jointly organises an interactive session on
Bringing Foreign Investment into India

ORGANISERS
CMA DR. ASHISH P. THAZHE
CMA SANKAR P. PANCHER
CMA R. PUDUMANDIAN

SPECIAL ADDRESS
CMA PRANAV CHANDRAN FC
DR. RAJESH RAMACHANDRAN FCS
A.R.S. VIJAY FCS
CMA ROUTH P.

HOST
CMA PRANAV JAYAN
BEHIND EVERY SUCCESSFUL BUSINESS DECISION THERE IS ALWAYS A CMA

21 / 03 / 2022
Monday
From 05.30 pm to 07.45 pm

The Chapter & Kozhikode- Malappuram Chapter jointly organized an interactive session on the occasion of Corporate Law Month - “Bringing Foreign Investment into India” on 21st March 2022 via Teams Platform.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
COCHIN CHAPTER

The Chapter conducted Career Guidance programmes on 09-02-2022 at St. Kuriakose College of Management & Science, Kuruppampadi and CMA K M Babu, Faculty Member was the moderator of the programme. Webinar

organized on 12-02-2022 at SNV Sanskrit HSS, North Paravur, Moderator: CMA Sankar P Panicker, Member, SIRC, Welcome Address: Smt. Bindu V, Principal, SNV SKT HSS, Presidential Address: Mr. K B Subhas, PTA president, SNV SKT HSS, Chief Guest: Mr. Hari Vijayan, Manager, SNV SKT HSS. Felicitation: Mr. Pramod Maliankara, District Joint Co-ordinator, Career Guidance & Council. Vote of Thanks: Mr. Vijesh M V, Asst. Superintendent, ICAI Cochin Chapter. Webinar on 16-02-2022 at St. George HSS, Vennikulam and Moderator: Mr. Vijesh M V, Asst. Superintendent and on 21-02-2022 at St. Peter's College, Kolenchery and Moderator: CMA K M Babu, Faculty Member. On 25-02-2022 at SD College, Alappuzha and Moderator: CMA K M Babu, Faculty Member. On 26-02-2022, webinar at VHSS, Irimpanam and Moderator: Mr. Vijesh M V, Asst. Superintendent. The Chapter organized a webinar on 05-03-2022 at HSS, Koothattukulam, Moderator: Mr. Vijesh M V, Asst. Superintendent. The Chapter organized another webinar on 07-03-2022 at Sree Sankara College, Kalady, Moderator: CMA K M Babu, Faculty Member.



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
MYSURU CHAPTER**



Technical Session on “Productivity and Cost Effectiveness” conducted by the chapter in association with Laghu Udyog Bharati-Karnataka, at Hubballi and Belgavi on 22.02.2022 and 23.02.2022. Mr. Shri. CMA Seshappa Venkanna, FCMA, Cost Accountant, Bengaluru, CMA N Raveendranath Kaushik, Raveendranath Kaushik & Associates, LUB-K Secretary, Bengaluru and CMA M.

Ashok Kumar Treasurer, Mysuru Chapter addressed the gathering.



WESTERN INDIA REGIONAL COUNCIL

The Members in Industry and Placement Committee of the Institute in association with Western India Regional Council (WIRC) organized a 12 days Pre-Campus Orientation Programme for December 2021 qualified Cost Accountants on Saturday, 12th March, 2022 at Ghatkopar, Mumbai. WIRC has also arranged the Felicitation Programme for the students who have completed Foundation, Intermediate and Final from Mumbai in December 2021. CMA Arindam Goswami, Chairman, Students & Members Co-ordination Committee WIRC – ICAI welcomed Guests and students and delivered his welcome address. CMA P. Raju Iyer, President of ICAI was Chief Guest and CMA Vijender Sharma, Vice President of ICAI-CMA was Guest of Honour for the Programme. Central Council Members CMA Chittaranjan Chattopadhyay, CMA Debasish Mitra, CMA Ashwin Dalwadi, and CMA (Dr) Ashish Thatte, and Regional Council Members CMA Dinesh Kumar Birla, Chairman, WIRC – ICAI, CMA Arindam Goswami, Chairman, Students & Members Co-ordination Committee. WIRC – ICAI, CMA Mahendra Bhombe, Hon, Secretary and Treasurer, WIRC-ICAI, CMA Harshad Deshpande, Immediate Past Chairman, WIRC, CMA Vinayak Kulkarni & CMA Ashish Bhavsar graced the occasion. All the Council Members present congratulated students and guide them on how to improve the Professional Skills and became a proud CMA. CMA P. Raju Iyer,

President-ICAI congratulated all the Students for clearing the CMA Examinations with great difficulties faced by them during Pandemic situations. The President presented the Medals to each and every student by himself of Final, Intermediate and Foundation Students. More than 400 Students participated in the Felicitation Programme along with Parents. CMA Vijender Sharma, Vice President-ICAI guided the students about various options opening other than job opportunities and advised them to become entrepreneurs. The President also inaugurated the 12 Days Pre-Campus Orientation Programme organized by Members in Industry and Placement Committee of the Institute in association with Western India Regional Council (WIRC) at Mumbai. Around 100 Students from all over the Regional were participated in the event. CMA Mahendra Bhombe, Hon. Secretary and Treasurer proposed vote of thanks and Miss Poojanka Gurav from WIRC coordinated the programme.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
NAVI MUMBAI CHAPTER



The Chapter organized a full day Webinar/Seminar on the Theme “Challenges for CMAs in Modern Era” on 19th March 2022. The seminar was blessed by the gracious presence of CMA P Raju Iyer, President, ICAI, CMA Dinesh Birla, WIRC Chairman, Chief Guest Shri Robin Banerjee, MD- Caprihans India Ltd., CCM CMA Debasish Mitra. The dignitaries were felicitated virtually by the Managing Committee members by offering them online bouquets. CMA Sushant Ghadge, Secretary of Navi Mumbai Chapter welcomed the dignitaries and the audience virtually, mentioning that this Seminar would be immensely useful for all professionals/ planners and Managers who are the partners in rebuilding our economy with the objective being to provide a platform where the participants would gain an expertise in the niche areas. The programme commenced with the lighting of the virtual lamp by playing the Institute Anthem. This was followed by the Chairman speech by CMA Vaidyanathan Iyer who

welcomed the dignitaries and informed the audience that the economy has been ravaged by the Covid pandemic over the past two years and this came at a time when we were planning to achieve a \$5 trillion economy by 2025. In furtherance of the above objective, the seminar delved on four areas- Challenges before CMAs posed by AI/ Blockchain, Enterprise Risk Management – Recent trends, PLI Schemes for Chemical/Automobiles sector, Budget 2022 insight including AIS. The eminent speakers for this seminar were Mr. Arijit Chakraborty – Information Systems Auditor, ISO Lead Auditor, Aviation Operational Safety Auditor, Certified Internal Auditor, Concurrent Auditor, Prof Amit Kumar Dutta - Asst Professor (Senior Grade) in Dept of Commerce SRM University Sikkim, Mr. Bhavesh Thakkar - Partner – Ernst & Young India and Mr Amit Sarker – Senior Director Deloitte Haskins & Sells LLP. The vote of thanks for the inaugural session was proposed by CMA Debasish Mitra followed by the Technical sessions by the eminent speakers. The seminar was excellent and very well appreciated by the professionals, senior members and the participants. Past Chairman BN Sapkal concluded the seminar with his thanks giving address and proposed the vote of thanks. The Chapter conducted the webinar jointly with Pimpri Chinchwad Akurdi Chapter on 19th February 2022 via Google Meet app on the topic “Significance of Blockchain in Financial Inclusion”. The programme commenced with the Chairman of the Chapter, CMA Vaidyanathan Iyer welcoming the dignitaries and introducing the speaker Prof Amit Kumar Dutta, Assistant Professor (Senior Grade), Department of Commerce, SRM University, Sikkim and welcoming him to the programme. The speaker discussed Blockchain and highlighted its significance in Financial Inclusion with special reference to Microfinance. The members and students listened with rapt attention. The programme came to an end with the vote of thanks being proposed by CMA Vivek Bhalerao, P D Committee Chairman, Navi Mumbai Chapter. The Chapter conducted the Webinar jointly with Pimpri Chinchwad Akurdi Chapter on 5th March 2022 via Google Meet app on the topic “Importance of Forensic Audit in the Microfinance Industry”. The programme commenced with the Vice Chairman of PCA Chapter CMA Pradeep Deshpande welcoming the dignitaries and introducing the speaker Prof Amit Kumar Dutta, Assistant Professor (Senior Grade), Department of Commerce, SRM University, Sikkim. and welcoming him to the programme. The speaker discussed the importance of Forensic audit in the Microfinance industry. The programme came to an end with the vote of thanks being proposed by CMA Vaidyanathan Iyer, Chairman, Navi Mumbai Chapter. The Chapter conducted a Career Counselling Session Webinar on 22nd February 2022 via Google Meet app at SIES College, Nerul. The speaker for the event was CMA Vaidyanathan Iyer, Chairman of the Chapter. The speaker articulated the salient features of the CMA Course

and explained that CMA Course is going Global and is very important in the changing economic and business environment. The HOD provided excellent support and co-operation for conducting career counselling for the college students.



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
PIMPRI CHINCHWAD AKURDI CHAPTER**

The Chapter conducted inaugural function of Online Oral Coaching classes on 16th January 2022 through Google Digital Platform. CMA Dhananjay Kumar Vatsyayan, Chairman has welcomed all the Chief Guest CMA Virendra Tatake, Director, Indira Global Business School, CMA Ashish Deshmukh, Past Chairman of PCA Chapter and Students on this occasion. CMA Intermediate student Ms. Kshitija Fund introduced the Chief Guest CMA Virendra Tatake. CMA Dhananjay Kumar Vatsyayan in his speech said that today's session is very important for all of you and I am sure you will definitely take the opportunity from the guidance which will be given by the experts and eminent Chief Guest CMA Virendra Tatake. CMA Nikhil Doke gave presentation about online oral coaching and faculties of PCA Chapter. CMA Virendra Tatake in his speech congratulated all the students for choosing CMA option and guided them about future career of CMA Profession. The program ended with vote of thanks. The Chapter celebrated 73rd Republic Day on January 26, 2022 at CMA Bhawan, Pimpri, Pune. Chairman of Chapter CMA Dhananjay Kumar Vatsyayan hoisted the flag on this occasion. CMA Dhananjay Kumar Vatsyayan and CMA L D Pawar, Past Chairman of WIRC of The ICAI gave speech on this occasion. The function was followed by national anthem. The Chapter conducted webinar jointly with Nasik-Ojhar Chapter on 'Fraud Risk Assessment: Meaning, Tool & Survey' on 29th January 2022 at 6:00pm to 8:00pm through Google Digital platform. CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter has welcome speech and CMA Swapnil Kharade, Chairman of Nasik-Ojhar Chapter has introduced the speaker CMA CS Aakaash Gollapudi, Enterprise Risk Manager & Global Internal Auditor, Flextronics Technologies Inc., Chennai. CMA Aakaash Gollapudi in his speech focused on the definition of Fraud. CMA Ashish Inamdar ended the session with vote of thanks. The Chapter conducted webinar jointly with Aurangabad Chapter on 'Impact of Contract Farming on Small Farmers' Income – Learnings from a Meta A analysis' on 5th

February 2022 at 6:00pm to 8:00pm through Google Digital platform. CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter gave welcome speech and CMA Kiran Kulkarni, Chairman of Aurangabad Chapter introduced the speaker Dr. Pramod Kumar Bandopadhyay, Evidence-based management evangelist, independent researcher. Dr. Prabir Kumar Bandopadhyay in his speech has share thought "The greatest enemy of knowledge is not ignorance; it is the illusion of knowledge (by Stephen Hawking). CMA Sagar Malpure, P D Committee Chairman ended the session with vote of thanks. The Chapter conducted webinar jointly with WIRC on 'Corporate Governance' on 12th February 2022 at 6:00pm to 8:00pm through Google Digital platform. CMA Pradeep Deshpande, Vice-Chairman of PCA Chapter welcomed and introduced the speaker CS CMA B. Renganathan, General Counsel, Emcure Pharmaceuticals Ltd. CMA B. Renganathan in his speech started with the scam with leads of Corporate Governance. Question-Answer session was conducted during the session. CMA Sagar Malpure, P D Committee Chairman ended the session with vote of thanks. The Chapter conducted a webinar jointly with Navi Mumbai Chapter on 'Significance of Blockchain in Financial Inclusion with Special Reference to Microfinance' on 19th February 2022 at 6:30pm to 8:30pm through Google Digital platform. CMA Vaidyanathan Iyer, Chairman of Navi Mumbai Chapter welcomed and introduced the speaker Mr. Amit Kumar Dutta, Assistant Professor (Senior Grade), Department of Commerce, SRM University Sikkim. He further focused on Micro Finance and its importance, its service providers, Important Models of Micro Finance, Challenges before MF, Role of Blockchain in MF etc. Question-Answer session was conducted during the session. The session was well interactive. CMA Vivek Bhalerao, P D Committee Chairman – Navi Mumbai Chapter ended the session with vote of thanks. The Chapter conducted webinar on 'The Evolving Role of Insurtech in India: Trends, Challenges and the Road Ahead' on 26th February 2022 at 6:00pm to 8:00pm through Google Digital platform. CMA Sagar Malpure, Chairman – P D Committee, PCA Chapter has welcomed and introduced the speaker CMA Dr. Swapnil Sarkar, Assistant Professor in the Department of Commerce at University of Calcutta, Kolkata. Question-Answer session was conducted during the session. The session was well interactive. The program ended with vote of thanks.

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
SURAT SOUTH GUJARAT CHAPTER**

By taking all necessary safety precautions & following the Government & HQ guidelines, the Chapter hosted a Press Meet at the Chapter's campus, at Ritz Square, Ghod Dod Road, Surat, on 21st Feb. 2022. CMA Nanty Shah (Chairman), CMA Kishor Vaghela (Treasurer), CMA Bharat Savani (Immediate Past Chairman) joined the Meet. The Press Meet was being held for the declaration of the Intermediate and Final Results for Dec 2021 term. The Chairman of the Chapter along with the Managing Committee members present congratulated all the Passed students and guided them for their further future prospects. The Chapter organized an Industry Visit for the Foundation, Intermediate and Final Students at Atul Bakery Factory- Ichapore, Surat On 23rd Feb.2022. CMA Nanty



Shah (Chairman), CMA Kishor Vaghela - Treasurer of the Chapter and organizer of the Visit participated in the visit along with Students and felicitated Shri Atul Vekariya-Founder of Atul Bakery. Shri Atul Vekariya addressed the students and motivated them by sharing his experience. As the results were declared for Intermediate and Final for Dec 2021 term, the Second All India Rank Holder- Ayush Agarwal from Surat, was being invited at Shri C.R. Patil's Office- Member of Parliament as well as BJP President- Gujarat State. And also at Smt. Darshana Jardosh's Office- Union Minister of State- Textile & Railways. CMA Nanty Shah- Chairman met the above mentioned dignitaries along with Ayush Agarwal. Shri C.R. Patil and Smt. Darshana Jardosh congratulated him and all the passed students and wished them good luck for future. The Managing Committee of the Surat South Gujarat Chapter represented the Chapter at the executive Meeting of GAIL India Ltd. held in Surat on 11th March 2022. CMA Nanty Shah- Chairman, CMA Keval Shah (Vice Chairman), CMA Kishor Vaghela (Treasurer), CMA Pankaj Kannaujiya (Managing Committee Member) and CMA Ashish Thatte (Central Council Member- ICAI) who was also one of the speakers for the meeting felicitated CMA Rajesh Jain- Director of Finance- GAIL India Ltd.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
PUNE CHAPTER

The Chapter arranged a webinar on the subject “Changes in GST - Budget 2022 (section wise)” on 25th February 2022

through GOOGLEMEET video conferencing tool. CMA Rahul Chincholkar was speaker for the webinar. CMA Nilesh Kekan, Treasurer of the Chapter welcomed the participants and introduced the speaker. The session was very excellent and most informative and presentation was very helpful for GST Practitioners. CMA Shrikant Ippalpalli, Chairman, P D Committee, ICAI-Pune Chapter delivered vote of thanks. The chapter arranged a webinar on the subject “Pivot Table and Customization, Dashboards” on 4th March 2022 through GOOGLEMEET video conferencing tool. Speaker for the program was Mr. Prasad Moghe, Excel Analyst/Programmer and ERP Professional. He explained the participants how to use Pivot table, for easily arranging & summarizing complicated data in excel application. CMA Nilesh Kekan, Treasurer, Pune Chapter welcomed the participants and introduced the Speaker. CMA Shrikant Ippalpalli, Chairman, P D Committee, Pune Chapter delivered vote of thanks. The Insolvency Professional Agency of the Institute in association with Insolvency and Bankruptcy Board of India & Pune Chapter arranged a seminar at CMA Bhawan, Karvenagar on “The Insolvency & Bankruptcy Code, 2016 & Its Emerging Scenario” on 5th March 2022. Shri.B. Sankaranarayanan, GM, IBBI was the Chief Guest for the seminar. CMA Neeraj Joshi, Central Council Member, ICAI, was the Guest of honour for the programme. CMA Shrikant Ippalpalli, Chairman, P D Committee, ICAI-Pune Chapter introduced the Chief Guest Shri.B. Sankaranarayanan, GM, IBBI and the Guest of honour, CMA Neeraj Joshi, Central Council Member, ICAI. Ms. Karishma Rastogi, Manager PD & Monitoring Officer, Insolvency Professional Agency of the Institute welcomed the guests and participants. CMA Nilesh Kekan – Treasurer, Pune Chapter felicitated CMA Amit Apte, Former President, ICAI at seminar. CMA Nagesh Bhagane, secretary, Pune Chapter felicitated Shri.B. Sankaranarayanan, GM, IBBI at seminar. CMA Neeraj Joshi, Central Council Member, ICAI felicitated AVM Rakesh Kumar Khattri (Retd.), MD IPA ICAI at seminar. CMA Shrikant Ippalpalli, Member of the chapter felicitated Adv.J.P. Somani, Insolvency Professional at seminar. CMA Nilesh Kekan – Treasurer, Pune Chapter felicitated Ms. Karishma Rastogi, Manager PD & Monitoring Officer, Insolvency Professional Agency of the Institute at seminar. AVM Rakesh Kumar Khattri (Retd.),MD IPA ICAI, CMA Neeraj Joshi, Central Council Member, ICAI, CMA Amit Apte, Former President, ICAI, Shri. B. Sankaranarayanan, GM, IBBI guided the participants regarding The Insolvency



& Bankruptcy Code, 2016 & Its Emerging Scenario in their addresses. After ppt by AVM Rakesh Kumar Khattri (Retd.), MD IPA ICAI, the technical session was delivered by Adv. J.P.Somani, Insolvency Professional at seminar. CMA Shrikant Ippalpalli, Chairman, P D Committee the chapter delivered vote of thanks. A CEP Programme was arranged at CMA Bhawan, Karvenagar on 11th March, 2022 on topic "Understanding Digital Currency". Speaker for the program was CMA Sham Wagh, Practicing Cost Accountant. He explained the participants what is Digital Currency and how to use it in various forms. CMA Shrikant Ippalpalli, Chairman, P D Committee, ICAI-Pune Chapter welcomed the participants and introduced the Speaker. CMA Abhay Deodhar, Member of the Chapter delivered vote of thanks. The Chapter arranged 'Women's Day Celebration' at CMA Bhawan on 12th March, 2022. Theme of the programme was "Azadi ka Amrit Mahotsav- Role of Women in Nation Building". Guest of Honour was Mrs.Mangala Godbole for Women's Day Celebration. Speakers for the programme were CMA Sanjali Dias, Dy Commissioner, GST, Ms.Gitanjali Thite , Entrepreneur, and Ms.Jagruti Ayachit, Corona Warrior. CMA Smita Kulkarni, Vice-Chairperson ICAI-Pune Chapter welcomed the participants. CMA Dr.D.V.Joshi, former President,ICAI, CMA Amit Apte, former President, ICAI, CMA Neeraj Joshi, Central Council Member, ICAI, CMA Chaitanya Mohrir, RCM, WIRC were present for the programme. CMA Amit Apte, former President, ICAI, felicitated Mrs.Mangala Godbole, Guest of Honour of the program. CMA Chaitanya Mohrir, RCM, WIRC, CMA Neeraj Joshi, Central Council Member, ICAI & CMA Amit Apte, former President, ICAI, congratulated all women's for their achievements in various fields & gave well wishes for their future prospects. Ms. Soma Ghosh, Finance head of ZF India group also shared her experience as female head in company. Hon. Mrs. Mangala Godbole shared her views regarding women's participation in politics from freedom fighting era, She told how from all castes, ladies played important role in literacy, how they use science for better society, their role in sport, advt. & even service in various defense forces. CMA Neeraj Joshi, Central Council Member, ICAI, felicitated CMA Sanjali Dias, Dy Commissioner, GST, CMA Chaitanya Mohrir, RCM, WIRC felicitated Ms. Gitanjali Thite , Entrepreneur and CMA Abhay Deodhar, Managing Committee Member, ICAI-Pune Chapter felicitated Ms.Jagruti Ayachit, Corona Warrior. After felicitation an interview and interactive session



was arranged by interviewers CMA Dr.Madhuvanti Sathe, former Chairperson & CMA Meena Vaidya, Advisor, ICAI-Pune Chapter. Ms. Jagruti Ayachit, Corona Warrior shared her experience in Corona awareness in people. CMA Sanjali Dias, Dy Commissioner, with GST Department of Maharashtra in her interview told that as she was empowered as dept. head it was very difficult to work with other male subordinates. Ms. Gitanjali Thite, Entrepreneur, Founder of Butterfly Toys & Kids Products Pvt.Ltd. also crowned as Mrs. Maharashtra 2019 & Mrs. Intelligent by Diva Pageant. CMA Nilesh Kekan, Treasurer, Pune chapter delivered vote of thanks. Student's Day programme was celebrated by ICAI-Pune Chapter on 13th March 2022 at CMA Bhawan, Karvenagar. Chief Guest for the program were CMA Rajesh Shukla, Head Indirect Tax, Tata Motors. Other dignitaries on the dais were CMA Amit Apte, Past President ICAI, CMA Neeraj Joshi, CCM, ICAI, CMA.Chaitanya Mohrir, RCM, WIRC, CMA Prasad Joshi, Chairman, ICAI-Pune Chapter, ICAI-Pune Chapter. CMA Abhay Deodhar, Managing committee member, ICAI-Pune Chapter. CMA Nagesh Bhagane,Secretary ,CMA Nilesh Kekan, Treasurer, ICAI-Pune Chapter, CMA Meena Vaidya, Advisor,ICAI-Pune Chapter were also present for the programme. Welcome address was given by CMA Nilesh Kekan, Treasurer, of the Chapter. CMA Amit Apte, former President, ICAI, felicitated Chief Guest CMA Rajesh Shukla, CMA Prasad Joshi,,Chairman -ICAI-Pune Chapter felicitated CMA Amit Apte, former President, ICAI, CMA Abhay Deodhar, Managing Committee Member,ICAI-Pune Chapter felicitated CMA Neeraj Joshi, CCM, ICAI, CMA Prasad Joshi,,Chairman,ICAI-Pune Chapter felicitated CMA. Chaitanya Mohrir, RCM,WIRC at Student's Day programme. CMA Chaitanya Mohrir, RCM, WIRC, congratulated the students & explained the importance of soft skill for further achievements. CMA Neeraj Joshi, CCM ICAI congratulated newly qualified CMAs & Inter complete students. CMA Amit Apte, Past President of ICAI also congratulated successful students & their parents. CMA Rajesh Shukla, shared his experience in industry. Vote of thanks given by CMA Nilesh Kekan, Treasurer, ICAI-Pune Chapter. Spectacular Student's Cultural program which consisted 'Ganesh Vandana', 'Abhang' singing various song items by students. The anchoring of the program was done by ICAI-Pune Chapter students. Programme concluded with National Anthem. Inaugural Session of the Pre-Placement Orientation Programme for CMA Qualified students of December 2021 Batch was scheduled on 5th March 2022 from 10:30 am – 6:30 pm

through Online mode by ICAI. After Pandemic situation offline Pre Placement Orientation Training Programme at Pune location conducted at CMA Bhawan, Karvenagar, Pune from 14th March to 25th March 2022. Renowned faculties like CMD, CFO, CEO, HR Heads, Director Finance, General Manager, from various industry houses, organizations guide the students. A professional IT expert especially in advanced excel / Having working knowledge in ERP explained the importance of technology while working in industry. Valedictory Session was arranged on 24th March 2022 in Auditorium, CMA Bhawan, Karvenagar. CMA Dr.Sanjay R.Bhargave, Advisor, ICAI-Pune Chapter, CMA Chaitanya Mohrir, RCM, WIRC, CMA Meena Vaidya, Advisor, ICAI-Pune Chapter, CMA Abhay Deodhar, Managing Committee Member, CMA Nagesh Bhagane, Secretary, CMA Nilesh Kekan, Treasurer, CMA Rahul Chincholkar, Managing Committee Member ICAI-Pune Chapter were present for Valedictory session. CMA Abhay Deodhar felicitated CMA Dr. Sanjay Bhargave, Chief Guest for the programme, CMA Nilesh Kekan felicitated, CMA Chaitanya Mohrir, RCM, WIRC. Welcome address delivered by CMA Nilesh Kekan Treasurer, ICAI-Pune Chapter. He congratulated the participants for their success & told them to be ready for future endeavor. CMA Indranil Jadhav shared his experience while working with manufacturing & corporate sector companies. CMA Dr.Sanjay R.Bhargave, Advisor, ICAI-Pune Chapter felicitated CMA Indranil Jadhav. CMA Rahul Chincholkar, Managing Committee Member ICAI-Pune Chapter congratulated newly qualified CMA students. CMA Abhay Deodhar guided the students to keep learning, getting more knowledge from various field, analyze critically & say precisely. CMA Chaitanya Mohrir, RCM, WIRC, congratulated successful CMA students in December 2021 exam. He told the students that this is just entry in business world. Do not hesitate to learn as it is continuous process for professional life. He also advised to stay update for IT industry in next 5 years, artificial intelligence, bots, Robotics etc. He told the participants about appearance for interview, be confident, importance of fluency in English in profession. CMA Dr.Sanjay R.Bhargave in his speech congratulated the newly qualified CMA students. Session concluded with National Anthem. PPOTP session ended with HR round on 25th March 2022.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
AHMEDABAD CHAPTER

28th February is the Foundation of the Ahmedabad Chapter. ICAI-CMA Ahmedabad chapter entering into the 57th Year.



To commemorate this special day, the Ahmedabad Chapter of ICAI-CMA has organized Poster Painting Competition, Free Dental Check Up Camp, Celebration of Foundation Day and a function to felicitate and prize distribution to Final and Inter pass out students of the Examination held in December 2021. As a part of foundation day celebration, the chapter organized Poster Painting competition. 8 students participated in the competition. All participant students including winner were felicitated with memento.

As a part of foundation day celebration, the chapter organized free Dental check-up camp. CMA Malhar Dalwadi, Chairman of Chapter welcomed Dr. Shanal Shah from Niramay Child and Family Dental Care. No. of students participated in free dental checkup camp.

The Chapter celebrated its 57th foundation day with cake cutting.

As a part of celebration of 57th Foundation day, ICAI – CMA Ahmedabad Chapter organized felicitation function of Dec 2021 exam pass students of Inter and Final. Dr. S S Deshpande, principal of JG College of Commerce, Ahmedabad was the Chief Guest of function. CMA Malhar Dalwadi, Chairman of chapter welcomed dignitaries on dais, members present, faculties, students and their parents. He gave brief introduction of dignitaries on dais and details of various activities carried out by Ahmedabad Chapter. CCM CMA Ashwin Dalwadi gave brief about the activities carried out by Institute. RCM CMA Ashish Bhavsar also shared his views and congratulated the entire pass out students of Inter and Final. Chief Guest Dr. S S Deshpande also congratulated the pass out students and shared his views on hard-work to get success in professional examination. The function was concluded by vote of thanks by CMA Mitesh Prajapati, Secretary of Chapter and National Anthem.

ICAI-Ahmedabad, Baroda, Vapi, Gandhidham, Nasik-Ojhar & Solapur Chapter jointly had organized CEP webinar on Concepts, Purpose, Approaches and Emerging Trends in Valuation and Emerging Professional Opportunities on 4th March'2022. CMA Malhar Dalwadi, Chairman of Chapter gave welcome speech. RCM-CMA Ashish Bhavsar welcomed and introduced speaker Dr. S K Gupta and CMA Murali Iyengar, Chairman of Solapur Chapter welcomed present members. Speaker Dr. S K Gupta gave detailed presentation and explained on subject of webinar. CMA Mihir Vyas, Vice Chairman of Baroda Chapter proposed vote of thanks.



ICAI-CMA Ahmedabad, Baroda, Kutch-Gandhidham & Vapi Chapter jointly organized CEP Webinar on “Valuation under the Companies Act and Professional Opportunities” on 5th March 2022. CMA Aniket Modi, Treasurer of Kutch-Gandhidham Chapter welcomed presents participants members and also welcomed all Chairmen of all chapters and introduced speaker CMA Vishnu Upadhyay. Speaker CMA Vishnu Upadhyay gave detailed presentation and explained on subject of webinar. CMA Swapnil Kharade, Chairman of Nashik-Ojhar chapter proposed vote of thanks.

The chapter organized celebration function of International Women’s day on 08/03/2022 with cake cutting. CMA Aparna Bhone, Treasurer and Chairperson-Ladies Wing welcomed Chief Guest PI Hiral Raval, Dr. Bhavna Parikh, CA (Dr.) Falguni Bhatt alongwith PI V M Tank and gave introduction of the Chief Guest. She also welcomed RCM CMA Ashish Bhavsar, Chairman of Chapter CMA Malhar Dalwadi, members present, students and their parents. Chairman of Chapter CMA Malhar Dalwadi and RCM CMA Ashish Bhavsar gave inaugural speech on the program. Chief Guest PI Hiral Raval gave brief on self-Defence and Cybercrime awareness. Chief Guest Dr. Bhavna Parikh present her view on Brest Cancer Awareness and Chief Guest CA (Dr.) Falguni Bhatt explained on Balance of Life. Large numbers of ladies CMA member and Students and their parents participated in program.

ICAI-Ahmedabad, Baroda, Vapi, Gandhidham, Nasik-Ojhar & Solapur Chapter jointly had organized CEP webinar on Valuation of Start-ups and Companies in Distress and Professional Opportunities on 11th March’2022. CMA Malhar Dalwadi & CMA Mitesh Prajapati, Secretary of Chapter welcomed present members introduced speaker RV Ms. Padma Ganesh. Speaker RV Ms. Padma Ganesh gave detailed presentation and explained on subject of webinar. There was detailed interaction between all the participants on the subjected topic. Large numbers of participants have attended the webinar. CMA MihirVyas, Vice Chairman of Baroda Chapter proposed vote of thanks.

ICAI-CMA Ahmedabad, Baroda, Kutch-Gandhidham & Vapi Chapter jointly organized CEP Webinar on “Valuation Under Income Tax Act and Professional Opportunities” on 12th March 2022. CMA Nikhil Pawar, Secretary of Nashik-Ojhar Chapter welcomed presents participant members and also

welcomed all Chairmen of all chapters and introduced speaker CMA Vishnu Upadhyay. Speaker CMA Vishnu Upadhyay gave detailed presentation and explained on subject of webinar. There was detailed and healthy discussion between all the participants on the subjected topic. More than 50 participants were present in the webinar. CMA Kartik Vasavada, Chairman of Baroda Chapter proposed vote of thanks.

Ahmedabad Branch of WIRC of the ICAI organized members’ meet on 21st March’2022 at Rajpath Club Lawn, SG Highway, Ahmedabad and invited us to attend the same. The Chief Minister of Gujarat Shri Bhupendrabhai Patel was the Chief Guest of the program. CCM CMA Ashwin Dalwadi, RCM CMA Ashish Bhavsar, CMA Malhar Dalwadi, Chairman of Chapter and CMA Dakshesh Chokshi, Vice Chairman of Chapter attended the Member’s meet CCM, RCM and Committee members have felicitated the President and Vice President of ICAI.

The Chapter organized 11 days Pre-placement Orientation Program for Dec’21 qualified CMAs during 13th March’2022 to 23rd March’2022. In an inaugural function of the Orientation program on 13th March’2022, CMA H C Shah was the chief guest. CMA Malhar Dalwadi, Chairman of the chapter gave welcome speech and introduced the dignitaries on dias. He also felicitates Chief Guest CMA H C Shah by offering memento and bouquet. CMA H C Shah gave inspiration speech to the participants and inform about the CMAs in corporate world. CMA Dakshesh Choksi, Vice Chairman of Chapter also brief about the importance of CMAs in professional life. There were many eminent faculties gave detailed presentation on various topics during the scheduled days, which are useful to the participants in their professional career.

A valedictory session of the Orientation Program was organized on 23rd March’2022. CMA Dr. Debaprosanna Nandy, Senior Director of Training & Placement Committee of the Institute and CMA Debasish Mitra, Chairman-Training & Placement Committee of Institute joined the valedictory session Orientation Program and addressed the participants. RCM CMA Ashish Bhavsar, CMA Malhar Dalwadi, Chairman of Chapter, CMA Mitesh Prajapati, Secretary of the Chapter and CMA Aparna Bhone, Treasurer of the chapter was also present in the valedictory session. RCM CMA Ashish Bhavsar gave speech on the importance of this program. The participants were felicitated with “Certificate of Participation” by the dignitaries.



DIRECT TAXES

- ⊙ **Notification No. 14/2022 dated 3rd March 2022:** In exercise of the powers conferred by clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (43 of 1961) read with rules 5C and 5E of the Income-tax Rules, 1962, the Central Government hereby approves 'Sri Shankara Cancer Foundation, Bangalore (PAN: AAHTS5593F)' under the category of 'University, College or other institution' for Scientific Research for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.
- ⊙ **Notification No. 15/2022 dated 28th March 2022:** In exercise of the powers conferred by sub-sections (1) and (2) of section 130 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following Scheme. This Scheme may be called the Faceless Jurisdiction of Income Tax Authorities Scheme, 2022. For the purpose of this Scheme, (a) the exercise of all or any of the powers and performance of all or any of the functions conferred on, or, as the case may be, assigned to income-tax authorities, by or under the Act as referred to in section 120 of the Act; or (b) vesting the jurisdiction with the Assessing Officer as referred to in section 124 of the Act, shall be in a faceless manner, through automated allocation.
- ⊙ **Notification No. 16/2022 dated 28th March 2022:** In exercise of the powers conferred by sub-section (1) of section 3 of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020, the Central Government hereby specifies for the purpose of sub-section (1) of section 3 of the said Act, that where the specified Act is the Prohibition of Benami Property Transaction Act, 1988, (45 of 1988) (hereinafter referred to as the Benami Act) and the completion of any action, as referred to in clause (a) of sub-section (1) of section 3 of the said Act, relates to passing of any order under sub-section (3) of section 26 of the Benami Act, (i) the 30th day of June, 2021 shall be the end date of the period during which the time limit specified in or prescribed or notified under the Benami Act falls, for the completion of such action; and (ii) the 30th day of September, 2022 shall be the end date to which the time limit for completion of such action shall stand extended.
- ⊙ **Notification No. 17/2022 dated 29th March 2022:** In exercise of the powers conferred by sections 139AA and 234H read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962. In the Income-tax Rules, 1962 (herein after referred to as principal rules), in rule 114, after sub-rule 5, the following sub-rule shall be inserted,

“(5A) Every person who, in accordance with the provisions of sub-section (2) of section 139AA, is required to intimate his Aadhaar number to the prescribed authority in the prescribed form and manner, fails to do so by the date referred to in the said sub-section, shall, at the time of subsequent intimation of his Aadhaar number to the prescribed authority, be liable to pay, by way of fee, an amount equal to,

(a) five hundred rupees, in a case where such intimation is made within three months from the date referred to in sub-section (2) of section 139AA; and

(b) one thousand rupees, in all other cases.”.

They shall come into force from the 1st day of April, 2022.
- ⊙ **Notification No. 18/2022 dated 29th March 2022:** In exercise of the powers conferred by sub-sections (1) and (2) of section 151A of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the Scheme. This Scheme may be called the e-Assessment of Income Escaping Assessment Scheme, 2022. For the purpose of this Scheme

(a) assessment, reassessment or recomputation under section 147 of the Act,

(b) issuance of notice under section 148 of the Act,

shall be through automated allocation, in accordance with risk management strategy formulated by the Board as referred to in section 148 of the Act for issuance of notice, and in a faceless manner, to the extent provided in section 144B of the Act with reference to making assessment or reassessment of total income or loss of assessee.
- ⊙ **Notification No. 19/2022 dated 30th March 2022:** In exercise of the powers conferred by sub-sections (1) and (2) of section 142B of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the Scheme. This Scheme may be called the Faceless Inquiry or Valuation Scheme, 2022. For the purpose of this Scheme, (a) issuing notice under sub-section (1) of section 142 of the Act, (b) making inquiry before assessment under sub-section (2) of section 142 of the Act, (c) directing the assessee to get his accounts audited under sub-section (2A) of section 142 of the Act, (d) estimating the value of any asset, property or investment by a Valuation Officer under section 142A of the Act,

shall be in a faceless manner, through automated allocation, in accordance with and to the extent provided in section 144B of the Act with reference to making faceless assessment of total income or loss of assessee.
- ⊙ **Notification No. 20/2022 dated 30th March 2022:** In exercise of the powers conferred by clause (ii) to fifth proviso to sub-section (1G) of section 206C of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as 'Act'), the Central Government hereby notifies that the provisions of sub-section (1G) of section 206C shall not apply to an individual who is not a resident in India in terms of clause (1) and clause (1A) of section 6 of the Act, and who is visiting India.
- ⊙ **Notification No. 21/2022 dated 30th March 2022:** In exercise of the powers conferred by section 139 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the rules further to amend Income-tax Rules, 1962. In the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), in rule 12 (a) in sub-rule (1), in the opening portion, for the figure “2021”, the figure “2022”

shall be substituted; (b) in sub-rule (5), for the figure “2020”, the figure “2021” shall be substituted.

- ⊙ **Notification No. 22/2022 dated 31st March 2022:** In exercise of the powers conferred by clause (47) of section 10 of Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies the infrastructure debt fund namely, the ‘the Kotak Infrastructure Debt Fund Limited (PAN : AAACK5920G)’ for the purposes of the said clause, for the assessment year 2018-19 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 the regard, and (ii) that the infrastructure debt fund shall file its return of income as required by the sub-section (4C) of section 139 of the Income-tax Act, 1961 on or before the due date.
- ⊙ **Circular No 4/2022 dated 15th March 2022:** Income Tax deduction from salaries during the financial year 2021 – 22 under Sec 192 of Income Tax Act 1962.
- ⊙ **Circular No 5/2022 dated 16th March 2022:** Relaxation from the requirement of electronic filing of application in Form No.3CF for seeking approval under section 35(1) (ii)/(ia)/(iii) of the Income-tax Act,1961 (the Act). On consideration of difficulties in electronic filing of Form No.3CF as stipulated in Rule 5C (1A) and Rule 5F(2) (aa) of the Income-tax Rules, 1962 w.e.f. 01.04.2021, the Central Board of Direct Taxes, in exercise of its powers under Section 119(1) of the Act, provides the following relaxation:
 - (i) Applicants seeking approval under section 35(1) (ii)/(ia)/(iii) of the Act may file the application in Form No.3CF physically during the period from the date of issuance of this Circular till:
 - (a) 30th September 2022; or
 - (b) the date of availability of Form No. 3CF for electronic filing on the e-filing website, whichever is earlier.
- ⊙ **Circular No 6/2022 dated 17th March 2022:** Section 115BAA of the Income-tax Act, 1961 (the Act) was inserted by the Taxation Laws (Amendment) Act, 2019 w.e. f. 01.04.2020. As per the Section, the income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall, at the option of such person be computed at the rate of twenty-two per cent subject to satisfaction of conditions contained in sub-section (2) of the Section.

On consideration of the matter, with a view to avoid genuine hardship to the domestic companies in exercising the option u/s 115BAA of the Act, the Central Board of Direct Taxes, in exercise of the powers conferred under section 119(2)(b) of the Act, hereby directs that:

The delay in filing of Form 10-IC as per Rule 21AE of the Rules for the previous year relevant to A.Y. 2020-21 is condoned in cases where the following conditions are satisfied:

 - i) The return of income for A.Y. 2020-21 has been filed on or before the due date specified under section 139(1) of the Act;
 - ii) The assessee company has opted for taxation u/s 115BAA

of the Act in (e) of “Filing Status” in “Part A-GEN” of the Form of Return of Income ITR-6 and

iii) Form 10-IC is filed electronically on or before 30.06.2022 or 3 months from the end of the month in which this Circular is issued, whichever is later.

- ⊙ **Circular No 7/2022 dated 30th March 2022:** Clarification with respect to relaxation of provisions of rule 114AAA of Income-tax Rules, 1962 prescribing the manner of making Permanent Account Number (PAN) inoperative. In order to have smooth application of section 234H and existing rule 114AAA, it is clarified that the impact of sub-rule (2) of rule 114AAA i.e. where a person whose permanent account number has become inoperative under sub-rule (1) is required to furnish, intimate or quote his permanent account number under the Act. It shall be deemed that he has not furnished intimated or quoted the permanent account number as the case may be in accordance with the provisions of the Act and he shall be liable for all the consequences under the Act for not furnishing intimating or quoting the permanent account number shall come into effect from 1st April, 2023 and the period beginning from 1st April, 2022 and ending with 31st March, 2023, shall be the period during which the said sub-rule shall not have its negative consequences of the nature referred to in the said sub-rule. However, the tax payer shall be liable to pay a fee in accordance with sub-rule (5A) of rule 114.
- ⊙ **Circular No 8/2022 dated 31st March 2022:** Extension of time line for electronic filing of Form NO.10AB for seeking registration or approval under Section 10(23C), 12A or 80G of the Income tax Act,1961. The application for registration or approval under Section 10(23C), 12A or 80G of the Act in Form No 10AB, for which the last date for filing falls on or before 29th September, 2022, may be filed on or before 30th September, 2022.

INDIRECT TAXES

GST

- ⊙ **Circular No.169/01/2022-GST dated 12th March 2022:** Amendment to Circular No. 31/05/2018-GST, dated 9th February, 2018 on ‘Proper officer under sections 73 and 74 of the Central Goods and Services Tax Act, 2017 and under the Integrated Goods and Services Tax Act, 2017.
- ⊙ **Notification No. 02/2022-Central Tax dated 11th March 2022:** In exercise of the powers under section 3 read with section 5 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and section 3 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, hereby makes the amendments. After paragraph 3, the following paragraph shall be inserted, namely :-

“3A. Notwithstanding anything contained in paragraph 3, the Additional Commissioners or the Joint Commissioners of Central Tax, as the case may be, subordinate to the Principal Commissioners of Central Tax or the Commissioners of Central Tax are hereby vested with the powers as specified:

Passing an order or decision in respect of notices issued by the officers of Directorate General of Goods and Services Tax Intelligence under sections 67, 73, 74, 76, 122, 125, 127, 129 and 130 of Central Goods and Services Tax Act

2017.”

- ⊙ **Notification No. 03/2022-Central Tax dated 31st March 2022:** In exercise of the powers conferred by sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the amendments. In the said notification, in the Table, after serial number 3 and the entries relating thereto, the following serial numbers and entries shall be inserted:

4	6815	6815 Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks
5	6901 00 10	Bricks of fossil meals or similar siliceous earths
6	6904 10 00	Building bricks
7	6905 10 00	Earthen or roofing tile

CUSTOMS

- ⊙ **Circular No. 05/2022-Customs dated 4th March 2022:** With a view to enhance the efficiency and professionalism of officers/teams deployed for carrying out anti-evasion/anti-smuggling work, particularly when they are required to search premises, vehicles; verify a stock of goods; draw up a panchnama or to arrest a person away from their office premises, Board has received a suggestion that a standard toolkit may be provided. The officers/teams deployed for such work in Customs or CGST formations may be equipped with a suitable toolkit. A tentative list of items which could be considered for inclusion in the toolkit is given as Annexure-A. The list is suggestive in nature and may be modified so as to suit local needs.
- ⊙ **Circular No. 06 /2022-Customs dated 17th March 2022:** Items used in the petroleum operations which are eligible for exemption under entry at S. No. 404 of notification No. 50/2017 dated 30th June 2017 as amended by notification No. 02/2022 dated 2nd February 2022, have been

rationalized and conditions for availing exemption under entry at S. No. 404 as well as the procedure for disposal of goods imported under the exemption have been simplified. Accordingly, the requirement of certification by DGH is done away with. To facilitate implementation of this notification, DG (Hydrocarbon) has created a web page to provide the details of the Contractors/ License /Operator for the Blocks currently under Petroleum Operations which is given as below: https://online.dghindia.org/upstreamindia/oil_gasblockdetails/info

Assessing officers may, if required, verify the details of importer as available on this link.

- ⊙ **Circular No. 07/2022-Customs dated 31st March 2022:** Changes in the Customs Act, 1962 vide Sections 86, 87, 88 and 94 of the Finance Act, 2022 (enacted on 30.03.2022) and notifications related thereto with reference to appointment of officers of customs and assignment of functions.
- ⊙ **Notification No. 17/2022-Customs dated 31st March 2022:** Seeks to amend notification No. 25/2021-Customs, dated 31-03-2021 to give effect to 2nd tranche of tariff concessions as per India Mauritius CECPA.
- ⊙ **Notification No. 18/2022-Customs dated 31st March 2022:** In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the amendments. In the said notification, in the opening paragraph, in the proviso, for the figures, letters and words “1st day of April, 2022”, the figures, letters and words “1st day of July, 2022” shall be substituted.
- ⊙ **Notification No. 19/2022-Customs dated 31st March 2022:** Seeks to extend the exemption from Integrated Tax and Compensation Cess by three (03) months i.e. up to 30.06.2022 on goods imported against AA/EPCG authorizations.

Sources: incometax.gov.in, cbic.gov.in

HOLIDAY HOME AT PURI (ODISHA)



ICAI Employees' Co-operative Credit Society Ltd. has its Holiday Home at Puri for Employees, Students and Members of ICAI and others. Rooms are well furnished with attached bath, Generator and Cable line facilities. Kitchen facilities are also available.

PURI (ODISHA) - FOUR ROOMS

HARIN GUEST HOUSE
NEW MARINE DRIVE ROAD
BESIDE BIRLA GUEST HOUSE PURI
SEA IS VISIBLE FROM THE BALCONY
(THE BEACH IS JUST ONE MINUTE WALK)

ROOM RENT - PER ROOM PER DAY Rs. 600/-
CHECK OUT - 5:00 (MORNING)

For details, Contact: ICAI Employees' Co-operative Credit Society Ltd.
12, Sudder Street, Kolkata - 700 016
Phone: 9434613148 / 9903498221
E-mail: exam.officer4@icmai.in / studies.asstr1@icmai.in



The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

www.icmai.in

Advisory for Renewal of Certificate of Practice For 2022-23

The members of the Institute holding Certificate of Practice (CoP) having validity up to 31st March, 2022 are requested to comply with the following guidelines for renewal of their Certificate of Practice:

1. The following changes consequent to amendment of the Cost and Works Accountants Regulations, 1959 vide Notification dated 4th February, 2011 published in the Gazette of India may be noted:
 - a. The validity of a Certificate of Practice (CoP) is for the period 1st April to 31st March every year unless it is cancelled under the provisions of the Cost and Works Accountants Act and Regulations, 1959 as amended.
 - b. The Certificate of Practice issued shall automatically be renewed subject to submission of prescribed Form M-3 (duly filled in) and payment of renewal fee* and annual membership fee*.
 - c. From the year 2011-12 onwards, letter for renewal Certificate of Practice is not being issued. However, the members concerned may download the renewal status from the Institute's website www.icmai.in.
Link: <https://eicmai.in/MMS/Login.aspx?mode=EU>
2. It may please be noted that under Section 6 of the Cost and Works Accountants Act, 1959, **both the Annual Membership Fee* and Fee for Renewal of Certificate of Practice*** falls due on 1st April each year.
3. Special attention is invited to the fact that the validity of a Certificate of Practice expires on **31st March** each year unless it is renewed on or before the date of expiry in terms of the amended Regulation 10 of the Cost and Works Accountants Regulations, 1959. Hence, a member shall be required to renew his certificate of Practice within **31st March** every year.
4. **If the Certificate of Practice of a member is not renewed within 31st March, 2022, his/her status of CoP from 1st April 2022 till the date of renewal would be "Not Active".**
5. Subject to what has been mentioned in Sl. No. 3 & 4 above, a member can get his/her Certificate of Practice for 2022-23 renewed within **30th June, 2022**. If application for renewal of Certificate of Practice is made after 30th June, 2022, the member's Certificate of Practice for 2022-23 will not be renewed but will be considered as a case of restoration of Certificate of Practice till 31/03/2023. This restoration is applicable only to the CoP holders whose CoP is valid till 31/03/2022. For restoration of Certificate of Practice, he/she has to pay Rs.500/-* as restoration fee in addition to the **prescribed fees * along with duly filled in form 'M-3'**.
6. It may please be noted that mere payment of fees * alone will not be sufficient for renewal of Certificate of Practice. Application in prescribed Form M-3 is to be used for Renewal of Certificate of Practice duly filled in and signed is **mandatory**. The soft copy of prescribed Form M-3 for Renewal of Certificate of Practice can be downloaded from Institute's website www.icmai.in.

Link: <https://eicmai.in/external/PublicPages/WebsiteDisplay/PractitionersForms.aspx>

7. The Institute has introduced a scheme of Continuing Education Programme (CEP) and the same is mandatory in accordance with provision to sub-regulation (1) of Regulation 10 of the Cost and Works Accountants Regulations, 1959, as amended, whereby no Certificate of Practice and renewal thereof shall be issued unless a member has undergone minimum number of hours of such training. The detailed guidelines in this connection are available on Institute's website www.icmai.in. Link: https://eicmai.in/external/PublicPages/WebsiteDisplay/docs/CEP_Guidelines_280520.pdf
8. For renewal and application of new CoP issued on and from 1st February, 2019, please refer to Notification F. No. CWA/21/2019 dated 1st February, 2019 and subsequent corrigendum dated 8th March, 2019. Link: <https://icmai.in/icmai/news/5435.php>). Accordingly new CoP holders on and from 1st February, 2019 are required to comply with Mandatory Capacity Building Training (MCBT) requirement for renewal of CoP for the FY 2022-23.
9. **Other relevant issues for Renewal of Certificate of Practice are as follows:**
 - a. Application for renewal of Certificate of Practice upto 31st March, 2023 has to be made in prescribed Form M-3 which may be filled online or through hard Copy of form duly filled in and signed on both sides together with Renewal Certificate of Practice fee of Rs.2,000/-* and all other dues to the Institute on account of annual membership fees * and entrance fees *.
 - b. The annual membership fee for Associate and Fellow members are Rs.1,000/-* and Rs.1,500/-* respectively. The entrance fee * for Associate and Fellow members is Rs. 1,000/-* each payable at a time at the time of application for admission to Associateship or advancement to Fellowship, as the case may be.
 - c. The fees * may be paid online or by Demand Draft/at par cheque payable at Kolkata if remitted by post to the Headquarters of the Institute.
 - d. Members should note that the **renewal of Certificate of Practice can be effected only after receipt of the prescribed fees * along with duly filled in form at the Headquarters of the Institute and on meeting the stipulated CEP credit hours.** Mere submission of the same at the Regional Councils or Chapters will not be sufficient. Members are advised to make payment directly to the Headquarters or use the online facility of submission of application and payment to avoid any delay.

All practising members are advised to send their application for renewal of Certificate of Practice for the year 2022-23 along with other requirements as indicated above immediately so as to reach the Institute's Office at Kolkata well in advance to enable the Institute to issue the renewal of Certificate by 31st March, 2022.

Renewal of Part-time Certificate of Practice

1. For renewal of part-time Certificate of Practice, it is also essential to furnish a certificate from the employer in the following form or in a form as near thereto as possible if the practising member has undertaken any employment or there has been a change in employment:

“Shri/Smt is employed as designation) and (name of Organisation) he/she is permitted, notwithstanding anything contained in the terms of his/her employment, to engage himself/herself in the practice of profession of Cost Accountancy in his/her spare time in addition to his/her regular salaried employment with us.

Signature of Employers with seal of Organisation”
2. It may be noted that members holding Part-time Certificate of Practice (CoP) are not eligible to undertake statutory assignments like Cost Audit, Central Excise Audit, etc.

*GST is applicable against payment

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#>



www.icmai.in

Board of Advanced Studies & Research

Challenging Careers Exciting Courses

Think beyond horizon...

10% DISCOUNT
FOR THE MEMBERS OF THE INSTITUTE

25% DISCOUNT
FOR THE STUDENTS OF THE INSTITUTE

Substantial discount on the Course fees is available for bulk enrolment



Diploma in Forensic Audit

For CMAs & CMA Students Only
Basic Course Fee: ₹20,000/-
Duration: 100 Hrs



Diploma in Information System Security Audit

For CMAs & CMA Students Only
Basic Course Fee: ₹20,000/-
Duration: 100 Hrs



Certificate Course in Data Analytics for Finance Professionals

Basic Course Fee: ₹20,000/-
Duration: 100 Hrs



SAP Finance Power User Course (SAP Learning Hub & SAP S/4HANA)

Basic Course Fee: ₹20,000/-
Duration: 80 Hrs



Certificate Course in Advanced Business Excel for Finance Professionals

(with Microsoft Certification)
Basic Course Fee: ₹6,000/-
Duration: 50 Hrs



Executive Diploma in Business Valuation

(with Financial Modeling)
Basic Course Fee: ₹20,000/-
Duration: 100 Hrs



Executive Diploma in Cost & Management Accounting for Engineers

Basic Course Fee: ₹30,000/-
Duration: 100 Hrs



Certificate Course in Arbitration

Basic Course Fee: ₹20,000/-
Duration: 50 Hrs



Advanced Certificate Course in Internal Audit

For CMAs & CMA Students Only
Basic Course Fee: ₹9,900/-
Duration: 50 Hrs



Certificate Course in Financial Modelling & Valuation (Forthcoming)

Case Study based Pedagogy

Best Faculty from Industry & Profession

Online Live & Recorded Classes

Online Assessment

10 CEP Hrs for CMA Members

**Applicable GST will be Charged*

For more details, please visit:
https://icmai.in/Advanced_Studies/

Online Admission:

<https://icmai.in/ADVSCC/DelegatesApplicationForm-New.aspx>

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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

+91 98745-32127/94323-82747
+91 33 4036 4779/4789
advstudies@icmai.in

RNI NO. 12032/1966



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

Since 1944

1800 346 0092
1800 110 910

studies@icmai.in

The Institute of Cost Accountants of India is a premier professional Institute and a Statutory Body established under an Act of Parliament under the administrative control of **Ministry of Corporate Affairs (MCA), Government of India** to regulate and develop the profession of Cost and Management Accountancy (CMA) in the country.

CMA Course Going Global

2022

MENTORING FUTURE-READY PROFESSIONALS

ADMISSION OPEN

5,00,000+ Students

85,000+ Alumni

4 Regional Councils

113 Chapters across India

55 CMA SC & 382 ROCC

11 Overseas Centers

Largest CMA body in Asia

2nd Largest CMA body in the Globe

Eligibility

Admission in Foundation Course

- ⊙ Passed Class 10 (Require to pass 10+2 before appearing in CMA Examination)
- ⊙ 10+2 Pass or its equivalent (Students appearing for 10+2 also apply on provisional basis)

Registration to Intermediate Course

- ⊙ Passed CMA Foundation Examination
- ⊙ Graduates of any discipline (Students awaiting final result also apply on provisional basis)
- ⊙ Qualified CAT Level - I of The Institute of Cost Accountants of India
- ⊙ Qualified Engineers

Course Fees

Foundation - Rs. 6,000/-

Intermediate - Rs. 23,100/-

Final - Rs. 25,000/-

Skills Training

*Installment facility available

World Class Employability and Techno **Skill Training** facility for **CMA Intermediate Students**

96810 44456
skilltraining@icmai.in



More than **700** Placements in 2021

Prominent Recruiters in CMA Campus Placement Drive - 2021



Highest CTC offered **INR 22 lakh p.a.** | Avg. CTC offered **INR 10 lakh p.a.**

The Institute of Cost Accountants of India
 Headquarters: CMA Bhawan, 12 Sudder Street, Kolkata - 700016
 Delhi Office: CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

94323 82747
placement@icmai.in

Behind Every Successful Business Decision, there is always a **CMA**

