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ISSUES AND CHALLENGES OF THE COOPERATIVE SECTOR IN INDIA

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

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."

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."

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

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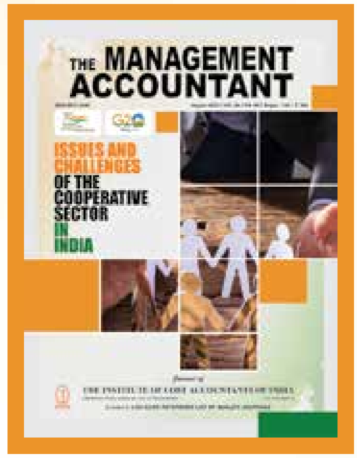

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COVER STORY

INTERVIEW

SUSTAINABILITY LEAF

DIGITAL TRANSFORMATION

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.

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Our New President

CMA Ashwin G. Dalwadi

has been elected as President of the Institute for the period 2023-2024

CMA Ashwin G. Dalwadi is a fellow member of the Institute of Cost Accountants of India. He is a leading practicing Cost Accountant since 1989 and has a brilliant academic background and rich experience in the field of Cost Accountancy and General Management. Presently, he is a senior partner of M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad.

He is associated with the CMA Profession since 1977. He is actively associated with Ahmedabad Chapter's activities since 1990 onwards. He was elected as a Regional Council Member of Western India Regional Council of ICMAI for two consecutive terms [2002-04 to 2004-07] and as Chairman of Western India Regional Council of ICMAI for the year 2003-04.

He has been the Member of the Council of the Institute for the term 2007-2011 and elected consecutively for two terms 2019-2023 and 2023-27. He has been Chairman and Member of various Committees and Boards of the Institute.

Our New Vice President

CMA Bibhuti Bhusan Nayak

has been elected as Vice President of the Institute for the period 2023-2024

He is a Fellow Member of the Institute of Cost Accountants of India. He retired as DGM (Finance) from Odisha Power Transmission Corporation Limited (OPTCL)/GRIDCO. Presently, he is a practicing Cost Accountant.

He is elected member of Council of the Institute for the term 2023-27.

He has been the Chairman of Bhubaneswar Chapter of ICMAI and associated with the profession for more than 25 years.

He has served the Eastern India Regional Council of ICMAI as Regional Council Member for the term 2019-2023 and as Chairman, EIRC-ICMAI for the year 2022-23.

From the Editor's Desk

According to Dr. C. R. Fay, co-operative is "*an association for the purpose of joint trading, originating among the weak and conducted always in an unselfish spirit on such terms that all who are prepared to assume the duties of membership may share it's rewards in proportion to the degree in which they make use of the associations*"

Cooperative movement was introduced in India as a State policy and owes its origin to the enactment of the Cooperative Societies Act, 1904. In the initial stage co-operative movement in India was slow. The British Government framed a co-operative rule on the basis of the report given by Fredric Nicholson, a British officer of Madras region. The first co-operative society formed in Kaṇaginahāḷa of Gadaga district of Karnataka became the first co-operative of Asia.

Cooperatives developed very rapidly after the India's independence. India's first Prime Minister Pandit Jawaharlal Nehru had strong faith in the cooperative movement. In his speech at the international seminar on cooperative leadership in South-East Asia he said *"my outlook at present is not the outlook of spreading the cooperative movement gradually, progressively, as it has been done. My outlook is to convulse India with the Cooperative Movement or rather with cooperation to make it, broadly speaking, the basic activity of India, in every village as well as elsewhere; and finally, indeed, to make the cooperative approach the common thinking of India. Therefore, the whole future of India really depends on the success of this approach of ours to these vast numbers, hundreds of millions of people*".

Following were the milestones of the co-operative movements in India:

- In 1958, the National Development Council (NDC) had recommended a national policy on cooperatives and also for training of personnel and setting up of co-operative marketing societies.
- In 1984, Parliament of India enacted the Multi-State Cooperative Societies Act to remove the plethora of laws governing the same types of societies.
- Government of India announced a National Policy on Co- operatives in 2002.
- The Union Ministry of Cooperation formed in July 2021 provides a separate administrative, legal and policy framework for strengthening the cooperative movement in the country. The Ministry's creation was announced on 6 July 2021 along with its vision statement *"Sahkar se samriddhi" (Prosperity through cooperation).*
- Recently, the Lok Sabha has referred the Multi-State Cooperative Societies (Amendment) Bill, 2022 to a Joint Committee of Parliament. The Bill is aimed at overhauling the Multi-State Cooperative Societies Act, 2002, which was enacted 20 years ago.

Cooperatives are universally accepted as key instruments of social and economic policy and have inherent advantages in strengthening the efforts leading to overall economic prosperity with enhanced livelihood, security and employment.

The Union Budget 2023-24 strengthens the cooperatives to take forward the agenda for inclusive growth. New manufacturing co-operatives that start manufacturing till 31st March, 2024 will attract a lower tax rate of 15 percent. The limit for cash deposits and loans by Primary Agricultural Co-operative Societies and Primary Co-operative Agriculture and Rural Development Banks has been increased to 2 lakh rupees per member. The income limit for tax deduction at source (TDS) on cash withdrawals for co-operative societies has been increased to 3 crore rupees.

This issue's cover story is *Issues and Challenges of the Cooperative Sector in India* and accordingly a number of articles by experts are featured. Brief outline of these articles are as under:

Misappropriation of Cash in Cooperative Societies: Role of Auditors in fixing the Accountability and Responsibility outlines the efforts made to identify reasons for misappropriation of cash in cooperative sector.

The Role of Cooperatives in Women Empowerment: A Critical Review reviews the scholarly work of different authors to examine the role of cooperatives in women empowerment.

Developments and Challenges in The Cooperative Banking Sector analyses the role of cooperative banks in sustainable economic development.

Effect of Multi-State Cooperative Societies (Amendment) Bill, 2022 on Improving Entrepreneurship and Entrepreneurial Intention in India sheds light as to how cooperative entrepreneurship can be fostered to stimulate economic growth, create employment opportunities and promote inclusive development.

Cooperative Sector and Inclusive Growth in India: Exploring Strategies to Ensure Equitable Development aims to explore the relationship between the cooperative sector and inclusive growth in India

Cooperative Governance in India is an attempt to explain the governance of the cooperative in India and its various dimensions.

Digitalization, Cooperative Society and Agricultural Credit - A Systematic Literature Review draws attention to the recent digitalization resolution passed by the Government of India and how it has the potential to streamline functions of the rural credit cooperative societies and assists the state in achieving rural development.

Agricultural Cooperative: A Pillar for Agriculture development and Food Security in India emphasizes the significant role of agricultural cooperatives in ensuring food security in India.

Innovation and Technology for making Indian Cooperatives Future Ready makes an attempt to examine key areas where innovation and technology can be applied to empower Indian cooperatives and enable them to thrive in the digital age. Further, it also discusses the challenges and opportunities associated with implementing innovative solutions in the cooperative sector.

Apart from these, this issue contains articles on various contemporary matters. We thank all the contributors.

August 15th is a very auspicious day for the Indians. The day marks India's Freedom from British Rule. Wishing all a very Happy Independence Day in advance!!! Let us join our hands at स्वतंत्रता दिवस to work hard and make our nation a better country.

THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

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

Month	Theme		Subtopics
September 2023	Theme	Indian Defence Sector: Marching towards Aatmanirbharta	⦿ Transformative reforms towards Aatmanirbharta ⦿ Challenges and Opportunities in the areas of Defence Finance and Economics ⦿ Innovations in Defence R & D to align with International Standards ⦿ Human Resource Management in Defence ⦿ Investments in Defence Start-ups & MSMEs ⦿ Emerging role of MSME in Aerospace manufacturing ⦿ Unmanned and Autonomous Technologies for Air Dominance ⦿ Defence Accounting & Auditing ⦿ India's defence readiness in a Cost Conscious way: Role of CMAs ⦿ Pricing Strategy for Defence Exports
October 2023	Theme	Renewable Energy: India emerge as a Global Leader in Energy Transition	⦿ Renewable Energy for Sustainable Development in India ⦿ Innovative Energy Startups revolutionizing the Renewable Energy sector ⦿ Green Hydrogen for a better Tomorrow ⦿ Energy Storage to empower future ⦿ Financing a green transition and ensuring India achieve its target Net Zero ⦿ Green Energy: Computing and Security ⦿ Implementing Integrated Energy Policy: The Way Forward ⦿ Role of Smart Grid, IoT, and Big Data in Renewable Energy ⦿ E-Mobility: A greener and safer Future ⦿ India's G20 Presidency: Collective Action and Energy Transition
November 2023	Theme	MSMEs: the key driving force to India's Economic Growth	⦿ MSMEs crucial role in realising the vision "Atmanirbhar Bharat" ⦿ Udyami Bharat: Introduction of CHAMPIONS 2.0 Portal ⦿ Increasing competitiveness & market presence for MSMEs in a global economy ⦿ Empowering MSMEs through GeM ⦿ Scaling Growth of MSMEs with Digital Transformation ⦿ TReDS: a prudent approach towards bridging the financing gap ⦿ Women Participation in MSME: Opportunities & Challenges ⦿ Vivad se Vishwas scheme: A relief to MSMEs ⦿ Future-ready MSMEs for India@100 ⦿ Scope for MSMEs in Defense Manufacturing ⦿ MSMEs partaking concerning improvement of Employability of the Youth
December 2023	Theme	Corporate Social Responsibility (CSR) Ecosystem in India: Trends, Challenges and Ways Forward	⦿ Emergence of CSR: History and Current Scenario ⦿ Board Strategy and Effective CSR for Global Economic Growth ⦿ Embedding CSR into the Corporate Governance Structure for Creating Shared Value ⦿ CSR: For improved Healthcare and Nutrition in Rural India ⦿ Sustainable Development Goals (SDGs) and its alignment with CSR towards building a sustainable society ⦿ ESG – A step ahead of the CSR ⦿ CSR as a Catalyst for Skill Development in India ⦿ Integrating CSR into Education to let youth reborn as ethical citizens ⦿ Regulations and Reporting: CSR Compliance and Beyond ⦿ Digital Transformation: a powerful tool to CSR

The above subtopics are only suggestive and hence the articles may not be limited to them only.

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

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PRESIDENT'S COMMUNIQUÉ

CMA Ashwin G. Dalwadi
President
The Institute of Cost Accountants of India

"If you work with determination and with perfection, success will follow"

-- Dhirubhai Ambani

My Dear Professional Colleagues,

I would like to express my heartfelt gratitude to each and every one of you for the trust and confidence you have placed in me by electing me to the Council of the Institute for consecutive two terms. I am grateful to my council colleagues for unanimously electing me to lead the Institute as its 66th President. It is truly an honour and a privilege to serve my Alma Mater, the largest Cost & Management Accounting body in the world. This confidence and trust placed in me is both inspiring and motivating, and I assure you that I will do my utmost to serve our Alma Mater and CMA profession with unwavering dedication.

I congratulate my council colleague CMA Bibhuti Bhusan Nayak on being elected as Vice President of the Institute. I am confident that his rich professional experience will be of immense help to me in shouldering my responsibilities.

We are aware that challenges are inevitable, but they are also opportunities for growth. We must embrace change and adapt to the ever-evolving landscape in the industry. I assure you that the Council will be working closely to set strategic priorities and develop action plans focusing on the growth of the Institute and CMA profession.

Once again, thank you all for the trust you have placed in me. I am excited about the future that lies ahead for our Institute and all its members. Together, we will take the profession to great heights.

Meeting with Senior Officials of the Government

With a view to expand the horizon of avenues for the Practicing Members of the Institute, I have initiated meetings with important Ministries. First such meeting was held on 25th July 2023 at New Delhi with **Shri Sanoj Kumar Jha, IAS, Additional Secretary, Ministry of Food Processing Industries**, Government of India. I was accompanied by my council colleague CMA Manoj Kumar Anand to the meeting wherein initial discussions were held with regard to the prospective role of our members and the Institute in various schemes of the Ministry on pan India basis. I am expecting positive outcome based on the further discussions with the Ministry.

I along with CMA Manoj Kumar Anand, Council Member, ICMAI called on **Shri Manoj Govil, IAS, Secretary, Ministry of Corporate Affairs,** Government of India on 26th July, 2023 to apprise him about the ongoing activities of the Institute and matters related to profession. We also had a meeting with **Joint Secretary, MCA, Shri Inder Deep Singh Dhariwal and Shri Manoj Pandey** on 25th July, 2023.

I along with CMA Navneet Kumar Jain, Council Member, ICMAI, CMA Manish Kandpal, Secretary, NIRC-ICMAI and CMA (Dr.) DP Nandy, Sr. Director, ICMAI had a meeting with **Hon'ble Member of Parliament, Shri Jayanta Kumar Roy** to discuss the matters related to the CMA profession.

Meeting on CSR Framework under the Companies Act, 2013

I along with CMA Manoj Kumar Anand, Council Member, ICMAI attended the meeting called by Ministry of Corporate Affairs on 25th July, 2023 under the Chairmanship of Secretary, MCA. Discussions were held on views/suggestions received by the Ministry on the CSR Framework under the Companies Act, 2013.

Meeting of Social Stock Exchange Advisory Committee (SSEAC)

The Securities and Exchange Board of India (SEBI) called the third meeting of the Social Stock Exchange Advisory Committee on 26th July, 2023 at SEBI Office, Mumbai which was attended by CMA Chittaranjan Chattopadhyay, Council Member, ICMAI and CMA (Dr.) S.K. Gupta, CEO, ICMAI Social Auditors Organisation.

Meeting with President, ICSI

I along with CMA Manoj Kumar Anand, Council Member, ICMAI had a meeting with CS Manish Gupta, President, ICSI and CS Asish Mohan, Secretary, ICSI during their visit to CMA Bhawan, New Delhi on 25th July, 2023 and discussed the ways to further strengthen the relationship between both the Institutes for the mutual benefit of our members, students and other stakeholders.

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 Banking, Financial Services & Insurance Board of the Institute and the BFSI department continued its various activities and initiatives in July 2023, a synopsis of which is presented below:

A. Representation letters for inclusion of CMAs

The BFSIB continues its efforts for further development of the profession in the BFSI sector with representations to authorities and employers for inclusion of CMAs in the sector. The concerted and diligent efforts have resulted in numerous opportunities for CMAs. I am pleased to inform that CMAs are now eligible to apply for the post of Officer (Scale-I and II) in Bank of Maharashtra.

The Institute has represented to the New India Assurance Co. Ltd. for inclusion for the post of Specialist Officer in the Accounts Cadre and we are hopeful that a corrigendum would be released soon for inclusion of CMAs.

B. Certificate Courses on Banking

Due to overwhelming response, the BFSI Board had re-opened the admission window for the three Certificate Courses on Banking, viz –

- Certificate Course on Concurrent Audit of Banks (9th Batch)
- Certificate Course on Credit Management of Banks (9th Batch)
- Certificate Course on Treasury and International Banking (7th Batch)

The syllabus of all such courses is under review and new study materials are under preparation. The members and students are requested to take the opportunity for capacity building and knowledge enhancement by enrolling in such courses for which the link of admission is https://eicmai.in/advscc/Home.aspx

C. Meetings with various dignitaries

CMA Chittaranjan Chattopadhyay, Council Member, ICMAI met Shri Manoranjan Mishra, CGM, Department of Regulation, Reserve Bank of India on 27th July, 2023 and apprised him of the role of CMAs in the Expected Credit Loss Mechanism for provisioning in Banks and NBFCs. He also met CMA P. Vasudevan, Executive Director, RBI on the same day and apprised him about the various efforts undertaken by the Institute in various domains of the Banking industry.

CAREER COUNSELLING COMMITTEE

The Career Counselling Committee is constituted with the vision and mission to promote the Cost and Management Accountancy Education with special focus on CMA course amongst Secondary, Senior/Higher, Graduate, Post Graduate students as well as other stakeholders. It initiates and focuses on the value of the course by providing guidance to the students wherein they get an opportunity to know about the course and opportunities ahead and decide on their future career options accordingly.

COOPERATIVE DEVELOPMENT BOARD

The Co-operative Development Board (CDB) of the Institute is governed by the Multi State Co- operative Societies Act, 2002 (MSCS Act, 2002). Since 2002, many changes have taken place in the field of cooperatives. At that time, Cooperation was a department under the Ministry of Agriculture. However, afterwards the Government of India carved out a separate Cooperation Ministry. Further, developments over the years also necessitated changes in the Act so as to strengthen the co-operative movement in the Multi-State Co-operative Societies.

The Co-operative Development Board of the Institute provides information and direction for the Co-operative activities in India to represent the interests of the members of the Institute and its other stakeholders about the activities of the Co-operative bodies. The CDB uphold rules and regulations set out in the Act as well as the incorporation of documents of the Co-operative. The CDB make contact and also make correspondence with the various Cooperative Boards in the State levels in India.

The CDB always try to explore the opportunities available for members in the untapped areas for cooperative sectors as ongoing activities and also maintain contact with the Resource Persons or Experts in the field for further development for the profession.

CONTINUING EDUCATION PROGRAMME COMMITTEE

I am delighted to inform you that after successful completion of eight batches of online mandatory capacity building training (e-MCBT), the Continuing Education Programme Department has opened registrations for the 9th batch of e-MCBT.

I urge the practitioners to enroll for 9th batch of e-MCBT to avail this opportunity to complete their MCBT who have taken Certificate of Practice (COP) on and after 1st February, 2019 and have not undergone the MCBT.

During the month, around thirty 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 Yield Management - Role of CMA, Cost Audit- Documentation & Practical Issues, Tax Issues of Business Acquisition and Reconstruction, Social Stock Exchange, Social Audit and CMA Perspective, Unit Costing or Throughput Accounting - which enhances value and so on. I am sure our members are immensely benefited with the deliberations in the sessions.

DIRECTORATE OF CAT

The result of CAT Course Part- I Examination-July 2023 was declared after the examination was successfully concluded on 9th July, 2023. I would like to congratulate all the students who have passed the examination. Since passing the CAT examination makes them eligible to take direct admission in the Intermediate Course of the Institute, I urge them to enroll in one of the best professional courses, i.e. CMA course.

DIRECTORATE OF STUDIES

The CMA examinations that were held last month simultaneously for 2016 and 2022 CMA Syllabus concluded on 22nd July 2023 Incidentally, on the same day I had the honour of being elected as President of this great Institution. I convey my heartfelt wishes to all the students for their success. The Institute is working to expedite the evaluation process for faster declaration of examination results and we are trying our level best to hold the December 2023 term examination on schedule.

PROFESSIONAL DEVELOPMENT COMMITTEE

PD Directorate submitted representations to various organizations for inclusion of Cost Accountants for providing professional services. I am glad to inform that on Institute's request, Municipal Co-operative Bank Limited, Mumbai has considered Cost Accountants Firms for GST Audit (GSTR–9C) and Annual Return (GSTR–9) filing.

Please visit the PD Portal for Tenders/EOIs during the month of July 2023 where services of the Cost Accountants are required in NBCC (India) Limited, UJVN Limited, Ramagundam Fertilizers and Chemicals Limited, Nagar Panchayat Barharwa, Uttarakhand Power Corporation Limited, Pension Fund Regulatory and Development Authority (PFRDA), Punjab State Bus Stand Management Company Limited (PUNBUS), Rural Electrification Corporation Limited, Uranium Corporation of India Limited, Jadugoda, Bharat Coking Coal Limited, National Cooperative Consumers' Federation of India Limited (NCCF), Andrew Yule Company Limited, BEML Limited, Jharkhand Urban Infrastructure Development Company Limited, Airports Authority of India, Kolkata, Agartala, and Imphal, Jharkhand Urja Sancharan Nigam Limited, Gujarat Power Corporation Limited, Jaipur Development Authority, etc.

Professional Development Committee in association with PHD Chamber of Commerce and Industry organised webinar on Tax Issues of Business Acquisition and Reconstruction.

TAX RESEARCH DEPARTMENT

The Tax Research Department undertakes various vital activities to serve the members, students and stakeholders. The department offers courses both in Direct and Indirect Taxes for students, members, and Tax practitioners. A total of 7 courses are being conducted at least 3 times a year and certificates are given to the successful candidates after the online examinations. All the seven courses were concluded during the month of July, 2023 and the admissions for the following upcoming batches are now open:

- Certificate Course on GST (CCGST Batch: 14)
- Advanced Certificate Course on GST (ACCGST Batch: 10)
- Certificate Course on TDS (CCTDS Batch: 10)
- Certificate Course on Filing and Filling of Return (CCFR Batch: 10)
- Certificate Course on International Trade (CCIT Batch: 4)
- Advanced Course on Income Tax Assessment and Appeal (ACITAA Batch: 7)
- Advanced Course on GST Audit and Assessment procedure (ACGAAP Batch: 7)

The department also conducts special crash courses for the students of colleges and universities to introduce them to the practical aspects of Taxation. I am happy to inform that more than 2500 students from 22 colleges have already participated in Direct Taxes & Indirect Taxes courses, till date.

The Fortnightly Tax Bulletin is the one stop solution for all taxation related information including Articles, Notifications, Circulars, Press Release, and Advance Rulings etc., both on direct and Indirect Taxation. The department has published 139 Tax bulletins till date with GST Special Editions being published on 1st July every year.

The department has also released 19 publications on Direct and Indirect Taxes. Three handouts on the topics (i) Capital gains, (ii) E- Commerce and (iii) Composition Scheme and Composite Supply are ready to be published in August 2023.

Apart from the above, the department conducts events on Taxation matters and submits representations regularly to the Government and corporates for inclusion of CMAs and thus enhancing the scope of the profession. Taxation Helpdesk is well equipped to address the queries in Taxation. Top Stories which includes Notifications, Circulars, Press Release, and Advance Rulings are also being updated on the Taxation Portal regularly. Brainstorming sessions and quiz are being conducted every Friday for the members.

INSOLVENCY PROFESSIONAL AGENCY (IPA) OF THE INSTITUTE

Insolvency Professional Agency of ICMAI, in its endeavour to promote professional development and sharpen the skills of the professionals, has constantly been conducting various professional & orientation programs across the country and publishing various publications and books for the benefit of stakeholders at large. Towards that, IPA ICMAI had conducted an online Workshop on Judicial Pronouncement under IBC, 2016, Master Class on Liquidation, Workshop on Key Aspects of Insolvency Resolution Plan, two days online Learning Session on Managing the affairs of CD by IRP/RP under IBC, 2016" and a Workshop on Disciplinary Aspects & Governance under IBC, 2016. Further, IPA ICMAI published Au-Courant (Daily Newsletter), a weekly IBC Dossier, and a monthly e-Journal which are hosted on its website.

ICMAI REGISTERED VALUERS ORGANISATION (RVO)

I am pleased to inform you that ICMAI RVO has successfully organized three "50 Hrs training programs" for all three asset classes and four "Professional Development Programs" during the month of July, 2023.

ICMAI SOCIAL AUDITORS ORGANISATION (SAO)

ICMAI Social Auditors Organization has empanelled over 127 members. The company conducted two preparatory courses during the month for Social Auditors exam which is conducted by National Institute of Securities Market (NISM).

The company organized 4 special lectures during the month on various aspects of Management of CSR / ESG which were delivered by experts from the social and development sector. The company has developed Social Audit Standards and the company is in the process of developing Technical Guide for Social Audit including related disclosure formats.

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

With warm regards,

AGDalwadi

CMA Ashwin G. Dalwadi

August 04, 2023





CMA Ashwin G. Dalwadi has been elected as the President and CMA Bibhuti Bhusan Nayak as the Vice President, ICMAI for the year 2023-24


Felicitation of CMA Ashwin G. Dalwadi, President, ICMAI at CMA Bhawan (HQ), Kolkata

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1. CMA Navneet Kumar Jain, Council Member, ICMAI, CMA Manish Kandpal, Secretary, NIRC-ICMAI and CMA Jeewan Chandra met with Hon'ble Chief Minister of Uttarakhand, Shri Pushkar Singh Dhami and submitted representations

2. CMA Ashwin G. Dalwadi, President, ICMAI, CMA Navneet Kumar Jain, Council Member, ICMAI, CMA Manish Kandpal, Secretary, NIRC-ICMAI and CMA (Dr.) DP Nandy, Sr. Director, ICMAI met with Hon'ble MP, Shri Jayanta Kumar Roy to discuss the matters related to the CMA profession

3. CMA Ashwin G. Dalwadi, President, ICMAI along with CMA Manoj Kumar Anand, Council Member, ICMAI called on Shri Manoj Govil, IAS, Secretary to the Government of India, Ministry of Corporate Affairs on 26th July, 2023

4. CMA Ashwin G. Dalwadi, President, ICMAI along with CMA Manoj Kumar Anand, Council Member, ICMAI extending greetings to Shri Inder Deep Singh Dhariwal, Joint Secretary to the Government of India, Ministry of Corporate Affairs on 25th July, 2023

5. CMA Ashwin G. Dalwadi, President, ICMAI along with CMA Manoj Kumar Anand, Council Member, ICMAI extending greetings to Shri Manoj Pandey, Joint Secretary to the Government of India, Ministry of Corporate Affairs on 25th July, 2023

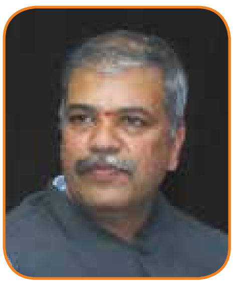
6. CMA Ashwin G. Dalwadi, President, ICMAI along with CMA Manoj Kumar Anand, Council Member, ICMAI had a meeting with CS Manish Gupta, President, ICSI and CS Asish Mohan, Secretary, ICSI at CMA Bhawan, New Delhi on 25th July, 2023

7. CMA Ashwin G. Dalwadi, President, ICMAI along with CMA Manoj Kumar Anand, Council Member, ICMAI extending greetings to Shri Sanoj Kumar Jha, Additional Secretary (PMKSY), Ministry of Food Processing Industries on 25th July, 2023

MISAPPROPRIATION OF CASH IN COOPERATIVE SOCIETIES: ROLE OF AUDITORS IN FIXING THE ACCOUNTABILITY AND RESPONSIBILITY

Abstract

One of the biggest challenges in Cooperative Societies administration is in the area of Cash Management. Most of the frauds reported in societies are due to misappropriation of Funds as there is no proper mechanism followed in order to fix the responsibility and accountability. It is common to see that most of the societies are not computerised and also not managed by qualified people there is huge scope for misappropriation and embezzlement of funds. Karnataka State Cooperative Act has few important provisions laid out not only to report such misappropriation of funds but also fix the responsibility and accountability on the Auditors to disclose the same in the appropriate financial statements in their Audit report.



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In this article efforts have been made to identify various reasons for misappropriation of cash in the societies. The reasons for misappropriation of cash are culled out from having various discussions with the officials of the Cooperative Audit Department and also from the author's experience during the audit of societies.

Most of the societies are managed and run by people who do not have proper knowledge about the financial implications. The staff who look after the accounting transactions are not qualified and trained in those fields. Accounts of most of the societies are not computerised and they still maintain the books of accounts in the traditional manual form without following the basic principles of accounting. In most of the cases it is seen that the Societies do not carry out reconciliation of their books and do not generate any MIS reports. The Board relies on the incomplete information provided to them and is totally unaware of the reality of what is happening inside the society until it gets reported at the time of audit.

Ever since the Department of Cooperative Audit started empanelling professional Institutes to carry out audit of the societies there is a slow and steady transformation happening in the societies and now the importance and need for maintaining proper books of accounts and reports have been felt by societies. There is lot of discussions and suggestions on views and ideas being exchanged between the Department of the Cooperative Audit, the professional institutes and the societies on areas like how to improve and strengthen the performance of Societies especially keeping in mind the financial transactions, their accounting and reporting.

The continuous efforts of the Department involving the professional institutes and the societies in identifying the various reasons for misappropriation of cash have been discussed in the following paragraphs.

MISAPPROPRIATION IN CASH BALANCE

The Bye Laws of every society specify the minimum cash balance which needs to be maintained at any point. It is found with many societies that they do not take Bye Laws seriously and their average cash balance is at a level higher than the minimum cash balance which they are supposed to maintain. In most of the societies such excess cash will be diverted for non society related activities and later will not be coming in to the system.

LOANS NOT OF REGULAR NATURE

Sometimes the societies have the practice of giving temporary loan, benami loan, loan without proper collateral and securities etc to some members with the approval from the Board. These are not part of the regular loan activities mentioned in the Bye Laws and these loans have no proper back-up and the terms of recoveries will not be clear or will not be mentioned.

LOANS ON DEPOSIT WITHOUT THE KNOWLEDGE OF DEPOSITOR

Most of the depositors in credit societies will be retired people and since credit societies give higher rate of interest on their deposits, they deposit the money for longer terms, taking this as an advantage; the members of the Board create loans by using the deposit of the depositors without brining to their knowledge.

ADJUSTING THE INTEREST AMOUNT TO THE PRINCIPAL AMOUNT OUTSTANDING AND CLOSING THE LOAN ACCOUNT

The Board in order to prove their efficiency in managing the funds of the societies resort to the act of converting the interest received on the loan as payment made towards the principal part of the outstanding loan and thereby try to hide the real fact of recovery of outstanding loan amount. Sometimes, even additional loans are sanctioned for such cases projecting that the loan given has been recovered but, the reality is that the interest portion received is deliberately shown as principal portion received and loan is either closed or reduced.

FAKE JEWELLERY LOAN

Jewellery loans are sanctioned to members without taking jewels as collateral or sometimes loans are sanctioned for an amount which is more than the actual value of the jewellery given as collateral.

OVER VALUATION OF MORTGAGE LOAN

Mortgage loans are sanctioned based on the valuation of the property which is to be mortgaged. The valuer will be an empanelled person with the society and it is seen in some cases that the valuer will collude with the Board and give a valuation certificate by appreciating the value as per the instructions from the Board. Based on such valuation reports loans are sanctioned and the loan amount will be much higher the fair market value of the property.

DIFFERENCE IN DEPOSIT PROVISIONS

The societies are required by law to carry out the provisioning on their deposit year on year. At the time of making provision if they notice any difference in the deposit provision such differences will not be reflected and provisions are continued without rectifying such differences. In the long run the excess differences will by misappropriated and the difference will be adjusted.

NOT HAVING PROPER NPA PROVISION

Many credit societies do not make proper NPA provisions and it is found that the actual NPA will be much more than the provisions made and this will have serious impact on the operation of the credit society. Even though from time to time guidelines are issued by the Department of Cooperative Audit, the societies are not considering it to be a very important activity to make correct provision for their NPAs.

STOCK SHORTAGES OR STOCK SHOWN AT WRONG VALUES

Primary Agriculture Cooperative Societies (PACS) apart from normal lending to members also give fertilizer and other agriculture related items to the members. They buy in bulk and store in their godowns and will cater to needs of members whenever the requirement arises. Since, they don't maintain proper stock accounting system or follow proper valuation method to recognise stocks in the books; many times it is found that there will be either undervaluation/ overvaluation of stock due to adoption of wrong methods. Since, they don't have regular practice of physical verification of stock, sometimes stock of items will not be shown at all and such stocks are pilfered and sold without the knowledge of the society.

MISUSE OF DEPOSIT PROVISIONS

It is one of the requirements as per the bye law to make necessary provisions for deposits held by the society. It is seen in most of the cases that such provisions are misused by the Board. The provision shown will not be as per the bye law requirement and there is no proper yardstick which will be followed for creating such provisions. The difference in the provision amount to the actual deposits will be misused by the Board.

MISUSE OF FUNDS IN SUSPENSE ACCOUNT

It is found in most of the societies

that the receipts received in the bank for which source are not clear are shown in the suspense account and till the time the proper source is identified they keep funds in suspense account. It was found in many societies that after keeping the amount in suspense accounts for some time the funds were misused by the board without giving proper recognition.

LOAN AND INTEREST WAIVER MISUSE

Societies do not follow proper system or procedures to waive of loan and interest in some exceptional cases. Apart from the genuine cases which qualify for waiver even those cases were recoveries are possible are also waived off. These are the usual bias practices which the board adopts in selecting the cases for waiver of loans.

ROLE OF AUDITORS

There is a provision under section 63(17) of the Karnataka State Cooperative Societies Act

> **It becomes the responsibility of the auditor to quantify the misappropriation of funds**

which mentions about misuse of the funds and fixing of responsibility and accountability. According the said provision, when the auditor of cooperative societies identifies such misuse and misappropriation of funds at the time of audit, it is his responsibility that he should write to the Board for carrying out a detailed enquiry on the staff or Board members or on whom he wants to fix the responsibility. It becomes the responsibility of the auditor to quantify the misappropriation of funds and also the impact of the misappropriation on the financial stability of the society. It is also the responsibility of the auditor to look in to the functioning of the administrative Board and various sub committees of the society and see if there is any violation and in case notices any violation then he should also fix the responsibility and accountability. Finally, the auditor should also maintain a proper track of all schedules and link those schedules with proper closing balance reconciliations and also ensure that hundred per cent vouching of all the expenses should be carried out. Auditors also should ensure that there is enough cash insurance to cover the risk of cash loss. Some of the societies in rural areas which have huge cash turnaround keep the cash without insurance. Many instances of theft and embezzlement of money are reported but still they don't take up insurance for the same. It is also found that there are many cases of under insurance just to avoid insurance premium cost. MA

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THE ROLE OF COOPERATIVES IN WOMEN EMPOWERMENT: A CRITICAL REVIEW

Abstract

Women's empowerment is an important aspect of achieving sustainable development. Cooperatives served as powerful platforms for empowering women. By connecting with cooperatives, women gain access to income-generating sources, financial services, and markets that were previously difficult to access. Therefore, it is imperative to understand the role of cooperatives for the women empowerment. This study aims to review the scholarly work of different authors to examine the role of cooperatives in women empowerment. The research methodology adopted for the study is systematic review of literature. VOS viewer software is employed to identify most cited literatures. Findings suggest cooperatives work as a medium for social empowerment, growing social networks, and empower women.

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INTRODUCTION

In recent decades, the notion of women empowerment has multiplied considerable momentum across the globe. Women's empowerment is an important aspect of achieving sustainable development, as it involves in social, economic, and political progress of the women. Cooperatives served as powerful platforms for promoting gender equality and empowering women. Cooperatives are voluntary associations made by individuals who come together to satisfy their common economic, social, and cultural needs. The cooperative model highlights the well-being of members and emphasizes equitable involvement and decision-making, making it a natural fit for women's empowerment initiatives.

One way the cooperatives help in women's empowerment is by promoting economic self-reliance. By connecting with cooperatives, women gain access to income-generating sources, financial services, and markets that were previously difficult to access. Cooperatives also contribute in training, skills development, and mentorship. Cooperatives enable economic independence, allowing women to contribute to household income, secure livelihoods, and break the vicious cycle of poverty. Besides economic empowerment, cooperatives also nurture social inclusion and strengthen the social fabric of people. Women in cooperatives build networks of solidarity, mutual support, and collective action, allowing them to encounter discriminatory social norms and practices. These combined efforts enable women to break gender stereotypes, improve their social status and gain appreciation for their contributions. Cooperatives also play a critical role in women's political empowerment by offering breaks for leadership and decision-making. Through democratic governance structures, women participate in shaping the policies, plans, and priorities of their cooperatives. As they gain experience and self-confidence within the cooperative movement, women often spread their leadership roles to community organizations and public institutions. Cooperatives provide a training place for women to develop vital skills such as negotiation, conflict resolution, and strategic planning.

Against this backdrop it is important to investigate the role of cooperatives for the women empowerment. This study aims to review the scholarly work of different authors to critically examine the role and importance of cooperatives in women empowerment. The significance of this research is to have better insight on the topic. The study is guided by the following research objectives.

RESEARCH OBJECTIVES

- To review the role of cooperatives in women empowerment.
- To give some suggestive measures to cooperatives for enhancing the women empowerment.

RESEARCH METHODOLOGY

The methodology adopted for the study is the systematic review of scholarly work of different researchers on the topic. In total, fifteen most cited literatures are finally selected for review to understand the role of cooperatives in women empowerment. VOS viewer software is used for conducting the systematic literature search.

REVIEW OF LITERATURES

Cooperatives have gained significant attention as vehicles for women empowerment, providing avenues for economic, social, and political advancement. This literature review intents to examine the existing research in regards to the role of cooperatives in empowering women. The objective of the review is to build understanding on how cooperatives have been intricately connected in enhancing women's socio-economic well-being by empowering them.

Several research studies have demonstrated the positive impact of cooperatives on women's economic empowerment. A study conducted by Doss *and Morris* (2001) confirmed that women who are actively participated in agricultural cooperatives have increased access to credit, markets, and productive resources, this leads to higher incomes and improved livelihoods. Likewise, *Roy et al*. (2015) conducted a study in India and demonstrated that women involved in dairy cooperatives had better bargaining power, enhanced control over income, and better-quality economic independence. Cooperatives have become powerful agents for women empowerment, providing avenues for economic, social, and political advancement. Many studies have confirmed the economic benefits of cooperative membership for women. For example, the study by *Dev and Rogaly* (2015) on agricultural cooperatives in Andhra Pradesh, India showed that women contributing in cooperatives have increased access to credit, markets, and productive resources, which leads to improved incomes and livelihoods. Similarly, *Jyoti and Sharma* (2016) examined the role of cooperative banks in India and concluded that women's economic empowerment was enhanced through participation in self-help groups. These studies show how cooperatives provide women with opportunities for economic self-reliance and income generation, with the objective to break the cycle of poverty and contribute to their households and communities.

Cooperatives have established themselves to be an effective platform for fostering social empowerment among women. A study by *Baden and Green* (1994) investigated on women's participation in savings and credit cooperatives in Nepal and revealed that cooperative membership allowed women with a voice in decision-making, improving social networks, and challenging gender norms. In addition, *Vassil and Banda* (2012) conducted research in Malawi and acknowledged that women involved in cooperatives experienced high self-esteem, expanded social networks and improved overall well-being. Cooperatives in India play an important role in upholding gender equality and social inclusion. Women with equal rights and their representation in prime decision-making bodies, cooperatives overcome existing gender disparities (*Bhargavi, 2022*). In addition, cooperatives address the particular interests of women, such as access to healthcare, education, and childcare services, thus helping in the overall well-being and social inclusion (*Mukherjee, 2019*).

Cooperatives also played a significant role in women's political empowerment. *Kabeer and Mahmud* (2004) conducted research in Bangladesh and established that women involved in craft cooperatives were more likely to participate in public affairs, overcoming gender inequalities, and influence policy-making processes. Likewise, study by *Abeyasekera and Petchey* (2009) examined the political engagement of women in fishing cooperatives in Sri Lanka and showed that cooperative membership provided women with series of opportunities for leadership, decision-making, and representation of their points. *Jemio and Miranda (2017)* conducted a study in rural Bolivia and *Karamchandani and Joseph* (2018) in Rwanda and demonstrated that cooperative membership provides women with opportunities for social inclusion, increased self-esteem, and broadened social networks. Cooperatives serve as a medium for women to voice their concerns, discuss and deliberate community issues, and overcome gender norms, fostering a sense of agency and empowerment. Furthermore, cooperatives play a critical role in women's political engagement. *Narula and Santos-Paulino* (2010) analyzed the case of SEWA Bank in India and found that women's involvement in cooperative enterprises led to increased political awareness, capacity-building, and leadership development. These findings show the transformative potential of cooperatives in empowering women to participate in governance processes, advocate for gender equality, and influence policies that affect their lives and communities.

While cooperatives have established themselves to be an effective tool in women empowerment, several challenges persist. A study by *Prowse* (2003) showed the gender biases and power dynamics that hinder women's full involvement and decision-making within cooperatives. Additionally, *Aliber* (2003) underscored the importance of addressing gender-specific limitations such as time poverty and limited mobility to ensure women's meaningful engagement and involvement in cooperatives.

CONCLUSION

The literature on the role of cooperatives in women empowerment highlights their importance as powerful tools for nurturing socio economic equality and gender justice. Studies reveal that cooperatives contribute to women's economic empowerment by improving access to resources, markets, income-generating opportunities and bringing economic stability. In addition, cooperatives work as a medium for social empowerment, growing social networks, and boost well- being for all. Furthermore, cooperatives play an important part in women's political empowerment by creating avenues for leadership, decision-making, and participation in government and governance process. Indeed, more research is needed to address challenges related to gender biases, power changing aspects, and constraints that limit women's full participation, involvement and decision-making within cooperative structures. Briefly, the literature review showed the importance of cooperatives as a medium for women's empowerment, stressing the need for continued support and investment in cooperative initiatives to promote gender equality and create better societies.

SUGGESTIONS FOR THE COOPERATIVES TO ENHANCE WOMEN EMPOWERMENT

- **Enhance the access to resources:** Cooperatives should help women with improved access to credit and productive resources. This can be achieved through training on market linkages, and resource allocation.
- **Strengthen capacity-building initiatives:** Cooperatives should invest in women training and skill development programs. These initiatives can improve women's knowledge, skills, and confidence, enabling them to actively participate in cooperative decision-making processes.
- **Foster gender-responsive governance:** Cooperatives should endorse gender-responsive governance structures, ensuring that women have equal representation in decision-making bodies, and committees.
- **Address gender biases and power dynamics:** Cooperatives must actively work towards eliminating gender biases and power imbalances. This requires raising awareness among members about gender equality.
- **Promote networking and mentorship:** Cooperatives should facilitate networking opportunities and mentorship programs for women to enable them to connect with other successful women entrepreneurs. This can provide valuable support, guidance, and inspiration for women in their cooperative journey.
- **Collaborate with government agencies:** Cooperatives should establish partnerships with Government institutions to implement policies and programs that promote women's economic empowerment, social inclusion, and political participation.
- **Strengthen linkages with civil society organizations:** Cooperatives should actively involve with civil society organizations focused on women's empowerment, gender equality, and cooperative development. Such collaboration can provide valuable resources, expertise, and support in implementing gender-responsive initiatives and addressing women's specific needs.
- **Conduct regular assessments:** Regularly assess the progress of cooperative programs and initiatives on women's empowerment. This will help identify gaps, successes, and areas for improvement, enabling cooperatives to refine their strategies and ensure that women's empowerment remains a priority. MA

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DEVELOPMENTS AND CHALLENGES IN THE COOPERATIVE BANKING SECTOR

Abstract

Cooperative societies, especially cooperative credit societies and cooperative banks, have always played an important part in the socio-economic development of the country even before independence. Over the years, the Government has been taking legislative and policy measures to enable development of the sector. At present, there is a dual control structure over the cooperative banking sector with matters relating to their incorporation and regulation mainly coming under the State Governments and with the banking aspects under the RBI's purview. The dissonance created by this is being sought to be minimised through legislative measures like amendments to the Banking Regulation Act, 1949 and through RBI's initiatives. A deeper oversight by the RBI, especially in fraud risk management, may help the sector and protect the depositors even better. Further, spreading awareness among the members on their democratic rights may improve accountability and transparency in the functioning of cooperatives. The National Cooperative Database being created by the Government may be a right step in this direction. As the cooperative banking sector has immense potential to bring about inclusive development, the Government and the regulators must leave no stone unturned to remedy the problems faced by the sector and to encourage its unhindered development.

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"Money at the service of life can be managed in the right way by cooperatives, on condition that it is a real cooperative where capital does not have command over men but men over capital".

- Pope Francis

INTRODUCTION

"United we stand, divided we fall" is something that we have all grown up hearing. When there is mutual understanding, trust, cooperation and a coordinated effort among members of a trade or profession or locality, there is prosperity, a general sense of peace and harmony and there is sustainable development. (Late) Padmashri Mr. Paul Pothen, Founder of Krishak Bharati Cooperative Limited, aptly said, "Cooperation is the only way of becoming self-reliant, independent and progressive."[1] Cooperative societies are people-centred organisations owned , managed and run for the benefit of its members to realise their common aspirations and are run on the democratic principles of 'one member, one vote'.[2] The Universal principles governing cooperatives as declared in the Manchester International Cooperative Alliance Congress, 1995, are given in the following chart:[34]

EVOLUTION OF COOPERATIVE SOCIETIES AND COOPERATIVE BANKS IN INDIA

Our history is filled with attempts at cooperative and coordinated action. Long before formal organisational structures like cooperative societies or cooperative banks or producer companies came up, we had the mutual benefit principle permeate the social and economic ecosystem. We had village communities building village tanks, people of a locality pooling their resources for lending to those in need, farmers and land owners undertaking joint cultivation and such cooperative efforts have been there for a long time.[5]

Recognising the need for providing finance to agriculturists and for providing a formal structure to such efforts, there were proposals for the formation of agricultural banks as early as 1858. Various measures and efforts were taken in later years which led to the passing of the Cooperative Credit Societies Act, 1904, and in a span of seven years, there were around 5,300 societies, including cooperative banks. However, the focus of the Act on credit cooperatives itself tells us the need and importance for cooperative form of organisation for pooling of money for lending among members of a group or locality. Then the Cooperative Societies Act, 1912, was passed. Later, under the Committees that were formed for the promotion and development of the cooperative sector, a three-tier structure was recommended with primary cooperatives at the lowest, then the district-level Central cooperative banks and the State-level cooperative banks. Then there were several legislative measures to promote and regulate the cooperative form of organisation – Multi-Unit Cooperative Societies Act, 1942, Multi-State Cooperative Societies Act, 1984, Multi-State Cooperative Societies Act, 2002 and other measures and efforts in the form of Committees, efforts under the Five-Year Plans, and so on, throughout the history of the nation.[6] Cooperatives are seen as an instrument of socio-economic development.

The importance of cooperatives can be observed from the fact that new Article 43B and a new Part IXB have been included in the Constitution of India focusing on cooperative societies. The Constitution (Ninety-seventh Amendment) Act, 2011 inserted Article 43B under the Directive Principles of State Policy. This Article reads, "The State shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professional management of co-operative societies." Further, the National Cooperative Policy was adopted in 2002 to encourage development of cooperatives and to make them accountable and self-reliant. A new National Cooperative Policy is being formulated by a national-level committee to make the vision of *Sahakar se Samriddhi* a reality.[7]

It must be remembered that matters relating to "incorporation, regulation and winding-up of cooperative societies" is a State subject and not a Union subject in India. The function of registering cooperative societies rests with the Registrars of Cooperative Societies by the State Governments. However, in respect of multi-State cooperative societies, there is a Central Registrar appointed by the Central Government.

Let us look at some statistics to understand the reach of the cooperative form of organisation. There are more than 8 lakh cooperatives in India with a total membership of around 29 crores. More than 1.5 lakh cooperatives are credit cooperatives.[8] There are 17 national-level cooperative federations like National Federation of State Cooperative Bank Limited, National Cooperative Dairy Federation of India Limited, National Federation of Urban Cooperative Banks and Credit Societies Limited, Krishak Bharati Cooperative Limited, etc.[9] There are national institutions set up for the development of the cooperative sector like the National Cooperative Development Corporation.

[1] https://www.kribhco.net/pages/about/Genesis.html
[2] https://www.ica.coop/en/cooperatives/what-is-a-cooperative
[3] https://www.ica.coop/en/cooperatives/cooperative-identity#toc-guidance-notes-on-the-cooperative-principles
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[9] https://cooperation.gov.in/national-cooperative

CO-OPERATIVE BANKS – ALL FOR FINANCIAL INCLUSION

Since the origin of cooperative credit societies under the 1904 Act, there have been many developments in the cooperative credit sector. The First Five-Year Plan for 1951-56 provided for setting up of urban cooperative banks, among others kinds of cooperatives. Through the years, there has been a divergence of cooperative credit societies into short-term and long-term credit societies. Short-term cooperative societies have a three-tier structure as discussed in the preceding paragraphs – the primary agricultural cooperative societies or urban cooperative banks, the District Central cooperative banks and State cooperative banks. The long-term cooperative credit sector has a two-tier structure with primary agricultural and rural development banks and State agricultural and rural development banks.[10] This is also in the chart titled Figure 1. The National Cooperative Agriculture and Rural Development Banks' Federation Limited is the apex body for these long-term credit institutions.

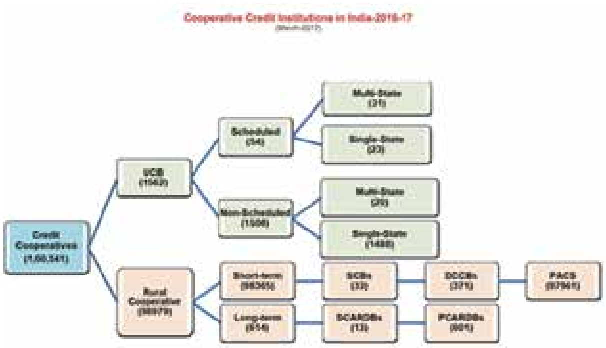

Figure 1 Source: Indian Cooperative Movement - a statistical profile, National Cooperative Union of India

In order to provide for refinance facilities, in the year 1962, the Agricultural Refinance Corporation (ARC) was established to provide mortgage loans to cooperatives with Central Land Mortgage Banks acting as the channels. ARC was renamed as Agriculture Refinance and Development Corporation (ARDC) in 1975. The National Bank for Agriculture and Rural Development (NABARD) was set up in 1982, and it took over the refinance functions of ARDC. NABARD provides both short-term and long-term credit refinance facilities to cooperative banks.[11]Powers to investigate State and Central Cooperative Banks have also been delegated to NABARD.[12]

As the money deposited by the public with the cooperative credit societies increased, there was a need for making some provisions of the Reserve Bank of India (RBI) Act, 1934 and the Banking Regulation Act, 1949 applicable to cooperative banks to regulate the institutions better and to afford the benefits of deposit insurance.[13] This was achieved by the passing of The Banking Laws (Application to Cooperative Societies) Act, 1965 and the Deposit Insurance Corporation (Amendment) Act, 1968[14]. Among the many amendments, the Banking Companies Act, 1949 was renamed as the Banking Regulation Act, 1949 (BRA) with consequential changes in the long title and preamble to expand the scope of regulation to banking itself instead of just to banking companies.[15] However, section 3 of BRA excludes the application of the Act to primary agricultural credit societies or a cooperative society that provides long-term finance for agricultural development if they do not use the term 'bank' as part of the name. Part V was inserted in BRA to provide for application of the provisions of BRA to cooperative societies subject to modifications. One of the significant amendments is, "Throughout the Act, unless the context otherwise requires, the term 'banking company' shall include references to a cooperative bank." The term 'Cooperative bank' refers to State cooperative banks, Central cooperative banks and primary cooperative banks. The primary cooperative banks are also referred to as urban cooperative banks. These could be registered as cooperative societies under the respective State Cooperative Societies Acts or as a multi-State Cooperative Society under the Multi-State Cooperative Societies Act, 2002 which carry on the business of cooperative banking. The requirement of having minimum paid-up share capital and reserves, cash reserve, obtaining a banking licence and other provisions of BRA are made applicable to cooperative banks in the manner provided in the part V. RBI also regulates the capital adequacy and asset classification norms.[16]

CHALLENGES AND MISMANAGEMENT IN THE COOPERATIVE SECTOR

Despite an elaborate institutional and legislative mechanism to regulate the cooperative sector, it is beset with several challenges. The National Cooperative Policy, 2002 identifies the following constraints and challenges in the cooperative sector: legislative and policy constraints affecting the autonomy of the cooperatives, severe resource crunch especially in agricultural credit societies, infrastructural constraints especially in rural areas, institutional constraints like lack of professional management leading to some instances of federal cooperatives acting as competitors of the primary cooperatives and dual controls in the financial sector, lack of awareness on rights among members of the cooperatives, and political interference in the management of cooperative

[10] https://en.wikipedia.org/wiki/Cooperative_banking
[11] https://www.nabard.org/about-departments.aspx?id=5&cid=466
[12] https://rbi.org.in/scripts/FS_Overview.aspx?fn=2755
[13] https://cooperation.gov.in/sites/default/files/2022-12/History_of_co-operatives_Movement.pdf
[14] https://www.dicgc.org.in/AU_History.html
[15] http://www.bareactslive.com/MAH/mh509.htm?AspxAutoDetectCookieSupport=1#:~:text=%2D%20(1)%20This%20Act%20may,different%20provisions%20of%20this%20Act.
[16] https://www.indiacode.nic.in/bitstream/123456789/1885/1/A194910.pdf

societies leading to these institutions becoming more Government-driven than member-driven.[17]

The cooperative banking sector is saddled with its own woes. Financial frauds and mismanagement in cooperative banks are becoming matters of concern, especially, because the hard-earned money of people who already are having meagre income is put in jeopardy. For example, the State of Kerala, which has more than over 1,600 primary agricultural cooperative banks, has seen several instances of mismanagement in the sector where more than a hundred societies have defaulted in the repayment of deposits.[18] Common people deposit their meagre savings in cooperative banks as they are comfortable with the grassroot-level model of the institutions. They deposit their money to save for a rainy day or for their children's education or marriage or for medical treatment. When frauds happen in cooperative banks and the depositors want their money back, there is a lot of mental agony, delay and a substantial reduction in the amount. Due to political patronage, sometimes the persons responsible for the mismanagement largely go unpunished. To counter this, legislative amendments to institute criminal prosecution alongside departmental action may be on the cards. In a few cases, investigations are undertaken by the Enforcement Directorate on allegations of money laundering.[19]

Such instances of mismanagement and frauds are perpetrated through various measures, including: extending loans to fictitious persons; extending additional unsolicited loans in the name of existing borrowers; wiping off the money in dormant accounts; masking defaults in huge loan accounts by creating new loan accounts to which funds are transmitted, which are then routed back to the default accounts, thereby evergreening the non-performing loans; lending huge amounts of money or offering multiple loans on inadequate security or on fake fixed deposit receipts; luring unsuspecting depositors with promises of high returns; interference in conduct of a fair auction process for sale of securities, and so on. However, what is more alarming is the inability of the auditors or the regulators to detect the irregularities on time. Most often, such instances come to light only when the depositors are having to raise a hue and cry. When we come to think of it, increased awareness on the part of the members on the democratic power they wield should at least partially address the issue. A collective and determined action by the members can help overthrow the corrupt management and bring in transparency in the institutions.

[17] https://mscs.dac.gov.in/Form/NatPolicy02.pdf

[18] https://www.onmanorama.com/news/kerala/2022/07/31/coop-sector-lose-sheen-due-to-growing-scams.html

[19] https://www.outlookindia.com/business/cooperative-bank-money-laundering-case-ed-attaches-rs-114-crore-worth-of-assets-news-274064

MEASURES TO OVERCOME THE CHALLENGES

Besides such awareness measures, there is a painful need for deeper regulatory oversight in the cooperative banking sector.

When it comes to cooperative banks, the system of duality of controls poses a problem – with the RBI regulating the banking aspects and the State Governments (for those cooperative banks registered as cooperative societies) / Central Government (for those registered as multi-State cooperative societies) regulating the administrative aspects. While banking is in the Union List of the Constitution, incorporation and regulation of cooperatives is in the State List. The RBI has been entering into MoUs with State Governments and the Central Government to ensure convergence on policy matters relating to regulation and supervision since 2005 with the last one signed in 2014. RBI has also constituted State-Level Task Force for Cooperative Urban Banks (TAFCUBs) and a Central TAFCUB for multi-state cooperative societies to evolve State-specific approach and strategy to regulate cooperative banks. Under the MoUs, measures for cooperation could be included like the Governments agreeing to take timely action on the requisition of the RBI, like supersession of the board or removal of the management team of the primary cooperative banks, enhancing IT infrastructure, enhancing governance standards, matters relating to audit of the banks, etc.[20] More importantly, the problems relating to dual control have been sought to be minimised by the passing of the Banking Companies (Amendment) Act, 2020 – like RBI superseding the Board of Directors after consultation with the respective State Governments, qualification criteria for the board members, undertaking reconstruction or amalgamation of a bank sans a moratorium, matters relating to audit, etc.[21]

In July, 2016, the RBI issued a Master Direction on Frauds – Classification and Reporting by Commercial Banks and All India Select Financial Institutions (the MD).[22] The MD provides, *inter alia,* for general guidelines, classification of frauds, central fraud registry, reporting of frauds to the RBI, cases of attempted fraud, annual review of frauds, closure of cases, reporting of frauds to police/ CBI, and most importantly, a set of early warning signals, incentives for prompt reporting, staff accountability, penal measures for fraudulent borrowers and legal audit of title documents in large value loans. However, the MD is applicable only for scheduled commercial banks (as opposed to scheduled banks) (excluding Regional Rural Banks) and select Financial Institutions operating in India. RBI may mull the options on making the MD applicable

[20] https://rbi.org.in/scripts/FS_Overview.aspx?fn=2755

[21] https://prsindia.org/billtrack/the-banking-regulation-amendment-bill-2020-1054

[22] https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10477

to cooperative banking sector with suitable modifications keeping in mind the inherent limitations of the sector.

In order to further strengthen the oversight mechanism on the entire cooperative sector, a National Cooperative Database is being built. It is proposed to capture details relating to the particulars of the cooperative societies, financial data, operational details, employment details, products and schemes of the cooperative societies. With centralized data and enhanced transparency, better oversight which permeates to the grassroots level can be achieved.

CONCLUDING THOUGHTS

With the motto of self-help and self-reliance, the cooperative banking sector has the potential to narrow the disparities in income distribution and to make economic development a reality for the common man. With measures like digital banking facilities and RupayKisan cards being made available by cooperative banks, the farmers and common man can access latest technology in a familiar set up.[23]

The problems of dual regulatory oversight may be minimized to an even further extent by empowering RBI with more powers over administrative matters through suitable Constitutional or legislative amendments. RBI, in the meantime, may be urged to exercise more robust oversight on cooperative banks, especially in matters like fraud prevention and risk management.

Digital banking facilities and RupayKisan cards being made available by cooperative banks, the farmers and common man can access latest technology in a familiar set up

It is up to the Government and the regulatory agencies involved to not only exercise their powers to protect the interests of the public, but also to provide the cooperative banks a level-playing field to enable them to compete with other players like commercial banks and non-banking financial companies. Empowering the masses and fostering faith in the indomitable human spirit through cooperative structures guarantees India's sustainable economic development, competitiveness in the global arena and the wellbeing of her citizens.

"In an age where community involvement and partnerships with civil society are increasingly being recognized as indispensable, there is clearly a growing potential for cooperative development and renewal worldwide."

Mr. Kofi Annan, Former Secretary General, United Nations

[23] https://www.pmindia.gov.in/en/news_updates/pms-address-at-sah-kar-se-samrudhi-programme-in-gandhinagar-gujarat/

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EFFECT OF MULTI-STATE COOPERATIVE SOCIETIES (AMENDMENT) BILL, 2022 ON IMPROVING ENTREPRENEURSHIP AND ENTREPRENEURIAL INTENTION IN INDIA

Abstract

The Multi-State Cooperative Societies (Amendment) Bill, 2022 aims to create a conducive environment for entrepreneurship by providing a supportive legal framework for cooperatives operating across multiple States in India. This research paper investigates the potential impact of the Amendment Bill on entrepreneurship and entrepreneurial intention in the country. By analyzing the key provisions and objectives of the Bill, this study sheds light on how cooperative entrepreneurship can be fostered to stimulate economic growth, create employment opportunities and promote inclusive development. The findings of this research study provide valuable insights for policymakers, entrepreneurs, and stakeholders interested in leveraging the Multi-State Cooperative Societies (Amendment) Bill, 2022 to enhance the entrepreneurial ecosystem in India.

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INTRODUCTION

The Multi-State Cooperative Societies Act provides for the formation, registration, management, and dissolution of cooperative societies operating in multiple States. It defined the rights, responsibilities and liabilities of members, directors, and officers of such societies. 'Cooperative society' is an association of individuals with shared goals and obligations for the advancement of the underprivileged, particularly disadvantaged *(Sahoo, et al., 2020)*.

Cooperatives are involved in the growth of a variety of industries, including the agricultural sector, agro-processing, preservation, forest products, financial services, credits, promotional activities, dairy, aquaculture, and real estate *(Dubey, et al., 2009)*. However, cooperatives must protect the well-being of their shareholders because they are member-based institutions*(Nagaraju & Viswanatha, 2013)*. Cooperative entrepreneurship enables individuals to collectively engage in business activities, access markets and gain bargaining power, thereby contributing to socio-economic development. The co-operative movement must be advanced through fostering a spirit of cooperation at work since cooperatives play a significant role in the development of the nation *(Chattopadhyay, 2022)*.

Any endeavour to start a new enterprise, such as self-employment, a new firm, or the growth of a business that already exists by a single person, a group of people, or a well-established company, is referred to as entrepreneurship *(Renolds, Camp, Bygrave, Autio, & Hay, 2001*). The promotion of an entrepreneurial mindset is essential for the growth of an economy based on market forces. *(Popescu, Bostan, Robu, & Maxim, 2016)*. Policymakers and experts have begun to recognise the importance of entrepreneurship in boosting the economy *(Ojiaku, Nkamnebe, & Nwaizugbo, 2018)*. Recognizing the significance of cooperative initiatives, the Government of India introduced the Multi-State Cooperative Societies (Amendment) Bill, 2022. The MSCS Act has been amended in order to reinforce auditing measures, promote administration, improve the election process, and increase accountability as well as transparency. This research paper examines the potential effects of the Amendment Bill on entrepreneurship and entrepreneurial intention in India.

OBJECTIVES

The objectives of this research paper are as follows:

a. To analyze the key provisions and objectives of the Multi-State Cooperative Societies (Amendment) Bill, 2022.

b. To explore how the Bill can positively influence entrepreneurial activities and intentions in India.

c. To investigate the potential impact of the Bill on improving access to capital, reducing regulatory burden, fostering networking and collaboration, and promoting knowledge sharing and skill development among entrepreneurs.

d. To identify challenges and limitations associated with the implementation of the Bill.

e. To provide recommendations for policymakers, entrepreneurs, and stakeholders to maximize the benefits of the Multi-State Cooperative Societies (Amendment) Bill, 2022.

KEY PROVISIONS AND OBJECTIVES

The Amendment Bill introduces the following significant changes to the existing Act:

i. **Simplified registration process:** The Bill proposes a streamlined and simplified registration process for multi-state cooperative societies, reducing bureaucratic hurdles and enhancing ease of doing business.

ii. **Flexibility in membership:** It allows cooperative societies to have members from outside the State of their registered office, expanding the potential pool of members and fostering inter-state cooperation.

iii. **Professional management:** The Bill encourages the appointment of professional managers to enhance the efficiency and effectiveness of cooperative societies.

iv. **Audit and accounting norms**: The Amendment Bill introduces standardized accounting norms and periodic audits to ensure transparency, accountability, and better governance practices within cooperative societies.

IMPLICATIONS OF THE FOR ENTREPRENEURSHIP IN INDIA

The promotion of entrepreneurship has risen to the forefront of the list of objectives for public policy *(Luthje & Franke, 2003)*. Entrepreneurial endeavours are viewed as a driving force for innovation in an era of growing uncertainty about technological advancement and fierce worldwide competition *(Drucker, 1999)*. The Amendment Bill has several implications which can evolve the trend of Entrepreneurship in India to a large extent.

i. **Access to capital and credit**: By simplifying the registration process and providing a transparent framework, the Bill can facilitate access to capital and credit for cooperative societies, enabling entrepreneurs to initiate and expand their business activities.

ii. **Reduced regulatory burden:** The streamlined processes and simplified compliance requirements under the Amendment Bill can alleviate the regulatory burden on entrepreneurs, allowing them to focus more on business growth and innovation.

iii. **Enhanced networking and collaboration:** Cooperative societies foster collaboration among members, creating networking opportunities and knowledge-sharing platforms that can spur innovation, learning, and growth.

iv. **Knowledge sharing and skill development:** The Amendment Bill encourages the appointment of professional managers, leading to the infusion of expertise and managerial skills within cooperative societies. This can facilitate knowledge transfer and capacity building among entrepreneurs, promoting entrepreneurship and enhancing the overall skill ecosystem.

EFFECT ON ENTREPRENEURIAL INTENTION

The beginning of the changing and occasionally protracted process of creating an enterprise would be the expression of entrepreneurial intentions *(Lee & Wong, 2004)*.

Entrepreneurial behaviour can be said to be the result of entrepreneurial intention. In other words, entrepreneurial intentions are the finest forecasters of entrepreneurial behaviour*(Ajzen, 2002)*. Therefore, it is significant to assess the effect of the Multi-State Cooperative Societies (Amendment) Bill, 2022 on entrepreneurial intention.

i. **Motivational Factors:** The Multi-State Cooperative Societies (Amendment) Bill, 2022 can positively influence entrepreneurial intention by addressing key motivational factors. It provides a supportive ecosystem that encourages individuals to venture into entrepreneurship by reducing barriers to entry, offering access to resources, and providing a platform for collaboration and support.

ii. **Encouraging Cooperative Entrepreneurship:** The Amendment Bill emphasizes cooperative entrepreneurship, where individuals collectively engage in entrepreneurial activities. This model encourages individuals to pool their resources, knowledge, and skills, enabling them to tackle business challenges collectively and benefit from shared success.

iii. **Inclusive Development and Social Entrepreneurship:** Cooperative entrepreneurship has the potential to foster inclusive development by empowering marginalized communities and promoting social entrepreneurship. The provisions for inter-State membership and professional management create opportunities for diverse participation, leading to more inclusive economic growth and development.

POTENTIAL IMPACT OF THE BILL

The provisions of the Bill have the following potential impact on improving access to capital, reducing regulatory burden, fostering networking and collaboration, and promoting knowledge sharing and skill development among entrepreneurs.

i. **Access to Capital and Credit:** The streamlined registration process and increased transparency can improve entrepreneurs' access to capital and credit, as financial institutions may be more inclined to provide funding to cooperative societies that comply with the regulatory framework. This can enable entrepreneurs to secure the necessary resources for business initiation and expansion.

ii. **Reduced Regulatory Burden**: The simplified compliance requirements and standardized accounting norms introduced by the Amendment Bill reduce the regulatory burden on entrepreneurs. This allows them to allocate more time and resources to business development, innovation, and value creation.

iii. **Enhanced Networking and Collaboration**: Cooperative societies provide a platform for entrepreneurs to collaborate, share resources, and leverage collective knowledge and expertise. The Bill's provisions for inter-State membership and professional management encourage networking and collaboration among entrepreneurs, leading to increased innovation and market expansion.

CHALLENGES AND LIMITATIONS

There is however certain challenges and limitations associated with the implementation of the Bill.

i. **Regulatory Implementation:** The effective implementation of the proposals when enacted as law will require a robust regulatory framework, capacity building, and effective monitoring mechanisms. Ensuring that the intended benefits reach entrepreneurs and cooperative societies across the country may pose implementation challenges.

ii. **Awareness and Adoption:** Creating awareness about the Bill, its provisions, and the benefits of cooperative entrepreneurship is crucial for its success. Encouraging entrepreneurs to adopt the cooperative model and guiding them through the registration process may require targeted awareness campaigns and capacity building initiatives.

iii. **Potential Risks and Mitigation**: Potential risks associated with cooperative entrepreneurship include governance issues, management challenges, and conflicts among members. The Bill should address these risks through clear guidelines, dispute resolution mechanisms, and capacity building programs to ensure the sustainability and success of cooperative societies.

RECOMMENDATIONS

i) Policy Measures

a. Strengthen the regulatory framework by developing comprehensive guidelines and monitoring mechanisms for cooperative societies.

b. Establish financial support mechanisms, such as dedicated funds and schemes, to facilitate access to capital and credit for cooperative entrepreneurs.

c. Introduce capacity building programs to enhance entrepreneurial skills, cooperative management, and governance practices.

ii) Awareness Campaigns

a. Conduct targeted awareness campaigns to educate entrepreneurs about the benefits and opportunities offered by the cooperative model.

b. Collaborate with industry associations, chambers of commerce, and non-governmental organizations to organize workshops, seminars, and training programs on cooperative entrepreneurship.

c. Leverage digital platforms and social media to disseminate information and success stories, reaching a wider audience.

iii) Capacity Building and Training Programs

a. Develop training programs to enhance the managerial and technical skills of entrepreneurs in cooperative societies.

b. Facilitate partnerships with academic institutions and vocational training centers to provide specialized courses on cooperative entrepreneurship.

c. Promote mentorship programs that connect experienced entrepreneurs with aspiring cooperative entrepreneurs, fostering knowledge transfer and guidance.

CONCLUSION

The Multi-State Cooperative Societies (Amendment) Bill, 2022 has the potential to significantly impact entrepreneurship and entrepreneurial intention in India. By providing a supportive legal framework, simplifying regulatory processes, and encouraging cooperative entrepreneurship, the Bill when enacted as law can stimulate economic growth, create employment opportunities, and promote inclusive development. By leveraging the cooperative model, India can foster a thriving entrepreneurial ecosystem that harnesses collective efforts for sustainable and inclusive economic progress. MA

By leveraging the cooperative model, India can foster a thriving entrepreneurial ecosystem

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COOPERATIVE SECTOR AND INCLUSIVE GROWTH IN INDIA: EXPLORING STRATEGIES TO ENSURE EQUITABLE DEVELOPMENT

Abstract

The cooperative sector in India has been recognized as a powerful tool for promoting inclusive growth and equitable development. However, despite its potential, there are challenges in harnessing the full benefits of the cooperative sector to ensure equitable distribution of resources and opportunities. This research paper aims to explore the relationship between the cooperative sector and inclusive growth in India. It examines the current state of the cooperative sector, identifies the barriers to inclusive growth, and proposes strategies to enhance the sector's role in achieving equitable development. The study utilizes a mixed-methods approach, combining quantitative analysis of secondary data and qualitative research through interviews and case studies. The findings will contribute to a deeper understanding of the cooperative sector's impact on inclusive growth and provide insights for policymakers, practitioners, and stakeholders to foster an enabling environment for cooperative enterprises and ensure equitable development in India.

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INTRODUCTION

The cooperative sector is important for promoting inclusive growth and equitable development in societies worldwide. In India, cooperatives have played a significant role in empowering marginalized communities and addressing socio-economic disparities. Despite facing challenges such as limited access to financial resources and governance issues, the cooperative sector has the potential to contribute to a more inclusive society. This research paper aims to explore the relationship between the cooperative sector and inclusive growth in India by analyzing successful models and identifying key challenges. By addressing the barriers and promoting social inclusion, the cooperative sector can be harnessed as a catalyst for equitable development and transform the lives of marginalized communities across the country.

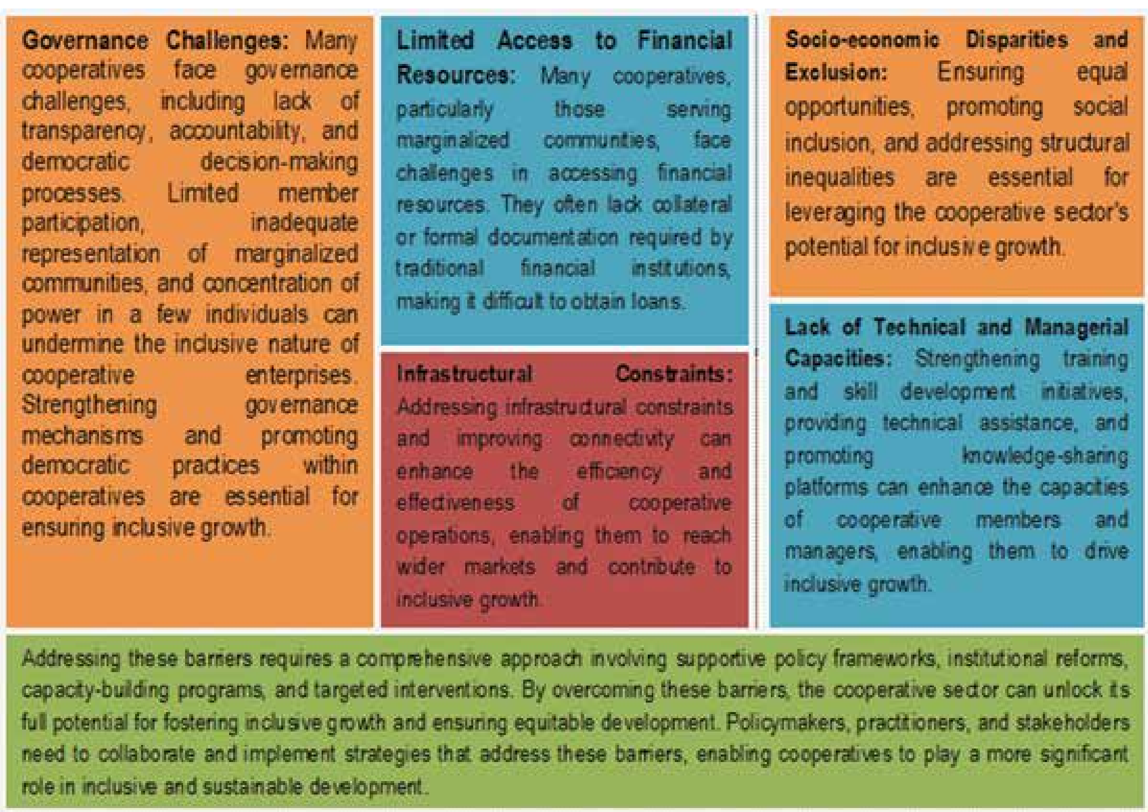
The cooperative sector is not only crucial for economic growth but also a tool for fostering social justice. In developing countries such as India, where the income gap is among the widest in the world, cooperatives have emerged as a key strategy to address social and economic injustice. By providing a platform for individuals and communities to pool resources and work towards common goals, cooperatives create opportunities for marginalized societies that they otherwise would not have access to. However, despite its enormous potential, cooperatives face challenges such as limited access to credit and inadequate promotional and governance institutional support. To unleash its full potential, the cooperative sector requires a supportive ecosystem with effective legal and regulatory frameworks, access to finance and technical assistance, and supportive infrastructure. By promoting social inclusion and addressing these challenges, cooperatives can serve as an engine for economic and social growth, ensuring that marginalized communities across the country have an equal chance to succeed.

Cooperatives have emerged as a key strategy to address social and economic injustice

LITERATURE REVIEW

The potential benefits and challenges of cooperative models for socio-economic development are extensively researched in the literature. *Altman (2009, 2014)* suggests that cooperatives can improve socioeconomic welfare and generate high income for members. However, *Sexton and Iskow (1993)* provide a contrasting perspective that cooperatives may be inefficient relative to investor-owned businesses. These findings highlight the nuanced nature of cooperatives' performance and their implications on socio-economic development. Cooperatives' roles and characteristics have been identified by *Ribas et al. (2022),* who describe their impact on economic and social development. Interestingly, these organizations also have demonstrated resilience in the face of crises like the COVID-19 pandemic (*Dave, 2021).* This reinforces the argument for their potential contribution to sustainable and resilient societies. Cooperative banks, in particular, have been discussed as a mechanism to reach disadvantaged and low-income segments of society *(To &Gangadharan, 2016),* and as feasible options for inclusive growth and rural development (*Nayak, 2012). Tripathi (2013)* show the link between urban economic growth and urban inequality, highlighting the importance of inclusive strategies in urban areas. This is further corroborated by the role of urban cooperative societies, such as the National Slum Dwellers Federation in India, in addressing urban poverty. *Valentinov (2007)* and *Bhowmik et al. (2020)* discuss the limitations and opportunities in the agricultural sector, specifically the need for cooperative models and formal agricultural credit (*Rathi & Sharma, 2020)* to address the ongoing rural crisis in India. In the context of India's regional development, *Kundu and Varghese (2010*) demonstrate the regional imbalances resulting from the country's growth dynamics, reinforcing the need for pro-poor and people-centric policies for equitable development (Dev, 2011).

BARRIERS TO INCLUSIVE GROWTH IN THE COOPERATIVE SECTOR



CASE STUDIES

1: Agricultural cooperatives empowering small farmers

Agricultural cooperatives, such as the Amul Cooperative in Gujarat, India, have made a considerable impact in empowering small farmers and fostering inclusive growth. Founded in 1946, Amul is a dairy cooperative that has helped organize small-scale dairy farmers and given them a collective platform to market their milk and dairy products. This model eliminates the middlemen and creates direct connections with consumers, ensuring farmers get fair prices for their produce, subsequently increasing their income and improving their livelihoods.

2: Women-led cooperative enterprises promoting gender equality

Women-led cooperative enterprises, such as the Self-Employed Women's Association (SEWA) in India, have proven to be potent instruments for advocating gender equality and inclusive growth. SEWA, a blend of trade union and cooperative network, focuses on organizing and empowering women workers in the informal sector. It offers a platform for women to unite, access financial services, acquire training and skill development, and collectively market their products. SEWA has successfully facilitated the transition of women from low-paying and exploitative informal work to more dignified and rewarding livelihoods.

3: Urban cooperative societies addressing urban poverty

Urban cooperative societies, as exemplified by the National Slum Dwellers Federation (NSDF) in India, have shown their potential in combating urban poverty and advocating for inclusive growth. The NSDF, a network of cooperatives among slum dwellers, aims to enhance living conditions within slum communities. It mobilizes residents, aids their access to essential services like housing, water, sanitation, and electricity, and champions their rights and entitlements. Through collective action and cooperative principles, the NSDF has effectively empowered slum dwellers to influence their living conditions and actively participate in urban development.

The given case studies underscore the transformative potential of cooperative enterprises in fostering inclusive growth and tackling socio-economic disparities. These successful models offer inspiration and valuable insights for policymakers, practitioners, and cooperative leaders who aim to promote inclusive growth across different sectors and contexts.

STRATEGIES TO ENHANCE THE COOPERATIVE SECTOR'S ROLE

The cooperative sector has the potential to contribute significantly to equitable development in India. To enhance its role in ensuring inclusive growth, several strategies can be employed. These strategies focus on strengthening the cooperative ecosystem, improving governance structures, expanding financial inclusion, promoting capacity-building initiatives and fostering collaboration between cooperatives, government agencies, and civil society organizations. This section presents key strategies to enhance the cooperative sector's role in ensuring equitable development in India.

1. **Strengthening Cooperative Ecosystem** A supportive ecosystem is crucial for the growth and development of cooperatives. It is essential to create an enabling policy environment that recognizes the unique nature of cooperatives, their contributions, and the need to address their specific challenges.
2. **Enhancing Governance Structures:** Good governance is critical for the effective functioning and long-term sustainability of cooperatives. Strengthening governance mechanisms within cooperatives can enhance their accountability, transparency, and democratic decision-making processes. This involves promoting fair and transparent elections, ensuring active member participation, and establishing effective monitoring and evaluation mechanisms.
3. **Expanding Financial Inclusion:** To enhance financial inclusion, it is important to develop cooperative-friendly financial institutions that understand the unique needs and challenges of cooperative enterprises. These institutions can provide tailored financial products and services, including accessible credit facilities, investment capital, and risk management instruments.
4. **Promoting Capacity-building Initiatives:** Building the technical, managerial, and entrepreneurial capacities of cooperative members and managers is crucial for their success and sustainability. Capacity-building initiatives should focus on providing training programs, workshops, and mentoring support to enhance skills in areas such as financial management, cooperative governance, marketing, and value chain development.
5. **Fostering Collaboration and Partnerships:** Collaboration between cooperatives, government agencies, and civil society organizations can facilitate inclusive and sustainable development. Cooperatives can benefit

from partnerships with government departments, which can provide technical support, facilitate access to infrastructure, and help in policy advocacy.

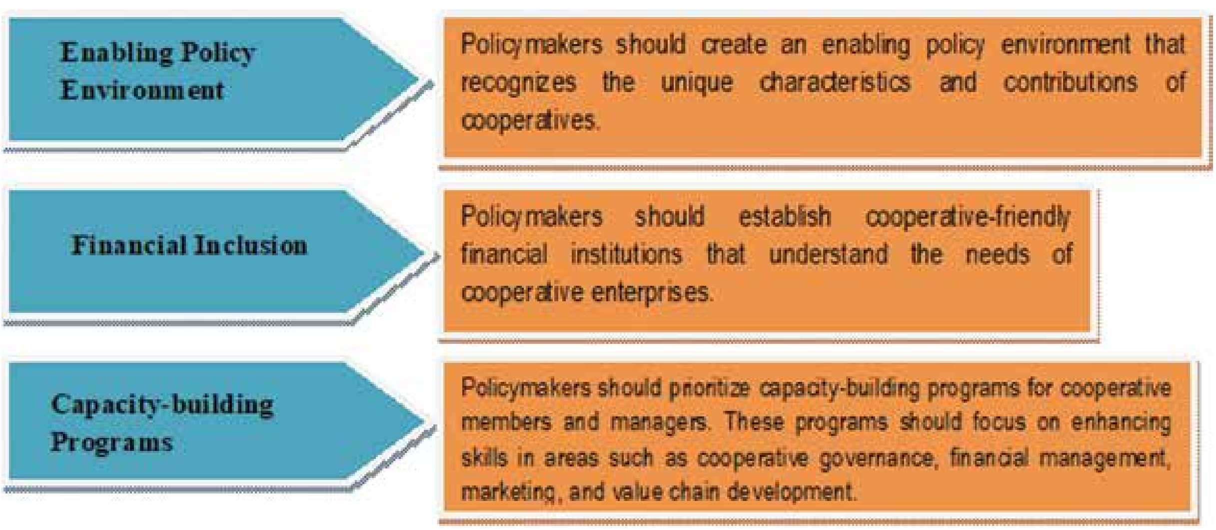
6. **Leveraging Technology and Innovation**: Embracing digital technologies and innovation can significantly enhance the efficiency, productivity, and outreach of cooperative enterprises. It is important to invest in technological infrastructure, provide training on digital literacy and e-commerce, and support the development of digital platforms for cooperative operations and marketing.

By implementing these strategies, the cooperative sector in India can overcome barriers, strengthen its contributions to inclusive growth, and ensure equitable development. These strategies require coordinated efforts from policymakers, cooperative leaders, development agencies, and other stakeholders to create an enabling environment that supports the growth and sustainability of cooperatives.

POLICY IMPLICATIONS AND RECOMMENDATIONS

To promote inclusive growth in the cooperative sector and ensure equitable development in India, a range of policy interventions and collaborative efforts are required. This section presents policy implications and recommendations for fostering inclusive growth in the cooperative sector through collaborative partnerships, capacity-building programs, and knowledge-sharing initiatives.

Policy Interventions



Collaborative Efforts:

a. **Government-Cooperative Partnerships**: Collaboration between government agencies and cooperatives is essential for creating an enabling environment and providing support to cooperative enterprises.

b. **Civil Society Engagement:** Collaborative partnerships between cooperatives and civil society organizations can enhance the reach and impact of cooperative initiatives, particularly in marginalized communities.

SUMMARY OF FINDING:

The research on India's cooperative sector emphasizes its potential in driving inclusive growth and equitable development by enabling marginalized communities' participation and empowerment. Cooperatives can give access to necessary services, facilitate income opportunities, and help address socio-economic inequalities. However, the sector faces several obstacles, such as governance issues, restricted access to financial resources, infrastructural limitations, socio-economic disparities, and deficits in technical and managerial skills. The research also outlines strategies to amplify the cooperative sector's role in equitable development, which involves reinforcing the cooperative ecosystem, enhancing governance structures, broadening financial inclusion, encouraging capacity-building initiatives, and promoting collaboration and partnerships.

Key Findings

This research focused on the cooperative sector and its role in ensuring inclusive growth and equitable development in India. The key findings of this study can be summarized as follows:

- The cooperative sector has the potential to contribute significantly to inclusive growth by providing access to essential services, creating income-generating opportunities, and addressing socio-economic disparities.

- The cooperative sector faces various barriers to achieving its full potential in promoting inclusive growth, including governance challenges, limited access to financial resources, infrastructural constraints, socio-economic disparities, and lack of technical and managerial capacities.
- Strategies such as strengthening the cooperative ecosystem, improving governance structures, expanding financial inclusion, promoting capacity-building initiatives, and fostering collaboration and partnerships can enhance the cooperative sector's role in ensuring equitable development.

Recommendations for Future Research

To further enhance the understanding of the cooperative sector and its role in ensuring equitable development, future research can consider the following recommendations:

- *Conducting in-depth case studies:* Future research can explore specific cooperative enterprises or sectors to gain a deeper understanding of their challenges, successes, and impact on inclusive growth. Case studies can provide valuable insights into the practical implementation of strategies and the contextual factors that influence the cooperative sector's performance.
- *Empirical analysis:* Quantitative studies can be conducted to examine the relationship between cooperative development and inclusive growth indicators. This can involve analyzing data on cooperative enterprises, economic indicators, and socio-economic outcomes to assess the impact of cooperatives on inclusive development.
- *Comparative analysis:* Comparative studies across different regions or countries can help identify variations in cooperative development models, governance practices, and their impact on inclusive growth. Such studies can provide valuable lessons and insights for policymakers and practitioners.

The recommendations discussed aim to enrich future research's comprehension of the cooperative sector's potential in fostering inclusive growth and equitable development. Conclusively, the cooperative sector could play a transformative role in ensuring this inclusive and equitable development in India. The policymakers and practitioners can maximize this impact by acknowledging and addressing the identified barriers, implementing suggested strategies, and conducting further research. The findings from this study lay the groundwork for knowledgeable decision-making, policy creation, and interventions. These actions can enhance the growth and sustainability of cooperative enterprises, leading to equitable and inclusive development not just in India, but potentially globally as well. MA

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COOPERATIVE GOVERNANCE IN INDIA

Abstract

Resource and population relationship is most crucial aspect of the socio-economic facets. In the current scenario world population is the highest; countries like India have various challenges towards the justification of the basic needs of their citizens, while national population reaching the highest in the world. Cooperatives are the only and best solution for the better resource and community management. The success of the cooperatives highly depends on it governance. In India, cooperative movements have a phenomenon of east-west divide; in the western part of the country cooperatives are much successful and vibrant in comparison to eastern part of the country where it failed hugely. This article is an attempt to explain the governance of the cooperative in India and its various dimensions.

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Introduction

"ॐसहनाववतु।सहनौभुनक्तु।सहवीर्यंकरवावहै।तेजस्विनावधीतमस्तुमाविद्विषावहै।"[i]

(May God protect both us together, nourish together, we work together with great energy, our study be vigorous and effective, may we not hate anyone),

This mantra is commonly chanted in Indian schools and various institutions in a routine which has a great sense of collectiveness for all kinds of the social and personal growth. The idea of cooperation and collectiveness is of precious value in the Indian tradition. Formal use of the term 'cooperative' came into the existence by the co-operative movements and writings of the Robert Owen in England.

Robert Owen`s philosophy indicated that cooperatives are for social benefit, mutual cooperation and social welfare with the standard of morals and integrity. He was considered as the father of the cooperatives for his valuable contributions for the wellbeing of labourers.[ii] In India it was part of the social life to cooperate with all fellow humans in different occupations. In agrarian it is the most effective practice for the resource and manpower pooling; seeding to harvesting all activities were exercised collectively in way of cooperatives.

In its literary meaning, 'cooperative' is working together for shared aim; in the contemporary world, the humanity have faced major crisis because of unequal distribution of the resources or lack of access to the resources. Cooperative functioning is the most feasible solution for resource management because it propagates common wellbeing and not personal profit. Due to the rise in population, the development aspects changed from horizontal to vertical where housing is becoming the collective cluster by the common use of the amenities. Cooperation teaches us how we can have various facilities and amenities by the idea of collective use in cooperative measures.

In India the cooperative movement groomed wells, various enterprises grown with huge prosperity under the umbrella of cooperative governance like Amul, IFFCO, KRIBHCO. Banking and housing cooperatives are some examples of it. The idea of cooperatives came into the use before the socialism, in the post-independence era Indian socialism moved with bigger intake of the cooperative efforts. Soviet movement of Russia influenced the newly emerged post-colonial countries to move with cooperative system. In India cooperative movement has vital successes stories of micro efforts for a macro results, from small self-help groups and small scale milk contributors to big enterprises.

India had started its journey with socialism oriented economy where cooperative was considered as a way for the development and resource mobilization. To enforce the cooperative system in India, it was kept as a department under the Ministry of Agriculture. But the current Government recognised the importance of cooperative in modern changing world and moved to have a separate Ministry of Cooperatives.

Although the cooperative movement is a traditional feature in the Indian civilization, it is more institutional in the modern days; for the better management of the cooperatives various institutions and organizations were established under the public and private leadership. The success of the cooperatives is highly depending on its governance; for an example cooperative efforts were initiated in all parts of the country but in the current scenario it is more prosperous in the western States like Maharashtra, Gujarat, and Rajasthan where lots of cooperative societies are active for the housing, dairy farming, banking, small scale industries and self-help groups. In comparison, the cooperative movement has less success in the eastern States like Bihar, West Bengal, Orissa etc. The success of the cooperatives basically depends on two crucial aspects i.e. morals and governance. Morals lead towards the integrity and values what the members uphold; secondly it depends on governance as how they are organised.

The success of the cooperatives basically depends on two crucial aspects i.e. morals and governance

COOPERATIVE GOVERNANCE IN INDIA

The journey of cooperative governance in India was started during the British colonial rule with the Cooperative Credit Societies Act-1904. It mentioned the norms for the constitution of cooperative societies, their membership, registration, liabilities of members, and disposal of profits, rulemaking power and dissolution. The next cooperative legislation was the Cooperative Societies Act 1912, which give a wider scope for the cooperatives as marketing societies, handloom weavers and other artists societies. In the year 1914 the Maclagen Committee proposed certain reforms in the cooperative societies specially for the credit societies and it proposed a three tier cooperative banking at Centre, Province and District levels.

The Government of India Act, 1919 empowered the provinces to make law for cooperatives, The Bombay Cooperative Society Act 1925 was the first cooperative legislation passed by the provincial government. In year 1929, the All India Association of Cooperative Institutes was established for cooperative education and training. Multi-unit Cooperative Societies Act came into the existence in the year 1942 for the recognition of the societies through a Registrar of Cooperatives. The National Development Council (NDC) 1958 focused on the development of the cooperatives societies for rural transformation. National Cooperative Development Corporation (NCDC) was created by the Act of the Parliament in the year 1963. The Multi-State Cooperative Organisations Act was passed by the Indian Parliament in 1984. To consolidate the numerous laws governing the same kinds of societies the Government of India announced a National Policy on Co-operatives in 2002.

Cooperatives are a subject of the State List in Constitution of India and hence most of the State legislations are there to govern the cooperative societies. Article-43B of Constitution of India prescribed the governance policy for the cooperative societies as it stated that "the State shall endeavour to promote voluntary formation, autonomous function, democratic control and professional management of Co-operative societies."[iii] Cooperative societies are mentioned in subject number 32 of the State List of the Seventh Schedule of the Indian Constitution. Local governance provision of Article 243 of Indian Constitution empowered the cooperatives by giving them the functional structure. Even member's cooperatives have a special privilege to elect one twelfth members of the State Legislative Council members. The Constitution of India has provisions for the cooperatives in Part IXB, Articles 243ZH to243ZT for the cooperative governance in India. This part has description about the formation of the board, election, functions and responsibilities of the cooperative organisations. National Cooperative Policy 2002 was framed to remove parallel laws and make cooperative societies more self-reliant and democratically managed through uniform governance the cooperatives.

MINISTRY OF COOPERATION

On July 6th, 2021 a new Ministry of Cooperation was created from the Ministry of Agriculture, Cooperation and Farmers Welfare by a Cabinet Secretariats notification.[iv] This Ministry is dedicated for the separate administration, legal and policy framework for the cooperative movements of India with an emphasis on modernization, transparency, computerization and strengthening the cooperative environment. It has the motto "Sahakar se Samriddhi". The cooperative movement was motivated by the seven core principles :(1) Open and voluntary membership, (2) Democratic control, (3) Economic participation of members, (4) Autonomy and independence, (5) Education, training and information, (6) Cooperation among cooperatives and (7) Concern of community. The Ministry of Cooperation has a commitment to uphold the five vows of the Prime Minister (*Pradha Mantri PanchPran*), namely Development of India, Removal of any trace of colonial mind-set, Take pride on our roots, Unity and Sense of duty among the citizens.[v]

COOPERATIVE INSTITUTION AND ORGANISATIONS

Cooperatives have a well settled institutional framework in India. The National Cooperative Union of India (NCUI) is the apex organisation of the cooperatives of India. It came into existence in 1929 as a body for cooperative institutions and renamed in year 1961. It has a representation of 242 cooperative organisations who are the members of the NCUI. It has been working in 43 cooperative education field projects. National Centre for Cooperative Education (NCCE) is a body to deal with the educational programmes of NCUI by conducting various training and refresher programmes for national and international stakeholders. National Council for Cooperative Training (NCCT) is a council for intuition for the cooperatives in India. NCCT have five regional institutes of cooperative management and fourteen institutes of cooperative management in various States, which are involved in the training of the members of PACS, Cooperative bank staff and many young students and professionals from different fields. VAMNICOM, Pune is the primer institution for post-graduate degree in cooperative business management.

Seven Principles of Cooperatives

1. Open and Voluntary Membership,
2. Democratic Control,
3. Economic Participation of Members,
4. Autonomy and Independence,
5. Education, Training, and Information,
6. Cooperation Among Cooperatives, and
7. Concern of Community

The National Cooperative Development Corporation (NCDC) is a central agency for the financial affairs. It frames policies for the promotion and planning for the production, storage and marketing of various agro products and fertilizers. It is mainly involved in financing of the cooperative enterprises. NCDC has a 51-member general council and 12-member board of management. It has eighteen Regional/ State Directorates which are actively involved in sugar, textiles, dairy, poultry, fishery, and handloom etc. National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) was established in year 1958 to secure the greater benefit of the farmers by the marketing of agricultural produce. It had a total turnover ofRs.16,28,098.35 Lakhs (Year 2019-20) and share capital of Rs. 2,705.8 Lakhs (Year2019-20).

Primary Agricultural Credit Societies (PACS) are basic organisations of cooperatives in India. Currently1,00,428 PACS are actively working for the twenty-five key businesses like dairy sugar mills, spinning mills, agricultural products, handloom, fishing, and fertilizer etc. Nearly 619 State Cooperative Agricultural and Rural Development Banks (SCARDB) are working for providing financial solutions to the cooperative organisations.[vi] The Government allocated Rs. 2,516 crore for the computerization of the 63,000 PACS in through the budget of 2023-24.[vii] In the sugar production cooperatives have a bigger stake. 330 sugar mills are under the cooperative sector which account for 35 percent production of sugar of the country. For the inclusion of the milk producers, around 1,94,195 cooperative dairy societies are working in India to ensure the timely collection and consumption of milk.

In urban India cooperative housing societies are emerging as leading providers of housing. The National Cooperative Housing Federation of India (NCHF) was founded in year 1969 for the promotion, development and coordination of housing activities under the cooperative banner. The Multi-State Cooperative Societies Act, 2002 introduced various provisions for the registration of cooperative federation and societies for different purposes.

CONCLUSION

Cooperative institutions and organisations are deeply rooted in rural India and have a well established network. These organizations also performed excellently for financial inclusion of the rural population of India. Cooperative institutions are the most effective t instrument for the rural planning and their democratic governance. It is significant accomplishment in post-independence era and mission *Sahakar-22* of NCDC aims to incorporate the government mission for doubling the farmers' income. Cooperative governance evolved in India during the n last one century emphasized and envisaged the paradigm of socialist democracy. Over a period of time cooperative societies will be recognised as separate legal persons. It has the authority to choose what is best for its constituents. NITI Aayog has also adopted the great ideas of cooperatives for its planning through Cooperative Federalism. MA

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DIGITALIZATION, COOPERATIVE SOCIETY AND AGRICULTURAL CREDIT- A SYSTEMATIC LITERATURE REVIEW

Abstract

The framework of short-term rural credit builds on the vision to meet the credit requirements of rural India, thereby strengthening the village economy and fostering rural development. It is an efficient structure to channel Government subsidies and welfare schemes to farmers, artisans and socioeconomically marginalized rural communities. It has three tiers: State cooperative banks (SCBs) at the top, Central Cooperative Banks (DCCBs) at the district, and primary agricultural cooperative societies (PACS) at the village level. The recent advancement in technology not only improves the operational functions of credit cooperatives but also brings transparency to financial transactions, minimizes accounting errors and improves the efficiency and outreach of financial services and products. This article systemically draws attention to the recent digitalization resolution passed by the Government of India and how it has the potential to streamline functions of the rural credit cooperative societies and assists the state in achieving rural development.

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INTRODUCTION

For many years, India witnessed a notable contribution of the agriculture sector to GDP. The statement is still relevant as 54.6 per cent of the Indian population is engaged in agricultural and allied activities (Census 2011) and accounted for 18.3 per cent of the total economy during 22-23 (*MoSPI 2022-23*). However, the living and economic conditions of the farmers and allied workforces have not improved at the expected pace. There are many reasons, such as high reliance on rainfed agribusiness, inadequate agricultural landholdings, vulnerability to climate change and natural disasters, limited infrastructure, knowledge gaps, digital divide etc. In addition, the limited availability of financial institutions in rural areas affects the agrarian economy as there is a lack of access to affordable credit, savings options, and investment opportunities. As a result, inhabitants become more vulnerable to economic crises more particularly during natural disasters.

HISTORICAL BACKGROUND OF RURAL COOPERATIVE CREDIT SOCIETIES

The primary purpose behind establishing rural cooperative credit institutions was to offer affordable credit to farmers, artisans and those engaged in agricultural activities to alleviate their difficulties. It was a step to boost the agriculture-based economy, safeguard agriculturists from exploitation, and break a vicious cycle of indebtedness perpetuated by moneylenders or landlords. In India, the cooperative credit movement began during the pre-independence era. The first

Cooperative Societies Act was enacted in 1904 to establish co-operative banks in different provinces of India. For example, the Belgaum Pioneer Urban Cooperative Credit Society in 1906, Cosmos Cooperative Bank in 1906, Gokak Urban Cooperative Bank in 1906etc. All these banks mostly operated in urban areas and catered to the financial needs of low and middle-income groups. In this context, the report of The Maclegan Committee of 1915 highlighted the need for at least one rural credit institution for each village. Other issues of inadequate functioning of rural cooperative credit institutions were unequal socio-economic status, dominance of local power and politics, and moneylenders and landlords having large shares in rural cooperatives (*Baker, 1984*).

For example, during the colonial period and even after independence most of the rural credit came through moneylenders, landlords and big-size traders. According to the All India Rural Credit Survey (AIRCS) conducted in 1954, financial institutions accounted for a mere 9 per cent of rural credit, while cooperatives held a 5 per cent share. It represents weak banking and financial institutionalization in rural areas, highlighting the predominant role of moneylenders in providing rural credit and the detrimental cycle of debt. Thus, recognizing the importance of the agriculture sector in economic growth and resolving rural credit issues, the Indian Government and the Reserve Bank of India (RBI) played a central role in creating a broad-based institutional framework to cater to the increasing credit requirements of the agriculture sector (*Mohan, 2006*). It was after the 1970s that the share of cooperatives in rural credit crossed 20 per cent after the introduction of Integrated Schemes of Rural Credit suggested by the AIRCS (*Shah et al., 2007*). By 1991, the share of moneylenders in rural credit substantially decreased to 31 per cent from 91 per cent in the early 1950s (*Satyasai, 2008*). Today, India is considered to be having one of the largest rural cooperative credit networks worldwide. The credit goes to the introduction of the Five Year Plan, the formation of the credit survey committee- AIRCS, establishment of several national institutions like NCDC, NDDB and NCUI, enactment of the NABARD Act (1981), formulation of National Cooperative Policy, and other initiatives taken by the government and RBI.

DIGITALIZATION OF RURAL COOPERATIVE CREDIT SOCIETIES

The structural framework of Indian cooperative credit institutions is categorized based on rural and urban regions. Rural cooperative credit institutions have two structures -short-term and long-term (*Rachana, 2011*). The structure of short-term credit has a three-tier set up comprising of SCBs as an apex level body, CCBs at the district and PACSs at the village levels (*Sarma and Kumar, 2008*).

Digitalization, automation, and recent technological advancements such as artificial intelligence (AI) revamp every sector, including banking and finance. These resulted in reduced manual work, increased efficiency and time saving and improvised the user experiences. Hence, most nationalized banks and financial institutions welcomed such technological transitions to bring transparency, productivity and accountability to their operations. It helps to deliver better banking and financial products and services. Even State and some District rural cooperative credit societies have digitalized their operations.

As an apex bank, State cooperative credit institutions perform several functions to support rural credit movements in their respective States. Some of the key functions include the following:

- Monitoring and refinancing the lower-level cooperative banks
- Mobilizing rural savings
- Promoting rural development
- Channelizing government subsidies and financial schemes
- Lending credit to rural people
- Facilitating banking services to cooperative societies.

Figure 1 shows State cooperative banks, kinds of digital services they offers and how they will benefit the farmers and rural people.

FIGURE 1:

STATE-WISE COOPERATIVE BANKS, KINDS OF DIGITAL SERVICES OFFERS, AND BENEFITS DELIVERED TO THE FARMERS. (No. of State included: 4)

Bank Name	No. of District Central Cooperative Banks	No. of PACS	Types of Digital or Advance Technology-enabled services offered	Types of Benefits Provided to Farmers
The Gujarat State Co-Operative Bank Ltd.	18 banks and 1421 branches at the district level	9402 PACS covering 28+ lakhs farmers	Internet and Mobile Banking, Auto Vault, NEFT, E-Stamping, RTGS, IMPS, Digital Payment Services, UPI, and Online Shopping Offers	Agriculture loans, agriculture marketing infrastructure, one time settlement schemes for the repayment of loans at reduced R.O.I, *Pradhan Mantri Fasal Bima Yojana* (PMFBY), and Pradhan Mantri Kisan Samman Nidhi Yojana (PM – KISAN) to grant assured income to the small and marginal farmers (PIB, 2019)

The Rajasthan State Co. Operative Bank Ltd.	29 banks and 450+ branches at the district level	7105 PACS covering 44672 villages	Internet and Mobile Banking, NEFT, RTGS, IMPS, UPI, and Currency chest services	Kisan Credit Card covers crop and accidental insurance, diversified loan schemes, e.g. *Krishak Mitra Yojana, Avika Sahkari* Credit Card Schemes for Sheep rearing, and *Kisan Kalyan Yojna*, Promote self help groups by providing low-interest loans, and Rajasthan *Fasli and Krashak Rin Mafi Yojana*
M.P. State Cooperative Bank Ltd.	38 banks	4523 PACS	Personal Digital Assistant, Online Banking, Digital Payment Options (Recharge/Bill Payments), NEFT, PPS, RTGS, IMPS, UPI	PMFBY, loan for crops, oilseed and oil palm, National Food Security Mission programme (NFSM), additional loan for small and marginal farmers, and cash credit for fertilizers to the farmers
The Maharashtra State Co-op. Bank Ltd.	31 banks and 3667 branches at the district level as of 2017-18	21214 PACS as of 2017-18	Personal Digital Assistant, Internet and Mobile Banking, NEFT, RTGS, IMPS, UPI	Crop loans, loan restructuring, grant credit for investment in agriculture and agriculture allied activities and channelize various central and state governments schemes to the farmers

(Source: Compilation by the author based on the secondary data)

The data in Figure 1 represent the technological adoption of credit cooperative societies/institutions in delivering banking and other Government monetary schemes in rural India, especially targeting the farmers and marginalized populations. As a result, most apex cooperative banks digitalized the primary banking services, such as interbank funds transfer, bill payments, real-time payments, buying insurance, and informed about government schemes, etc. However, unlike the private and scheduled banks in India, these banks are still far behind in utilizing the advanced technologies in full fledge. For example, out of 4 banks, only Gujarat Cooperative Bank has an auto vault facility. That is also available only at one branch the Naranpura branch. The Credit Cooperative Banks of Maharashtra and Madhya Pradesh provide digital personal assistants. Another example is Rajasthan Cooperative Bank which recently announced provision of currency chest services. In addition, lack of digitalization is observed in PACS as most transactions are carried out and documented manually.

RESOLUTION TO DIGITALIZE PACS

Under the leadership of Prime Minister Shri Narendra Modi, the Cabinet Committee on Economic Affairs (CCEA) passed the resolution for the computerization of Primary Agricultural Credit Societies (PACS) on 29th June 2022 (PIB, 2022). This initiative aims to enhance the efficiency of PACS, promote transparency, and ensure accountability in their operations. Additionally, it enables PACS to expand its business and deliver a range of activities and services. The proposed project aims to digitalize about 63000 PACS within five years with a total budget of Rs. 2516 crores. Out of this, the Government of India will provide aid to the extent of Rs. 1528 crores.

Key Objectives

- Digitalize the functions of PACS.
- Diversify the PACS's services by including banking as well as non-banking activities.
- Increase financial and digital literacy in rural areas.
- To boost rural economic development; for example, promoting agri-based entrepreneurship and startups, digitalizing government schemes, establishing e-commerce platforms etc.

Inclusion of Rural Cooperative Societies

A new independent Ministry of Cooperation was formed in 2021 with a vision to realize the motto of "Cooperation to Prosperity", outreach the benefits of cooperatives to the grassroots level, promote the cooperative-based economic development model and provide a legal, administrative and policy framework to strengthen the position of cooperative societies in India. It addresses the issues faced by the people living in rural areas or deprived of development by connecting them with cooperatives.

According to the Ministry of Cooperation, about 100428 cooperative societies are actively functional in the agricultural sector consisting of PACS, LAMPS and FSS in 2023. In addition, there are also about 619 agricultural and rural development banks in India. Some of these institutions already automate their operations. And concerning the rest, as mentioned-above the Government made a plan to computerize and extend services of 63000 PACS. The idea is to connect PACS with District and state cooperative institutions to bring better transparency, accountability and financial inclusion.

Technological Transitions

Applying and articulating the term "technological transitions" in any sector not only refers to the change in technology or replacing outdated technology and mundane working pattern with new advanced technology but has several perspectives and theoretical backgrounds. It also includes the changes made in dependent elements such as Government policy and regulations, user practices, industrial networks, infrastructure, and symbolic meaning (*Geels, 2002*).The project proposed to install unified enterprise resource planning (ERP) based software programme, a common accounting system, and management information system (MIS) in 63000 PACS functional across India. However, there are no clarifications as to how to train employees, increase financial literacy in rural people, reduce the digital divide etc.

Budget Allocation

For the financial year 2022-23, the Central Government allocated a budget of Rs. 1624.74 crores for the development of cooperation. An allocation of Rs. 624 crores went towards centrally sponsored schemes, specifically, Rs. 350 crores for the computerization of primary agricultural credit societies and Rs. 274 crores for the prosperity through cooperatives program.

While in the financial year 2023-24, the Central Government increased the budget to Rs. 968.25 crores for the centrally sponsored schemes; more than 99.99 per cent was allocated only for the development of PACS. According to the press information (PIB) report, the Government of India released an amount of Rs. 201.18 crores against the applications received for the computerization of 58383 PACS from 24 States and 4 Union Territories.

CONCLUSION

The planned resolution to digitalize the PACS and extend their services, for example, incorporating civic centre services, has a great potential to realize the Government of India's mantra "*Sahkarse samriddhi"*(prosperity through cooperation). The decision aims to transform paper-based banking services to a paperless system. It will bring transparency, efficiency and accountability by digitally connecting all PACS to SCBS and DCCBs by installing unified management and accounting system. Such initiatives give a true and fair view of audit reports, detect fraud and errors and ensure that the benefits of the Government welfare schemes reach directly the beneficiaries only. In addition, when combined with other Government schemes and programmes, this resolution contributes to developing the rural-based economic model. Moreover, it strengthens the socio-economic status of small and marginalized farmers.

Several challenges draw attention while reviewing this resolution, such as the digital divide, financial illiteracy, employee training, collaboration with the State administration, resource allocation and timely audit of progress reports. For example, the questions as to how to provide necessary training to the people who manage the PACS or how to reduce the digital divide in rural areas are unanswered. However, the Government can resolve such issues by executing the existing programs efficiently, e.g. employee training programs designed for cooperatives. The author suggests conducting further post-implementation research studies to evaluate the efficacy and identify technology and human capital-related challenges. MA

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AGRICULTURAL COOPERATIVE: A PILLAR FOR AGRICULTURE DEVELOPMENT AND FOOD SECURITY IN INDIA

Abstract

This study emphasizes the significant role of agricultural cooperatives in ensuring food security in India. Cooperatives offer credit to small and marginalized farmers and producer including women, to engage in agriculture and allied activities for self-reliance and improve their standard of living. Out of 30 lakh cooperative societies globally, 8.55 lakh exist in India and around 13 crore people are directly connected with them. In India, 91 per cent of villages have cooperatives. Cooperative Banks are the second largest credit contributors to the agriculture sector after commercial banks in India. Cooperative banks' distribution of credit and Kisan Credit Cards significantly influence agricultural development and food security in India.

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INTRODUCTION

Food security refers to the availability, accessibility and affordability of food at all times. It also refers to the capacity to produce enough food to feed everyone. The fundamental right to life guaranteed in Article 21 of the Indian Constitution includes the right to live with human dignity, the right to food and other basic requirements.About25.01 percent of the population in India is multi-dimensionally poor (*NITI AyogReport-2021*) and more than 514 million people were lifted out of poverty in India between 2005 and 2019-20(*Multidimensional Poverty Index -2022).*According to the Global Hunger Index Report, India was ranked 107th out of 121 countries in 2022-23,whichshows food necessity in India. The first cooperative was established in India in the last quarter of the 19thcentury to free farmers from the control of money lenders. The Cooperative Societies Act of 1904, which came into effect from March 25, 1904, is credited with launching the cooperative movement in India as a governmental policy. In 1911, more than 3,500 societies were registered under this Act. The Five Year Plans emphasized the importance of cooperative societies in India. The first five-year plan prioritized the agricultural sector, which led to significant development in various sectors. Out of 30 lakh cooperative societies globally, 8.55 lakh exist in India and around 13 crore people are directly connected to them. Ninety one per cent of villages in India are connected with cooperatives(Table.1).The objective of the present study is to examine the role of cooperatives in the agriculture sector for food security and to know the credit performance of cooperative and non-cooperative banks in agriculture development.

Agricultural cooperatives play a crucial role in assisting small farmers and marginalized groups like women and young people. They enhance the lives of their members by empowering them economically and socially and generating sustainable rural employment through entrepreneurial concepts. Small agricultural producers have access to a variety of possibilities and services through cooperatives, including better access to markets, natural resources, information, communications, and technology, as well as credit, training, and storage facilities (Table.3). Through this assistance, small holder farmers can protect their livelihoods which helps to reduce poverty and ensure food security. In cooperative banks, demand for credit in the agriculture sector will increase year by year. It is the second largest credit supply bank to the agriculture sector in India (Table.2).However, the share of cooperative credit with other banks shows a negative trend because of the high outstanding in cooperative banks (Table.2).

METHOD AND MATERIAL

To achieve the study's objective, we focused on secondary data sources collected from the Annual Reports of various Ministries and Departments of State and Central Governments like the Ministry of Agriculture and Farmers Welfare, Economics Survey, Department of Food and Public Distribution, Ministry of Cooperation etc. , Most of the data have been collected from Reserve Bank of India, indiastat.com, etc. This study covers a period of 16 years, from 2007 to 2022 and the study used straightforward analytical tools like, tabulation, charts and graphs. Quantitative data technique was adopted.

RESULTS AND DISCUSSION

TABLE.1

STATE AND UNION TERRITORIESWISE NUMBER OF AGRICULTURE COOPERATIVES AND KISAN CREDIT CARDS (KCC) ISSUED BY COOPERATIVES IN INDIA AS OF 2021

States/UTs	Cooperative Banks	Kisan Credit Card	States/UTs	Cooperative Banks	Kisan Credit Card
Assam	809	1265	Himachal Pradesh	2198	108863
Arunachal Pradesh	34	907	Jammu & Kashmir	597	8666
Manipur	250	2241	Jharkhand	4293	12733
Meghalaya	516	16212	Karnataka	6040	3013111
Mizoram	84	615	Kerala	1682	577854
Nagaland	1166	3745	Madhya Pradesh	4541	3787189
Sikkim	178	1109	Maharashtra	20962	3403464
Tripura	292	87842	Odisha	2709	2997850
Andaman & Nicobar	46	6246	Puducherry	56	6354
Andhra Pradesh	2042	1495890	Punjab	3951	957087
Bihar	8481	235488	Rajasthan	7442	3226653
Chhattisgarh	2058	1343011	Tamil Nadu	4489	1469592
Delhi	0	0	Telangana	909	871935
Goa	93	2003	Uttar Pradesh	7478	2656831
Gujarat	10263	961229	Uttarakhand	671	277151
Haryana	772	1178974	West Bengal	5144	1805851

Sources: Ministry of Cooperation of India & indiastat.com

The above Table provides data on the number of Cooperative Banks and Kisan Credit Cards issued by agricultural cooperatives to States and Union Territories (UTs) in India. As of 2021, Maharashtra had 3403464 Kisan Credit Card holders (KCC) and 20962 active agricultural cooperatives. Maharashtra has over 30 per cent of all cooperatives in India, 20 per cent of all members and sugarcane is a significant crop there. Gujarat is the State with the second-most active agricultural cooperatives, with 10263. Additionally, 1178974 Kisan Credit Cards were given out to farmers through cooperative banks. Gujarat has a high rate of dairy cooperatives (AMUL) compared to other States because of the State's abundant milk output. However, there are noticeable variations in the number of Cooperative Banks and Kisan Credit Cards across different States and UTs. States like Gujarat, Bihar, and Andhra Pradesh have many Cooperative Banks, indicating a strong presence of cooperative banking institutions. Coverage is very low, especially in the northeast region. Delhi shows zero Cooperative Banks and zero Kisan Credit Cards. Delhi is a Union Territory, where the financial services landscape might differ from other States. Finally, the distribution of Cooperative Banks and Kisan Credit Cards across States and UTs in India emphasizes the importance of these financial instruments in supporting agricultural activities and food security.

TABLE.2

BANK WISE CREDIT FLOW TO THE AGRICULTURE SECTOR IN INDIA FROM 2007 TO 2021

(Rs.in Crore)

Sl.No	Year	Cooperative Banks	Regional Rural Banks	Commercial Banks *	Total
1	2007-08	48258 **(18.95)**	25312 **(9.94)**	181088 **(71.11)**	254658**(100)**
2	2008-09	45966 **(15.24)**	26765 **(8.87)**	228951 **(75.89)**	301682**(100)**
3	2009-10	63497 **(15.51)**	35217 **(9.16)**	285800 **(74.33)**	384514**(100)**
4	2010-11	78121 **(16.68)**	44293 **(9.46)**	345877 **(73.86)**	468291**(100)**
5	2011-12	87963 **(17.21)**	54450 **(10.65)**	368616 **(72.13)**	511029**(100)**
6	2012-13	111203 **(18.31)**	63681 **(10.48)**	432491 **(71.21)**	607375**(100)**
7	2013-14	119964 **(16.43)**	82653 **(11.32)**	527506 **(72.25)**	730123**(100)**
8	2014-15	138469 **(16.38)**	102483 **(12.12)**	604376 **(71.50)**	845328**(100)**
9	2015-16	153295 **(16.74)**	119261 **(13.03)**	642954 **(70.23)**	915510**(100)**
10	2016-17	142758 **(13.40)**	123216 **(11.56)**	799781 **(75.04)**	1065755**(100)**
11	2017-18	150389 **(12.87)**	140959 **(12.06)**	877155 **(75.07)**	1168503**(100)**
12	2018-19	152340 **(12.12)**	149667 **(11.91)**	954823 **(75.97)**	1256830**(100)**
13	2019-20	157367 **(11.30)**	165326 **(11.87)**	1070036 **(76.83)**	1392729**(100)**
14	2020-21	190682 **(12.10)**	190012 **(12.06)**	1194704 **(75.84)**	1575398**(100)**
15	2021-22	243220 **(13.05)**	204180 **(10.96)**	1415964 **(75.99)**	1863364**(100)**
Total		**2047117**	**1589188**	**10395780**	**14032085**

Note: * denote Commercial Banks including public sector and private sector banks.
(Brackets): denote credit share of respected Banks in percentage to total credit.
Sources: Reserve Bank of India & indiastat.com

FIGURE.1

BANK-WISE CREDIT TRENDS TO THE AGRICULTURE SECTOR IN INDIA FROM 2007 TO 2022

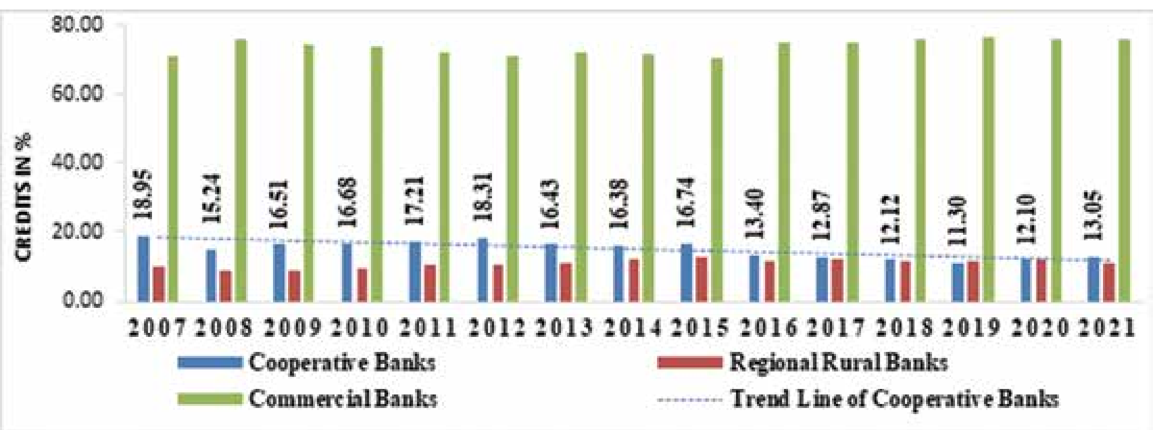


Table 2 provides data on the number of cooperative banks, regional rural banks and commercial banks over 15 years. We considered Regional Rural Banks (RRBs) and commercial banks to see the credit performance of cooperative banks and those in the agriculture sector. The credit from cooperative banks has increased from Rs.48,258 in 2007-08 toRs.243,220 in 2021-22. The total credit of cooperative banks during the entire period isRs.2,047,117.The credit of regional rural banks also demonstrates an upward trend, with an initial count of Rs.25,312 in 2007-08 and rising to Rs.204,180 in 2021-22.The number of commercial banks exhibits a consistent growth pattern, starting with a credit of Rs.181,088 in 2007-08 and escalating to Rs.1,415,964 in 2021-22.The share of cooperative banks' credit shows a negative trend because the outstanding loan is high in cooperative banks. Over the years, commercial banks have covered the majority of the banking sector, an overall expansion of all three types of banks.

TABLE.3

FARMERS WISE MEMBERS AND BORROWERS OF AGRICULTURAL COOPERATIVES IN INDIA. FROM 2017 TO 2022

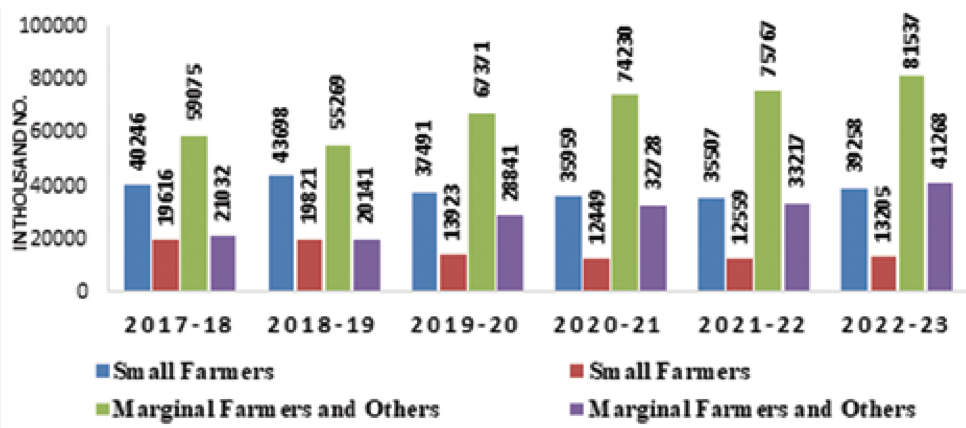
(In Thousand Nos.)

Year	Small Farmers		Marginal Farmers and Others	
	Members	Borrowers	Members	Borrowers
2017-18	40246	19616	59075	21032
2018-19	43698	19821	55269	20141
2019-20	37491	13923	67371	28841
2020-21	35959	12449	74230	32728
2021-22	35507	12559	75767	33217
2022-23	39258	13205	81537	41268

Source: Reserve Bank of India. & indiastat.com

FIGURE.2

FARMER WISE MEMBERS AND BORROWERS OF AGRICULTURAL COOPERATIVES IN INDIA FROM 2017 TO 2022.



The number of members from among small farmers shows some variation over the years. It increased from 40,246 in 2017-18 to 43,698 in 2018-19 and to 13,205 in 2022-23.The number of members among marginal farmers and others increased from 59,075 in 2017-18 to 81,537 in 2022-23. This indicates a consistent growth trend over the years. It increased from 21,032 in 2017-18 to 41,268 in 2022-23, reflecting a significant increase in borrowing activity. It also indicates that there has been a greater demand for credit and membership among marginal farmers and other categories.

TABLE.4

MAJOR FOODGRAINS PRODUCTION IN INDIA FROM 2007 TO 2022

(In Lakh Tonne)

Year	Rice	Wheat	Total Cereals	Pulses	Total Foodgrains
2007-08	966.9	785.7	2160.1	147.6	2307.8
2008-09	991.8	806.8	2199	145.7	2344.7

2009-10	890.9	808	2034.5	146.6	2181.1
2010-11	959.8	868.7	2262.5	182.4	2444.9
2011-12	1053	948.8	2422	170.9	2592.9
2012-13	1052.4	935.1	2387.9	183.4	2571.3
2013-14	1066.5	958.5	2457.9	192.5	2650.4
2014-15	1054.8	865.3	2348.7	171.5	2520.2
2015-16	1044.1	922.9	2352.2	163.5	2515.7
2016-17	1097	985.1	2519.8	231.3	2751.1
2017-18	1127.6	998.7	2596	254.2	2850.1
2018-19	1164.8	1036	2631.4	220.8	2852.1
2019-20	1188.7	1078.6	2744.8	230.3	2975
2020-21	1243.7	1095.9	2852.8	254.6	3107.4
2021-22	1294.7	1077.4	2883.1	273	3156.2
2022-23	1305	1120	2984.5	295.5	3280
Total	**17501.7**	**15291.5**	**39837.2**	**3263.8**	**43100.9**

Source: Ministry of Agriculture & Farmers Welfare, Govt. of India. & indiastat.com

Agricultural cooperatives play a crucial role in assisting small farmers and marginalized groups like women and young people

The above Table represents the production of various food crops (rice, wheat, pulses, and cereals) and the total foodgrains production over 16years. The total production of rice over the entire period was 17,501.7 lakh tonnes. The cumulative production of wheat was 15,291.5 lakh tonnes and the total cereal production over the mentioned years was 39,837.2 lakh tonnes. The total production of pulses during the given period was 3,263.8 lakh tonnes. The total foodgrain production over the entire period was 43,100.9 lakh tonnes. Finally, total production foodgrains, including cereals and pulses, exhibited an increasing trend over the years because the Government encourages through minimum support price (MSP) for foodgrain to farmers to grow foodgrain government purchases and distribute these through *Antyodaya Anna*, mid-day meals and *Poshan* schemes for enhancing the food availability to the vulnerable section through Public Distribution System (PDS) in India. Agriculture cooperatives significantly provide financial assistance to farmer for carrying out agriculture and non-agriculture activities for improving their livelihood.

CONCLUSION

Cooperatives play a major role in agriculture credit in India and it is the second largest credit contributor to the agriculture sector after commercial banks in India. Therefore, the Government should raise the awareness of agriculture cooperatives in eradicating/ reducing poverty, income generation and ensuring food availability to all. Supporting the development of an enabling environment and better governance framework for agriculture cooperatives is also a need of the hour. As digitalization is gaining increasing importance, the government is trying to make digitalization of all activities of the cooperatives in India. MA

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INNOVATION AND TECHNOLOGY FOR MAKING INDIAN COOPERATIVES FUTURE-READY

Abstract

India has 8.5 lakh cooperative units, out of which 20 per cent are credit cooperatives. An invention encourages the innovator to observe, orient, thoughts, and develop new ideas. Cooperatives have long been an integral part of India's socio-economic fabric, playing a crucial role in empowering rural communities and promoting inclusive growth. However, in the era of rapid technological advancements, it is imperative for Indian cooperatives to embrace innovation and leverage technology to enhance their efficiency, competitiveness, and sustainability. In this backdrop, this article makes an attempt to examine key areas where innovation and technology can be applied to empower Indian cooperatives and enable them to thrive in the digital age. Further, it also discusses the challenges and opportunities associated with implementing innovative solutions in the cooperative sector.

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INTRODUCTION

Indian cooperatives have a rich history and have been instrumental in driving social and economic development in the country. Cooperatives are democratic organizations owned and operated by their members, who work together to meet their common economic, social, and cultural needs. They have played a vital role in empowering marginalized communities, particularly in rural areas, by providing access to resources, markets, and services. However, in today's fast-paced and technology-driven world, Indian cooperatives face numerous challenges that require innovative solutions. These challenges include limited access to modern technologies, inadequate governance and management practices, inefficiencies in supply chain management, and limited financial inclusion. To remain relevant and competitive, Indian cooperatives need to embrace innovation and leverage technology to transform their operations and create sustainable growth.

NEED AND SIGNIFICANCE OF COOPERATIVES IN INDIA

Cooperatives in India have a significant presence and play a crucial role in the country's socio-economic development. They are autonomous associations of individuals or organizations who voluntarily come together to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Indian cooperatives are governed by the Cooperative Societies Act of the respective States and are guided by the principles of self-help, self-governance, voluntary participation, democratic decision-making, and equitable distribution of benefits.

Cooperatives in India operate across various sectors, including agriculture, dairy, credit and finance, housing, consumer goods, handloom, fisheries, and more. They primarily cater to the needs of rural communities, where they have been successful in empowering small-scale farmers, artisans, and marginalized groups by providing them access to markets, resources, and collective bargaining power. The organizational structure of Indian cooperatives typically consists of a general body comprising cooperative members who elect a board of directors to manage the affairs of the cooperative. The members have voting rights and participate in decision-making processes based on the principle of "one member, one vote." Cooperative societies operate on the principle of surplus distribution among members in proportion to their participation and patronage.

Indian cooperatives have demonstrated several advantages, including the promotion of self-reliance, social integration, employment generation, poverty alleviation, and the equitable distribution of resources and benefits. They have also played a vital role in reducing the exploitation of farmers and other marginalized groups by eliminating intermediaries and ensuring fair prices for their produce. However, the Indian cooperatives face various challenges in the current landscape. These challenges include inadequate capitalization, outdated management practices, limited access to technology, lack of skilled human resources, governance issues, political interference, and weak linkages with markets and value chains. To address these challenges and remain relevant, Indian cooperatives need to embrace innovation and leverage technology to enhance their efficiency, competitiveness, and sustainability. In recent years, there have been initiatives by the government, cooperative federations, and development agencies to revitalize and strengthen the cooperative sector in India. These efforts aim to improve the governance and management of cooperatives, provide financial support, encourage innovation, promote market linkages, and foster collaborations among cooperatives.

INNOVATION IN THE COOPERATIVE SECTOR

Innovation plays a critical role in the growth and sustainability of cooperatives. It enables them to adapt to changing market dynamics, improve operational efficiency, enhance member services, and address socio-economic challenges. Innovation in the cooperative sector encompasses a range of activities, including the development of new products, services, processes, and business models.

a. **Product Innovation:** Product innovation involves the creation of new or improved goods or services that meet the evolving needs of cooperative members and customers. Cooperatives can innovate by diversifying their product offerings, introducing value-added products, incorporating eco-friendly practices, or adopting sustainable production methods. For example, agricultural cooperatives can develop organic or specialty products to cater to niche markets, thereby enhancing their competitiveness and profitability.

b. **Process Innovation:** Process innovation focuses on improving the internal operations and workflows of cooperatives. It involves identifying and implementing more efficient and effective methods of production, distribution, and service delivery. Process innovations can streamline operations, reduce costs, minimize waste, and enhance productivity. For instance, cooperatives can adopt technology-enabled systems for inventory management, supply chain optimization, or quality control, leading to improved efficiency and customer satisfaction.

c. **Business Model Innovation:** Business model innovation involves rethinking and redesigning the way cooperatives create, deliver, and capture value. It involves exploring new revenue streams, partnerships, and value propositions to better serve the needs of members and customers. Cooperatives can innovate by adopting hybrid business models, embracing digital platforms, or creating cooperative networks to enhance their market reach and profitability. Business model innovation enables cooperatives to remain competitive and sustainable in a rapidly changing business environment.

d. **Social Innovation:** Social innovation focuses on addressing social and environmental challenges through cooperative actions. It involves finding new solutions to societal issues, such as poverty, inequality, environmental sustainability, and community development. Social innovation in cooperatives can include initiatives that promote fair trade, sustainable agriculture, renewable energy, gender equality, and social inclusion. By integrating social objectives into their operations, cooperatives can contribute to the well-being of their members and communities.

e. **Technological Innovation:** Technological innovation involves the adoption and application of new technologies within cooperatives. It can encompass a wide range of advancements, including digitalization, automation, data analytics, artificial intelligence, and Internet of Things (IoT). Technological innovations can revolutionize various aspects of cooperative operations, such as communication, governance, financial management, supply chain logistics, and member services. By embracing technology, cooperatives can improve their efficiency, transparency, and member engagement.

TECHNOLOGY ADOPTION AND DIGITAL TRANSFORMATION

Technology adoption and digital transformation are crucial for the future readiness of cooperatives in India. Digital transformation involves the integration of digital technologies and data-driven solutions across all aspects of cooperative operations.

a. **Digital Platforms and Connectivity:** Digital platforms, such as websites, mobile applications, and online marketplaces, provide cooperatives with a direct channel to engage with their members and customers. These platforms enable cooperatives to showcase their products, facilitate online transactions, and gather valuable feedback. Additionally, ensuring connectivity in rural areas and promoting affordable internet access can bridge the digital divide and enable cooperatives to leverage digital platforms effectively.

b. **Data Analytics and Insights:** Data analytics allows cooperatives to derive valuable insights from the data they generate. By analyzing member and market data, cooperatives can make informed decisions, identify trends, personalize member services, and optimize operations. Data analytics can help cooperatives understand member preferences, anticipate demand, manage inventory efficiently, and make strategic business decisions.

c. **Supply Chain Optimization:** Technology can optimize supply chain management in cooperatives by improving coordination, reducing inefficiencies, and enhancing visibility. Digital solutions like traceability systems, blockchain, and IoT can enable cooperatives to track products from farm to market, ensure quality control, and enhance transparency. Additionally, technologies like smart logistics and real-time monitoring can streamline distribution and reduce wastage.

d. **Financial Technology (Fintech) Integration:** Cooperatives can leverage fintech solutions to enhance financial services and improve access to finance for members. Mobile banking, digital payment systems, and online loan applications can simplify financial transactions, reduce costs, and enhance financial inclusion. Cooperatives can also explore partnerships with fintech companies to leverage their expertise in digital financial services.

e. **Automation and Robotics:** Automation and robotics can streamline repetitive tasks and improve operational efficiency in cooperatives. Robotic systems can be employed in production processes, packaging, and warehouse management, reducing labour costs and enhancing productivity. Automated systems can also improve accuracy and reduce human error in tasks like accounting, inventory management, and data entry.

f. **Cyber security and Data Privacy:** As cooperatives adopt digital technologies, ensuring cyber security and data privacy becomes crucial. Cooperatives need to implement robust security measures, educate employees about cyber security best practices, and comply with data protection regulations. Protecting member data and maintaining trust in digital transactions are essential for successful digital transformation.

KEY AREAS FOR INNOVATION AND TECHNOLOGY ADOPTION

a. **Enhancing Cooperative Governance and Management:** Innovation and technology can significantly improve cooperative governance and management practices. Cooperatives can adopt digital tools and platforms for transparent communication, efficient decision-making, and streamlined administrative processes. This can include digital board portals for easier access to information, online voting systems for democratic decision-making, and collaborative platforms for effective communication among members and stakeholders. Embracing innovation in governance and management can lead to improved accountability, transparency, and organizational effectiveness.

b. **Improving Cooperative Financial Systems:** Innovation and technology can revolutionize financial systems within cooperatives, enhancing financial management, accessibility, and inclusivity. Cooperatives can adopt digital payment systems, mobile banking applications, and online financial services to provide convenient and secure transactions for members. Moreover, implementing digital accounting systems and financial analytics tools can streamline financial reporting and analysis, leading to improved financial decision-making. Embracing fintech solutions can facilitate access to credit, savings, insurance, and investment opportunities for cooperative members, promoting financial empowerment.

c. **Strengthening Supply Chain Management:** Innovation and technology adoption can optimize supply chain management in cooperatives, leading to improved efficiency, traceability, and market competitiveness. Cooperatives can leverage digital platforms for real-time inventory management, demand forecasting, and supply chain analytics. Implementing technologies like IoT sensors, blockchain, and smart contracts can enhance product traceability, quality control, and collaboration across the supply chain. Digital marketplaces and e-commerce platforms can also enable cooperatives to reach a broader customer base, connect with buyers directly, and bypass traditional intermediaries.

d. **Empowering Cooperative Members through Digital Platforms:** Digital platforms can empower cooperative members by providing them with access to information, markets, and services. Cooperatives can develop member-centric digital platforms and mobile applications that offer personalized information, training resources, market intelligence, and advisory services. These platforms can enable members to access agricultural practices, market trends, pricing information, and government schemes. Digital platforms can also facilitate direct communication between members, fostering collaboration, knowledge-sharing, and collective decision-making.

e. **Leveraging Data Analytics and Artificial Intelligence:** Cooperatives can harness the power of data analytics and artificial intelligence (AI) to derive actionable insights, automate processes, and enhance member experiences. By analyzing data on member preferences, buying patterns, and behaviour, cooperatives can personalize product recommendations, target marketing campaigns, and optimize resource allocation. AI algorithms can automate routine tasks, improve predictive analytics, and enable chatbots or virtual assistants to deliver personalized support to members. Data-driven decision-making can enhance the efficiency, effectiveness, and member satisfaction within cooperatives.

CHALLENGES IN IMPLEMENTING INNOVATION AND TECHNOLOGY

- **Limited Technology Infrastructure:** Many cooperatives, especially in rural areas, face challenges related to inadequate technology infrastructure, such as reliable internet connectivity and access to electricity. Limited access to hardware, software, and technical support further impedes technology adoption.

- **Digital Divide and Skill Gap:** The digital divide, characterized by disparities in access to and knowledge of technology, poses a significant challenge for cooperatives. Some members may lack digital literacy and skills required to effectively utilize technology, hindering their participation in digital initiatives.
- **Financial Constraints:** Cooperatives may face financial constraints in investing in innovative technologies, training, and infrastructure upgrades. Limited access to capital and inadequate financial resources can hinder the adoption of technology-driven solutions.
- **Change Management and Resistance:** Implementing innovation and technology requires a cultural shift within cooperatives. Resistance to change, lack of awareness, and fear of job displacement may impede the adoption of innovative practices and technologies.

EMERGING TRENDS IN COOPERATIVE INNOVATION AND TECHNOLOGY

a. **Internet of Things (IoT) Integration:** The integration of IoT devices and sensors will enable cooperatives to gather real-time data on production, storage, and distribution processes. This data can be utilized for predictive analytics, quality control, and efficient resource allocation.

b. **Artificial Intelligence (AI) and Machine Learning:** AI-powered solutions can help cooperatives automate repetitive tasks, optimize operations, and personalize member services. Machine learning algorithms can analyze data to identify patterns, make predictions, and improve decision-making processes.

c. **Blockchain Technology:** Blockchain can enhance transparency, trust, and traceability in cooperative operations, particularly in supply chain management and financial transactions. Cooperatives can leverage blockchain for secure and transparent record keeping, reducing fraud and enhancing accountability.

d. **Digital Platforms for Cooperative Collaboration:** Online platforms and cooperative networks will facilitate collaboration, knowledge-sharing, and joint marketing initiatives among cooperatives. These platforms can enable cooperatives to pool resources, negotiate better deals with suppliers, and collectively market their products.

POLICY RECOMMENDATIONS AND WAY FORWARD

- **Foster a Culture of Innovation:** Cooperatives should cultivate a culture that encourages innovation, creativity, and experimentation. This can be achieved through training programs, workshops, and incentives that promote idea generation, risk-taking, and continuous learning.
- **Develop Digital Skills:** Investing in digital literacy and skill development programs for cooperative members and staff is crucial. Training initiatives should focus on building technical competencies, digital marketing skills, data analysis, and cyber-security awareness.

> **Science, Technology, and Innovations which are entrepreneurship-driven, are the key drivers for economic growth**

- **Collaborative Partnerships:** Cooperatives should actively seek partnerships with technology providers, financial institutions, research institutions, and government agencies. Collaborations can provide access to expertise, funding, technical support, and knowledge-sharing opportunities.
- **Policy Support:** Governments should create an enabling policy environment that promotes innovation, technology adoption, and digital infrastructure development in the cooperative sector. Policies should incentivize technology investments, support research and development, and address regulatory barriers.
- **Access to Finance:** Financial institutions and government agencies should offer specialized financing schemes, grants, and subsidies to support cooperatives' innovation and technology initiatives. Access to affordable financing will facilitate the adoption of technology solutions.
- **Knowledge-Sharing Platforms:** Establishing platforms for cooperative knowledge-sharing, best practices and case studies can foster cross-learning and facilitate the dissemination of successful cooperative innovations.
- **Digital Inclusion:** Governments and cooperatives should work together to bridge the digital divide by improving internet connectivity, ensuring electricity supply, and providing affordable access to technology in rural areas. This will enable all cooperatives and their members to benefit from technology adoption.

CONCLUDING REMARKS

It is obvious from the above factual assessment that Science, Technology, and Innovations which are entrepreneurship-driven, are the key drivers for economic growth and human development. Cooperatives as aggregators should come forward and leverage the benefits of the supporting policies for improving their productivity by being a part of the modern technology innovation revolution. It is now time to consider cooperatives as strategic business units that are central to a country's growth and sustainable development. MA

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Behind Every Successful Business Decision, there is always a CMA

CMA Rajendra Prasad Goyal

Director (Finance) - NHPC Limited, Faridabad

CMA Rajendra Prasad Goyal has taken over charge of Director (Finance) of NHPC Limited on October 1, 2020. He is also Chief Financial Officer of the Company. Shri Goyal started his career in NHPC as Senior Accountant on 18th November 1988. He initially joined at Salal Power Station in J&K and thereafter worked at Chamera-I Project, Dulhasti Project, Regional Office, Jammu and Corporate Office, Faridabad in various capacities. Shri Goyal had been the Head of Finance at Services Division, Corporate Office and Regional Office, Jammu. Prior to taking over the charge as Director (Finance), he was working as Chief General Manager (Finance) and heading the Corporate Accounts & Policy, Taxation, Banking, Establishment and Investor Relations Sections. Shri Goyal is also serving as Nominee Director on the Board of Loktak Downstream Hydroelectric Corporation Limited (LDHCL), Chenab Valley Power Projects Private Ltd. (CVPPPL), Ratle Hydroelectric Power Corporation Limited and NHDC Limited (subsidiary Companies of NHPC Limited). Shri Goyal is also elected as a Member of the Executive Board of Standing Conference of Public Enterprises (SCOPE), New Delhi. Shri Goyal has also been given the additional charge of Director (Finance) of National Power Training Institute (NPTI), Faridabad. Shri Goyal is an Associate Member of the Institute of Cost Accountants of India and also holds a Master's Degree in Commerce from the University of Rajasthan, Jaipur. Shri Goyal has vast experience of more than 33 years in NHPC Ltd. in the core areas of Finance with in-depth understanding and vast knowledge of Financial, Contractual and Regulatory issues involved in construction as well as operations of Hydro Projects. His leadership qualities, ability to work hard with conceptual clarity and professionalism are outstanding. During his service in NHPC, Shri Goyal has risen the professional ladder by virtue of utmost sense of responsibility, ethics and dedication to the Company. He has proved himself as an outstanding Finance Professional and has made his mark in the sustained growth of NHPC.

Q1. With the surging power demand in India; what are the steps you are taking to fulfil the same?

Ans: India is the 3rd largest power producer and consumer in the world and it is growing at a rate of 10.5%. India's energy requirement is expected to increase manifold in the coming decade to attain the targeted Gross Domestic Product (GDP) growth rate. Our country is blessed with an estimated hydropower potential of 1,45,320 MW excluding small hydro and Pumped Storage Projects. Out of which, we have developed 46850 MW i.e. 32% of the potential has been harnessed so far.

NHPC a Mini Ratna enterprise of Govt. of India is a premier organization in the field of hydro development. In the interest of clean energy transition and to meet the surging power demand, wherein hydro power will play a pivotal role, NHPC is mainly focusing upon to add in the grid as much of clean & green hydro energy through untapped hydro potential. This would not only meet the peaking power demand of the country, but also facilitate large scale projected integration of Solar & Wind energy in the grid as technical inherent capabilities of hydropower such as quick start-stop, black-start, spinning reserve etc.

Q2. The government talks on reforms to achieve excellence in development of clean power at par with international standards. What are major challenges that need to be taken care of?

Ans: The reforms in energy sector in India is basically based on multiple objectives like deploying renewable energy to improve energy security, mitigate climate change, ensuring access to affordable, reliable, sustainable, modern energy for citizens of the country etc. The strong government support and the increasing power demand in the country due to robust economic condition have placed India as one of the leading attractive renewable energy markets. All the related issues and challenges have been amply countered through suitable government policies, programs, and a conducive environment to ramp up the renewable energy market.

Q3. What are your ambitious plans for Renewable Energy? How do you see NHPC's contribution in Nation's Renewable Energy journey?

Ans: Govt. of India has set up a target of 500 GW capacity from non-fossil fuels by 2030. To contribute in this ambitious plan of country, NHPC has diversified into Renewable Energy Sector apart from Hydro. At present, NHPC has one operational Solar Power Station and one Wind Power Station of 50 MW each. As the focus of Govt. has increased now on Renewable Energy, we have also expanded our solar Portfolio. We have 7 Solar Projects of 1201 MW under construction stage which are expected to be operational in FY 2024-25.

Further, NHPC has also been designated by Ministry of New and Renewable Energy (MNRE) as Implementing Agency for Renewable Energy Projects and as an intermediary procurer, NHPC has awarded 2000 MW Solar Power projects to five nos. of selected developers out of which 320 MW Solar Power Project has been commissioned at Bikaner, Rajasthan in Dec, 2022. Balance 1680 MW capacity is scheduled to be commissioned in F.Y. 2023-24 & 24-25 in phases.

NHPC is further exploring various Renewable Energy Projects in various modes across different States.

Q4. Please give us an overview of your current project-Subansiri Lower Hydroelectric Project. How important is success execution of this project?

Ans: The 2,000 MW Subansiri Lower hydroelectric power project is on Subansiri River, which is a tributary of Brahmaputra River. The project is located on the border of India's two north-eastern states; Arunachal Pradesh and Assam. The Subansiri Lower HE Project of 2000 MW (250 MW X 8) is the largest hydroelectric project of the country.

The successful execution of the project is very important. Besides contributing 7421 MU of much needed hydro energy annually, it will open a new era in the hydro development of North-Eastern region. The local people have been benefited directly or indirectly from Subansiri Lower Project in terms of employment/ livelihood, work / business opportunities during its construction and socio-economic condition of the local people have been improved. Further, after completion of project, due to availability of uninterrupted power, various industries including tourism etc. may develop in the vicinity of the project providing employment and business opportunities to local youths/people resulting in overall development of the area.

Q5. What are the expansion plans of NHPC in terms of capacity addition?

Ans: Presently, NHPC has an installed capacity of 7097 MW from 25 power stations including three projects in JV mode. NHPC is making all out efforts to reach installed capacity of 23000 MW by 2032 and to be a 50,000 MW company by 2047.

At present, we have 9 hydroelectric projects of 9314 MW and 7 Solar Projects of 1201 MW under construction stage. Further, NHPC has many hydro projects under clearance stage which shall come up for implementation in the near future. In addition, NHPC is also exploring opportunities in Pump Storage Projects.

Q6. NHPC is going to provide consultancy services to KSEB for accelerating hydro potential of Kerala. Elucidate your views to what extent it would contribute to Kerala's clean energy goals.

Ans: NHPC shall provide consultancy services to KSEB Ltd. as its "Owner's Engineer" for vetting of design of ongoing KSEB's projects and also for the projects which are in pipeline based on their requirement. NHPC shall also provide consultancy services to KSEB for exploring Hydel projects in Kerala.

As NHPC has more than 47 years of experience and expertise in the hydro sector, this will benefit KSEB to obtain an optimal design with updated technology and cost efficiency. This will also help them find a solution to the cost and time overrun issues that KSEB has been facing in their projects which will eventually help Kerala to achieve its clean energy goals.

Q7. What is the major constraint for hydropower development around the world?

Ans: Hydropower projects are site specific and have large-scale socio-economic and environmental implications and hence, they have to face various challenges like land acquisition which is a time consuming process, Resettlement and rehabilitation (R&R) issues, forest clearances, financial issues, large scale development requirement of infrastructure for accessing sites in remote areas etc.

In specific terms of India, water is a state subject. Further, most of the hydro potential is available in younger Himalayan region of North and North-Eastern region, where lot of geological uncertainties prevail. Underground works and tunnelling in these regions pose various hurdles and overruns in hydro project development. However, NHPC has successfully taken up execution of hydro projects in difficult environment and unpredictable & formidable geological conditions. Experience of execution in such conditions in over 47 years has enriched NHPC to anticipate and tackle these conditions successfully.

Q8. What single challenge would you like to see that would enhance the role of hydropower in the modern digi era.

Ans: In present scenario, the main and foremost goal is to achieve the Government of India's goals of 500 GW of renewable energy and net zero carbon emissions by 2070. Towards this, hydro power will play a pivotal role by way of 3-dimentional aid;

- one is hydro capacity addition being itself a renewable source of energy,
- second one is energy generation through clean, green and environmental friendly source of energy with low carbon footprints and
- the third one & most importantly through compensating for the intermittent nature of solar and wind power and providing stability to the electric grid.

The benefits created by hydro power, which is one of the sources of non-polluting electricity generation, are numerous. Apart from reducing carbon emissions, they include capacity to bring electricity to new remote locations, thus improving living standards and opportunities to new communities, ability to increase security over energy generation and be less dependent on geopolitical issues.

In addition, Hydropower is clean, green source of energy and cheap in long run. Solar and wind power provide clean energy but are intermittent as they are dependent on sun and wind availability. Hydropower can compensate for the intermittent nature of solar and wind, providing stability to the electric grid.

In order to achieve the above, it is more essential that we focus on hydropower. A healthy mix of Hydro power with other RE sources like Solar, Wind, and Green hydrogen can definitely result in India achieving its clean energy targets.

Q9. What are the various ways your organization can integrate with our Institute for the diverse avenues in professional development matters?

Ans: NHPC is associated with our Institute since long and it has increased over the years as size of the company has been increasing. NHPC has been hiring qualified and semi qualified resources time to time.

Further, the company imparts industrial training to the students which provides them the opportunity to work with our experienced professional workforce and they get familiar with the corporate work culture as well.

We have been benefited with the various training programmes of the Institute and we always encourage such interactive programmes being organised by the Institute for the professional upgradation of our employees.

Q10. Parting advice for our CMA students.

Ans: They say that hard work always pays off. Therefore, students should focus on enhancement of their professional knowledge base and work on their soft skills as well. There are lot of opportunities ahead in every sector and they can contribute a lot in their respective area of specialisation for the development of the country. MA

SEBI's REFORM ON BRSR CORE

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Abstract

This article tries to capture the essence behind SEBI's new reform on BRSR Core (Business Responsibly and Sustainability Core) which has been introduced by SEBI in July 2023 and which be based on major parameters, and will provide to be a Framework for assurance and ESG disclosures for value chain.

Introduction:

BRSR Reporting in India is a SEBI initiative to ensure investors have access to Standardized disclosures on ESG. SEBI, on 15th May, 2021 brought in the new requirements for reporting on sustainability related information by listed entities. Thus, the Business Responsibility and Sustainability Report (BRSR) replaced the then existing Business Responsibility Report (BRR).

The BRSR, SEBI has stipulated, is applicable to the top 1,000 listed entities (by market cap), with voluntary implementation for FY22 (year ending March 2022) and mandatory implementation FY23 (year ending March 2023) onwards. The applicability was further clarified by SEBI in the informal guidance issued in May 2023[1]. As compared to the BRR, BRSR lays considerable emphasis on both qualitative and quantitative metrics, which, as opposed to BRR, will enable easier comparability across sectors and time periods. Further, disclosures on environment and society (employees, consumers and other society) related issues have been significantly enhanced in the BRSR by SEBI. BRSR, which includes a detailed Guidance Note on how to fill the report, requires disclosures on a lot of data points on:

- *Management policies and process,*
- *Environmental protection and impact,*
- *Employees, vendors, supply chain,*
- *Diversity, ethics etc.*
- *Waste management,*
- *Stakeholder engagement etc.*

[1] *https://www.sebi.gov.in/sebi_data/commondocs/may-2023/Nectar_lifescience_IG_p.pdf*

What has changed?

Ever since the Paris accord in 2015, which was an international treaty on climate change signed by 196 countries, and the Conferences of Parties (the last CoP (CoP 27) was in Egypt), adapting to and mitigating climate change impact, inclusive growth (social) and transitioning to a business that is sustainable economy have emerged as major issues globally. There is an increased focus of investors and other stakeholders not just on returns, but they want the returns with businesses being responsible and sustainable towards the environment and society. Thus, reporting of company's performance on sustainability related factors has become as vital as reporting on financial and operational performance.

This is also well endorsed in two of the most impactful legislation on listed companies – the SEBI (Listing Obligations and Listing Requirements) Regulations, 2015 and the Companies Act, 2013:

Section 166(2) of the Companies Act, 2013 says that:

> *"A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment."*

Regulation 4(2)(f)(iii)(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulates that:

> *"Members of the board of directors shall act on a fully informed basis, in good faith, with due*

diligence and care, and in the best interest of the listed entity and the shareholders."

This was the reason why SEBI prescribed new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR), based on the joint MCA and SEBI Committee on Business Responsibility Reporting report[2] drawing from the parameters of the national Guidelines for Responsible Business Conduct (NGRBC). The BRSR is a massive improvement over the erstwhile BRR inasmuch that it has a lot of qualitative and quantitative metrics and almost three times the amount of information required under the BRR.

NGRBC principles

The BRSR seeks disclosures from listed entities on their performance against the nine principles of the '*National Guidelines on Responsible Business Conduct' (NGBRCs*) and reporting under each principle is divided into essential and leadership indicators.

- *PRINCIPLE 1:*

  Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

- *PRINCIPLE 2:*

  Businesses should provide goods and services in a manner that is sustainable and safe.

- *PRINCIPLE 3*

  Businesses should respect and promote the well-being of all employees, including those in their value chains

- *PRINCIPLE 4:*

  Businesses should respect the interests of and be responsive to all its stakeholders.

- *PRINCIPLE 5*

  Businesses should respect and promote human rights.

- *PRINCIPLE 6:*

  Businesses should respect and make efforts to protect and restore the environment

- *PRINCIPLE 7*

  Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

- *PRINCIPLE 8*

  Businesses should promote inclusive growth and equitable development.

- *PRINCIPLE 9*

  Businesses should engage with and provide value to their consumers in a responsible manner.

What is the BRSR Core?

The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) / metrics under 9 ESG attributes. BRSR Core specifies data and approach for reporting and assurance by listed entities.

BRSR Core - Attributes and KPIs

The nine ESG Attributes under which the Key Performance Indicators (KPIs) are prescribed are –

Sl. no.	Attribute	Parameter
1.	Green House Gas (GHG) footprints*	Scope 1 and Scope 2 emissions
2.	Water footprint	Total water consumption, intensity of water consumption, Water discharge, water treatment
3.	Energy Footprint	Total energy consumed – from renewable and non-renewable sources, Entergy intensity
4.	Embracing circularity-details related to waste management by Entity	Waste – Plastic, Electronic, Bio-medical Construction & demolition, Battery, Radioactive, other hazardous and non-hazardous waste. Recovered waste through recycling / reuse
5.	Enhancing Employee wellbeing and safety	Spending on measures towards wellbeing of employees and workers – cost incurred as a % of total revenue of the company, Details of safety related incidents
6.	Enabling Gender diversity in Business	Gross wages paid to women as % of wages paid, POSH[3] complaints

[2] *https://www.mca.gov.in/Ministry/pdf/BRR_11082020.pdf*

[3] *Prevention of Sexual Harrasment*

7.	Enabling Inclusive Development	Input material directly sourced from MSMEs/ small producers and from within India, Job creation in smaller towns - Wages paid to persons employed in smaller towns as % of total wage cost
8.	Fairness in Engaging with customers and suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events, no. of days accounts payable
9.	Openness of Business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties

* *SEBI has said that Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*

SEBI has provided the ways to measure each of the above parameters as well as the data and assurance approach that has to be adopted. The cross reference to the BRSR – both the question, the essential indicator to which the same pertains to has been provided for reference, to ensure holistic reading.

SEBI has also revised the BRSR format taking into account the KPIs.

Applicability:

The BRSR Core specifies the data and approach for reporting and assurance and is applicable as follows:

- *For FY 2023 – 2024, top 150 listed entities (by market capitalization);*
- *For 2024-25, top 250 listed entities;*
- *For 2025-26, Top 500 listed entities;*
- *For 2026-27, top 1000 listed entities*

The SEBI circular on BRSR Core clarifies that while the BRSR Core specifies the data and approach for reporting and assurance, the approach specified is only a base methodology and that changes or industry specific adjustments / estimations shall be disclosed by listed entities, if such adjustments / estimations are made.

Benefits of BRSR Core:

A recent ESG preparedness survey for Indian Corporate, *inter-alia*, indicated that[4]:

- *27 percent of Indian businesses are confident about ESG preparedness;*
- *85 percent organisations believed sustainability regulations will directly impact their businesses;*
- *More than 75 percent organisations agreed that ESG is a boardroom discussion*
- *Also nearly 90 percent organisations believed ESG reporting will benefit them by improving brand reputation;*
- *Nearly 75 percent organisations stated that their investors rate their ESG performance.*

Thus there is scope for improvement and it is hoped that organisations will find value through the BRSR and BRSR Core.

Other aspects – BRSR Core:

The Board of the listed entity shall ensure that the assurance provider of the BRSR Core has the necessary expertise, for undertaking reasonable assurance. The listed entity shall ensure that there is no conflict of interest with the assurance provider appointed for assuring the BRSR Core.

The reasonable assurance of the BRSR Core and the disclosures for the value chain – which will encompass both the upstream and downstream business partners of a listed entity, comprising 75% of its purchases / sales by value – is expected to give a complete and holistic picture of the actuality of the achievements as regards environmental and social parameters.

Conclusion:

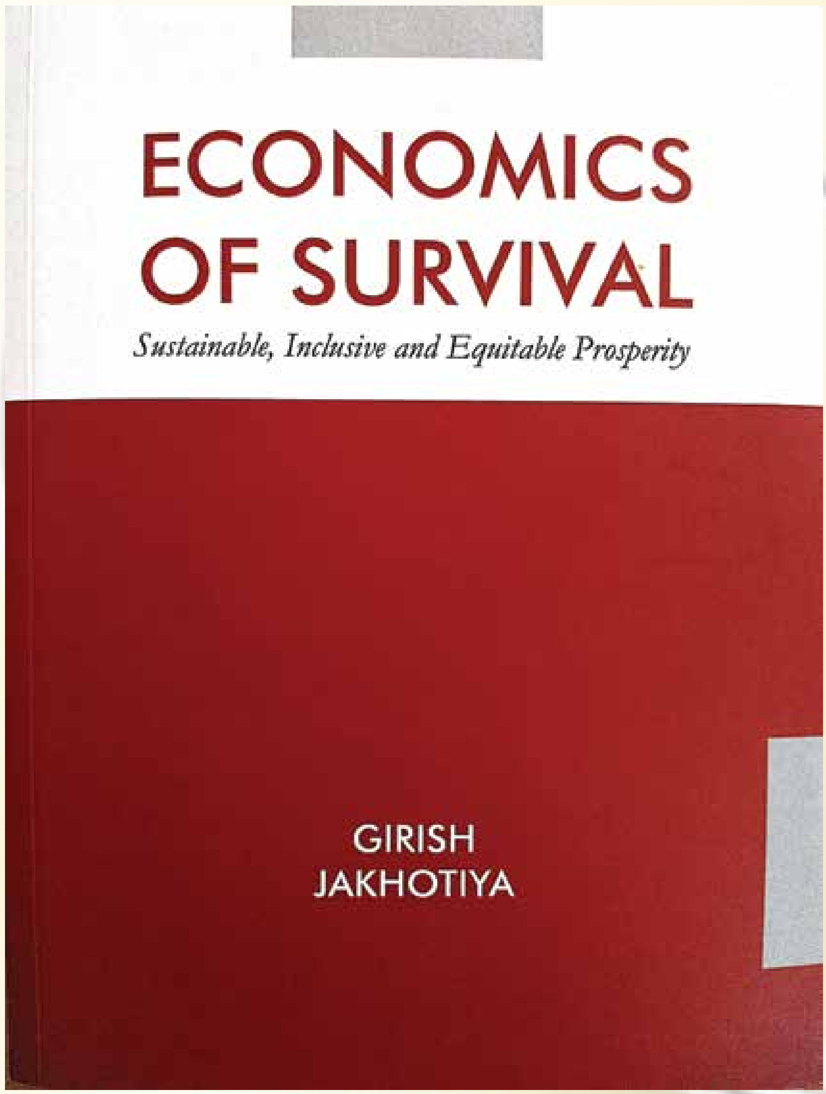
SEBI, based on the recommendations of the ESG Advisory Committee and after intense discussions, public consultation, decided to introduce the BRSR Core for assurance by listed entities. SEBI, through the BRSR Core, has introduced disclosures and assurance for the value chain of listed entities in order to give a complete picture of the business of the listed entity. The BRSR and BRSR Core will go a long way in ensuring a sustainable approach to business, which is the want of the society today. The BRSR and the BRSR Core touch newer realms in non-financial reporting and are expected to give a huge fillip in India's transition to *Net Zero* by the year 2070. MA

[4] *https://www2.deloitte.com/in/en/pages/about-deloitte/articles/ESG-preparedness-survey-report.html*

BOOK REVIEW

Book Name : **ECONOMICS OF SURVIVAL**
Sustainable, Inclusive and Equitable Prosperity

Author	:	Girish Jakhotiya
Published by	:	Manipal Universal Press (MUP)
Pages	:	594
Price	:	₹1200



Recently this book authored by CMA (Dr.) Girish Jakhotiya, Mumbai was published by Manipal Universal Press. The world today is searching an appropriate economic model which would offer sustainable, inclusive and equitable prosperity to all. Exploitative capitalism and unproductive communism have proved to be futile. The global community needs 'economics based on humanism'. Dr. Jakhotiya's book presents such an economic model which should pragmatically serve the cause of 'wellbeing of all'.

The author studied fourteen influential economies across the globe and could conclude that a common man is not happy anywhere, be it the US or China or Saudi or India. He examined many classical economic theories and could ascertain their irrelevance today. He then elaborated an 'economic renaissance' to rectify and restore the failing global economy. His versatile model is based on four major factors viz. material prosperity, intellectual advancement, cultural bliss and social equality. Therefore, he designed and developed certain revolutionary concepts like versatile development index of a nation, matrix of economic equilibrium, pragmatic definition of poverty, replacement of the WTO by a more mature global institution, constructive sacrifice by the super-rich, entrepreneurship with a social face etc.

Dr. Jakhotiya presents a very comprehensive design of his proposition titled as 'perpetual economics'. Most of the economists from the western developed countries conduct deep vertical micro-level research and do not attempt to present a macro big horizontal picture of the economy. The economies of most of the rich countries are not doing well today because they do not look at the big picture. Dr. Jakhotiya's work addresses this aspect carefully and comprehensively.

The book elaborates an entrepreneurial model of collective farming based on the principle of cooperation. Thus, it avoids the possible encroachment of crony capitalism. Pragmatic education policy, role of effective bureaucracy, structural organisation of the small enterprises, unity & maturity of the consumers, neutralising the adverse impact of religion on economics etc. are the other many important ideas appear in this book.

Dr. Jakhotiya presents a suitable recipe for restructuring the global economy and avoiding its possible collapse. While doing so, he convincingly argues for a new world order that fosters 'universality' for all of us. He also offers solutions for the acute problems faced by some of the most impacting economies like the US, India, China, Britain, Saudi, Russia etc. The book is a 'must read' because it offers a very timely guidance when the world is facing the uncertainties of geopolitics, environmental decay and excessive nationalism. It presents a very fundamental thought of 'prosperity for all and dignity of all'.

Renowned economists of last three centuries like Thomas Malthus, David Ricardo, Karl Marx, Simon Kuznets and Keynes propounded quite a few economic theories and doctrines. Some of them even attempted to utter in economic prophecies as well. The world however has drastically changed during last three decades. What is crucial though for the globe today is 'sustainable solutions'. The recent emphasis on excessive nationalism and use of populism is also threatening global peace and prosperity. The globe has almost reached a point of economic emergency which invites our attention to make a gigantic effort to come up with the 'economics of survival'. Questions are aplenty. They are complex, correlated and quite a few of them are distinct for different economies. **A few of these questions are hereunder:**

1. Is the economic inequality in USA a result of excessive emphasis on 'shareholder value appreciation'?
2. With the exception of Germany, are the other European economies suffering from their old habits of extravagant lifestyles coupled with absence of renovation? Is Brexit a signal of the dim future of European Union?
3. Will China be able to sustain its socio-economic fabric beyond 2022?
4. Is India crumbling under the burden of internal imbalances and not quite on account of global factors?
5. Will Japan revive and rekindle its economic engine or get engaged in confrontations with neighbors?
6. Will the oil revenue carry Russia beyond 2022?
7. Are the middle-eastern countries getting rapidly trapped by the radical aggression of Islamic fanatics?

Answers to these questions cannot alone be found in economics because they have not been created merely by bad economics. The need of the hour is to take a holistic approach and to arrive at solutions of survival. In order to ascertain our survival, what we truly need is to define sustenance of economics. Unless we emphasize on equitable and inclusive economics, the economy will not be sustainable.

The broad purposes of this book may be defined through four components viz. (i) rational analysis of the global socio-economic problems (ii) ideal definition of economic prosperity, inclusivity, sustenance and equality (iii) concepts for global economic cooperation and (iv) designs for suitable economic modeling for a few important countries under study.

<u>These purposes may be elaborated as follows:</u>

1. Assessing, challenging, rectifying and / or replacing the present economic and social concepts, formulae, doctrines and models. For example, on issues such as - definition of poverty, role of multinational corporations, technology vs. employment, impact of religion on economics, the myths associated with the importance of stock markets and many more.
2. Deciding and describing a comprehensive approach to global economic sustainability based on a new social structure, global and regional sharing of resources, techno-economic equilibrium, keeping the rent-seekers in check etc.
3. Designing appropriate development and growth models for few important countries like for instance creation of: an economic model for USA, a social framework for China, a productivity model for the Gulf countries, an economic collaboration model for Japan, a social economics model for India etc. These economic models essentially must complement each other in order to build-up a global community.

This book is a must read for all those who need to develop a strategic perspective of the global economy and develop relevant models in the subject scope of Strategic Financial Management.

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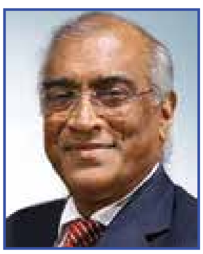
IMPERATIVES OF BUILDING A DATA DRIVEN ORGANIZATION IN SEARCH OF EXCELLENCE WITH DIGITAL TRANSFORMATION



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Abstract

This paper has first examined the new definition of data in the present Industry 4.0 era when digital technologies are evolving at neck breaking speed and organisations are striving every nerve for becoming a data driven organisation. It has contextually, therefore, made attempts to understand how cognitive and NLP abilities of certain digital tools have helped data scientists processing structured, unstructured, and non-numeric data drawn from beyond boundaries of RDBMS. It has tried to establish the critical imperatives of sponsoring from the top, promoting data culture, sensitising employees about the need to become data-savvy and deploy data, the invaluable liquid assets, for generating sustainable ROI with alpha. The paper then essays to establish the importance of ensuring 8Vs of Big Data Analytics for appropriately triggering strategic decision making to enable entities successfully generate best gains from foreseeable opportunities and challenges, and converting risks and threats into opportunities. At the end it briefly reflects on the imperatives of data mobility, data visualisation, data governance, etc. and the road map for building a data driven organisation in search of excellence with digital transformation.

Data - More than a four-letter word

The four-letter word Data now sounds as a mystical phenomenon. The gigantic volume of objects, summed up by this simple word is now being christened as digital oil and digital gold. It is believed to have the power to drive mighty successfully and sustainably monolithic corporates, functions of governmental agencies, etc. In the present Industry 4.0 era even the word 'Big' is now being used as a prefix and 'Assets' as suffix to impart much

Image Source: *https://www.businesstechweekly.com/operational-efficiency/digital-transformation/data-driven-culture/*

wider and deeper sense to data, sources thereof and power of those to generate value. However, the sensation is slowly being demystified towards reality. The mythical statement that data can become colossal objects for storing in huge lakes, mining, refining, generating business and societal insights, as well as trading is also steadily becoming evident. For all these the profession that is emerging to be the most alluring and sought after one is that of 'Data Scientists'.

Not even about five decades before data used to be generated by human beings and expressed in integers. Statisticians used to analyse those for ease of understanding and perceiving some trends. With the advent of information and communication technology (ICT) in 1970s and ERP systems thereafter, generation of transactional data were mostly automated. Traditionally and even up to the stage of developed ERP human beings were largely responsible for this. But with evolution of varied types of Internet of Things (IoTs) at an overwhelming speed, data is being generated at an exponential speed by IoTs and sensors than transactional systems.

Present day tools in data science domain can draw data from social media, log for website visits, machine and/or operational logs, geo-spatial arena, voluminous streaming or static pictures and videos. Several powerful tools have emerged to perform natural language processing with several cognitive abilities and structured analyses. Continuous evolution of digital technologies has enabled analysts to draw invaluable insights and logical inferences from data. In a report Deloitte[1] quoted a projection of International Data Corporation stating that, *".... by 2025 our global data volume will reach 175 zetabytes. To put this in physical terms, this translates to a stack of blu-ray discs that could reach the moon 23 times! So, in a nutshell, we produce a lot of data, but this is only the beginning".*[1] Incidentally 1 zetabyte equals 10^{21} bytes or 1,000 billion gigabytes. The digital optical disc data storage format, invented in 2005, is called a blu-ray disc.

Before getting into the tasks for building a data driven organisation in search of excellence with sustainable competitive advantages it would be useful to know more about various aspects of emerging dimensions of data science, big data analytics, data visualisation and data governance.

Objective

Business leaders are divided in their opinion whether an entity must first be digitally driven or achieve digital transformation first to be digitally driven going forward. While the debate may continue operating managers, irrespective of the size and nature of their businesses and functions, must bear in mind that there is no respite from being a digitally driven organisation and sooner the better. At the outset this brief paper aims at sensitising them once more about the new age definition of 'Data' and enormity thereof which is the foundation of this paper.

While the words Analytics, Mobility, Portability, Visualisation, Governance, etc, pre-fixed with Data sound to be quite plain and simple, understanding of business managers about those are often found to be hazy due to preconceived notions, gaps in knowledge and lack of clarity in appreciation. The second objective of this paper, therefore, is to remove those haze and frostiness. The author has made efforts to demystify the underlying technical issues, and briefly narrate the critical importance of the imperatives with borrowed graphics. Several reference of research studies and writeups by eminent tech-bloggers have been provided which would help developing more knowledge.

Impacts from Evolution of Data Science

Earlier not much of detailed and critical analyses used to be performed using data mainly drawn from transactional records of internal and external operations, including financial and cost accounting. Such exercises used to be mostly limited to analyses using MS Excel and Statistical Packages for Social Sciences (SPSS) Tools. However, those were not capable of processing complex, unstructured, dissimilar, and unintegrated data drawn from multivarious dissimilar sources. Unstructured and unintegrated data does not follow any model or logic and cannot be managed within the framework of Relational Data Base Management System (RDBMS) predominantly created for ERP systems.

Continuous evolution of data science simultaneously with emergence of 'innoventive' digital technologies have helped attaining capabilities for AI based cognition and natural language processing. These have enabled data scientists to draw and analyse data from multivarious sources in several forms. It is now possible to capture, process and process data in the form of voices, documents, static and streaming images, digital footfalls in websites, etc. Extraction, collection, cleaning, collating, analyses, cause and effect correlation, and visualisation of complex data are increasingly becoming multidimensional with advanced and variedly powerful digital tools. The entire process is more and more becoming smart and sophisticated.

All these developments are also improving time and cost efficiency by elevating the process to online real time collection and automated analyses using tools for pre-prompted and/or unsupervised basis. Machine Learning (ML) tools can now conduct independent analyses and draw conclusion from data without human directions. Digital technologies are also even facilitating the manner and timing of usage of such processed information by business executives for maximisation of value creation and minimisation of value destruction. The whole process now immensely contributes for business knowledge management and sensitising executives with what all are presently happening in both external and internal business ecosystem and what can reasonably be forecasted to happen in foreseeable future.

Keeping the above developments in view business managers would now be able to draw hitherto unknown and invaluable insights from any form of data for strategic decision making. These would help maximising net value generation from forthcoming opportunities and/or successfully meeting a challenge with risk-enabled performance management. Mert O. Gökalp et.al. in their research-based publication[2] observed that, "*The challenge .... does not concern what technologies will be developed and when, but rather how organisations and managers will understand these technologies and how they can be applied most effectively .... To accomplish this, the management .... must have enough collective knowledge to ask the questions and understand the answers that will* *guide the purchase, development, and implementation of technologies…."* Therefore, every organisation in today's fiercely competitive business environment must promote the culture of employees considering data as invaluable assets and enable them to be data-savvy. They must be trained to attain capabilities to use insights drawn from data on a dynamic basis for strategic decision management and execution.

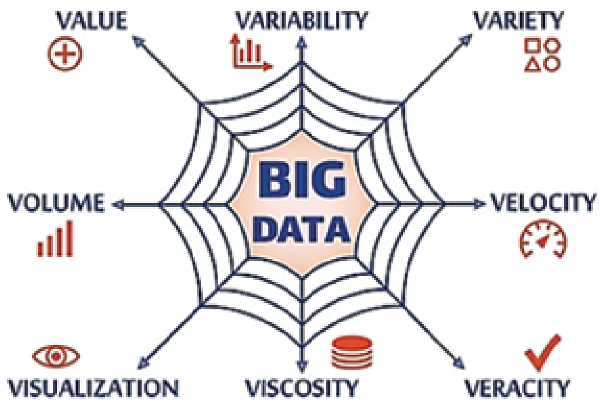
According to Dr. Justain Bracken[3], an eminent tech-blogger *"Real-time data analytics is a very helpful tool …. from knowing what is going on now vs. tomorrow, to faster decision-making ability, to advanced analytics generating deep and valuable insights. It is also a core part of any digital transformation …. as it is often what executives use to make better and more informed business decisions. However, one big challenge …., is understanding how real-time data / analytics works and how to make it happen."* It is not so difficult to appreciate this statement of Dr. Bracken keeping in view that the ultimate objective of any business manager from digital transformation. The same is not only to operate in more smart and effective ways, but also to craft out new business models with new revenue models for sustainable prosperity. The author has written about all these in his earlier contributions under this column and spoken in various fora. Readers may get more inputs from his deliberations in a shared video at https://www.youtube.com/watch?v=PbA6aiWFUMI&t=9s.

Challenges from 8Vs of Big Data Analytics

Big Data Analytics is a buzzword amongst netizens particularly because artificial intelligence is associated with it. It is a matter of debate how much of it they understand. But most of the social media users can directly and indirectly feel its impactful influence in their way of living daily life in contemporary digital era. The meaning of the word big, when interpreted in terms of lexicon, conveys the idea about a set of data which is voluminous. If one wants to provide an order of magnitude to the word big, there is no hard and fast rule in data science and can vary from terabytes to zettabytes.

Big Data can best be defined in a reverse order by arguing that the set of data is hugely voluminous rendering it to be extremely challenging for traditional tools to effectively handled. 'Big Data' is also synonymously indicated as "Unstructured Data' drawn from sources like social media contents including images and documents, audio clips, streaming images and videos, digital footfalls on webpages, etc. Such data cannot be collected using traditional tools and stored using legacy systems like Relational Data Base Management Systems (RDBMS). These are also too complex to be ported, retrieved, cleansed, and analysed at ease by traditional tools.

The word 'Analytics' when postfixed to the phrase 'Big Data' indicates the task of applying advanced technological tools and techniques for analysing large sets of data in structured, unstructured, and semi-structured forms drawn from a variety of unrelated sources and domains. The sizes of such data sets may range from terabytes to zettabytes. Big Data Analytics (BDA) are performed by using software like 'Apache Hadoop' and 'Apache Spark', 'Rapid Miner'. 'Knime' amongst many others. It would be useful, at this stage to briefly know about 8Vs of BDA before proceeding for data visualisation and data governance. It is essential for an analyst to ensure that all the attributes 8Vs, as briefly narrated below, are present while being analysed to facilitate the process of effective decision management in an efficient manner.



Source: https://www.shutterstock.com/image-vector/8-vs-big-data-infographic-eps10-1330913288

1.	**Volume**	Exact quantum of information being looked for should be available to ensure that the BDA activity is purposeful.
2.	**Value**	Information should be available at the most appropriate time when needed to help objective analyses for value generation from all stakeholders' perspectives.
3.	**Veracity**	Reliability, relevance, and righteousness of information have been tested to ensure that no disinformation or irrelevant data is being considered.
4.	**Visualisation**	Graphical presentation of processed information should be possible so that one can visualise the output and reflect on it at ease. The objective should be to trigger strategic and purposeful decision making.
5.	**Variety**	The collated summary data and visual graphics must be devoid of any bias and must convey the right message with a balanced approach.
6.	**Velocity**	The processed information and insights drawn therefrom must gain momentum while offering status of today as well as opportunities, challenges, threats, and risks in foreseeable future on a real time basis.
7.	**Viscosity**	The processed information should stick with decision makers and insistently invite her/him to initiate actions for proactively gaining competitive advantages to generate ROI with alpha.
8.	**Virality**	Quick sharing of information with all concerned should be possible on a need-to-know basis. For this the defining factors should be time, speed, and permissioned accessibility.

The above attributes expressed through 8Vs also convey the challenges in successful performing of BDA using advanced tools that impute the qualities of invaluable assets to data for differential value generation than competitors or alpha. Major important tasks that must be performed are:

- Error-free interpretation, understanding and appreciation of the inferences drawn by performing analytics,
- Enable business managers for purposeful appreciation of insights drawn from data by BDA exercise by converting data into right indicators of success in future after mitigating associated risks and challenges, and
- Facilitate timely crafting of appropriate business strategies and execution tactics by deployment of the above for attaining competitive advantages and creating enormous opportunities with new business and revenue models for sustainable ROI.

Data Visualisation for Optimisation of Results

Creating appropriate presentations for Data Visualisation (DV) is also a vital task simultaneously with BDA to facilitate the process of strategic decision making. Digital technologies are also of immense help for this task of DV. It involves innovative representation of processed data using both common and unique visuals, e. g. statistical charts, diagrams, infographics and if need be, even animations.

DV is more than collation of processed intergeneric data, several tables of statistics and visual graphics. Those must help the intended users to understand, without much of additional efforts, what the data conjure up, make meaning out of those tables and graphics. Such presentations must inter alia appreciate cause and effect relationships between different sets of complex data, DV must directly facilitate users' understanding by generating and presenting in a simplified manner insights drawn from complex sets of data with prior varied analyses for establishing cause and effect relationships. In a organisational environment DV enables:

- Seamless sharing of information,
- Establishing common understanding about data for exploring opportunities,
- Visualising and appreciating patterns of data, trend of movements over the past periods and cause and effect relationships, and
- Diagnostic understanding with causes and effects of what exactly happened in past and what can probably happen in future by extrapolation of the trend.

The success of any task of DV is not measured by only the:

- The number of dashboards created with graphical presentations, and
- The extent of ease at which viewers can understand and appreciate the information and insights generated by processing the varied sets of data.

The ultimate success is also measured by:

- The degree of speed, efficiency, and effectiveness of contributions towards strategic decision making with informed judgements, and
- The subsequent impacts thereof in attaining sustainable competitive advantages and optimisation of business results by proactively preparing for the opportunities, risks, and challenges thrown up by the processed information.

However, one needs to be careful and cautious while applying DV tools because:

- Established cause and effect may not always mean correlation and indicate repeated occurrence in future,
- Data can be incomplete, irrelevant, and bias leading to biased results, and /or
- Inappropriate selection of graphics may not create the desirable visual impacts and understanding of the insights drawn out by BDA.
- All these may lead to setting inappropriate goals, formulating wrong business strategies and tactics for execution, which may also lead to suboptimal and/or disastrous results.

Readers may learn more about data visualisation from IBM's[4] published literature and websites of Tableau, one of the commonly known DV software at https://www.tableau.com/learn/articles/data-visualization.

Liquidity of Data Assets

Professionals are conventionally used to assign attributes of the word liquidity to finance or cash. With this one wish to visualise that money is available at the time of need and can be used and reused by rotation. Finance as a liquid asset is also considered to be fungible. In contemporary world Big Data (BD), as have been defined above, can be and is being considered as liquid assets. Appropriately designed and laid down BD management systems with right applications of digital tools for cleansing, safe storage and retrieval can impart many qualities of liquidity to BD.

Like liquid cash increases dynamic capabilities of any organisation, BD can also when internal stakeholders become data savvy and the organisation strives for brining in the culture of respecting data like they consider cash as the king and avoid wasteful usage. Like cash can rotate in business cycles data also rotates and get updated and multiplied for meaningful use and reuse with permutation and combination of different data sets for achieving operational excellence and the desired ROI with alpha.

Data Mobility and Safety

Successful implementation of data management strategy also involves creating a successful policy and SOP for 'Data Mobility' including 'Data Portability'. The objective is to ensure that raw data move from the source to the processing unit and semi-processed data and/or information move for sharing at the right time for the right purpose with all concerned on a 'Need to Know Basis'. One must not forget to ensure 2SsP of data, viz. data safety, security, and privacy. Ensuring these has assumed critical importance due to new operating phenomena post Covid19 Pandemic, viz., Work from Home (WfH), Moonlighting, Decentralised Autonomous Office (DAO), Decentralised Finance (DeFi), Decentralised Science (DeSci) DevOps, etc, in a Web3 and 'Gig Economy' environment. Moreover, specific laws and regulations of several countries have also made all these mandatory.

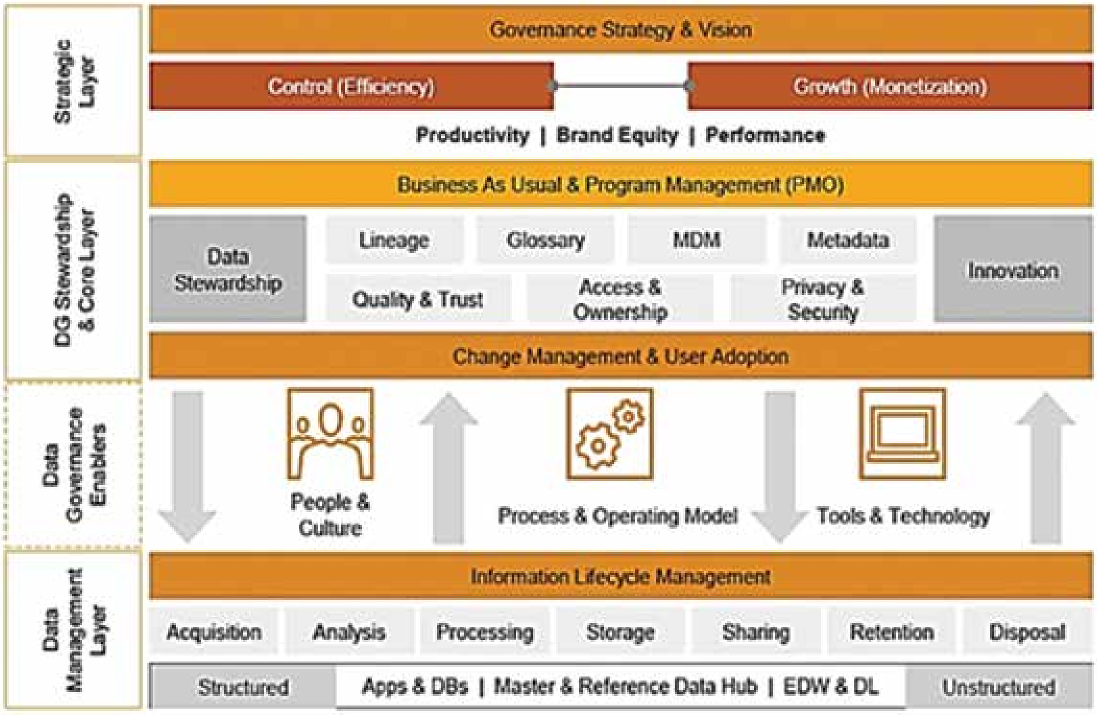
Source: https://www.consumersinternational.org/news-resources/blog/posts/data-mobility-the-good-the-bad-and-the-opportunity/

Any organisation can derive maximum benefits from all these new ways of conducting operations in a digital economy by creating a data driven organisation. Success of this is dependent on establishing enabling facilities for data mobility and portability. Advancements in cloud computing technologies and expansion of data storage to newly developed facilities called 'Data Lakes' with auto-controlled remote access facility and 'Data Wallets' for individual stakeholders have rendered safe data mobility a powerful facilitator for operations management with optimised cost without impairing speed and quality. According to Litz Brant, an eminent tech blogger "*Data Mobility is a revolutionary market model that enables individuals to be active, empowered participants in their future digital lives in a sustainable digital economy that they can trust.*" One must not forget to introduce periodical oversight actions through internal/management audit and ethical hacking

Data Governance

Achievement of objectives from the collective tasks of data collection, integration, safe storage, analytics, and visualisation is largely dependent on Data Governance Policy and SOPs. Each employee must be sensitised about these. Both these two documents must be crafted by C suit executives befitting the organisation specific realities and contemporary digital technology driven business era. Thereafter those must be reviewed to reassure appropriate alignment with the Vision, Mission, and Culture of the organisation before approval by the Board of Directors. These two documents must be updated from time to time and appropriately shared with all employees across hierarchies. Each one of them must adequately be sensitised for not only ensuring compliance at every functional step but also make most of those for effectively contributing to attain sustainable competitive advantages.

PwC's Data Governance Framework



Source:https://www.pwc.in/consulting/technology/data-and-analytics/govern-your-data/insights/global-and-industry-frameworks-for-data-governance.html

The above graphic, borrowed from a publication of PwC, depicts 'Data Governance Framework'. It is said that pictures can convey many times more than what narratives can. Given the limitation of space for this monthly paper the author has refrained from again explaining the framework. Readers may reflect on the graphic, assimilate various aspects of data governance, and develop broad understanding of the framework. They may also read more on it by visiting the website quoted above.

The opinion of Esther van Laarhoven-Smits[5], Partner of Ernst Young, Switzerland is of contextual relevance here. According to her, *"Without an accurate, up-to-date data foundation, key performance indicators are unreliable, and the cascade of potentially negative effects can be hard to predict. A lack of integration across platforms and applications is a major source of resource inefficiency – and potential error – as time and effort is spent manually transferring and reconciling data sets."*. The above graphic on data governance aptly describes the underlying message of this quote.

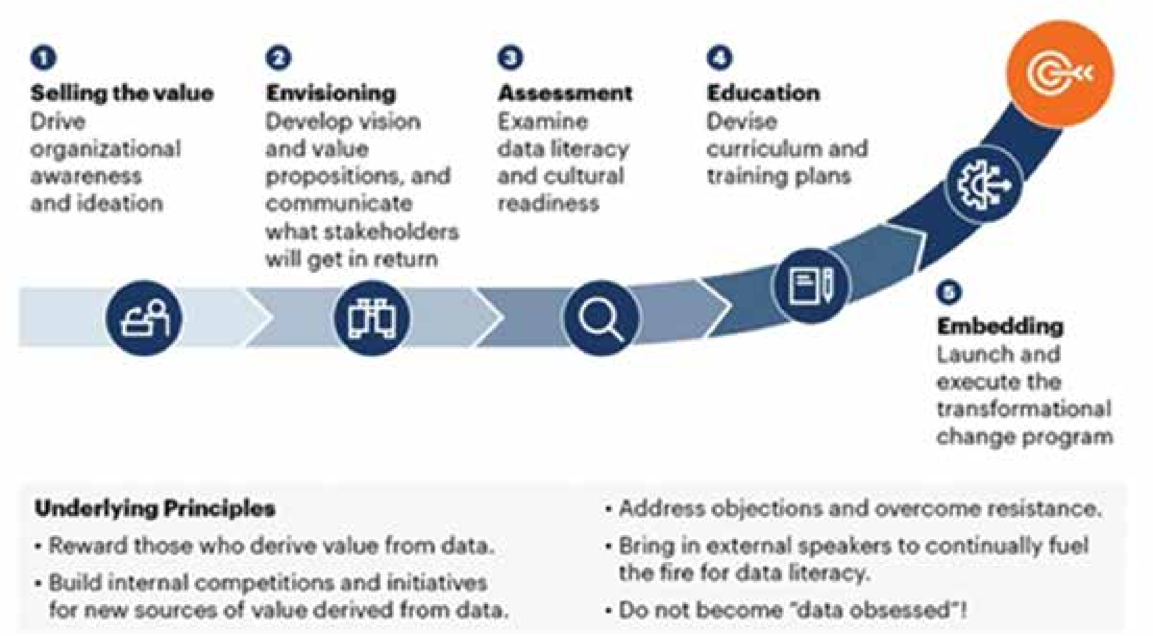
Building a Data Driven Organisation (DDO)

Sherlock Holmes, one the most famous authors of detective stories, wrote about hundred years ago that *"It is a capital mistake to theorize before one has data."* The underlying message of this short sentence resonates even today and would continue to do so. It can be the guiding light for business managers while building a data driven organisation. Because it is the most common experience that decisions made without informed judgement yield suboptimal or disastrous results. Informed judgement is possible when the process of setting goals, crafting strategic plans, and evaluating available options for actionable tactics are supported by information and insights drawn out of data.

According to Mike Rolling, Vice President (Research)[5] of Gartner *"Many digital business priorities will remain aspirational if you don't articulate the data and analytics dependencies. .... CDOs need to work with business executives to identify data sources, data quality issues, types of analysis and new work practices needed to use those insights. .... data-driven opportunities cross organizational boundaries and require operating model changes to achieve the intended outcomes."* He suggested following three major actions for building a DDO and the present author has briefly expanded those in his own way:

- ***'Spark Ambition'*** amongst employees, across hierarchical levels and relevant external stakeholders,
- ***'Align Responsibilities'*** by weaving data analytics into every functional responsibility and brining in cultural change, and
- ***'Close the competency gaps'*** by training and retraining, creating an enabling environment for innovation and establishing a centre of excellence for providing BDA oriented services to all functional areas.

Road Map for Data-driven Business Transformation



Source: https://www.sdggroup.com/en/insights-room/digital-transformation-or-cultural-transformation

The above graphic reveals more than what can be a explained in words about the roadmap for building a DDO. Being a DDO is, therefore, not a lipstick project for short-lived beautification of the entity. It is a continuous journey involving inter alia technology adoption and implementation in an innovation enabled internal environment simultaneously with cultural change management. One more critical imperative for this is to make both internal and external stakeholders aware and sensitised with the policies, directional guidelines, and the value propositions for sustainable prosperity.

The human resource must, therefore, be reoriented through the process of learning, unlearning, and relearning with the right kind of mindset for embracing digital transformation as the way of life. A section of them must be developed with data science as the core competency. The objective must be to transform them as the future leaders of digital economy. There is need to emphasise that sponsorship for all these must flow from the Board of Directors post strategic realignment of its Vision and Mission for embarking the journey of functioning as a data driven organisation. One of the critical success factors would be to share the additional value that is generated with all stakeholders including internal ones.

Conclusion

Writing a few concluding points for such a brief paper on the oceanic subject surrounding the word data may not be right. With given permission for more space and bites one would like to write more than concluding it. None the less, the author would consider this small work to have created some impact if business managers can add a little more knowledge than what they have gathered so far.

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All the quoted websites have been accessed during July and Augst 2023.

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A REVISIT TO ATMANIRBHAR BHARAT: FINANCIAL SELF-RELIANCE OF THE PEOPLE AS PROGRESSED WITH FINANCIAL INCLUSION AND DBT

Abstract

The Government has set a road map in pursuit of financial self-reliance of common people which was getting threatened during the recent covid pandemic. The Atmanirbhar Bharat Abhiyaan announced ₹20 lakh crore special economic and comprehensive packages which is equivalent to 10 per cent of India's GDP. Before this Pradhan Mantri Jan Dhan Yojana ensured financial inclusion very successfully by providing a bank account to the unbanked people, this has helped the Government to channelize DBT comprising multiple schemes for which benefits are directly transferred to beneficiaries through state institutions primarily. Further the more important credit-enabled self-employment is attempted aggressively by Pradhan Mantri Mudra Yojana. This article looks into the prevailing system in India in which how Atmanirbhar Bharat, not alone, but other pre-existing programmes like DBT and financial inclusion played crucial role in drawing a kind of financial self-reliance.

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THE PROLOGUE

On 12th May 2020, the Prime Minister raised a clarion call in the name of the *Atmanirbhar Bharat Abhiyaan* (Self-reliant India campaign) announcing the special economic and comprehensive package of ₹20 lakh crore, which according to some estimates is equivalent to 10 per cent of India's GDP. Just before this monthly transfer of ₹500 were announced to women's *Jan Dhan* accounts on 26th March, 2020 for the next three months under the *Pradhan Mantri Garib Kalyan Yojana* (PMGKY). Between 12th May and17th May, 2020 the Finance Minister held four press conferences to give details of the package. *Atmanirbhar* is no new term if looked into but it matters when and how a term is getting used. Moreover, in the backdrop of a gloomy environment particularly encompassing the economy and health during the peak of the Covid-19 wave the main objective of the Prime Minister must have been to deliver a vision for turning around the gloominess. It imbibes, to a great extent, the country's urgent need of self-reliance based on its own unused capacity and a little support from the fellow citizens who are capable of providing so. Later, the features added to a few existing bank schemes to make the people financially more stable were also attributed to it. A country's self-reliance cannot be achieved if internally the people of the country suffer from poverty and if the common people remain financially excluded. The following sections of the article deal with two distinguished Government schemes, *Pradhan Mantri Jan Dhan Yojana* (PMJDY) as announced on 15th August, 2014 and *Pradhan Mantri Mudra Yojana* (PMMY) as announced on8th April,2015, to examine to what extent those schemes help the people of the country to become financially "self-reliant". Also, digital financial inclusion in the country and issue of entrepreneurship to promote self-employment is discussed.

DIRECT BENEFIT TRANSFER (DBT)

DBT is the channel the government uses to transfer subsidies to the people. It was formally launched by the Govt. of India on 1st January, 2013. The motto of the scheme was to transfer Government subsidies directly to the bank accounts of the beneficiaries, thus eliminating pilferage from distribution of fund. In the 1980s, the former Prime Minister Mr. Rajiv Gandhi had stated that only 15 paise out of every rupee spent by the Government reaches the poor. Even if that is not counted as a truly calculated estimate, it is well-known how poor and illiterate people of the country sacrifice while earning by paying bribe to the middleman who is arranging payment against his/her hard labour. It is also not unknown how money was paid by the Government in many fictitious (or, even dead) persons just on the basis of certification of dishonest Government official acting under greed or pressure. It is reported more so from the women beneficiaries how the money earned is snatched by the family members under different adverse conditions if they used to carry liquid cash at the end of the day by their hard-earned labour with the primary objective of feeding the family members, specially the children. The next approach was to strengthen uniform platform for transfer of cash, subsidies and services in kind.

At the very starting point, the scheme spread across 20 selected Districts and subsidies relating to 7 central schemes with the primary focus on the LPG subsidy from which now it is operational for 312 central schemes from 53 ministries involving 693 crore transactions worth ₹7,16,396 crore and thus making a total cumulative transfer of ₹ 29,84,412 crore till date[1]. During the peak of the Covid period too, during the financial year 2020-21, 98 crore beneficiaries were provided withdirect t6ransfer benefits in cash and another 81.9 crore in kind. In the same year, ₹15,054.9 crore through *Pahal* (the LPG subsidy), ₹67218.29 crore through MGNREGS and another ₹214303 crore money could be transferred to the cash beneficiaries. Further, it went on increasing by 79 per cent in the year 2021-22 if numbers of beneficiaries are counted in comparison to that of 2020-21. The *Pradhan Mantri Garib Kalyan Ann Yojana* announcedin 2020 to provide free rations to nearly 80 crore people in the country during the Covid pandemic seems to have played a big role in the increase in DBT. Most of the 342 crore transactions recorded in 2021-22 was under the Public Distribution Scheme (PDS) with benefits worth ₹ 2.17 lakh crore being transferred to people[2].

Recently, the International Monetary Fund (IMF), too, hailed India's technology-driven DBT as a "logistical marvel". "One thing that is striking is the use of the unique identification system, the Aadhaar," said Paolo Mauro, Deputy Director of the Fiscal Affairs Department of the IMF[3].Union Minister Prakash Javadekar has said very recently that ₹4 lakh crore funds have been saved by the DBT programme in the last four years removing fake beneficiaries[4]. There were similar claims from important government functionaries in different occasions, once by the former Vice President, Mr. M. Venkaiah Naidu in November, 2017[5] and most recently in April, 2023[6]the Prime Minister himself stated that about 40,000 crore rupees have been saved from going into the wrong hands due to fraud prevention in MGNREGA.

FINANCIAL INCLUSION: *JAN DHAN* AS THE GAME CHANGER

Reserve Bank of India, the central bank and principal banking regulator in India has defined financial inclusion as "the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost in a fair and transparent manner by mainstream institutional players." Financial exclusion remains a world-wide problem as because of poverty and underdevelopment. To get rid of this menace, as a first step, providing a *no-frill* bank account, with minimum or no balance to be maintained in such account, has been largely experienced in many countries. Poor people suffer also from documentation required for opening a bank account. Hence, relaxation in documentation like initially providing either one identity proof or address proof, at least initially, has worked effectively. But undoubtedly no requirement of any compulsory deposit remains the prime cause behind such huge response who has been genuinely in requirement of a bank account.

Like the BSBDAs[7], the *Jan Dhan* accounts can also be zero-balance accounts. To promote financial inclusion, RBI has asked banks to drop the *no-frill* tag from the basic saving accounts as the nomenclature has become a stigma. The only condition for opening a bank account under the scheme was that an individual should not have an existing bank account. Another advantage in opening a bank account under this scheme was no requirement of any identity proof initially. Later however transaction right will be given only if an identity proof is produced. The accountholders were issued a *Rupay* debit card at the time of opening the bank account. Initially, those who could open accounts till 26th January, 2015 were provided with a life

[1] https://dbtbharat.gov.in/

[2] https://www.news18.com/news/india/direct-benefit-transfer-hits-a-record-high-in-two-years-of-covid-pandemic-data-shows-5137741.html

[3] https://www.financialexpress.com/economy/pilferage-stopped-through-dbt-fm-nirmala-sitharaman/2756992/

[4] https://www.newindianexpress.com/states/telangana/2023/jun/16/introduction-of-direct-beneficiary-transfer-ended-pilferage-of-funds-prakash-javadekar-2585480.html

[5] https://www.business-standard.com/article/economy-policy/dbt-jam-helping-stop-pilferage-in-money-distribution-venkaiah-naidu-117112700549_1.html

[6] https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1920080

[7] All the existing "No-Frill" accounts may be treated as Basic Savings Bank Deposit Accounts (BSBDAs) from August 17, 2012, the date of the RBI circular, and banks may issue ATM card to such accountholders. There is no minimum balance requirement but a maximum amount can only be maintained as its balance. There are periodical withdrawal restrictions.

insurance cover of ₹30000. An accident insurance cover of ₹1 lakh (₹0.1 million) was provided irrespective of any opening date of bank account. But, the most innovative feature associated with the scheme was a collateral-free overdraft facility upto₹5000. The collateral-free overdraft option in the scheme was raised in August, 2018 to ₹10000, the accidental insurance coverage to ₹2 lakh(₹0.2 million). All BSBDAs have subsequently been converted into *Jan Dhan* accounts.

The adult population percentage holding at least one bank account of a particular country was 35 for India in 2011, which rose to 53 in 2014 and jumped to 80 per cent in 2017[8]. World Bank's financial inclusion indicator is banking system-centric, measured by *access* (penetration of bank branches or point of sales devices in rural areas), *usage* (average balance in bank account, number of transactions per account), and *quality* (range of products on offer)[9]. But dormancy remains a thorn in the crown of attaining such a success of bringing in so many people broadly into the formal financial system. The World Bank Report of 2017 has identified 48 per cent of the *JanDhan* accounts remaining inactive. However, the DBT scheme which is responsible now for channelizing all forms of subsidies in the beneficiary bank account pushed the active bank account percentage up to 95.9 per cent. As claimed by the Government at least one digital means of payment was to be available by March 2021.

The gender gap in bank account ownershiphas reduced from 20 per cent (2014) to 6.4 per cent (2017) in India (*Source: Global Findex database, 2017*). This may be attributed to the *Jan Dhan* scheme. 84.4 per cent of the eligible population had deposit account in rural India, predominantlywith 88.1 per cent of male population and 80.7% of the female population, resulting into a gap of 7.4 per cent .On the other hand, 85.2per cent of the eligible population had deposit account in urban India, here too predominantly with 89.0 per cent of the male population and 81.3 per cent of the female population, keeping a slightly lower gap of 7.3% (Source: All India Debt & Investment Survey, Jan. – Dec., 2019, NSSO, MOSPI).

Financial inclusion does not mean only bank account ownership but also includes savings, credit, insurance or even mobile money. Mobile money is emerging within the formal financial system for all groups of population in pursuit of easy transactions, starting from the daily needs to a wide range of other purchasable commodities. Another prime objective of financial is to enable the people availing all these services at minimum transaction cost. Nevertheless, an increased safety is provided by the formal system over the informal providers.

[8] *https://globalfindex.worldbank.org/*

[9] *http://www.worldbank.org/en/topic/financialinclusion/brief/how-to-measure-financial-inclusion (accessed on* May 14, 2019)

Among the three dimensions of financial inclusion, branch penetration, credit penetration and deposit penetration as CRISIL (2013) has used in measuring the extent of financial inclusion in form of an index, *Inclusix*, credit penetration remains the most significant. *Inclusix* is a relative index in a scale of 0 to 100[10]. As last published in 2018, it shows that the *Jan-Dhan*, Aadhaar and mobile (JAM) trinity is slowly but surely making a seminal difference to financial inclusion. Although later the government's aim of achieving the JAM trinity suffered a set-back due to the apex court ruling in September, 2018. But, anyway a move in the value of *Inclusix* to 58.0 in 2018, even by revising the base such as insurance and microfinance, from 56.2 in 2015 and 50.1 in 2013 is depicting significant progress in financial inclusion.

Financial inclusion index (FI-Index) as unveiled on 17th August, 2021 by RBI covers financial services as a whole with a total of 97 indicators covering three parameters, ease of access to services with 35 per cent weight, availability and usage of services with 45 per cent weight, and quality of services with 20 per cent weight. As per RBI's press release on the occasion of launch of the index, it captures the quality aspect of financial inclusion "as reflected by financial literacy, consumer protection, and inequalities and deficiencies in services". The index value has improved to 56.4 as on March 31, 2022 from to 53.9 for the financial year ended March 2021.

If the available financial inclusion indices are reviewed, it could be seen that financial inclusiveness of people of the country qualitatively is not as high as a quantitative assessment at the same point of time in terms of bank account ownership. Further, sustainability of banks has become a big issue. It should be so as to continue serving the people of the country in a friendly manner; they should be financially strong enough. The financial literacy issue is also of the concern for the government as it will help the people to be more financially included. People have to know more about the investment products and services.

DIGITAL FINANCIAL INCLUSION

Digital financial inclusion ensures the ability to transfer money around in an affordable manner, using mobile wallet, mobile money, etc. Over the past few years, India has seen a steep rise in digital and financial inclusion. Currently, there are nearly ₹500 million internet users all across the country, out of which those living in the rural areas are about 200 million. Research shows that about 87% of rural population uses mobile phones to access internet services. But they do not use it so much for monetary transactions. Currently, digitized banking has reached over 420 million people in India, making enough space

[10] *https://www.crisil.com/en/home/what-we-do/financial-products/inclusix.html*

for digital financial inclusion. "Due to this inclusion, the country's digital payment value is expected to grow more than double to $135.2 billion by 2023, according to an ASSOCHAM – PwC, 2019 study" [11].

Unified Payment Interface (UPI) was created in April, 2016 as an interoperable digital payments platform. National Payments Council of India (NPCI), a joint initiative of RBI and the Indian Banks Association as set up way back in 2008, has provided the necessary infrastructure. NPCI has emerged as a key institution supporting digital financial inclusion. Mr. Amitabh Kant, the former CEO of *Niti Aayog* said, "It enabled large scale financial inclusion using DBT and Aadhaar Enabled Payment System (AEPS) which came extremely handy during Covid times for our poor and needy citizens, apart from eliminating leakages and duplicates on a large scale. Fourth, it acts as a public good, away from intentions of profiteering, stock market gyrations. It was created as a vehicle with the intention of driving innovation, bringing efficient, cost-effective, citizen-scale payment systems for a large country of 1.3 billion populations. Fifth, because of the NPCI, India today is self-sufficient in payment systems".[12]Before UPI, other indigenous digital payment products like BHIM, Bharat BillPay, NACH, IMPS, etc. were launched. Other private initiatives some of which have foreign linkage too like *Paytm*, *PhonePe*, *PayU*, *MobiKwik*, *FreeCharge*, etc. are now working in full swing.

CREDIT, COLLATERAL AND ENTREPRENEURSHIP

The need of credit for entrepreneurship needs no explanation. Whatever may be the size of an enterprise, everyone needs fund to be established and more funds to be expanded. But generally, the enterprises which are related to self-employment of the poor people need fund more on priority basis. On the other hand, loan is not given ordinarily without security or collateral. But wherefrom the poor people will get that! So, bridging the gap between the security requirement to obtain loan and available money or wealth to be furnished by the loanee as security is of utmost need. With that direction, the government of a developing country like India which nonetheless suffers from huge unemployment problem has started introducing schemes for lending poor people to start enterprises.

Bank credit remains the most crucial instrument of financial inclusion."An inclusive financial system can help in reducing the progress of informal sources of credit namely the money lenders that are often found to be exploitative"[13].

[11] Financial Express, October 24, 2021

[12] Times of India, Kolkata, July 18, 2022.

[13] Sarma, M. (2010). Financial Inclusion and Development, *Journal of International Development*, published online in Wiley Interscience. available at *www.interscience.wiley.com.*

Collateral-free bank loan was made available in *Mudra yojana*, a scheme as introduced by the present government just within one year of its previous tenure. Providing bank loan without security was however not new when *Mudra yojana*had the announcement. In the flagship financial inclusion scheme, PMJDY, a maximum ₹5000 of bank overdraft was made available too to an accountholder initially on successful operation of the bank account for the preceding 6 months. While only the *Shishu* product of the *Mudra yojana* has the option of ₹50000 for entrepreneurial borrowing, the *Kishore* and *Tarun* products have even a higher option of ₹500000 and ₹1000000 loan respectively. Thus, the volume of collateral-free loan is much higher, throwing up a challenge to sustain the scheme because of higher probability of bad debts. But for generation of self-employment government had to resort to even introducing such a scheme remaining fully aware of resistance from bank management.

Women owning SMEs point to the lack of access to capital as the biggest constraint in running their businesses.90% of women entrepreneurs in India have never applied for loans to formal financial institutions. They cited a hard constraint in the form of lack of collateral and softer constraints such as complicated application procedures and unfavorable terms of credit (IFC, 2016).

Micro finance is another form of credit more women-oriented which is generally routed through small groups commonly known as SHGs. These groups not only serve as a platform to supervise the activities of each other but also provide social collaterals. When poverty and patriarchy constraint women to badly paid wage-work or otherwise they remain more engaged in the poorly paid agriculture sector, credit can help them move into better paying self-employment.

As a sequel of announcement for *Atmanirbhar Bharat Abhiyaan*, enterprises now with the investment limit up to₹1 crore (from ₹25 lakh) to be brought under micro enterprises, ₹10 crore (from ₹5 crore) under small enterprises, and ₹20 crore (from ₹10 crore) under medium enterprises. The turnover limit for micro, small and medium enterprises will be ₹5 crore, ₹50 crore and ₹100 crore respectively. ₹3 trillion collateral-free bank loan was provided to MSMEs with 100% credit guarantee. Government investment of ₹100 billion is announced in May, 2020 to be made available which in turn will invest ₹500 billion in the equity capital of MSMEs.

MUDRA AND NON-FARM SELF-EMPLOYMENT

The rural economy contributes nearly 25-30 per cent to the GDP, the non-farm and non-agricultural sectors are on the rise which has resulted into automatic decline in the importance of agriculture sector as the prime constituent. Self-employment has become the option for many to earn their livelihood. Most of the individual entrepreneurs in the non-corporate small business (NCSB) segment operate as unregistered enterprises. The owners do not maintain proper books of accounts and suffer primarily from dearth of capital. Until the announcement of the *Mudra yojana*, non-agricultural collateral-free loan has not been so common. PMMY has exhibited an impressive performance of sanctioning loans of ₹3391.10billion in 2021-22 continuously rising from ₹1374.49 billion in 2015-16 except for the last year which may be due to the effect of pandemic [Source: *PMMY* website]. Union Minister of State for Finance, Bhagwat Kisanrao Karad in a written statement to Parliament on 26.11.2021 in response to some question stated that 68 per cent of *Mudra* accounts were held by women entrepreneurs, availing 44% of sanctioned amount.

Mudra yojona too helped women a lot, by actually promoting women entrepreneurship in the country. The loan period for women may extend up to 7 years. According to the data produced by the Ministry of Finance on 26.11.2021, 68 per cent of *Mudra* accounts are held by women entrepreneurs, availing 44 per cent of sanctioned amount. However, 90 per cent of the loans are in the 'sishu' category providing loan upto₹50000.

WOMEN IN THE CENTRE OF VARIOUS SCHEMES

For a long time, financial inclusion of Indian women was mainly led by the self-help group (SHG) movement which began in the 1980s. With the launch of the PMJDY too the focus was on women accountholders, although not women-only. Presently, under it 56 per cent are women account holders. As zero-balance bank account was available for them, several other government programmes were floated with the objective to provide credit and other financial services. As a result, the share of women stands at 81 per cent in *Stand-Up India* and 71 per cent in *Mudra* loan.*Pradhan Mantri Awas Yojana* (PMAY) has enabled 68 per cent of over 2 crore *PMAY-Gramin* homes being either solely or jointly owned by women. *Pradhan Mantri SvanidhiYojana* has provided more than 33 lakh loans to street vendors of which 41 per cent are women beneficiaries. A recent RBI report states that credit to women had a 22.5 per cent share in bank loans to individuals during 2021-22. TransUnion CIBIL further reports that the expansion in the footprint of women borrowers in the semi-urban and rural locations, with a compounded annual growth rate of 21 per cent between 2016 and 2021 exceeds the 16 per cent growth in metro and urban regions, both being remarkable. It has also accepted women to be better borrowers than men. According to the report, "the delinquency rate for women borrowers was pegged at 5.2% across retail credit products, compared to 6.9 per cent for their male counterparts". This indicates that giving more credit to women the country won't be financially loser as traditionally being perceived. This is also the reason why the micro finance institutions in the country have chosen women to be the most preferred borrowers for their schemes.

END NOTE

The financial literacy among the people has been exposed to be dismal among all categories of citizens, more acute in case of those with lower income and education. A survey by Standard & Poor's Financial Services estimates that only 24 per cent adults in India are financially literate (Klapper*et al*., 2014)[14].Whenever a new Government scheme for the common people either for bank account or insurance or credit has been launched, it has become the Government's challenge first to let the target beneficiaries know about those schemes. Substantial expenses have been incurred on publicity and yet the schemes remain largely unknown to the poorer people. The Government spent ₹1698.98 crore during the period, 2019-19 to 2020-21 so as to create awareness of Government policies and schemes among the intended beneficiaries including the population through print, electronic and outdoor media. The Government ultimately fixes target for these schemes for the executing officers or executives either within its own arms or through the banks to reduce the burden of publicity. This often jeopardizes the main objective behind introduction of a scheme.

The National Strategy for Financial Inclusion 2019-2024 (NSFI) and the National Strategy for Financial Education 2020-2025 (NSFE) were released by the RBI in January 2020 and August 2020 respectively.RBI issues NSFI "with a focus on creating an outreach of financial services outlets to provide banking access to every household within 5 km radius. All eligible adults must have access to basic financial services such as bank account, line of credit, life and other insurance, pension scheme and suitable investment product". RBI's NSFE is focused towards "inherent behavioral and practical aspects". Not undermining the importance of opening the brick-and-mortar branches, although in some areas those have proven to be not cost-effective, the public sector banks (PSBs) targeted to open around 363 branches by December 2022 "to scale up the financial inclusion drive by covering villages with a population over 3,000 and within 5 km radius". Thus, a road map is set in pursuit of financial self-reliance of common people. MA

[14] Klapper, Leora and Lusardi, Annamalai (2019). "Financial literacy and financial resilience: Evidence from around the world", *Financial Management*, Vol. 49, Issue 3, pp. 589-614.

THE IMPACT OF ARTIFICIAL INTELLIGENCE ON THE FINANCE DEPARTMENT OF MANUFACTURING ENTITIES AND THE ROLE OF COST ACCOUNTANTS ON INDIA PERSPECTIVE

Abstract

This article explores the profound impact of artificial intelligence (AI) on the finance department of manufacturing entities and emphasizes the critical role of cost accountants in leveraging AI technologies to drive efficiency, accuracy, and strategic decision-making. With a focus on the Indian perspective, this write-up delves into the potential benefits, challenges, and transformative implications of AI in the realm of cost accounting. It also offers insights as to how Cost Accountants can adapt and embrace this technological revolution to enhance their professional expertise and contribute to the success of manufacturing organizations.

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OVERVIEW OF ARTIFICIAL INTELLIGENCE IN FINANCE:

Artificial Intelligence (AI) is revolutionizing various industries, including finance. In the context of cost accounting, AI offers immense potential to streamline processes, enhance decision-making, and drive cost efficiencies. This article provides an overview as to how AI is transforming the finance function and specifically focuses on the perspective of Cost Accountants.

- **Automation and Efficiency Gains**

AI-powered automation can handle repetitive and time-consuming tasks, such as data entry, transaction processing, and report generation. This enables Cost Accountants to allocate more time to strategic activities, analysis, and decision support. By leveraging AI, Cost Accountants can significantly increase operational efficiency within the finance department.

- **Advanced Data Analytics and Insights**

AI algorithms can analyse vast volumes of data and extract valuable insights. Cost Accountants can use AI-powered analytics tools to identify cost drivers, trends, and patterns, enabling them to make data-driven decisions and optimize cost structures. These insights help in identifying opportunities for cost reduction, process improvements, and strategic planning.

- **Predictive Costing Models**

AI enables Cost Accountants to develop predictive costing models that utilize historical data, market trends, and external factors to forecast costs accurately. By employing AI algorithms, cost accountants can anticipate future cost fluctuations, optimize pricing strategies, and support financial planning and budgeting processes.

- **Risk Management and Fraud Detection**

AI algorithms can analyze financial data in real-time, detect anomalies, and identify potential fraudulent activities. Cost Accountants can leverage AI to enhance risk management practices by monitoring cost variances, identifying irregularities, and implementing proactive measures to mitigate financial risks

- **Strategic Decision Support**

AI-driven predictive analytics and modelling enable Cost Accountants to provide strategic insights to top management. They can contribute to key decisions related to product pricing, investment analysis, cost optimization, and resource allocation. AI empowers Cost Accountants to offer valuable recommendations based on accurate and timely financial information.

- **Continuous Professional Development**

As AI technologies continue to advance, Cost Accountants need to adapt and upskill themselves. They must develop a strong understanding of AI concepts, data analytics, and machine learning algorithms. Continuous professional development in AI-related areas equips Cost Accountants with the knowledge and skills necessary to effectively leverage AI tools and technologies.

Artificial Intelligence is transforming the finance function, offering cost accountants new opportunities to drive efficiency, accuracy, and strategic decision-making. By embracing AI technologies, Cost Accountants can automate routine tasks, leverage advanced analytics, enhance risk management practices, and provide valuable insights to support organizational goals. Continuous professional development is crucial to equip Cost Accountants with the necessary skills to navigate and leverage the potential of AI in finance.

SIGNIFICANCE OF COST ACCOUNTANTS IN MANUFACTURING ENTITIES IN AN AI ENVIRONMENT

Cost Accountants are essential stakeholders in manufacturing entities operating in an AI environment. Their expertise in cost analysis, financial management, risk assessment, and strategic decision-making ensures the successful integration of AI technologies. By collaborating with AI experts, Cost Accountants contribute to data governance, compliance, and accurate financial insights. Cost Accountants play a significant role in maximizing the benefits of AI while mitigating risks, ensuring the financial sustainability and success of manufacturing entities in an AI-driven world.

THE IMPACT OF AI ON THE FINANCE DEPARTMENT

Artificial Intelligence (AI) is revolutionizing various industries, and the finance department is no exception. With the ability to process large volumes of data, automate tasks, and provide valuable insights, AI technologies are transforming the finance function. This section explores the significant impact of AI on the finance department.

⦿ Automation of Routine Tasks

AI enables the automation of repetitive and time-consuming tasks in finance, such as data entry, invoice processing, and reconciliation. This automation frees up finance professionals' time, allowing them to focus on more strategic activities and analysis. By reducing manual efforts, AI improves efficiency and accuracy within the finance department.

⦿ Enhanced Data Analysis

AI-powered algorithms can analyse large datasets and identify patterns, trends, and anomalies. In finance, this capability helps in areas such as fraud detection, risk assessment, and financial forecasting. AI can quickly process vast amounts of financial data, providing valuable insights to support decision-making and strategic planning.

⦿ Improved Risk Management

AI technologies assist in risk management by detecting anomalies, flagging potential fraud, and identifying patterns of non-compliance. By analysing financial data in real-time, AI algorithms can detect unusual transactions, assess credit risks, and enhance fraud prevention measures. This allows finance professionals to proactively manage and mitigate risks.

⦿ Advanced Financial Planning and Analysis

AI-based predictive modelling and forecasting tools enable more accurate financial planning and analysis. By considering historical data, market trends, and other relevant factors, AI algorithms can generate forecasts and projections with improved accuracy. Finance professionals can leverage these insights to make informed decisions and optimize financial performance.

⦿ Streamlined Compliance and Reporting

AI technologies streamline compliance processes by automating regulatory reporting, ensuring adherence to accounting standards, and identifying compliance risks. AI can assist with data validation, ensuring accurate financial reporting and reducing the risk of errors. This automation improves efficiency, reduces compliance costs, and enhances transparency in financial reporting.

⦿ Streamlined Compliance and Reporting

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⦿ Strategic Decision Support

AI-generated insights and analytics provide valuable support for strategic decision-making within the finance department. By analysing financial data and identifying trends, AI can help finance professionals evaluate investment opportunities, assess profitability, and optimize resource allocation. This allows finance professionals to provide timely and data-driven insights to support organizational objectives.

⦿ Continuous Learning and Adaptability

AI systems learn from historical data and user interactions, continuously improving their performance over time. This adaptability enables AI to provide increasingly accurate and relevant insights. Finance professionals can leverage AI's learning capabilities to gain deeper insights into financial patterns and trends, enhancing their decision-making processes.

The impact of AI on the finance department is significant and transformative. Automation of routine tasks, enhanced data analysis, improved risk management, advanced financial planning, streamlined compliance, and strategic decision support are among the many benefits AI brings to finance professionals. Embracing AI technologies allows finance departments to operate more efficiently, make data-driven decisions, and provide valuable insights to support organizational success. The finance department's adoption of AI is essential in staying competitive, maximizing efficiency, and effectively managing financial resources in today's rapidly evolving business landscape

AI APPLICATIONS IN COST ACCOUNTING

Artificial Intelligence (AI) has become a game-changer in various industries, and cost accounting is no exception. AI applications are revolutionizing traditional cost accounting practices by leveraging advanced algorithms, machine learning, and data analytics. Highlights of some key AI applications in cost accounting are described in the following paragraphs:

⦿ Cost Analysis and Optimization

AI algorithms can analyse vast amounts of data and identify cost drivers, inefficiencies, and opportunities for cost reduction. By automating data collection and analysis, AI can provide real-time insights into cost structures and help identify areas for optimization. AI can also suggest alternative cost-effective strategies and recommend cost reduction initiatives, enabling organizations to streamline their operations and improve profitability.

⦿ Predictive Costing Models

AI-powered predictive costing models utilize historical data, market trends, and other relevant factors to forecast costs accurately. By incorporating machine learning algorithms, these models can continuously learn and adjust their predictions based on changing market conditions and business dynamics. This enables Cost Accountants to make more accurate cost projections, plan budgets effectively, and support strategic decision-making.

⦿ Inventory Management and Optimization

AI enables sophisticated inventory management by analysing historical data, sales patterns, demand forecasts, and supply chain dynamics. AI algorithms can optimize inventory levels, minimize stockouts, reduce carrying costs, and improve order fulfilment. By leveraging AI-driven inventory optimization, cost accountants can enhance cash flow management, reduce inventory holding costs, and improve operational efficiency.

⦿ Budgeting and Financial Planning

AI assists cost accountants in developing accurate and realistic budgets and financial plans. By analysing historical data, market trends, and business objectives, AI algorithms can generate more accurate revenue forecasts, expense projections, and cash flow estimates. AI can also provide scenario analysis, allowing cost accountants to evaluate the financial impact of various business decisions and optimize budget allocations.

⦿ Cost Reduction Strategies

AI plays a crucial role in identifying cost-saving opportunities and suggesting effective cost reduction strategies. By analysing large volumes of data, AI algorithms can uncover inefficiencies, detect cost overruns, and highlight areas for improvement. AI-powered analytics enable Cost Accountants to identify the most impactful cost reduction initiatives, monitor their effectiveness, and continuously optimize cost-saving efforts.

⦿ Fraud Detection and Risk Management

AI algorithms can detect patterns and anomalies in financial data, contributing to fraud detection and risk management efforts. By analysing transactions, AI can flag suspicious activities, identify potential fraud risks, and improve overall risk assessment. Cost Accountants can leverage AI-powered tools to enhance internal controls, minimize financial risks, and ensure compliance with regulatory requirements.

The integration of AI applications in cost accounting provides significant benefits to organizations. AI enables cost accountants to gain deeper insights, improve accuracy, and make data-driven decisions. By leveraging AI algorithms for cost analysis, predictive costing, inventory management, budgeting, cost reduction, and risk management, Cost Accountants can enhance their strategic role in driving financial performance and operational efficiency. Embracing AI technologies in cost accounting empowers organizations to optimize costs, improve decision-making, and gain a competitive edge in today's dynamic business environment.

CHALLENGES AND CONSIDERATIONS IN AI APPLICATIONS IN COST ACCOUNTING

⦿ Data Security and Privacy Concerns

One of the key challenges in implementing AI in Cost Accounting is ensuring data security and privacy. As AI relies on vast amounts of data, organizations need to establish robust data security measures to protect sensitive financial information. Cost Accountants must ensure compliance with data protection regulations and implement encryption, access controls, and secure data storage methods to mitigate the risk of data breaches.

⦿ Skillset and Reskilling Requirements

The adoption of AI in cost accounting necessitates a shift in skillset requirements. Cost Accountants need to acquire knowledge and skills in data analytics, AI technologies, and machine learning. Organizations must invest in reskilling programs to enable cost accountants to leverage AI tools effectively. Continuous learning and upskilling initiatives are crucial to ensure cost accountants can adapt to the evolving AI landscape and extract maximum value from AI applications.

⦿ Ethical and Social Implications

The use of AI in cost accounting raises ethical and social implications that need to be carefully addressed. AI algorithms and automated decision-making systems should be transparent and explainable to ensure accountability and avoid biases. Organizations must establish ethical guidelines to govern the use of AI in cost accounting and address concerns related to job displacement, privacy, and the responsible use of AI technologies.

- **Organizational Adoption and Change Management**

Implementing AI in cost accounting requires a well-planned and structured change management approach. Organizations need to create awareness, build buy-in, and provide training and support to stakeholders, including cost accountants. Effective change management strategies should be employed to address resistance to change, manage expectations, and ensure smooth integration of AI technologies into existing cost accounting processes.

While AI applications in cost accounting offer immense benefits, organizations must address several challenges and considerations. Ensuring data security and privacy, addressing skillset requirements, managing ethical and social implications, and implementing effective change management are crucial aspects of successful AI adoption in cost accounting. By proactively addressing these challenges, organizations can harness the full potential of AI technologies, enhance cost accounting practices, and drive sustainable business growth.

INDIAN PERSPECTIVE: OPPORTUNITIES AND CHALLENGES IN AI ADOPTION IN COST ACCOUNTING IN MANUFACTURING ENTITIES

- **AI Adoption in Indian Manufacturing Entities**

In recent years, Indian manufacturing entities have shown a growing interest in adopting AI technologies to enhance their cost accounting practices. AI offers opportunities to streamline operations, optimize costs, and improve decision-making. However, there are challenges related to infrastructure limitations, data availability, and initial investment costs that need to be addressed for widespread AI adoption. Organizations in India must recognize the potential benefits of AI and invest in the necessary resources and infrastructure to leverage its power effectively.

- **Regulatory Landscape and Compliance Considerations**

Indian manufacturing entities need to navigate the regulatory landscape and comply with relevant laws and regulations when implementing AI in cost accounting. Data privacy and protection laws, intellectual property rights, and cybersecurity requirements should be carefully considered. Organizations must ensure that their AI applications adhere to legal and ethical standards and maintain transparency in data usage and decision-making processes.

- **Leveraging AI for Competitive Advantage**

AI adoption in cost accounting presents a significant opportunity for Indian manufacturing entities to gain a competitive edge. By leveraging AI tools and analytics, organizations can gain deeper insights into cost structures, identify cost optimization opportunities, and improve financial performance. Proactive adoption of AI can enhance operational efficiency, facilitate accurate forecasting, and enable better strategic decision-making. Indian manufacturing entities should embrace AI as a strategic enabler to drive innovation, optimize costs, and gain a competitive advantage in both domestic and global markets.

- **Addressing Skill Gaps and Upskilling Challenges**

The successful implementation of AI in cost accounting requires a skilled workforce. Indian manufacturing entities must address the skill gaps and upskill their workforce to effectively harness the power of AI technologies. Cost Accountants need to acquire competencies in data analytics, AI algorithms, and machine learning. Organizations should invest in training programs, partnerships with educational institutions, and knowledge-sharing initiatives to bridge the skill gaps and foster a culture of continuous learning and upskilling.

In the Indian context, the adoption of AI in cost accounting within manufacturing entities brings both opportunities and challenges. By embracing AI technologies, organizations can optimize costs, improve decision-making, and gain a competitive advantage. However, challenges related to regulatory compliance, infrastructure limitations, and skill gaps need to be overcome. Indian manufacturing entities must invest in infrastructure, address regulatory compliance considerations, and upskill their workforce to effectively leverage AI technologies. With the right approach, AI adoption in cost accounting can propel Indian manufacturing entities towards greater efficiency, profitability, and sustainable growth.

CASE STUDIES: SUCCESSFUL AI IMPLEMENTATION IN INDIAN MANUFACTURING ENTITIES

Example 1-Cost Optimization and Inventory Management: Case Study: XYZ Manufacturing Company

Challenge: XYZ Manufacturing Company faced challenges in optimizing costs and managing inventory effectively. They had a large product portfolio with varying demand patterns, leading to inventory imbalances and high carrying costs.

AI Solution: The company implemented an AI-driven cost optimization and inventory management system. The system analysed historical sales data, market trends, and external factors to forecast demand and optimize inventory levels. Machine learning algorithms identified cost-saving opportunities, such as supplier negotiations, production process improvements, and optimal batch sizes.

Results: The AI system helped XYZ Manufacturing Company reduce inventory carrying costs by 20% while maintaining high service levels. It improved demand forecasting accuracy by 15 percent, allowing the company to optimize production schedules and reduce stockouts. Cost accountants leveraged the AI-generated insights to identify cost drivers, implement cost reduction initiatives, and streamline procurement processes.

Example 2-Forecasting and Demand Planning: Case Study: ABC Electronics Pvt. Ltd.

Challenge: ABC Electronics Pvt

Ltd. faced challenges in accurately forecasting product demand, resulting in frequent stockouts and overstock situations. Manual forecasting methods led to suboptimal production planning and increased costs.

***AI Solution**:* The company implemented an AI-powered demand forecasting and planning system. The system analysed historical sales data, market trends, weather patterns, and social media sentiment to generate accurate demand forecasts. Machine learning algorithms adjusted the forecasts in real-time based on changing factors and incorporated external data sources for demand drivers.

Results: By leveraging AI-driven demand planning, ABC Electronics Pvt Ltd. achieved a 30% reduction in stockouts and a 25% decrease in excess inventory. The company improved its production planning accuracy, resulting in cost savings and optimized resource allocation. Cost accountants utilized AI-generated demand forecasts to improve budgeting, pricing decisions, and cash flow management.

Example 3-Process Automation and Efficiency Improvements: Case Study: LM Pharmaceuticals

***Challenge**:* LM Pharmaceuticals faced challenges in manual data entry, transaction processing, and report generation. The finance team struggled to keep up with the increasing workload, resulting in delays, errors, and inefficiencies.

***AI Solution**:* The company implemented an AI-driven process automation system. The system automated routine finance tasks, including data entry, invoice processing, and financial report generation. Natural language processing (NLP) algorithms extracted information from documents and automated data reconciliation processes.

***Results**:* The AI-driven process automation system enabled LM Pharmaceuticals to improve operational efficiency by reducing manual efforts. It eliminated errors caused by manual data entry and accelerated financial reporting timelines. Cost Accountants were able to focus more on analysis, cost optimization, and strategic decision-making, resulting in improved financial performance and decision support.

AI is reshaping cost accounting practices within manufacturing entities, enabling organizations to optimize costs, enhance decision-making, and drive innovation

These case studies highlight successful AI implementations in Indian manufacturing entities, showcasing the transformative impact of AI in cost optimization, demand forecasting, inventory management, and process automation. By leveraging AI technologies, these organizations achieved cost savings, improved forecasting accuracy, optimized inventory levels, and streamlined finance processes. Cost Accountants played a crucial role in utilizing AI-generated insights to drive efficiency and make data-driven decisions. These case studies demonstrate the potential of AI in enhancing cost accounting practices and enabling Indian manufacturing entities to achieve operational excellence and competitive advantage.

CONCLUSION:

⊙ Embracing AI as a Catalyst for Growth and Innovation

AI has emerged as a powerful catalyst for growth and innovation in cost accounting within manufacturing entities. Its ability to automate tasks, provide accurate insights, optimize costs, and enhance decision-making has immense potential for driving organizational growth. Embracing AI technologies allow manufacturing entities to stay competitive, improve operational efficiency, and unlock new opportunities for innovation and profitability.

⊙ The Crucial Role of Cost Accountants in the AI Era

Cost accountants play a crucial role in the AI era, leveraging AI technologies to enhance cost accounting practices and provide strategic insights. They are instrumental in optimizing costs, analysing data, and making data-driven decisions. Cost Accountants possess domain expertise and financial acumen that, when combined with AI-generated insights, enable them to contribute significantly to cost optimization, risk management, and strategic decision-making within manufacturing entities.

⊙ Future Perspectives and Recommendations

Looking ahead, the future of AI in cost accounting within the manufacturing sector holds immense potential. To harness this potential, organizations should consider the following recommendations:

a. **Continuous Learning and Upskilling:** Organizations should invest in continuous learning and upskilling programs for cost accountants to keep pace with the evolving AI landscape. This includes acquiring knowledge in data analytics, AI algorithms, and emerging technologies to effectively leverage AI tools.

b. **Collaboration and Integration**: Foster collaboration between cost accountants, AI experts, and cross-functional teams. This collaboration facilitates the integration of AI technologies into existing cost accounting processes, ensuring seamless implementation and maximizing the value derived from AI.

c. **Ethical and Responsible AI**: Organizations must establish ethical guidelines and frameworks to ensure the responsible use of AI in cost accounting. This includes addressing bias, transparency, and accountability in AI algorithms and decision-making processes.

d. **Data Management and Security**: Prioritize data management and security to protect sensitive financial information. Establish robust data governance measures, including data privacy and protection protocols, to maintain the integrity and security of financial data used in AI applications.

e. **Continuous Improvement**: Embrace a culture of continuous improvement and optimization. Regularly assess the effectiveness and impact of AI applications in cost accounting, identify areas for improvement, and adjust strategies accordingly.

By embracing these future perspectives and recommendations, manufacturing entities can harness the full potential of AI in cost accounting, leading to improved financial performance, better decision-making, and sustainable growth in the dynamic business landscape.

AI is reshaping cost accounting practices within manufacturing entities, enabling organizations to optimize costs, enhance decision-making, and drive innovation. The crucial role of Cost Accountants in leveraging AI technologies cannot be overstated. By embracing AI, organizations can unlock new opportunities for growth, competitiveness, and operational excellence, propelling them into a successful future MA

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AN OVERVIEW OF FINANCIAL LITERACY INITIATIVES IN INDIA

Abstract

Financial literacy is a lifelong skill that becomes the foundation of one's relationship with money. The fact that India continues to be placed lower in the surveys undertaken by international organizations like the OECD, VISA, Master Cards, etc. at different time intervals is regrettable and in no way encouraging, as India is home to Asia's oldest and tenth-largest stock exchange. Indian Government has already launched various financial literacy initiatives targeting many groups including teachers. This study covers the overview of financial literacy initiatives by the National Centre for Financial Education (NCFE). An attempt is made to examine the awareness among the teachers about the various financial initiatives by NCFE in India. Although the survey results are not particularly positive, there is still much potential to raise the awareness of the financial efforts among teachers in order to achieve their primary purpose.

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INTRODUCTION:

Financial literacy is a skill that promotes stability, competent financial management and sound financial decision-making. The fact that India continues to be placed lower in the surveys of financial literacy undertaken by international organizations like the OECD, VISA, Master Cards, etc. at different time intervals is regrettable and in no way encouraging, India being the home to Asia's oldest and tenth-largest stock exchange. Through Government organizations, the Indian Government has started a number of programs for various social groups, including students and teachers. It is crucial to understand whether or not teachers are aware of such initiatives. What purpose do the initiatives serve if they can't reach the intended audience?

Table 1 lists the initiatives taken by a few Asia Pacific countries for creating frameworks and strategies for financial literacy. This comparison is carried out in order to find where India stands as compared to some of the Asia Pacific countries that are doing better in the field of financial literacy.

TABLE 1
FINANCIAL LITERACY INITIATIVES AROUND THE ASIA PACIFIC REGION OF SOME SELECTED COUNTRIES

Point	New Zealand	Hong Kong	Australia	China	India
First national strategy for financial education	2008	2015	2011	2015	2013

Institutions launching the national strategy	Commission for Financial Capability	Investor Education Centre now known as Investor and Financial Education Council	Australian Securities Investment Commission	Peoples' Bank of China, China Banking Regulatory Commission, China Insurance Regulatory Commission	RBI, SEBI, IRDA, PFRDA
Official name of financial strategy	National Strategy for Financial Literacy	Hong Kong Strategy for Financial Education	National Financial Literacy Strategy	National Strategy for Financial Education	National Strategy for Financial Education
Time frame of national strategy	06 years	n/a	03 years	05 Years	05 Years
Principal sector responsible for funding national strategy	Public and Private	n/a	Public and Private	Public and Private	Public

Source: Compiled from different reports of the OECD

Table 1 clearly shows that all the nations have adopted their national strategies for financial education more or less at the same time. Every country, with the exception of India, has both public and private contributions to support its financial literacy efforts. As per the survey of financial literacy conducted by Mastercard in 2014 among the Asian Pacific Countries, India stood 12th among 16 countries which is not a promising position, whereas Taiwan, New Zealand, Hong Kong, and Australia were the first 4 rankers. Despite the fact that Hon Kong adopted its National Strategy for Financial Education in 2015, after India, it was ranked higher.

LITERATURE REVIEW

The literature review has included research studies related to financial literacy initiatives in the world to get clarity about financial literacy initiatives at the global level. The literature review related to financial literacy initiatives in India has also been carried out to find out the research gap in this area. *Taylor & Wagland, 2011* reviewed the available literature and survey reports of various Government and non- Government institutions to critically analyze and raise questions about the effectiveness of financial literacy-related programs in Australia and New Zealand. They found that there was no literature determining a relationship between the increased level of financial literacy and exposure to any financial literacy programme. *Lusardi, 2019* suggested that there should be an introduction of tailored made financial literacy programmes designed as per the need to target the educated group. *Neha et al., 2022*conducted a research to summarise the initiatives taken by various Government regulators in India in order to promote financial literacy. *Kumari, 2017* concluded that out of the various initiatives undertaken by Reserve Bank of India for improving financial literacy in India a press release is the most effective medium to increase the financial literacy as compared to websites and workshops. However, this conclusion is contradictory to the conclusion by *Lusardi, 2019*and *Heinberg et al., 2014*. *Singla, 2017* concluded that in spite of various financial initiatives undertaken by Government agencies, there is still a low level of financial literacy in India which makes it obvious to understand that there is a need to introduce financial literacy programmes with more capital infusion to make them more effective. *Verma et al., 2017* suggested that the effectiveness of such schemes should be measured properly. *Singh, 2018* while summarising the initiatives of Government and non-Government agencies proposed a similar finding as available in the previous research except some initiatives such as financial stability and Development Council, financial diaries issued by RBI, and the campaign by SEBI called SMAC (Securities Market Awareness Campaign).

RESEARCH GAP

The review of related literature demonstrates the fact that a study covering the quantitative details of financial literacy initiatives by NCFE is not done in India. Also, a study finding out how much of a particular section of the society is aware of such initiatives is also not conducted in any part of India. This study is an attempt to fill this gap by covering facts and figures about the initiatives taken up by NCFE in India and also a survey finding out the awareness among teachers about such initiatives.

RESEARCH OBJECTIVES

1. To review of financial literacy initiatives by NCFE.
2. To examine the awareness among teachers about the financial literacy initiatives by NCFE

HYPOTHESIS

H0: Teachers are not fully aware of the financial literacy initiatives undertaken by NCFE in India

H1: Teachers are fully aware of the financial literacy initiatives undertaken by NCFE in India

RESEARCH METHODOLOGY

For the study, more than 500 teachers were targeted to get responses but received responses from 320 teachers. The sampling method was "convenience and snowball. The financial literacy efforts by NCFE are included in this study from 2013 to 2022. The data is collected from both secondary as well as primary sources. Secondary data is collected from journals, reports, websites of regulators, etc. The primary data is collected from teachers working in schools and colleges in India. A well-structured questionnaire was prepared and circulated through Google Forms among teachers.

This study is an attempt to fill this gap by covering facts and figures about the initiatives taken up by NCFE in India

DISCUSSION AND ANALYSIS

About National Centre for Financial Education

Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), and Pension Fund Regulatory and Development Authority (PFRDA) are the sponsors of the National Centre for Financial Education (NCFE), a section 8 (not for profit) company that operates under the auspices of the Financial Stability and Development Council (FSDC), an agency of the Ministry of Finance. It was established in the year 2013. The primary goal of NCFE is to empower all segments of the public with financial literacy through nationwide financial education efforts that include seminars, conferences, conclaves, training sessions, programs campaigns, etc.

TABLE 2

FACTS AND FIGURES OF THE FINANCIAL LITERACY INITIATIVES BY NCFE AT A GLANCE

Year	Financial Literacy Programmes	Reach Through Website	Total Beneficiaries Covered			
			Total	School Teachers	School Students	College Students
2018-19	90	1014015	20750	-	-	-
2019-20	400	4191229	49280	-	-	-
2020-21	5245	5433392	196480	-	-	-
2021-22	5122	7551100	196190	97	68	260
2022-23	2241	7700000	109835	185	69	303
Total	13098	2,58,89736	572535	282	137	563

Source: *https://dashboard.ncfe.org.in/, NCFE reports*

Since its establishment in 2013, the National Centre for Financial Education (NCFE) has served 5,72,535 beneficiaries by conducting 13098 financial literacy programmes. It is important to add here that from 2021 to 2023, 282 school teachers, 137 school students and 563 college students benefited from the financial literacy programmes. The number of teachers and the students served is not so pleasing.

TABLE 3

FINANCIAL LITERACY INITIATIVES BY NCFE

Sr. No.	Initiative	Year of Launching	Details	Beneficiaries/ Target Audience	Facts and Figures since Inception
01	National Financial Literacy Assessment Test (NFLAT)	2014	Free annual financial literacy test for students Three categories: 1. NFLAT Junior: Class 6 to 8 students. 2. NFLAT Intermediate: Class 9 and 10 students. 3. NFLAT Senior: Class 11 and 12 students. Mode: Online 85% marks	Students of standard 6^{th} to 10^{th}	Number of registrations till date: School:1534, Students:204525

02	Financial education website and social media	2015	NCFE's website in English, Hindi and 11 regional languages	Literate masses	Website reach 25 million, 150000+ followers on social media
03	Financial Education Training Programme (FETP)	2015	02 Hours duration programme for training to school teachers to make them prepared for teaching financial education in school. After completion of the training the teachers are called as money smart teachers	School Teachers	17700+ money smart teachers
04	Money Smart School Programme (MSSP)	2015	For creating financial awareness among school children Curriculum includes Money, Banking Taxation Insurance, Investments Course duration of each class is 13 hours and 20 minutes	School Students	122800+ school students
05	Financial Awareness and Consumer Training (FACT)	2017	Educate young graduates and postgraduates financial themes for improving their financial welfare.	College Students	72690 beneficiaries
06	Financial Education Programme for Adults (FEPA)	2019	Workshops for targeted groups like women, anaganwadi workers, etc	Targeted adult groups	No of workshops: 13098.
07	E-learning Management System (E-LMS)	2020	Duration: 05 Hours Access to the registered users of e-learning course without payment for gaining a firm knowledge on promoting financial literacy. Curriculum: Capacity Building for Financial Literacy Programmes (CABFLIP)	Free learning platform for masses	6000+ registration cumulative hits of 20Millions+
08	'Sanchay'	2020	**Quarterly Newsletter of NCFE**	General Public	1st to 9th Issue is published
09	National Strategy for Financial Education	2020-25	Issue of 2nd National Strategy for Financial Education with 5 C approach: Content, Capacity, Community led, Communication and Collaboration	Entire Population of India	-

From Table 3, it can be seen that the NCFE is actively working towards promoting financial literacy among various target groups. In all nine types of financial initiatives were carried by NCFE throughout the year to promote financial literacy in India

RESULT OF THE SURVEY CONDUCTED

TABLE 4

SOCIO-DEMOGRAPHIC PROFILE OF RESPONDENTSN=310

Socio-Demographic Variable		Number of Respondents	Percentage of Respondents
Gender	Male	110	35%
	Female	200	65%

Age (in years)	Below 30	80	26%
	30-40	115	37%
	40-50	80	26%
	50 above	35	11%
Teaching where	School	30	10%
	College	280	90%
Type of Institute	Aided	110	35%
	Unaided	200	65%
Experience (in years)	Up to 05	105	34%
	05-15	150	48%
	15-25	25	8%
	Above 25	30	10%
Position	Permanent	85	27%
	Contractual	155	50%
	Other	70	23%
Qualification	Post Graduate	135	44%
	NET/SET	140	45%
	Ph. D.	30	10%
	Other	5	1%
Location	Goa	50	16%
	Maharashtra	230	74%
	Other	35	10%

Table 4 shows the socio-demographic profile of the respondents; most of the teachers were female (65 per cent of the respondents). Ninety per cent of the respondents were teaching in college; 65 per cent belonged to unaided institutes; 50 per cent of the respondents work on contractual basis; p 37 per cent of them belonged to the age group of 30 to 40 years. The majority i.e. 74% belong to Maharashtra state followed by Goa.

TABLE 5

AWARENESS AMONG TEACHERS ABOUT THE FINANCIAL LITERACY INITIATIVES BY NCFE

Initiatives by NCFE	Not at all Aware		Slightly Aware		Somewhat Aware		Moderately Aware		Fully Aware	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
NFLT	150	**48**	105	34	35	11	20	7	0	0
FETP	165	**53**	110	36	20	6	10	3	5	2
MSSP	145	**47**	95	30	55	18	15	5	0	0
FACT	175	**57**	85	27	40	13	10	3	0	0
FEPA	175	**57**	75	24	35	11	25	8	0	0
E-LMS	170	**55**	90	29	35	11	10	3	5	2
Sanchay	195	**63**	105	34	10	3	-	-	-	-

Table 5 represents the responses of teachers about financial literacy initiatives by NCFE, which shows that for all the initiatives the percentage of response is the highest for "Not at all aware" followed by 'Slightly Aware'.

TABLE 6

RESPONSE ABOUT ATTENDING FINANCIAL LITERACY PROGRAMME

Response for	Yes		No	
	Frequency	%	Frequency	%
Attended financial literacy programme in the past	40	13	270	87

Interested to attend financial literacy programmes in future	280	90	30	10

Table 6 shows the responses of the teachers about the financial literacy programme. Only 13 per cent of them have attended some financial literacy programme in the past and 90 per cent of them said they will be interested to attend financial literacy programmes in the future.

CONCLUSION

This study has overviewed the financial literacy initiatives by NCFE in India. It has identified the awareness level among teachers about the financial literacy initiatives launched by NCFE. Since its launch, it has conducted nine financial literacy programmes targeting various groups. The survey has shown that awareness about the financial literacy initiatives by NCFE is low among the teachers.

With this conclusion, we can retain the null hypothesis that the teachers are not fully aware of the financial literacy initiatives undertaken by NCFE in India.

SUGGESTIONS

The study has concluded that awareness among teachers about the various initiatives for financial literacy is not satisfactory. There is great scope for increasing the awareness among the teachers so that they can be benefitted from the same. Government can include details of such initiatives in the curriculum of examinations of the teaching profession.

LIMITATIONS AND FURTHER RESEARCH

A study can be conducted in the future considering the financial literacy by other Government regulators too by taking samples from various States in India by conducting advanced analysis like gender-wise awareness, area-wise awareness, etc. MA

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ACCOUNTING THE UNACCOUNTED: THE FUTURE OF ACCOUNTING PROFESSION

Abstract

Contemporary businesses and industries are undergoing radical changes as a result of the new global order. Professional accountants need to step up to the plate and take the reins as business and industry leaders. The whole idea of making tomorrow's accountant is evolving from this context. It also calls for accounting what hasn't been accounted for yet. It promotes the necessity for a new theoretical lens, namely a lens based on behavioural theory. Understanding the significance of personal finance in ensuring corporate success is necessary when implementing such theories in the field. Professional accountants should concentrate on the financial performance of their clients' personnel because they are the most valuable assets in the company. It will result in the achievement of sustainable development objectives on a larger scale. The importance of professional bodies in developing tomorrow's accountants and better tomorrows for stakeholders is also discussed in the article.

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INTRODUCTION

The primary responsibility of an accountant is to confirm that the organisation has complied with all applicable norms of conduct and that the financial statements are mathematically accurate. An accountant's main duty is to ensure that the organization's financial statements are mathematically accurate and that it has complied with applicable codes of conduct. The birth of the accountants reiterates the importance of tracing the history of accounting and the same reckons the days of an ancient civilization. Kautilya, otherwise known as Chanakya or Vikram Gupta wrote a book named Arthashastra during the period of the Mauryan empire. The chapters and verses of the book emphasized the art and architecture of learning financial discipline by controlling the adversities in financial behaviour through an appropriate framework of power and position. In addition, Luca Pacioli also introduced a 27 pages treatise on bookkeeping which predominantly instructed the ways to record the barter transactions based on a variety of currencies. Today's world is reeling under the pressure of digitization which in a few cases proves to be technology overrun. The pertinence, strategic approach and creativity collectively need to be inculcated among the accountants to take the business and economy to the next level. The rampant changes in the stature of business development, driven by the forces of technology fuelled the revolution in the world of accounting from manual counting to systematized accounting. The evolution of recent trends in accounting namely Human Resource Accounting, Inflation

Accounting, Societal Accounting, Environmental Accounting and International Accounting also deserve special mention. The need of the hour is to engage the practice and performance of accounting with a fine measure of pertinence, strategy and creativity to deal with efficiently and effectively.

QUALITIES OF AN ACCOUNTANT

An accountant needs a particular collection of skill sets in order to excel in his professional life**.** To succeed in his or her professional life, an accountant needs a specific set of skill sets. Apart from the traditional qualities of being truthful, loyal, mature, experienced, and decisive, one should also be pertinent, strategic and creative to re-address the issues. Scams and scandals are associated with society and industry for ages but gained prominence after the LPG, 2008 sub-prime crisis and pandemic threats. The present need rests on smarter ways of handling the business to upscale visibility without compromising on ethics and professionalism. With the rapidity of transformation, the volume of turnover, profitability, contracts and agreements increased manifold as people preferred travelling across the world in search of more wealth. The sustainability of the business depends on how tactful the management can be and how the future would be best secured in the hands of today's accountants.

EVOLUTION OF THE ACCOUNTING PROFESSION AND POTENTIAL STRATEGIC AREAS

The transition from traditional bookkeeping to artificial intelligence has raised fears that the worst is yet to come for accountants in terms of job displacement or abolition. The journey has been from ancient bookkeeping to artificial intelligence and fear looms large that days are

In a nutshell, what makes tomorrow's accountant lies in accounting what is not accounted for yet

not far off that the accounting professionals have to face the worst in terms of job replacement or abolition. The complacency of learning the technology can be best realized by reducing the time involved in repetitive tasks and getting more into the core competency. Accounting is a science and art and therefore evolves from the perspectives of the application of principles and procedures on one hand and also emphasizes the ways of articulating the ideas and thoughts of integrating the operations. The technological drive can obviously take up from the point of working artificially but the human touches backed by emotional and psychological set-up can't be overridden by the techno-based equipment. Moreover, the accountant who is strategic, pertinent and creative in today's contemporary world, should disseminate information on how to evaluate the real worth of human assets which in traditional nomenclature are called as employees and the same can be recorded in the Balance sheet in its monetary values. Despite multiple approaches being made to calculate the value of human assets from time immemorial, the value is not considered in the balance sheet. All the models utilized so far are Lev Schwartz's model, Linkert's model, Morse model, Flam Holtz model, and Organ's model but could not ultimately bring in the balance sheet the net value of human assets of the organizations. However, in the present scenario, not only the human assets, the real worth of human ideas is also to be identified and evaluated which is instrumental in generating the turnover of business voluminously. These innovations can be achieved by smart accountants with a bunch of creative and strategic ideas. On the other side, the strategic accountants of the modern world can also think along the lines of evaluating the satisfaction index of the employees which in turn will also enable the entity to land up in accomplishing the objectives. The same can be checked against the number of years of stay of the employees in the organization as it is commonly presumed that an unsatisfied employee generally would not continue or stagger their service period in that organization. In the process financial wellness plays a vital role and the same can be measured against the established practices of the organization in remunerating and incentivising their employees. Overall wellness, satisfaction and sustainability depend upon the financial wellness of an individual to a greater extent. The output can be maximised by the organizations only when the employees are in their truest spirits. No accountant can do away with the age-old methods of working but again revamp his style of doing the same in the light of competitive survival in a threatened technological spree.

THE CONCEPT OF "TOMORROW'S ACCOUNTANT"

The concept of "Tomorrow's Accountant" will revolutionise the accounting industry as a whole. In the current industry scenario, professional accountants are occupying key managerial positions and acting as the leaders of change. So, they have both skills and power in this context and this mix is vital to deliver the duties and implement ideas effectively. So, the concept of tomorrow's accountant will be quite ambitious as they are at the helm of affairs and in charge of policy making. In a nutshell, what makes tomorrow's accountant lies in accounting what is not accounted for yet**.** The insights of behavioural theories are lacking in the present accounting and that is indeed would be a mind-blowing ingredient. Measuring something which cannot be measured or accounted for is the real challenge that needs to be addressed. There we can make use of a new theoretical lens built on behavioural theories to analyse it.

THE NEW PERSPECTIVE LENS FOR ACCOUNTING

The theoretical part of finance that encompasses behaviour and emotions has not yet received the attention it merits from the accounting profession**.** The accounting profession has not yet given the theoretical aspect of finance that involves emotions or conducts the attention it deserves. In a way, we assume people to be rational and just that things are happening there with an invisible hand. But in fact, if we look around, we are not living in a world of rationales. Nobel laureate Richard Thaler states that we are not in a world of Econs whom he referred to as rational people (*Thaler, 2015*). An interesting concept to think about in this context is the idea of mental accounting (*Thaler, 1999*). Like corporations have a system of accounting, individuals use their own cognitive operations to account for the day-to-day transactions. An interesting thing would be to study in the context is the segregation of accounts created. Accounting is known for its segregation into accounts and it has done according to several rules like GAAP and other accounting standards. But in the context of personal finance, the rules are quite different and both rational and irrational things are coming into play. Likewise, what happens in individual mental accounts can give a sense of understanding of employee financial behaviour. It can better assist in designing the employee benefit programmes and deciding the monetary and non-monetary incentives for them. Identification of such mental accounts can make a remarkable change in financial behaviour and altogether in the domain of personal finance. So, apart from corporate finance, there is a need to check the personal financial management dynamics. The reason is that an organisation is a group and individual growth is essential to bring up the overall success. Growing both as a group and as individual is vital in this scenario.

NEW ROLES FOR ACCOUNTANTS OF THE FUTURE

Connecting personal finance and corporate finance

Personal finance is least considered in the context of the accounting profession. The profession is centred on corporate finance and there is a need for a shift in focus. It can bring up revolutions in the field of human resource management also. By restricting the discussions to the corporate performance of numbers, there is a fundamental reason to go back to the roots. There is a need to magnify the strength of the relationship between personal finance and corporate finance. It can make employees or members of the organisation more satisfied and financially well (*Shalini, 2022*). When the employees or members in the organisation are financially sound and well, it will drive corporate success and sustainability (*Graystone Consulting, 2021).*

Creating proactive employee benefit plans

Employees are the most valuable assets in an organisation and their well-being in turn reflects in corporate success. With regard to employees, accountants can design incentive programs that consider behavioural factors. For example, the program developed by the Nobel laureate Richard Thaler to make people save more and understand the biases restricting them to do (*Thaler &Benartzi, 2004).* Also, the interventional studies made by *Cheema* and *Soman (2009)* in the case of savings showed that earmarking has significantly contributed to their level of savings. In line with such models, organisations can make positive interventions in the personal finance of employees. These are positively nudging them to be financially sound through disciplinary efforts like inducing them to save or invest more. Also, it should not be allowed to reach a level of negative nudging wherein the idea itself will be lost. The important challenge is to deal with hyperbolic discounting and the present bias as people are not considering the future and more living in the present. The consumerist culture has made this idea rooted in the minds. By implementing such programmes, it can make financially disciplined and financially secured employees. Eventually, it can add to the value of human resources and make a significant increase in their level of commitment and loyalty.

The SDGs and the role of accountants

In this millennium, the Sustainable Development Goals (SDG) set by the United Nations is a demanding concept. *Bashir & Qureshi (2023)* report that financial well-being efforts on a large scale can supplement the efforts to achieve the SDG goals. According to them, we can connect SDG - 1 - No poverty, SDG - 3 - good health and well-being, SDG-10 - Reduced inequalities, and SDG 16 - Peace, justice and strong institutions with financial well-being. In the context of a corporate scenario, it can bring up socially responsible and sustainable organisations. Here what an organisation or professional accountants can contribute is to put in the efforts to improve the financial well-being of its members.

Roles as a financial advisor

The services of an accountant should be effectively used as a financial advisor also. We have reached a point where we have robot financial advisors. These can help people to take up better rational decisions (*Bhatia et al, 2023*). The blind spot of robo advisors calls for the intervention of professional accountants in financial advising. In the corporate context, professional accountants can design financial advising programmes and it can keep employees satisfied both financially and mentally. As people have their cognitive limitations, financial advising would be an effective method to stimulate financial well-being and in turn corporate success.

Role of professional bodies

There is a need for further research for linking multidisciplinary concepts with the existing industry. The accounting bodies need to link their feet with the growing field of research. The interaction of academia and industry is the domain in which we need to flourish. Professional accounting bodies need to take a lead role in making those collaborative efforts. These concepts can be introduced to young and budding professionals in their courses. It will make them much more employable and much more rooted in their grounds of understanding behaviours. The lack of a human resource accounting system in the context of Indian accounting also should be taken into account by the professional bodies. It is optimistic that the accounting bodies or professionals are welcoming the change rather than unnecessarily resisting, for example, the constructive role of ICMAI in the case of cost and management accounting development in India. ICMAI has made significant efforts and actively participated in the research and development efforts as well (*Banerjee & Nandi, 2017*).

CONCLUSION

The fact that individuals make up an organisation serves as the main basis for tying behavioural theories to accounting. When we care for individuals or personal finance, it will bring up their financial well-being and reduce their level of stress. They in turn working in a group will create corporate success and sustainability. Also, when we talk about technologies which make tomorrow's accountant, there is another aspect, like we say the blind spot of the technologies. Such blind spots are mainly the spots of the complex behavioural parts. More humanness is what we require in accounting and human psychology is much more important. At the same time while investing in technology, accountants should focus on these parts as well. Along with that, the accountants can restrain themselves from manipulating, deviating and violating the norms of accounting. Rather they can focus on the creative consideration of the balance sheet items and presenting them for real-time decision making. All in all, it will expand the accounting field and redefine what a professional accountant does. MA

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MOBILE CONNECTIVITY @5G

Abstract

Advancements in mobile technology standards and consumer demand for better services have made earlier standards obsolete. Already a lot of countries across North America, Europe and Asia have 5G networks making it necessary for the country to adopt this latest generation of mobile networks to be at par with global standards. Accordingly the fifth generation of mobile networks dubbed as 5G is being implemented across India. This article discusses some salient features of the 5G Mobile standard, some challenges and the way ahead.

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WHAT IS 5G

Due to technological advancements mobile networks undergo major changes every few years as denoted by their generation. In this chronology of generations, having been released after 1G through 4G, 5G is the fifth generation of technology standard for mobile networks. It is the successor to the 4G standard and the latest to be deployed in various countries since 2019. It is designed for high speed broadband access, ultra low latency (latency is the delay in network communications), greater reliability, higher network capacity and density and an overall better user experience. Extensive support for Internet of Things (IoT) is one of the biggest strengths that 5G is expected to bring to the table. Thus it is expected to enable networks designed to connect a plethora of machines, equipments and devices at homes, offices, industries, factories and commercial establishments. Having been first implemented in 2019 in South Korea India has been a little late to the 5G arena, but now is in the midst of the 5G revolution and it is being rolled out in phases across the country.

PREVIOUS TECHNOLOGY STANDARDS

The features and functions of 5G did not come about in a few years. Rather, technological breakthroughs made in the previous generations have culminated in the creation of 5G. Right from the time the first set of mobile network standards were issued till the present times many changes to networks and their capabilities have happened.

1G was the first technology standard for mobile communications. It allowed people to use mobile phones for the first time. It used analog signals with speeds of about 3 Kbps only. 1G supported limited number of mobile connections, had limited functionalities and only allowed voice communications. The mobile handsets used to be brick sized, ungainly and very expensive.

The second generation or 2G started using digital signals and was more versatile. It supported voice and limited data communications. Data speeds of around 200-300 Kbps was supported which was an improvement over 1G but still slow for any mobile data applications to be used. Consequently, data usage was very low and voice was the predominant facility availed by subscribers. It, however, supported more mobile phones and helped to grow the number of mobile connections in the world and mobiles became rather ubiquitous. Mobile devices became more affordable for the masses and though still large in size these were smaller than the first generation devices.

A major improvement happened with 3G or the third generation that ushered in the data revolution with speeds of 2-4 Mbps, a huge jump as compared to the earlier 2nd generation. 3G did to data connectivity what 2G did to voice. It revolutionised data consumption among subscribers and mobile data became more pervasive than it ever was. Mobile devices were predominantly feature phones with add on features for internet surfing and applications. Smart phones made their entry in some market segments and geographies with computing powers similar to that of personal computers. These networks could support a greater number of devices and many more functions than the earlier generations. A greater number of applications or apps started getting developed as data connectivity improved. Connectivity to devices other than mobiles i.e. IoT was however still not available. The handsets themselves were much smaller and could fit into the palm of a hand. Overall, the second and third generations saw the democratization of mobile devices.

With theoretical maximum data speeds of 1Gbps, and real world speeds of around 400 Mbps 4G ushered in the age of smart phones which are now almost universal. It also introduced other capabilities such as VoIP, video streaming and limited IoT applications. It also supports a far greater number of devices and applications than the earlier generations. After 4G was released data became the predominant market segment with voice taking a backseat.

4G AND 5G COMPARED

5G aims to improve upon the applications and capabilities that 4G introduced. Thus where 4G came up short, 5G is expected to improve upon.

One of the biggest differences between 5G and 4G is the latency of the respective networks. While 4G has a latency of 60-100 milliseconds, 5G is expected to cut this down to just 5 milliseconds. This reduction in delay would mean better audio and video streaming, real life application processing, greater adoption of cloud, and better IoT implementation, all of which require very low latency.

Along with latency 5G also supports much faster download speeds of about 20 Gbps while that of 4G is limited to just about 1 Gbps. This is a vast improvement in speed and again impacts the way various services are delivered over the internet.

5G also supports a far greater number of devices and mobile subscribers than 4G due to its network architecture, thus helping in proliferation of IoT and other connected devices in the coming years. Also this means lesser network congestion and better user experience. One of the reasons for these differences is that 5G uses much higher radio frequencies in the 20-30 GHz range while 4G uses much lower frequencies in the 700-2500 MHz.

5G SPECTRUM AUCTIONS

With the aim of 5G roll out in India the Department of Telecommunications auctioned airwaves in the 5G spectrum for the first time in July-August 2022. The first round of 5G spectrum auctions garnered over Rs. 1.5 lakh crores for the Government exchequer. Four companies won spectrum in over 40 rounds of auctions over a period of one week in this round. The biggest acquisition was by the market leader Reliance Jio Infocomm which spent over Rs. 88,000 crores to buy 24,740 MHz of the spectrum on offer. The other buyers were Bharti Airtel, Vodafone Idea and Adani Data Networks. The data in the following Table 1 below shows the auction statistics for the 5G auctions, while table 2 shows how much payment was made by the Telcos for each of the bands.

TABLE 1
AUCTION NUMBERS.

Buyer	Spend (Rs crores)	MHz Purchased
Reliance Jio	88,078	24,740
Airtel	43,084	19,868
Vodafone Idea	18,799	6,228
Adani	212	400

Source: DoT.

TABLE 2
PAYMENT BY TELCOS FOR SPECTRUM

Band	Amount (Rs Crores)	Band	Amount (Rs Crores)
700 MHz	39,270	2100 MHz	3,180
800 MHz	1,050	2500 MHz	650
900 MHz	349	3300-3630 MHz	80,590
1800 MHz	10,376	26 GHz	14,709

Source: DoT.

CHALLENGES TO 5G ROLLOUT

One of the biggest challenges is the availability of spectrum in 5G bands. Being a national resource spectrum is auctioned by the government only after a strong use case is demonstrated by the industry. Once a strong industry requirement is established the operators have to acquire spectrum at a steep cost which requires huge investment which is in addition to the investment required for infrastructural set up. For setting up the required 5G network telecom operators need to determine the extent to which their existing 4G resources can be reused. In case of a standalone setup no 4G infrastructure can be reused in which case the initial capital requirement increases drastically. Raising adequate capital for this initial investment is one of the biggest challenges being faced by the operators. For example, Airtel is using a non-standalone network which is built on the existing 4G infrastructure which makes it easier and more cost effective for the operator to implement. On the other hand Reliance Jio is using a standalone network which does not rely on the existing infrastructure and everything needs to be built from scratch, thus increasing initial costs.

Another challenge to 5G implementation is the low availability of bandwidth for the backhaul network. The backhaul is the part of a telecom network that links the individual sub networks to the core mobile network. Thus, the backhaul connects an individual user to the rest of the world through the service provider's core network. This requires spectrum which is different from the usual 5G spectrum that has been auctioned already. The existing 2G/3G network uses copper and coaxial cables for backhaul connectivity while 4G uses microwave towers extensively due low penetration of optic fibre cables in India. For 5G too fibre is the preferred media for the backhaul, but India has low fiberization. Only about a third of telecom towers in India are connected through fibres with the remaining using microwave tower infrastructure. This fiber connectivity needs to more than double for effective utilization of 5G. But fiberization has its own set of challenges. Not only is the fibre media expensive, laying it underground also entails huge capital inlay and is time consuming. Moreover, it involves "Right of Way" issues since the associated state/local government needs to approve laying of underground cables through its territory, and often involves additional administrative costs.

Hence in the absence of sufficient fiberization, microwave communications remains the mainstay of the backhaul network. It is easier to implement and also cheaper to scale up. However, the existing frequency bands used for microwave communications cannot support the high speeds and extremely low latency required for 5G. For microwave to become viable additional spectrum in the E-Band corresponding to 71-76 GHz and 81-86 GHz, and V-Band in the 57-71 GHz frequency bands would be required. This spectrum is important for 5G backhaul due to its high throughput capacity of 10Gbit/s to 25 Gbit/s.

CONCLUSION

The deployment of 5G has just started in the country and so naturally there are numerous challenges at this point. The Government has been lending a helping hand to the telecom industry through various initiatives. An integrated portal named "GatiShakti Sanchar Portal"was launched as a collaborative mechanism between various stakeholders to facilitate 'Right of Way' application process to improve laying of optic fibers throughout the country. Total optical fiber network in the country is expected to increase by almost 50 per cent to 50 lakh kilometres by 2024-25 from the existing 34 lakh kilometres. Greater penetration of fibers is expected to lead to fiberization of the backhaul network to 70 per cent from the existing 35 per cent. Moreover, for the backhaul the Government has decided to allocate E-band spectrum to telcos on need basis through the administrative route till auctions are held in this band.

It is expected that once an appropriate level of fiberization is complete and backhaul frequencies are available pan-India roll out of 5G will happen smoothly. Initially 5G will be rolled out to most of the large cities such as Delhi, Mumbai, Kolkata, Chennai, Lucknow, Hyderabad, Bangalore, Ahmedabad, Pune etc, with other cities following on soon afterwards. Moreover, to ensure that even rural and semi urban areas reap the benefits of 5G the trials were conducted in such areas in certain states as per the Government's mandate. With over one lakh 5G base stations already deployed across the country the two operators Airtel and Reliance Jio have provided deadlines of end of 2023 to mid of 2024 for complete 5G availability. It is expected that with so much happening in the 5G arena over the last one year we will be able to enjoy the benefits of this advanced mobile network very soon. MA

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CORPORATE REBUILDING THROUGH SPIN-OFF: A CASE STUDY

Abstract

As spin-off has emerged as an important mode of corporate rebuilding, it is necessary to evaluate the impact of spin-off on long-term sustainability and share price movement of demerged companies. In this context, we have considered the case of CG Power & Industrial Solutions Ltd. Event history methodology has been employed to evaluate the effect of spin-off on stock prices. An analysis based on raw ESG scores has been made to evaluate the immediate and sustainable effect of spin-off considering a time window of 1 year and 2 years pre and post spin-off. Findings reveal that though spin-off did not have a considerable impact on abnormal returns, it was executed specifically to increase the ESG scores of CG Power & Industrial Solutions Ltd.

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INTRODUCTION

Corporate rebuilding includes the redesign and improvement of corporate issues by the desire of corporate chiefs to lessen business risks under serious climate. Spin-off refers to a strategy in which a company creates a new, independent entity from one of its existing business units or assets. The present scenario for spin-offs is quite opportune as many companies are using this strategy to unlock value and focus on their core competencies.

Rakshit. D and Banerjee. S (2022) used event history methodology to investigate into the effect of spin-off announcement on the stock returns of listed Indian companies which spun-off during 2009-10 to 2018-19. Their findings revealed a strong association between the announcements of spin-off and variation in stock returns. *Sarkar.S (2022)* analyzed the performance and growth of ESG funds. The study revealed that majority of the ESG funds have outperformed the market portfolio in 2021 and a significant growth in ESG funds have been observed in terms of AUM and variety of schemes. *Rakshit. D and Paul. A (2022)* emphasized on ESG factors and its relevance in the corporate scenario. Their research provided an insight into the necessities of ESG reporting in Indian context. *Rakshit. D and Banerjee. S (2023)* used sample paired t test to evaluate the effect of spin-off on long-term solvency and profitability of the demerged firms which spun-off during 2011-12 to 2018-19. Their findings suggested that spin-off can be considered as an effective decision in the short-run but not in the long-run.

CG Power and Industrial Solutions Limited, also known as Crompton Greaves Limited, is engaged in manufacturing of equipment related to generation and transmission of power and industrial equipment.CG Power & Industrial Solutions Ltd. on March 15, 2016, as part of a core competence strategy spun-off into CG Consumer Electricals Ltd. to focus especially on the consumer verticals.

RESEARCH GAP

There has hardly been any study conducted on the association of spin-off with ESG scores. Furthermore, there is dearth of studies conducted on Crompton Greaves with regard to stock market performance and sustainability.

OBJECTIVES

1. To determine whether spin-off generates positive or negative abnormal returns for the shareholders of CG Power & Industrial Solutions Ltd. on and around the spin-off announcement date.
2. To analyze whether CG Power & Industrial Solutions Ltd. has carried out the exercise of spin-off specifically to focus on their long term sustainability.

RESEARCH METHODOLOGY

In view of the first objective, we have obtained data of stock prices and market prices considering NIFTY 50 as base from Capitaline Database. Thereafter, we applied market model of event study methodology to find out abnormal returns. In view of the second objective, we have collected data of ESG scores from Bloomberg Database and analyzed the immediate and sustainable effect of spin-off on ESG scores based on the raw data collected considering 1 year and 2 years pre and post spin-off.

DATA ANALYSIS AND FINDINGS

Analyzing the impact of Spin-off on share price movement of demerged company

We have analyzed the impact of spin-off on stock returns of CG Power and Industrial Solutions Limited and its control company V Guard Industries Ltd. For this purpose, we have seen whether spin-off generates positive or negative abnormal returns during the event window, on and around the spin-off announcement date.

The Table appearing as Annexure clearly displays the abnormal returns both for CG Power & Industrial Solutions Ltd. and its control company V Guard Industries Ltd., on and around the spin-off announcement date. It can be observed that the abnormal returns of CG Power & Industrial Solutions Ltd. were mostly negative on and around the spin-off announcement date which indicates that the investors were skeptical with the stock of Crompton Greaves Power & Industrial Solutions Ltd. With respect to its control company V Guard Industries Ltd., the abnormal returns appeared to be negative for 11 days out of 21 days of event window. It can be observed that the abnormal returns were mostly negative on and around the spin-off announcement date which indicates that the investors were skeptical with the stock of V Guard Industries Ltd. The abnormal returns appeared to be negative for 13 days out of 21 days of event window. Since the abnormal returns are mostly negative both for CG Power Industrial Solutions Ltd. and its control company V Guard Industries Ltd., throughout the event window, therefore we can conclude that spin-off did not have significant impact on abnormal returns of CG Power Industrial Solutions Ltd.

Evaluating the impact of Spin-off from the perspective of long-term sustainability

We have not considered control companies for analysis of long-term sustainability based on ESG scores as we are analyzing spin-off as a strategic move over here where our objective is to determine whether ESG scores of the demerged companies are increasing specifically because of spin-off or not.

IMPACT OF SPIN-OFF ON ENVIRONMENTAL DISCLOSURE SCORE

TABLE A

IMMEDIATE IMPACT OF SPIN-OFF ON ENVIRONMENTAL DISCLOSURE SCORE OF CG POWER & INDUSTRIAL SOLUTIONS LTD.

Demerged Company	Resulting Company	Immediate	Impact
		last year of period 1	first year of period 2
CG POWER & INDUSTRIAL SOLUTIONS LTD.	CG CONSUMER ELECTRICALS LTD.	0.7551	0.7551

Source: Author's own tabulation

Table A shows that the there is no immediate impact of spin-off on environmental score of CG Power & Industrial Solutions Ltd.

TABLE B

SUSTAINABLE IMPACT OF SPIN-OFF ON ENVIRONMENTAL DISCLOSURE SCORE OF CG POWER & INDUSTRIAL SOLUTIONS LTD.

Demerged Companies	Resulting Companies	Sustainable	Impact
		Average of period 1	average of period 2
CG POWER & INDUSTRIAL SOLUTIONS LTD.	CG CONSUMER ELECTRICALS LTD.	0.58895	7.94325

Source: Author's own tabulation

Table B shows that environmental score of CG Power & Industrial Solutions Ltd. has increased post spin-off considering a time window of two years.

TABLE C

IMMEDIATE IMPACT OF SPIN-OFF ON SOCIAL DISCLOSURE SCORE OF CG POWER & INDUSTRIAL SOLUTIONS LTD.

Demerged Companies	**Resulting Companies**	**Immediate**	**Impact**
		Last year of period 1	**First year of period 2**
CG POWER & INDUSTRIAL SOLUTIONS LTD.	CG CONSUMER ELECTRICALS LTD.	8.8573	11.6989

Source: Author's own tabulation

Table C presents that the Social Score of CG Power & Industrial Solutions Ltd. has increased immediately after spin-off.

TABLE D

SUSTAINABLE IMPACT OF SPIN-OFF ON SOCIAL DISCLOSURE SCORE OF CG POWER & INDUSTRIAL SOLUTIONS LTD.

Demerged Companies	**Resulting Companies**	**Sustainable**	**Impact**
		Average of period 1	**Average of period 2**
CG POWER & INDUSTRIAL SOLUTIONS LTD.	CG CONSUMER ELECTRICALS LTD.	5.94015	15.19045

Source: Author's own tabulation

Table D shows that social score of CG Power & Industrial Solutions Ltd. has increased post spin-off considering a time window of two years.

TABLE E

IMMEDIATE IMPACT OF SPIN-OFF ON GOVERNANCE DISCLOSURE SCORE OF CG POWER & INDUSTRIAL SOLUTIONS LTD.

Demerged Companies	**Resulting Companies**	**Immediate**	**Impact**
		Last year of period 1	**First year of period 2**
CG POWER & INDUSTRIAL SOLUTIONS LTD.	CG CONSUMER ELECTRICALS LTD.	63.5762	66.0747

Source: Author's own tabulation

Table E shows that the governance score of CG Power & Industrial Solutions Ltd. has increased immediately after spin-off

TABLE F

SUSTAINABLE IMPACT OF SPIN-OFF ON GOVERNANCE DISCLOSURE SCORE OF CG POWER & INDUSTRIAL SOLUTIONS LTD.

Demerged Companies	**Resulting Companies**	**Sustainable**	**Impact**
		Average of period 1	**Average of period 2**
CG POWER & INDUSTRIAL SOLUTIONS LTD.	CG CONSUMER ELECTRICALS LTD.	63.2902	72.33595

Source: Author's own tabulation

Table F shows that governance score of CG Power & Industrial Solutions Ltd. has increased post spin-off considering a time window of two years.

TABLE G

IMMEDIATE IMPACT OF SPIN-OFF ON ESG DISCLOSURE SCORE OF CG POWER & INDUSTRIAL SOLUTIONS LTD.

Demerged Companies	Resulting Companies	Immediate	Impact
		Last Year of Period 1	First Year of Period 2
CG POWER & INDUSTRIAL SOLUTIONS LTD.	CG CONSUMER ELECTRICALS LTD.	24.4442	26.2247

Source: Author's own tabulation

Table G shows that the ESG score of CG Power & Industrial Solutions Ltd. has increased immediately after spin-off.

TABLE H

SUSTAINABLE IMPACT OF SPIN-OFF ON ESG DISCLOSURE SCORE OF CG POWER & INDUSTRIAL SOLUTIONS LTD.

Demerged Companies	Resulting Companies	Sustainable	Impact
		Average of Period 1	Average of Period 2
CG POWER & INDUSTRIAL SOLUTIONS LTD.	CG CONSUMER ELECTRICALS LTD.	23.3226	31.87305

Source: Author's own tabulation

Table H shows that ESG score of CG Power & Industrial Solutions Ltd. has increased post spin-off considering a time window of two years.

CG Power and Industrial Solutions Limited, is engaged in manufacturing of equipment related to generation and transmission of power and industrial equipment. The company was rebuilt after separation of its consumer electronic goods business called CG Consumer Electricals Ltd. CG Power and Industrial Solutions Ltd. was having a lower environmental disclosure score prior to spin-off as the consumer electronic goods segment lead to manufacture of electronic products which resulted in more amounts of carbon emissions, waste disposal and pollution. Therefore, it can be observed that post spin-off the environmental disclosures core of Crompton Greaves Limited has increased considering a period of 2 years. The employees were satisfied with the separation of consumer electronic goods business, therefore after it's spin-off, the social disclosure score of Crompton Greaves Limited has also increased both immediately and also considering a time period of 2 years post spin-off which indicates lower employee attrition rate. An improvement in governance score was noticed post spin-off which indicates better governance practices in terms of more amount of transparency with respect to disclosures, less tax disputes, etc. Hence, the overall ESG score of the company has increased both immediately and also considering a period of 2 years post spin-off due to increase of environmental, social and governance disclosure score post spin-off, which clearly indicates that the company has carried out the exercise of spin-off in order to increase the ESG score and has been successful in doing that.

Present scenario for spin-offs is quite opportune as many companies are using this strategy to unlock value

CONCLUSION

The results suggest that spin-off did not have significant impact on abnormal returns of CG Power Industrial Solutions Ltd. In terms of long-term sustainability, it can be clearly stated that CG Power Industrial Solutions Ltd. carried out the exercise of spin-off to increase their ESG score. With the growing popularity of sustainability reporting, every individual company needs to provide a clear disclosure to its stakeholders regarding its contribution towards environmental protection, societal issues and governance issues. MA

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ANNEXURE

IMPACT OF SPIN-OFF ON ABNORMAL RETURNS OF CG POWER & INDUSTRIAL SOLUTIONS LTD. AND CONTROL COMPANY V GUARD INDUSTRIES LTD.

Window	CG Power Abnormal Returns	V Guard Abnormal Returns
-10	0.02244719	0.004947408
-9	0.004815932	-0.007231835
-8	0.006950391	-0.006793013
-7	-0.016480644	-0.002484104
-6	0.009261135	0.013585757
-5	-0.024208562	0.021484186
-4	0.01032375	-0.010873086
-3	-0.005091757	-0.008875719
-2	-0.016046188	-0.000177893
-1	-0.01958061	-0.005556976
0	-0.007346424	0.000548404
1	-0.001550518	-0.010810311
2	-0.001962775	0.008683956
3	0.013467319	-0.01733177
4	0.011913518	-0.000700745
5	-0.016087099	-0.000225645
6	0.015322519	0.009059992
7	-0.005158373	-0.002852705
8	-0.00168665	0.01684725
9	0.002091862	0.011193681
10	0.036334662	-0.007117551

NOTES FOR AUTHORS

Referencing is a crucial aspect of writing a journal article to avoid plagiarism. ‘Plagiarism’ refers to the act of using someone else’s work or ideas without giving proper credit to the original source. To avoid plagiarism in your writing, you must properly reference all the sources that you use in your research.

- **Choose a referencing style:** There are many different referencing styles, such as APA, MLA, Chicago, and Harvard, each with its own specific format and rules. Choose the style that is most appropriate for your field and stick to it consistently throughout your paper.
- **Cite your sources:** Cite the sources of information you use in your text by giving the author’s name, publication date, and page number(s) for direct quotes or paraphrased material.
- **Use a reference list:** At the end of your paper, include a reference list that lists all the sources you have used in alphabetical order. This will give your readers a complete list of the sources you consulted in your research.
- **Be accurate:** Ensure that the information you provide in your references is accurate and complete. This includes the author’s name, publication date, title, and source of the information.
- **Paraphrase carefully:** When paraphrasing, make sure to put the information into your own words, but still give proper credit to the original source.

By following these tips, you can effectively reference your sources in your journal article and avoid plagiarism. Remember that proper referencing is not only important for avoiding plagiarism, but it also helps to support your arguments and show the depth of your research.

FORENSIC ACCOUNTING EDUCATION AND PROFESSION: A SWOT ANALYSIS

Abstract

Forensic accounting is a specialized field of accounting that deals with the investigation of financial crimes. The profession of forensic accounting is growing rapidly, due to the increasing number of financial crimes being committed. This article conducts a SWOT analysis of forensic accounting education and the profession, using a literature review to support the findings. The findings of this study suggest that forensic accounting education is a valuable and growing field. However, there are some challenges and threats that need to be addressed in order to ensure the continued growth of the profession.

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INTRODUCTION

There have been varying degrees of success and failure in attempts to enhance forensic accounting education (FAE) and profession (*Honigsberg, 2020; Arslan, 2020*). Forensic accounting (FA) is described as a "specialized field of accountancy which investigates fraud and analyse financial information to be used in legal proceedings" (*ICMAI, 2014).* In simple words, FA can be defined as an art and science of investigation of money and people. FA services are broad; thus, FA is a multidisciplinary specialization (*Hegazyet al., 2017*). *Tiwari* and *Debnath, 2017* summarized the services provided by forensic accounting professionals (FAPs) into three groups, namely, consulting, investigating and non-scientific testimony. Although there have been previous reviews on education and regulation of FA (*Heitger*and *Heitger, 2008; Souza, 2017; Alshurafat et* al., *2019; DiGabriele, 2008; Tiwari and Debnath,2017; Botes and Saadeh, 2018*), it is important to understand the problem and prospects in FAE and profession. FA literature has increased in recent years *(Huber and DiGabriele, 2015*; *Honigsberg, 2020; Ozili, 2020).* FAE and its topic topics have been examined through a number of studies (*DiGabriele, 2008; Davis et al., 2010; Carpenter et al., 2011; Hegazy et al., 2017).* Despite the importance and breadth of FA literature, a comprehensive review of the literature on SWOT of FA is needed. The purpose of this study is to quantify the SWOT analysis for FAE and profession using existing literature. This paper also aims to propose potentially fruitful areas need to be considered for the development of FA especially with reference to India.

RESEARCH DESIGN

SWOT is a strategy management method that is often used. Based on the SWOT analysis, strategies are made that may build on the strengths, get rid of the weaknesses, take advantage of the opportunities, or fight off the threats which will be helpful to the decision makers *(Amin et al., 2011).* In line with the research objective, this study has considered Emerald; Scopus; Web of Science and Taylor and Francis online. The search was limited to articles published in English. The results were critically analyzed and presented.

FINDINGS

A. Strengths of FA

Expertise and Skills:

The knowledge, abilities, and traits of FAPs vary based on the services FAP provide *(Heitger&Heitger, 2008).* FA demands diverse field of knowledge including accounting and law *(Botes& Saadeh, 2018),* criminology (*Daniels et al. 2013*) accounting (*Dykeman, 1982*), psychology and sociology (*Ramamoorti 2008*), information and technology (*Pearson & Singleton, 2008*). Many studies have examined the usefulness of skills from academic and practitioner viewpoints (*McMullen & Sanchez 2010; Davis et al. 2010*). Communication skills, the capacity to explain complex financial transaction, legal knowledge and the ability to focus on analytical minutiae while recognizing the big picture were among them. However, FAP's experience, abilities, and competences may affect the quality of FA service (*DiGabriele, 2008*).

Advantages for Students and employees:

Several studies on benefits of FAE to students have revealed that FA course helps to committed fewer fraud discovery errors than other students (*LaSalle, 2007*). *Carpenter et al., 2011* asserted that the students' chances of employment after graduation will increase with anti-fraud knowledge and skills (*Carpenter et al., 2011*). *Lehmann (2015)* found that graduates of FA programmes reported that learning fraud risk assessment and fraud detection made them better at their jobs. FAE also enhances the level of scepticism of students (*Carpenter et al*., 2011) and creativity than other students (*Lee et al., 2015).*

Intrinsic Value of the Profession:

In today's litigious corporate climate and rising fraud and financial crimes, the adjudicative and investigative functions of FAPs are crucial (*Crumbley et al., 2004*). Studies have asserted that wide range of duties of FA is what makes it invaluable (*Hegazy et al., 2017; Honigsberg, 2020*). FA is important because it combines various fields including accounting and auditing.

The Drive for Fraud Reduction:

With the rising cases of fraud and consequently increasing cases of audit failure, FA gains importance and is developing as a profession (*Honigsberg, 2020*). One of the major services provided by FAPs is investigation and fraud detection (*Tiwari et al., 2022*). The ACFE recently released a report revealing that the total loss due to fraud has reached over $3.6 billion (*ACFE, 2020).* Financial fraud and business scandals not only harm the victims but also the economy *(*Öztürk *and Usul, 2020*). The investigative method applied by FAPs may prevent or detect corporate frauds (*Akinbowale et al., 2020).*

Collaboration

Forensic accountants often collaborate with other professionals, such as lawyers, law enforcement agencies, and regulatory bodies, to gather evidence and build strong cases against financial criminals (*Tiwari and Debnath, 2017*). The expertise of FAPs is demanded lawyers and also court as an expert witness, banks to identify diversion of fund and other financial manipulation, insurance companies to verify and determine the claim, and also police forces to analyze economic crime. It enhances FAPs proficiency and overall development of the profession.

B. Weaknesses of FA

Lack of awareness:

A low level of adoption of FA is due to a lack of understanding of what FA can offer in the battle against the complex frauds. Accountants lack knowledge of FA techniques, necessitating the provision of a FA course (*Zadeh and Ramazani, 2012*). Further, in case of banks, due to a lack of information and reluctance to follow RBI regulations, bank personnel don't emphasize the growing problem of fraud (*Khanna and Arora, 2009).*Many stakeholders in India are unaware of the benefits of FA and thus need attention from regulatory bodies(*Gangwani, 2021*).

Lack of regulations for the professionals

In the FA literature, there are country-specific differences in professional regulations *(Tiwari et al., 2022; Hegazy et al., 2017*). There are only four countries namely USA, Australia, Canada and India which have distinct FA professionals (*Tiwari et al., 2022*). The profession of FA is well-established in the USA and Canada as compared to other countries (*Gosselin, 2014*). Lack of attention from the regulators and Government stands as a major weakness for the profession.

Ambiguity in regards to standard setters

Although the ACFE, a global organization for FA, was followed by various professional accounting bodies in US (*Huber, 2014*), still there is a lack of standard setter in many counties.

Due to several professional accounting bodies, no one wants to give up the opportunity of the profession. No organization is federally or state-regulated. They can freely certify and set membership qualifications (*Huber, 2014*). Further, the absence of an international body for FA is another concern for FA. However, in India, ICAI has issued mandatory FA standards but applicable to its members only.

Uncontrolled entry to the profession

There is no common consensus among the stakeholders on the required qualification to become FAP (*Howieson, 2018).* There is no specific law in the UK that oversees the credentials and prerequisites of entrance into the FA profession. There is not even a license that requires an examination to get it. In India, there are several professional bodies that are issuing certificates or provide diploma courses which demands different level of pre requisite qualification. Difficulties exist in developing a single road map to become FAP.

Limited formal education programs

The literature in developed nations shows the necessity of FA education and its inclusion into the curricula (*Seda and Kramer, 2015; Kramer et al., 2017*). However, limited studies that have been done in developing countries conclude that universities have not adequately responded to FA education (*Alshurafat et al., 2021).* FA education in nations developing appears to be lacking (*Okoye et al., 2020*). Further, there exist inconsistencies in integrating FA in the curriculum including the mode of delivery (*Seda and Kramer, 2014*).

Limited research and research journals

Majority of research on FA focuses narrow concept of FA i.e. fraud investigation (*Howieson, 2018). Huber and DiGabriele (2015)* report that FA journals use quantitative methodologies most often. FA journals lack theoretical and methodological contributions. *Botes and Saadeh* (*2018) show* that FA theme is rare in publications. Inadequate number of FA journals hinders the ranking of FA journals, as what they publish may not receive a high citation rate *(Alshurafat et al., 2019).*

Deficiency of skilled professionals and academicians:

As FA demands a broad range of knowledge along with practical expertise making it difficult for becoming a qualified instructor (*Souza, 2017).* The inadequate number of training for academicians to enhance their knowledge in the field of FA can be another reason for the shortage of qualified academicians. Further, in case of practitioners, high cost of hiring is a major issue for many entities. As there is no rule for fixation of professional fees in many countries, the FAP charges accordingly to the time and complexity of the assignment.

Inadequate public recognition and reputation

The lack of public recognition is one of the limitations of FA identified by *Williams (2006).* Most enterprises and the general public are still unfamiliar with FA. Due to a lack of public recognition, the nature of the services performed by FAPs is unclear to the general public (*Alshurafat et al., 2019).*Hence the importance of FA is ignored. To change and reclaim the reputation of the profession, educators and regulators should make major steps.

C. Opportunities

Significant need and increasing demand:

Recently, the demand for FA and FA education has increased significantly *(Alshurafat et al., 2019; Baldachino et al., 2020*). The profit of USA's FA profit has grown faster than GDP (*Huber, 2014).* The number of FA firms is increasing irrespective of regions for example, Australia, Ireland, China, UK etc. (*Brennan, 2014, Van Akkeren and Tarr, 2014, Rezaee et al., 2016; Hegazy et al., 2017*). In India, the qualified number of FAPs is increasing.

New career option

Many professional bodies provide professional credentials in FA, despite regulatory challenges. Additionally, FA certification organizations are expanding (*Huber, 2014*). In India, in 2008, the Council of the ICAI has chosen to introduce this Certificate Course on Forensic Accounting and Fraud Detection in response to the need for FA and fraud detection in the current economic climate. Moreover, ICMAI has already introduced separate diploma course on FA. All these developments provide new career opportunities for students.

Regulatory Changes

After the worldwide corporate scandals, the 2002 SOX Act was the most significant breakthrough in FA. The 2003 AIPCA emphasized on the impact of FA on auditing, particularly on evidence collection (Yücel, 2011). The regulatory bodies are accordingly changing their rules and regulation in favour of FA. In India, establishment of Serious Fraud Investigation Office was a remarkable step towards the development of FA. Recently ICAI has issued FAIS standards to be mandatory to their members providing FA services.

Globalization:

Arslan (2020) provides information about FA and its development globally and demonstrates that acceptance of FA as a profession has increased worldwide. Audit firms like Big four are providing FA services and also demands graduates with forensic and investigative skills (*McMullen*

& Sanchez 2010).

D. Threats

Misapprehension of the main objective of FA

The Auditor's responsibility is to provide independent opinion on the financial statement (*Crain et al., 2019)* however, an FAP investigate, collect and produce evidences which are acceptable in the court of law (*Tiwari and Debnath, 2017*). Furthermore, there is no single definition of FA and in some cases contradictory definition leads to the misconception of the main objective of FA (*Huber, 2013; Alshurafat et al., 2019).*

Rapidly Evolving Fraud Techniques:

Technological advances make it easier for criminals to commit fraud. As organizations generate large amount of financial data and become more complicated which are harder to combat (*Okoye and Gbegi, 2013*). *Owolabi (2010)* identifies asset misappropriation as a significant banking fraud that has emerged in the banking sector and financial services. The increasing fraud techniques as a result of information and technology along with the lack of material resources and technicality by FAP, is a major challenge for FA profession.

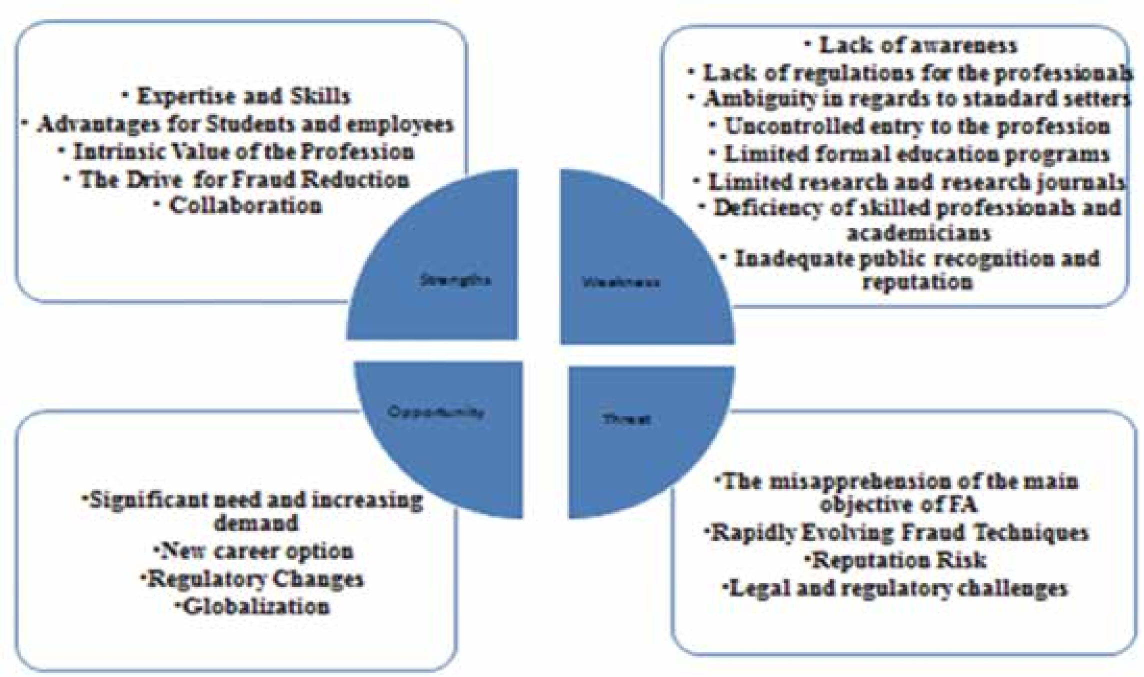
Reputation Risk

The scandals, frauds, and failures have caused financial statement users to lose faith on the ability of public accounting to solve fraud and increased demand for FAPs (*Huber, 2012*). However, this specialized field is not without its challenges, particularly concerning reputation risk. Reputation risk refers to the potential damage to the standing and credibility of FAPs and their firms when their work is subject to scrutiny or criticism.

Legal and regulatory challenges

Different countries may have different laws and rules about FA, which can make it hard for FAPs to work on cases that involve more than one country especially in case of evidence gathering. In India, the most important accounting groups are ICAI, ICMAI, and ICSI. Now, ICAI has put out rules about FA that will only apply to their members until the end of the year. But what about people who are members of ICMAI or other institutes and give out certificates on FA, like India forensic. Also, there is no worldwide FA school to make sure the job is done well.

FIGURE 1: SUMMARY OF SWOT ANALYSIS



CONCLUSION AND SUGGESTIONS

FA is a vital profession that plays a crucial role in uncovering financial crimes, providing valuable insights, and ensuring financial integrity across various industries. Figure 1 depicts the summary of the SWOT analysis. Despite its much strength, FA faces several challenges that need to be addressed. However, the profession also faces potential threats that must be navigated carefully. Stakeholders, including academic institutions, professional organizations, and regulatory bodies, should collaborate to raise awareness about FA as a specialized and crucial profession. Investment in research and publication of research journals specific to FA will contribute to the

FA is a vital profession that plays a crucial role in uncovering financial crimes

field's growth and development. Efforts should be made to promote the recognition and reputation of forensic accountants as indispensable guardians of financial integrity. MA

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GOVERNANCE OF ENERGY TRANSFORMATION THROUGH SUSTAINABLE RESOURCES

Abstract

This article examines the planning and implementation of energy transformation through sustainable resources from a governance standpoint. The governance framework in organizations encompasses the control, operation, and accountability mechanisms. This article evaluates the climate change initiative within the context of governance frameworks at different levels.

Governance framework in any organization entails the system by which an organization is controlled and operates and the mechanisms by which it, and its people, are held to account. Ethics, risk management, compliance and administration are all elements of governance.

This article evaluates the climate change initiative in the light of governance framework for organizations. It is found that climate change initiative leverages all lessons learnt from government framework at all levels of operations, i.e. Government, shareholders, companies and projects within the companies.

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Humanity relies on a continuous source of energy to sustain its current lifestyle and global dominance. However, the use of fossil fuels for energy production poses limitations due to their non-renewable nature and contributions to climate change. Energy from fossil fuels has its limitations. It is a non-renewable source and is bound to get exhausted in a few centuries. The reserves of oil are limited under the earth and once burnt as fuel cannot regenerate again.

Fossil fuels are finite resources that, when burnt, emit carbon dioxide gases, a potent greenhouse gas that accelerates global warming. Climate change is characterized by rising temperatures, altered climatic patterns and the potential for catastrophic consequences such as the melting of glaciers and the submergence of coastal cities. The fossil fuels add to climate change, as their burning causes emission of carbon dioxide gases. Carbon dioxide is a green house gas and warms up very fast. It also stays warm for a longer period of time. This aggravates climate change. Climate change is caused by increasing temperatures of the earth's atmosphere leading to change in climatic patterns and increase of earth's temperature by a few degrees. In case the earth's temperature rises by 5 degrees, the earth will become inhabitable, with the melting down of glaciers and drowning of our coastal cities. Life is sustained in a narrow range of temperatures only, which are currently there on earth.

To address these challenges, renewable energy sources are emerging as viable alternatives that offer sustainability and mitigate climate change risks. Renewable energy does not emit carbon dioxide and can replenish itself. Renewable energy is coming up as an alternative to fossil fuels, which reduces the dependency of humans on fossil fuels. The renewable resources do not emit carbon dioxide and hence do not contribute to increasing the earth's temperature. Renewable energy as the name suggests can also replenish on its own. It does not get exhausted on use.

GOVERNANCE FRAMEWORK

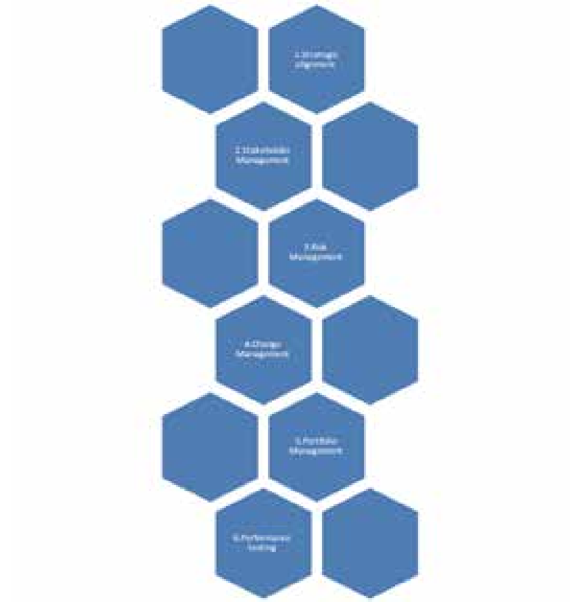
Governance framework encompasses the control, operation, and accountability mechanisms in an organization. It includes aspects such as ethics, risk management, compliance, and administration. This framework applies not only to companies but also to government organizations and non-governmental organizations.

Here organization does not only mean companies but also Government organizations and non-Governmental organizations as well.

A typical governance framework consists of the following six elements:

1. Strategic alignment

2. Stakeholder management
3. Risk management
4. Change management
5. Portfolio management
6. Performance testing

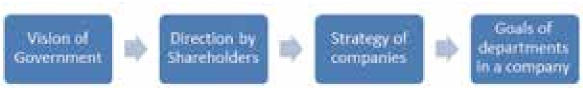


To effectively implement energy transformation through sustainable resources, the governance framework should consider the following elements:

Strategic Alignment

Strategic alignment means an organization aligning its projects to the strategy of the organization. This means that projects in the organization all align to the overall goal or strategy of the organization.

Since, the strategy of Government is to focus on energy transformation through sustainable resources, the focus of shareholders in stock market also get aligned. Thus, the companies operating in the country also focus on the imperative suggested by the Government.



The goals in any organization get cascaded down from the top to bottom. The goals of any individual are derived from the goal of his manager. The goal of the manager is in turn derived from the goal of the department. The department gets its goals from the company strategy. Companies are inspired by board of directors. Directors in stock market companies are motivated by Government manifestos and Government policies.

Apart from getting a push from the leadership, the organizations are also interested to explore new avenues of making money for the organization. Vision given by Government are often mandatory to be followed. All companies need to comply with Government regulations. Companies thus need to invest in the agenda of the Government. They thus invest in aligning their strategies.

In this case they are following the Government of India's directive on climate change and reducing the carbon footprint for the world.

Portfolio Management

Portfolio management entails aligning projects within an organization to the overall strategy. In the context of renewable energy adoption, the Government of India is investing in electric vehicles, solar energy, green hydrogen energy, and wave energy. These projects contribute to the diversification of energy sources and sustainability goals. Portfolio management means realigning the projects making up the portfolio of the organization to the overall strategy of the organization.

This is enabled by choosing which projects to take up, keeping in mind the overall strategy of the organization. If given a choice to pursue two kinds of projects, the managers are encouraged to pick up projects which align to the strategy.

With the emergence of renewable energy, Government of India is investing in electric vehicles, solar energy, green hydrogen energy and wave energy as sources of alternate energy.

Electric Energy

Transport vehicles are fast getting replaced by electric vehicles. States are now buying electric buses for public transport for their new fleet. Electric charging stations are being built across the country.

The Government is promoting electric vehicles, and States are procuring electric buses for public transportation. Additionally, private companies are incentivized to adopt electric vehicular options, reducing carbon emissions.

Delhi is likely to get 1500 low-floor electric buses from early next year with the State Government signing an agreement with an automaker to strengthen the public bus fleet in the capital, State Transport Commissioner said. Currently, DTC operates a fleet of 7,200 buses, of which 250 are electric vehicles.

Private companies are choosing electric cars for company providing transport option to their employees and thus counting to reduced carbon emissions.

Solar Energy

Solar energy is becoming increasingly popular, with individuals installing solar panels on their rooftops and connecting surplus power to the Government grid. Government schemes provide incentives such as electricity refunds to citizens who generate solar power. People are setting up solar panels on their roofs and connecting the power thus generated to the Government electricity grids. Government of India schemes are allowing electricity refunds to citizens against units put by them in the grid using solar panels.

This is getting popular fast and getting commercialized soon by the benefits it is drawing.

Green Hydrogen energy

The Government recognizes green hydrogen as a future fuel and is urging investors to manufacture this clean energy source in India. The National Green Hydrogen Mission has been approved with a significant investment to make India a global hub for green hydrogen manufacturing.

Union Minister R K Singh said green hydrogen is going to be the future fuel in India, while urging investors to invest in the country to manufacture the clean energy source.

In January 2023, the Centre approved the National Green Hydrogen Mission with an outlay of Rs 19,744 crore with an aim to make India a global hub for manufacturing green hydrogen.

There are industries which have started working to set up 3.5 MT capacity of green hydrogen. They are engaged with various states for acquisition of land, he informed the attendees who included diplomats and industry leaders across various countries.

Wave energy

Companies like SWEL are developing innovative wave energy converters that can generate substantial power. This wave energy technology offers great potential for sustainable energy production.

SWEL, an R&D company, has been developing its wave energy converter for more than 10 years, a journey that's led to this unique design called the Wave Line Magnet, which includes four main components.

The size of these devices varies depending on the wave conditions and energy needs of the area. On the larger end, they can get up to about 600 meters long and 24 meters wide (about 1,970 feet by 79 feet). A case study prepared for a unit of that size in Scotland, where waves were an average of 3 meters, estimated that its power output could be 140 gigawatt hours annually, which Zakheos says is "power station levels of production from a single system."

Risk Management

Managing the risks associated with climate change and the transition to sustainable energy sources requires a robust risk mitigation strategy.

Organizations are managing the risk imposed by not moving to sustainable energy sources by adopting a healthy risk mitigation strategy. It involves not avoiding or transferring risks, but rather taking them up and proactively addressing them.

The risk at hand is that of climate change. The Government has enabled a monitoring and controlling mechanism of managing climate change. Organizations failing to comply with Government reporting requirements on climate change may face accountability measures, including shareholder concerns.

Carbon Credits

Companies are given carbon emission reduction targets and are required to pay for carbon credits if they fail to meet these targets. Consultancy firms support organizations in calculating and reporting their carbon credits, creating new revenue opportunities for these firms.

Change Management

Change management refers to managing resistance to change offered by end users. This involves communicating the benefits of the change and training the people on how to adopt it.

Government has implemented change management for sustainable energy by releasing mass awareness campaigns to the masses, giving monetary incentives for the adoption of solar and electric sources.

Communication about climate change is enhanced further by launching periodic mass awareness campaigns to the general public and special workshops for organizations.

Stakeholder Management

Managing key stakeholders is crucial for successful energy transformation. The Paris Agreement on climate change provides a global framework for countries to combat climate change and support each other's efforts. India's hosting of the G20 summit in 2023 with a focus on environmental, social, and governance (ESG) issues further amplifies stakeholder engagement and collaboration.

Stakeholder management refers to managing the key stakeholders. This was achieved by giving the climate change an impetus from a top-down approach.

The Paris agreement on Climate change

The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. It also aims to strengthen countries' ability to deal with the impacts of climate change and support them in their efforts.

The Paris Agreement is the first-ever universal, legally binding global climate change agreement, adopted at the Paris Climate Conference (COP21) in December 2015.

Renewable energy sources are emerging as viable alternatives that offer sustainability and mitigate climate change risks

The EU and its Member States are among the close to 190 Parties to the Paris Agreement. The EU formally ratified the agreement on 5 October 2016, thus enabling its entry into force on 4 November 2016. For the agreement to enter into force, at least 55 countries representing at least 55 per cent of global emissions had to deposit their instruments of ratification

G20 summit in India

India is hosting the G20 summit in 2023 with the theme of ESG, where ESG is an agenda.

India will take over as G20 presidency on December 1, opening up the opportunity to establish itself as a leader in the clean energy space, and to become a voice for the global south.

It is the first time that the G20 presidency troika (current, previous and incoming) will all be developing countries.

Performance testing

Performance testing involves evaluating the feasibility of climate change initiatives to meet temperature change goals by 2050. These initiatives are still being tested and adjusted to ensure they deliver the expected results.

Climate change initiative is being tested out at various levels to check if the target of meeting temperature change goals can be met by 2050 or not. Its still in the path.

SUMMARY

This article evaluates the planning and implementation of the energy transformation through sustainable resources from the lens of organization governance.

Governance framework in any organization entails the system by which an organization is controlled and operates and the mechanisms by which it and its people, are held to account. Ethics, risk management, compliance and administration are all elements of governance.

This article gauges the climate change initiative in the light of governance framework for organizations. It is found that climate change initiative leverages all lessons learnt from government framework at all levels of operations, i.e. Government, shareholders, companies and projects within companies.

In summary, this article evaluates the planning and implementation of energy transformation through sustainable resources from a governance perspective. It highlights the essential role of governance in effectively managing energy transitions, encompassing government policies, shareholder alignment, company strategies, and project implementation. MA

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Down The Memory Lane

August, 2013

The Jaipur Chapter organized a Seminar on Cost Audit Compliance, VAT and New Companies Bill on 17th August, 2013. Chief Guest of the Seminar was Shri Rajeev Kumar, Asst. Commissioner of Commercial Taxes.

CMA H. Padmanabhan, Vice Chairman of SIRC delivered keynote address during the occasion of UGC Sponsored National Seminar, 2-days programme was held at St. Thomas College, Thrissur on 20th August, 2013 on 'Commodity Derivatives and the Role of Intermediaries'. CMA P Raju Iyer, Chairman SIRC; Dr. Jenson P O, Principal, St. Thomas College and Dr. V M Xaviour were also present.

August, 2003

Mr. P.C. Thomas, Union Minister of State for Law & Justice delivers his speech assuring to forward the President's memorandum to Union Finance Minister for amending the definition of 'Accountant' in IT Act inclusive of 'Cost Accountant'. Seen in the picture U. Sivanandan, Secretary of the Chapter; P.D. Esthappanu, SIRC Member; Minister of State Mr. Thomas; Sunil Chacko Chairman; P.C. J. Namboodiri, past Chairman of Cochin chapter.

Shri Rajesh Agarwal, Minister of Institutional Finance & Trade Tax, Government of U.P. lighting the lamp to inaugurate the Regional Cost Conference at Lucknow. Others seen from left: Hari Krishan Goel, Dr. K L Jaisingh, President, Sauraabh Srivastava, Chairman, Lucknow Chapter and Subhash Agrawal.

Down The Memory Lane

August, 1993

B.D. Bose, President, ICWAI, inaugurating the Computer Training Programme at Howrah Chapter. Others seen in the picture are: K.K. Ghosh, Secretary, Abir Dey, Vice-Chairman, S. Das, Chairman, Pradip Kr. Chatterjee, Asstt. Secretary and others.

S. Malathi, Special Secretary to 10th Finance Commission, Govt. of Tamil Nadu switching on the light to mark the inauguration of First Government Training Programme organized by SIRC. Others seen in the picture are K.S. Ganapathi, Course Director, B.V. Ramana Murthy, Chairman, A. Madhavan, Past Chairman, and SIRC.

August, 1983

ICWAI President Shri Amitava Bhattacharyya inaugurating the new building of the Tiruchirapalli Chapter on 28th August, 1983.

August, 1973

The Bangalore Chapter has the privilege of publishing the first Monograph on the subject 'Investment Appraisal' on 19th August, 1973 in the premises of BMS College for Women, Bangalore.

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

EASTERN INDIA REGIONAL COUNCIL

EIRC organized a career counseling programme on 13.07.2023 at St Augustine's Day School, Barrackpore.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA GUWAHATI CHAPTER

The Chapter organized a Members' Meet on 18th June 2023 in a local hotel in Guwahati. More than 20 members attended the same. It was the first interaction of the new Managing Committee with the general members. Elaborate discussions and brainstorming took place mainly on Professional Development, Career Counseling, student mentoring and branding of the profession as well as the Institute.

The Chapter organized the CMA Foundation Day on 28th May at Vivanta Hotel in Guwahati. Along with the Foundation Day, the Chapter also held the Annual General Meeting for the year 2022-23 and the students who had recently qualified as Cost Accountants were also felicitated. The programme started with the lighting of the ceremonial lamp which was followed by the anthem of the Institute. The Chairman of the Chapter, CMA Rana Bose briefed those present about the Foundation Day, its significance and how the Cost Accountants consider themselves extremely privileged and honored to be torch bearer of this profession. Successful students who passed the Final Examinations of the Institute during the terms December 2019 to December 2022 and became qualified Cost Accountants were also felicitated with a certificate and a memento. The Secretary of the Chapter, CMA Rupom Sharma conducted the proceedings. The Annual General Meeting was held thereafter wherein the Secretary briefed the attendees about the achievements of the chapter during the year 2022-23. Various other speakers holding higher posts in Public Sector Undertakings and professionals from the Institute also spoke on the occasion wherein they emphasized the career prospects of pursuing the course of cost and management accountancy and motivated the recently qualified accountants to strive hard to bring glory to the profession.

SOUTHERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA PALAKKAD CHAPTER

In commemoration of "GST Day Celebration", the Chapter in association with the PG and Research Department of Commerce, Government Victoria College (GVC), Palakkad conducted a half-a-day Panel Discussion on "GST AFTER 6 YEARS Challenges And Way Forward" on 3rd July 2023 in the Seminar Hall of Government Victoria College. The Welcome address was delivered by CMA Dr Mahalakshmi N, HOD Commerce, GVC Palakkad and the Presidential Address was by Dr. Maya C Nair, Principal, and GVC. In the inaugural session CMA Aravindakshan Pillai K, Chairman, Palakkad Chapter of ICMAI, CMA Cily Jose, Vice-Chairperson, Palakkad Chapter of ICMAI. CMA CA Ajith Sivadas, Practising Chartered Accountant, CA Padmanathan K V, Practising Chartered Accountant were the panellists. Ramesh K, Assistant Professor of Commerce, Govt. College, Kozhinjampara was the moderator of the programme. The vote of thanks was proposed by CMA CS Abu Kutty Sellappan, Secretary, Palakkad Chapter of ICMAI. Apart from CMA members, delegates from Industries, business establishments & professional firms attended the programme.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA VIJAYAWADA CHAPTER

The new building of the Vijayawada Chapter was inaugurated on 19th July 2023 by CMA Vijender Sharma, President (2022-23) of the Institute.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BENGALURU CHAPTER

The Chapter organized a professional development programme on "GST & Cost Audit - PSU Perspective" at BEL Officers Club on 23.06.2023 and Mr. D P Nagendra Kumar (Rtd. Member - CBIC), Mr.V.Sridha, Mr. M G Kodandaram, IRS, CMA N Ramaskanda, Practicing Cost Accountant, CMA T K Jaganathan , Practicing Cost Accountant , CMA S Venkanna , Practicing Cost Accountant, CMA Devarajulu B Chairman BCCA, CMA Abhijeet S Jain Secretary BCCA, CMA Rajesh Devi Reddy Treasurer & PD Chairman BCCA were the speakers.

Another professional development programme on "Members Interaction with The President of ICMAI" was held at The Indian Institute of World Culture, Wadia Road, Basavangudi, Bengaluru on 28.06.2023. CMA Vijender Sharma, President (2022-23), CMA H Padmanabhan, Council Member (2019-23), CMA Devarajulu B, Chairman BCCA, CMA Abhijeet S Jai, Secretary BCCA and CMA Rajesh Devi Reddy, Treasurer & PD Chairman BCCA were the speakers.

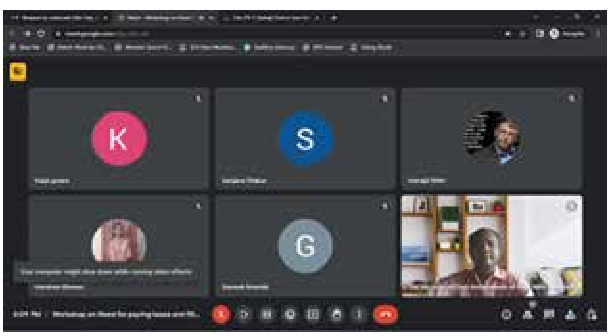
The Chapter celebrated "International Yoga Day" at its premises on June 21, 2023. CMA Devarajea Gowda, Member, CMA Devarajulu B, Chairman BCCA, CMA Abhijeet Jain, Secretary, BCCA , CMA Rajesh Devi Reddy, Treasurer BCCA, CMA Dr. A S Gurudath, Member, BCCA and CMA Raghavendra B K, Member, BCCA were the key speakers.

The Chapter organized various career counselling programmes during June and July 2023.

WESTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA NAVI MUMBAI CHAPTER

As part of the "Income Tax Day (Aaykar Diwas)" celebrations, the Chapter conducted an online workshop on 24th July, 2023 for students on the topic "Need for paying taxes and filing Income Tax returns". The main speaker was CMA Vaidyanathan Iyer who stated that India's Income Tax Day is celebrated on July 24 every year to commemorate the introduction of income tax in India on the same day in 1860. Over the years, Indian income tax system has evolved significantly based on a progressive tax structure, where individuals and entities with higher incomes are taxed at higher rates and is currently managed by CBDT under the Ministry of Finance. The revenue generated from income tax is used for a variety of purposes, including funding infrastructure projects, education, healthcare, defence, and social welfare programs. The speaker covered areas such as payment of taxes through TDS, advance tax etc, ITR and importance of filing ITR online using AIS, TIS, AS 26 for preparing ITR, validation and e-verification of ITR through live demo.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA NASHIK CHAPTER

The Chapter conducted a webinar on 'Cost Audit-Challenges & Solutions' on 10th June 2023 between 11.00 am and 01.30 pm through MS teams. The speaker for the webinar was CMA Suraj Lahoti. The webinar started with the address by the Chairman, CMA Arifkhan Mansuri. CMA Amit Jadhav, Secretary of the Chapter introduced the speaker. CMA Suraj Lahoti gave guidance on keeping records of cost and conducting its audit according to the provisions of the Companies Act. The Vote of Thanks was proposed by CMA Dhananjay Jadhav, Secretary of the Chapter. The webinar was attended by ICMA Members and students.

Three days Education Fair 2023 was organised by Divya Marathi at Lakshika Hall, Nashik during 02nd June to 04th June 2023. The Chapter also participated in the exhibition.

On behalf of the Chapter, the Chairman and Secretary participated in a career guidance live session on Radio Vishwas. The programme was broadcasted on 10th June 2023. CMA Arifkhan Mansuri, Chairman and CMA Dhananjay Jadhav, Secretary of the Chapter participated in the question answer session.

The Chapter in association with Nashik Ploggers and WICCI participated in a special drive dedicated to celebrating World Environment Day by planting tree saplings, on 3rd Jun 2023 in the public park located at Gangapur Road. The event was coordinated by CMA Maithili Malpure, Treasurer of the Chapter. There were more than 20 participants including Chapter's Managing Committee, CMA Members and students.

The Chapter organised a Yoga Workshop on the occasion of "International Yoga Day 2023" on 21st June 2023 at the Chapter Hall with great enthusiasm. CMA Suvarna Kute Certified Yoga Teacher by AYUSH guided the participants.

CMA Arifkhan Mansuri, Chairman of the Chapter proposed the vote of thanks and felicitated CMA Suvarna Kute for the guidance. Nashik Chapter managing committee members and students actively participated in the session. Demo interview were conducted by CMA Arifkhan Mansuri Chairman, CMA Amit Jadhav, Vice Chairman, CMA Dhananjay Jadhav Secretary, CMA Navnath Gangurde and CMA Santosh Bramhankar, committee member of the Chapter.

Walk in Interview for engagement of Industrial Trainees in Hindustan Aeronautics Ltd., Aircraft Division, Nashik was conducted at the Chapter on 22nd Jun 2023. Mr. Pradeep Kumar Das DGM Finance, Mr. Sanjay Sawalkar Chief Manager (Training & Skill Development) and CMA Vikash Kumar Singh, Manager Finance was present from HAL. On behalf of the Chapter CMA Maithili Malpure, Treasurer of the Chapter welcomed all officials of HAL and also thanked them for conducting the placement drive.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA PUNE CHAPTER

The inaugural session of the pre-placement orientation program for newly qualified CMA students of December 2022 Batch was held on 7th April 2023through online mode by ICMAI.

Offline pre-placement orientation training program at Pune location was conducted at CMA Bhawan, Karvenagar, Pune from 10th April to 21st April 2023. Renowned faculty comprising of CMD, CFO, CEO, HR Heads, Director Finance, General Manager, from various organizations guided the students. A professional IT expert on excel and ERP explained the importance of technology while working in industry. The valedictory session was held on 21st April 2023 at the Auditorium of CMA Bhawan, Karvenagar. The guests for the valedictory session were CMA (Dr.) Dhananjay V. Joshi, Past President, ICMAI, and CMA Amit A. Apte, Past President, ICMAI. CMA Amit Shahane earlier welcomed the guests and the new CMAs qualified through December 2022 exams. The valedictory session started with the lighting of a lamp by CMA (Dr.) Dhananjay V. Joshi, Past President, ICMAI, CMA Amit A. Apte, Past President, ICMAI, CMA Smita Kulkarni, Vice Chairperson, ICMAI-Pune Chapter, and faculty members CMA Amit Shahane and CS Arun Barve. CMA Smita Kulkarni, Vice Chairperson, ICMAI of the Chapter felicitated the guests CMA (Dr.) Dhananjay V. Joshi, and CMA Amit A. Apte. Newly qualified CMA Mahesh Rathi introduced CMA Amit A. Apte while CMA Rachana Bhoj introduced CMA (Dr.) Dhananjay V. Joshi. CMA Amit A. Apte congratulated the newly qualified CMA students for their success in the December 2022 exams as after COVID 19 the exam was conducted for the first time through offline mode. He conveyed his best wishes to all participants for success in the campus placement. CMA (Dr.) Dhananjay V. Joshi, also congratulated the successful students. Participants were awarded the certificates in the valedictory session. The proceedings concluded with the National Anthem.

The Chapter conducted a CEP on the subject "Overview of Ind AS and professional opportunities around it" on 3rd June 2023 at Laxminagar Commercial Complex, Parvati, Shahu College Road, Opposite Gajanan Maharaj Temple; Pune.The Speaker was CA Amit Darekar. CMA Rahul Chincholkar, Treasurer, ICMAI Pune Chapter welcomed the speakers and the participants. Large number of members attended the programme.

To celebrate the 9th International Yoga Day the Chapter arranged Yoga, Surya namaskar and Quiz Competition on 18 June 2023. Yoga Guru CMA D.V. Patwardhan and CMA Gayatri Shirsat were the judges for the Quiz; CMA Rahul Chincholkar felicitated Yoga Guru CMA D. V. Patwardhan and CMA Gayatri Shirsat. CMA Chaitanya Mohrir, RCM WIRC, CMA Nagesh Bhagane, Chairman, CMA Nilesh Kekan, Vice-Chairman, CMA Shrikant Ippalpalli, Secretary, CMA Himanshu Dave, CMA Amey Tikale, CMA Anuja Dabhade of ICMAI Pune Chapter were present. CMA Shivaji Gawade, CMA Anant Dhawale, Past Chairman of ICMAI Pune Chapter were also present at the programme.

The Pune Chapter Managing Committee organized a blood donation camp jointly with the JankalyanRaktapedhi, Pune on 18.06. 2023.

The Yoga Day programme started with lighting of the lamp byCMA Amit A. Apte, Past President, ICMAI, Yoga Guru CMA D.V. Patwardhan, CMA Nagesh Bhagane, Chairman, CMA Rahul Chincholkar, Treasurer, CMA Himanshu Dave, and Managing Committee Member of the Chapter. CMA Rahul Chincholkar, Treasurer, ICMAI Pune Chapter welcomed the participants. Yoga Guru CMA D.V. Patwardhan guided the participants. CMA Rahul Chincholkar, Treasurer, ICMAI Pune Chapter felicitated CMA Amit A. Apte, Past President, ICMAI, and Yoga Guru D.V. Patwardhan.

The Chapter conducted a CEP on the subject "Social Auditor – New professional Avenue" on Saturday, 22nd July 2023 at Laxminagar Commercial Complex, Parvati, Shahu College Road, Opposite Gajanan Maharaj Temple, Pune. The Speaker for the programme was CMA Raghvendra Chilveri. CMA Shrikant Ippalpalli, Secretary of the Chapter welcomed the speaker and the participants. CMA Nagesh Bhagane, Chairman of the Chapter felicitated the speaker CMA Raghvendra Chilveri. Large number of members attended the programme.The Vote of Thanks was proposed by CMA Nagesh Bhagane.

The Chapter conducted a Career Counseling Programme, at SNDT Women's College, PaudPhata, Pune, on 26th July 2023. Principal Dr. Anjali Kadam of the college felicitated CMA Tanuja Mantarwadi, Managing Committee Member of the Chapter.Vice Principal Ms. Mrinalini Ghatage of SNDT & Prof. Ashok Kokate, HOD Commerce Dept. coordinated the arrangements for this session. CMA Tanuja Mantarwadi, Managing Committee Member of the Chapter interacted with the students. Mr. Sandip Joshi, staff member of the Chapter explained the Course structure in brief like documents required, fees structure etc. The students' response for the program was overwhelming.

The Chapter arranged another Career Counselling Program, at the campus of Modern College of Arts, Science and Commerce Business Administration on 27th July 2023. Prof. Shreya Vaidya of Modern College coordinated the arrangements. CMA Amey Tikale, Managing Committee Member of the Chapter as the key speaker shared his experience and described the importance of the CMA Course. He also talked about tremendous job opportunities in industry, academics and in practice as cost auditor, GST Consultant, Taxation consultant, Internal Auditor, Recovery Consultant in banking sector etc. The lecture was very informative for the students. Mr. Sandip Joshi, staff member of the Chapter explained the Course structure in brief like documents required, fees structure and related matters Students' response for the programme was overwhelming.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA PIMPRI CHINCHWAD AKURDI CHAPTER

The Chapter conducted a CEP on "The Psychology of Money and Wealth Creation" on 17.6.2023 through hybrid mode at CMA Bhawan. CMA Pradeep Sahasrabudhe, Secretary of the chapter welcomed the audience and the speaker CMA Nikhil Gavankar, Visiting Faculty & Practicing Cost Accountant and Shri Rahul Bhanage, CEO, Integrity Financial Services. The session was interactive. There was an overwhelming response from practicing members, members from the industries, professionals, and students.

The Chapter conducted another CEP on 'Global Financial Dynamics Navigating the Modern Era' on 15.7.2023 through at CMA Bhawan. CMA Guruprasad Kulkarni, Chairman, P D Committee, welcomed the audience and introduced the speaker CMA Vinod Shete, CFO, Chandu

Kaka Saraf & Sons Pvt. Ltd. CMA Vinod Shete in his address said that 2020 has been among the most eventful year ever for the fintech (financial technology) industry.

The Chapter conducted a Career Counselling Program on 25th July 2023 for the students of Gramonnati Mandal's Arts, Science & Commerce College at Narayangaon. Prof.Bhujbal welcomed and introduced the Chairman of the college Shri Anand Kulkarni, CMA Sagar Prakash Malpure, Chairman of the Chapter, CMA Dhananjay Kumar Vatsyayan, Speaker CMA Ashish Deshmukh and all participants. Principal Shri Anand Kulkarni felicitated CMA Sagar Malpure. CMA Sagar Malpure shared his valuable thoughts with the participants. CMA Ashish Deshmukh gave a presentation on CMA Professional Course and guided the students of Commerce and BBA about the course and career in the public sector, service sector and Government sector also. Students obtained clarifications on their doubts about the course and related matters during the training period. Faculty members from Management and Commerce attended the program.

The chapter organized a yet another CEP on 'Global Financial Dynamics Navigating the Modern Era' on 15.7.2023.

A Career Counselling Programme was held on 25th July 2023 at Narayangaon.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA AHMEDABAD CHAPTER

The Chapter organized industry orientation program for final students during 29th May 2023 to 3rd June 2023. CMA Mitesh Prajapati, Jt. Secretary & Treasurer of the Chapter inaugurated the programme. Eminent faculties delivered lectures on various topics like Mr. Kishan Vaidya on Book Keeping including Bank reconciliation statement & Finalization of Accounts, Dr. Keyur Vohra on Skill Training, Dr. Gitanjali Rampal on Career Planning, Business Etiquette and Business ethics, Communication and drafting skills, Mr. Jignesh Parikh on Direct Taxation and CMA Yogesh Chatwani on Indirect Taxation and valuation.

The Chapter organized a campus placement drive for qualified CMAs of June'22 exam and Dec'22 exams respectively on 12/06/2023 & 13/06/2023.

The Chapter organized a weekend medical check-up camp in association with Lions Club of Ahmedabad Jodhpur Hill for their members, students, faculties and staff on 18th June'23.

International yoga day was celebrated by the Chapter on 21st June 2023. CMA Uttam Bhandari, Chairman welcomed Shri Kaushal Vyas Yoga Trainer and felicitated him by presenting a memento. He also welcomed members, staff and students. Shri Kaushal Vyas spoke on importance of Yoga.

Members of the Chapter welcomed newly elected President of the Institute, CMA Ashwinkumar G. Dalwadi on his arrival at the Ahmedabad airport on 23rd July'2023. Chairman of Chapter, CMA Uttam Bhandari, Vice Chairman of the Chapter CMA Nikunj Shah, Secretary of the Chapter CMA Bhaumik Gajjar, and Jt. Secretary & Treasurer of the Chapter, CMA Mitesh Prajapati, other Committee Members and Members were present at the Airport to welcome the President. Chairman CMA Uttam Bhandari welcomed the President with a bouquet and Vice Chairman, CMA Nikunj Shah welcomed him with a shawl.

The Chapter organized a CEP on Precautions in Filling IT returns for the AY 2023-24 on 24th July, 2023. CMA Malhar Dalwadi Chairman of the PD Committee welcomed the present members and introduced the speaker CMA Bhavesh Ramchandani who gave a detailed presentation on the subject. There was an active interaction between the participants on the topic discussed.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA INDORE DEWAS CHAPTER

On the eve of International MSME Day, CMA (Dr.) Niranjan Shastri, Ex-Chairman of the Chapter and Program Chairperson, SBM, SVKM'S NMIMS Deemed to be University, Indore was felicitated by Member of Parliament: Indore Constituency, Shri Shankar Lalwani Ji recognising his contribution towards excellence in teaching and profession of management accounting. Dr. Shastri was also invited and felicitated as Chief Guest in the Industry Academia Connect Program organised by Association of Industries M.P (AIMP) on 27th June, International MSME Day. He delivered an inspiring message to the august gathering comprising of Joint Director, MSME Govt. of India, GM District Industry & Trade Center, DGM NSIC, President AIMP and more than 100 MSME Industrialists & Academicians.

Direct & Indirect Tax Updates - July 2023

DIRECT TAXES

- **Notification No. 47/2023 Dated 6th July 2023**: In exercise of powers conferred by sub-sections (1) and (2) of section 120 of the Income-tax Act, 1961(43 of 1961), the Central Board of Direct Taxes hereby makes the following further amendments in the Notification of the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes No.70/2014 dated the 13th November, 2014. In the said Notification, in Schedule–I, for the row at Sl.No. 2, the following row shall be substituted:

Sl No.	Director General of Income-tax (Investigation)	Headquarters	Principal Commissioner / Commissioner of Income-tax (Central)	Headquarters
2	Director General of Income-tax (Investigation), Bengaluru	Bengaluru	(iii) Principal Commissioner / Commissioner of Income-tax (Central), Bengaluru	Bengaluru
			(iiia) Principal Commissioner / Commissioner of Income-tax (Central), Panaji	Panaji

- **Notification No. 48 /2023 Dated 11th July 2023:** In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Yamuna Expressway Industrial Development Authority', (PAN AAALT0341D), an authority constituted by the State Government of Uttar Pradesh, in respect of the following specified income arising to that Authority:

  (a) Grants received from the State Government (b) Moneys received from the disposal of land, building and other properties, movable and immovable (c) Moneys received by the way of rent & fees or any other charges from the disposal of land, building and other properties, movable and immovable (d) The amount of interest earned on the funds deposited in the banks and (e) The amount of interest/penalties received on the deferred payment received from the Allottees of various movable or immovable properties.

  This notification shall be effective subject to the conditions that Yamuna Expressway Industrial Development Authority (a) shall not engage in any commercial activity (b) activities and the nature of the specified income shall remain unchanged throughout the financial years and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

- **Notification No. 49 /2023 Dated 14th July 2023:** In exercise of the powers conferred by sub-section (1C) of section 139 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following amendment in the notification of the Government of India, Ministry of Finance, (Department of Revenue), Number 55/2019, dated the 26th July, 2019. In the said notification, Clause (a) of the Explanation to first para is substituted as under:

  "Explanation:- For the purposes of this paragraph, "investment fund" means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centres Authority Act, 2019 (50 of 2019)."

- **Notification No. 50 /2023 Dated 17th July 2023:** In exercise of the powers conferred by clause (i) of sub-section (3) of section 80LA, clause (4E) of section 10, sub-section (7) of section 115UB, clause (d) of sub-section (8) of section 139A and clause (ii) of sub-section (7) of section 206AA 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 (hereinafter referred to as the principal rules),

  (i) in rule 21AK, for sub-rule (1), the following sub-rule shall be substituted, namely:

  The income accrued or arisen to, or received by, a non-resident as a result of

  (a) transfer of non-deliverable forward contracts or offshore derivative instruments or over-the counter derivatives or

  (b) distribution of income on offshore derivative instruments

  (ii) in rule 114AAB, in the Explanation, for clause (a), the following clause shall be substituted, namely: (a) specified fund means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulated under the International Financial Services Centers Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centers Authority Act, 2019 (50 of 2019) and which is located in any International Financial Services Centre or a specified fund referred to in sub-clause (i) of clause (c) of Explanation to clause (4D) of section 10.

- **Notification No. 51/2023 Dated 18th July 2023:** In exercise of the powers conferred by clause (XI) of the proviso to clause (x) of subsection (2) of section 56 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, in rule 11UAC, (i) in sub-rule (4), in the Explanation, for the words "this clause" the words "this sub- rule" shall be substituted;

  (ii) after sub-rule (4), the following sub-rule shall be inserted, namely: any movable property, being shares or units or interest in the resultant fund received by the fund management entity of the resultant fund, in lieu of shares or units or interest held by the investment manager entity in the original fund, pursuant to the relocation, subject to the following conditions, namely

  (i) not less than ninety per cent of shares or units or interest in the fund management entity of the resultant fund are held by the same entity(ies) or person(s) in the same proportion as held by them in the investment manager entity of the original fund; and

  (ii) not less than ninety per cent of the aggregate of shares or units or interest in the investment manager entity of the original fund was held by such entity(ies) or person(s).

- **Notification No. 52/2023 Dated 20th July 2023:** In exercise of the powers conferred by sub-section (1F) of section 197A read with clause (34B) of section 10 of the Income-tax Act,1961 (43 of 1961) (hereinafter the Income-tax Act), the Central Government hereby specifies that no deduction of income tax shall be made under section 194 of the Income-tax Act from any income in the nature of dividend paid by any unit of an International Financial Services Centre, primarily engaged in the business of leasing of an aircraft (hereinafter referred as payer) to a company, being a Unit of an International Financial Services Centre primarily engaged in the business of leasing of an aircraft subject to fulfillment of certain conditions.

- **Circular No. 12/2023 Dated 12th July 2023**: Clarification regarding taxability of income earned by a non-resident investor from off-shore investments in investment fund routed through an Alternatine Investment Fund. Chapter XIIFB contains special provisions relating to tax on income of investment fund and income received from such fund. Under Chapter XII-FB section 11 5UB of the Act (Tax on income of investment fund and its unit holders,) is the applicable provision to determine the income and tax-liability of investment fund & their investors.

- **Circular No. 13/2023 Dated 26th July 2023:** Condonation of delay under clause (b) of sub-section (2) of section 119 of the Income tax Act, 1961 for returns of income claiming deduction u/s 80P of the Act for various assessment years from A Y 2018-19 to AY 2022-23. In so far as section 80P of the Act is concerned, Finance Act, 2018 substituted section 80AC of the Act w.e.r.

  01 .04.2018. The CCslT/DGsIT while deciding such applications for condonation of delay in furnishing return of income shall satisfy themselves that the applicant's case is a fit case for condonation under the existing provisions of the Act. The CCslT/DGsIT shall examine the following while deciding such applications (i) the delay in furnishing the return of income within the due date under sub section (I) of section 139 of the Act was caused due to circumstances beyond the control of the assessee with appropriate documentary evidence/s

  (ii) where delay in furnishing return of income was caused due to delay in getting the accounts audited by statutory auditors appointed under the respective State Law under which such person is required to get his accounts audited, the date of completion of audit vis·a·vis the due date of furnishing the return of income under sub section (I) of section 139 of the Act and

  (iii) any other issue indicating towards tax avoidance or tax evasion specific to the case, which comes into the light in the course of verification and having bearing either in the relevant assessment year or establishing connection of relevant assessment year with other assessment year/s.

- **Circular No. 14/2023 Dated 27th July 2023:** Standard Operating Procedure (SOP) for making application for recomputation of total income of a co-operative society engaged in the business of manufacture of sugar, as provided for in the sub-section (19) of section 155 of the Income-tax Act, 1961.

INDIRECT TAXES

GST

- **Notification No. 18/2023-CENTRAL TAX Dated 17th July 2023:** Seeks to extend the due date for furnishing FORM GSTR-1 for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur. In exercise of the powers conferred by the proviso to sub-section (1) of section 37 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 83/2020 –Central Tax, dated the 10thNovember, 2020. In the said notification, in the fourth proviso (i) for the words, letter and figure "tax periods April 2023 and May 2023",the words, letter and figure "tax periods April 2023, May 2023 and June 2023" shall be substituted (ii) for the words, letters and figure "thirtieth day of June, 2023", the words, letter and figure "thirty-first day of July, 2023" shall be substituted. This notification shall be deemed to have come into force with effect from the 30thday of June, 2023.

- **Notification No. 19/2023-CENTRAL TAX Dated 17th July 2023:** Seeks to extend the due date for furnishing FORM GSTR-3B for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur. In exercise of the powers conferred by sub-section (6) of section 39 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2023 Central Tax, dated the 24th May, 2023.

  (i) for the words, letter and figure "months of April, 2023 and May, 2023" the words, letter and figure "months of April, 2023, May, 2023 and June, 2023" shall be substituted(ii) for the words, letters and figure "thirtieth day of June, 2023", the words, letter and figure "thirty first day of July, 2023" shall be substituted. This notification shall be deemed to have come into force with effect from the 30thday of June,2023.

- **Notification No. 20/2023-CENTRAL TAX Dated 17th July 2023:** Seeks to extend the due date for furnishing FORM GSTR-3B for quarter ending June, 2023 for registered persons whose principal place of business is in the State of Manipur. In exercise of the powers conferred by sub-section (6) of section 39 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby extends the due date for furnishing the return in FORM GSTR-3B for the quarter ending June, 2023 till the thirty-first day of July, 2023, for the registered persons whose principal place of business is in the State of Manipur and are required to furnish return under proviso to sub-section (1) of section 39 read with clause (ii) of sub-rule (1) of rule 61 of the Central Goods and Services Tax Rules, 2017.

- **Notification No. 21/2023-CENTRAL TAX Dated 17th July 2023:** Seeks to extend the due date for furnishing FORM GSTR-7 for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur. In exercise of the powers conferred by sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner hereby makes the following further amendment in notification of the Government of India in the Ministry of Finance (Department of Revenue), No.26/2019 Central Tax, dated the 28th June, 2019. In the said notification, in the first paragraph, in the fifth proviso: (i) for the words, letter and figure "months of April 2023 and May 2023" the words, letter and figure "months of April 2023, May2023 and June 2023" shall be substituted (ii) for the words, letters and figure "thirtieth day of June, 2023", the words, letter and figure "thirty-first day of July, 2023" shall be substituted. This notification shall be deemed to have come into force with effect from the 30thday of June, 2023.

- **Notification No. 22/2023-CENTRAL TAX Dated 17th July 2023:** Seeks to extend amnesty for GSTR-4 non-filers. In the said notification, in the seventh proviso, for the words, letter and figure "30thday of June, 2023"the words, letter and figure "31stday of August, 2023" shall be substituted. This notification shall be deemed to have come into force with effect from the 30thday of June, 2023.

- **Notification No. 23/2023-CENTRAL TAX Dated 17th July 2023:** Seeks to extend time limit for application for revocation of cancellation of registration. In the said notification, for the words, letter and figure "30thday of June, 2023" the words, letter and figure "31stday of August, 2023" shall be substituted. This notification shall be deemed to have come into force with effect from the 30thday of June, 2023.

- **Notification No. 24/2023-CENTRAL TAX Dated 17th July 2023:** Seeks to extend amnesty scheme for deemed withdrawal of assessment orders issued under Section 62. In the said notification, for the words, letter and figure "30thday of June, 2023"the words, letter and figure "31stday of August, 2023" shall be substituted.2. This notification shall be deemed to have come into force with effect from the 30thday of June, 2023.

- **Notification No. 25/2023-CENTRAL TAX Dated**

17th July 2023: Seeks to extend amnesty for GSTR-9 non-filers. In the said notification, in the proviso, for the words, letter and figure "30th day of June, 2023"the words, letter and figure "31stday of August, 2023" shall be substituted. This notification shall be deemed to have come into force with effect from the 30th day of June, 2023.

- **Notification No. 26/2023-CENTRAL TAX Dated 17th July 2023:** Seeks to extend amnesty for GSTR-10 non-filers. In the said notification, for the words, letter and figure "30thday of June, 2023" the words, letter and figure "31stday of August, 2023" shall be substituted. This notification shall be deemed to have come into force with effect from the 30thday of June, 2023.
- **Circular No. 192/04/2023-GST Dated 17th July 2023:** Clarification on charging of interest under section 50(3) of the CGST Act, 2017, in cases of wrong availment of IGST credit and reversal thereof.
- **Circular No. 193/04/2023-GST Dated 17th July 2023:** Clarification to deal with difference in Input Tax Credit (ITC) availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021.
- **Circular No. 194/04/2023-GST Dated 17th July 2023:** Clarification on TCS liability under Sec 52 of the CGST Act, 2017 in case of multiple E-commerce Operators in one transaction.
- **Circular No. 195/04/2023-GST Dated 17th July 2023:** Clarification on availability of ITC in respect of warranty replacement of parts and repair services during warranty period.
- **Circular No. 196/04/2023-GST Dated 17th July 2023:** Clarification on taxability of share capital held in subsidiary company by the parent company.
- **Circular No. 197/04/2023-GST Dated 17th July 2023:** Clarification on refund-related issues.
- **Circular No. 198/04/2023-GST Dated 17th July 2023:** Clarification on issue pertaining to e-invoice.
- **Circular No. 199/04/2023-GST Dated 17th July 2023:** Clarification regarding taxability of services provided by an office of an organisation in one State to the office of that organisation in another State, both being distinct persons.

CUSTOMS

- **Notification No. 43/2023-Customs Dated 1st July 2023**: Seeks to amend the First Schedule of the Customs Tariff Act. In exercise of the powers conferred by sub-section (1) of section 8A of the said Customs Tariff Act, the Central Government, hereby directs that the First Schedule to the said Customs Tariff Act, shall be amended in the following manner, namely:-In the First Schedule to the said Customs Tariff Act, in Chapter 27, for the entry in column (4) occurring against tariff items 2711 12 00 and 2711 13 00,the entry "15%" shall be substituted.
- **Notification No. 44/2023-Customs Dated 1st July 2023:** Seeks to amend notification No. 50/2017 -Customs dated 30.06.2017 in order to prescribe a concessional BCD on liquified Propane and liquified Butane. In the said notification, in the Table, after S. No. 153 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:

153A	27111200, 27111300	Liquified Propane, Liquified Butane	2.5%

- **Notification No. 45/2023-Customs Dated 1st July 2023:** Seeks to amend notification No. 11/2021-Customs dated 01.02.2021 in order to prescribe the AIDC rate for liquified Propane and liquified Butane. In the said notification, (i) in the TABLE, after Sl. No. 10, and the entries relating thereto, the following Sl. No. and entries shall be inserted, namely:

10AA	2711 12 00 27111300	Liquified Propane Liquified Butane	15%

- **Notification No. 46/2023-Customs Dated 1st July 2023:** Seeks to amend certain notifications in order to implement recommendation of GST COUNCIL in its 50th meeting.

CENTRAL EXCISE

- **Notification No.23/2023-Central Excise Dated 14th July 2023:** Seeks to amend No. 18/2022-Central Excise, dated the 19th July, 2022 to increase the Special Additional Excise Duty on production of Petroleum Crude. In the said notification, in the Table, against S.No.1,for the entry in column (4),the entry "Rs.1,600 per tonne" shall be substituted. This notification shall come into force on the15th day of July, 2023.
- **Notification No.24/2023-Central Excise Dated 31st July 2023:** Seeks to amend No. 18/2022-Central Excise, dated the 19th July, 2022 to increase the Special Additional Excise Duty on production of Petroleum Crude. In the said notification, in the Table, against S. No.1,for the entry in column (4), the entry "Rs.4,250 per tonne" shall be substituted. This notification shall come into force on the1st day of August,2023.
- **Notification No.25/2023-Central Excise Dated 31st July 2023:** Seeks to further amend No. 04/2022-Central Excise, dated the 30th June, 2022 , to increase the Special Additional Excise Duty on export of Diesel. In the said notification, in the Table, against S.No.2, for the entry in column (4), the entry" Rs.1 per litre" shall be substituted. This notification shall come into force on the1st day of August,2023. MA

Sources: *incometax.gov.in, cbic.gov.in*

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