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CHANGING CONTOURS OF INDIAN INSURANCE SECTOR

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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Azadi Ka Amrit Mahotsav

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

MISSION STATEMENT

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

VISION STATEMENT

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

IDEALS THE INSTITUTE STANDS FOR

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

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

Headquarters
CMA Bhawan, 12 Sudder Street
Kolkata - 700016

Institute Motto

असतोमा सद्गमय
तमसोमा ज्योतिर् गमय
मृत्योर्मामृतं गमय
ॐ शान्ति शान्ति शान्तिः

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

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

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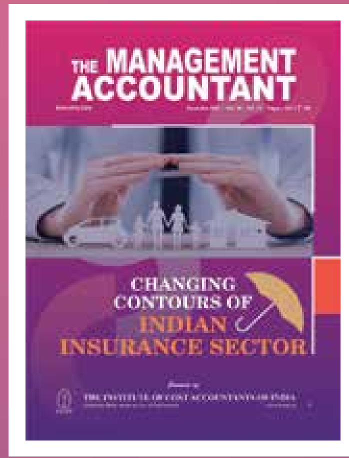
DECEMBER 2021



DECEMBER VOL 56 NO.12 ₹100

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OUR NEW PRESIDENT

CMA P. RAJU IYER

has been elected as President of the Institute for the period 2021-2022

- He was elected as the Vice President of the Institute for the year 2020- 2021.
- He is a Fellow Member of the Institute of Cost Accountants of India and is in practice since 2000.
- He is also Associate Member of the Institute of Company Secretaries of India [ICSI] and the Chartered Institute of Management Accountants (CIMA), UK.
- He has a rich experience over a period 4 decades with increasing and progressive responsibilities covering wide areas of organisational development, wealth creation & value addition process to the profession.
- He has been the Member of the Council of the Institute (Term 2015-2019) and Elected consecutively for the Second Time to the Council of the Institute (Term 2019-2023).
- He has been Chairman and member of various Committees and Boards of the Institute of Cost Accountants of India such as Professional Development & CPD Committee, Cost Auditing & Assurance Standards Board, Cost Accounting Standards Board and other important committees of the Institute.
- The Internal Auditing & Assurance Standards Board established by the Institute for the first time in 2019 was nurtured under his Chairmanship.
- Being a professional with strong desire towards inclusive growth of the profession, he was elected as the Chairman of SIRC of the Institute of Cost Accountants of India for the year 2013-14, (Performed at various capacities as RCM from 2007).
- Founder and Convener 2012-13, Chennai West Study Circle, SIRC of ICSI.
- Treasurer, Consultancy Development Centre (DSIR, Ministry of Science & Technology), Chennai Chapter.
- Has been Convener for Online Taxations Forum, Confederation of Indian Industry [CII] Chennai during 2010 - 12.
- Associated with Professional Bodies and management association for the networking of members.
- Visiting Faculty for professional courses at various reputed Institutions, Colleges and Universities, ACCA-UK & CIMA-UK, MMA, CII and other Associations.
- Has been prolific and motivating speaker, mentored youth and professionals with wide network in India and abroad. He has addressed in national and international conferences, seminars, symposium for students and professionals.
- Received Par Excellence President Award from His Excellency Shri. Rossaiah, then Governor of Tamil Nadu.
- Prestigious Melvin Jones Fellow (PMJF Lion). As a President of the Club during 2012-13 planted 1,000's of trees and career Guidance to Reach the Unreached, mentoring youth and grooming professionals.
- Treasurer, Samskar Bharathi, Tamil Nadu (Organisation dedicated to promote Culture and Arts) Tamil Nadu.

OUR NEW VICE PRESIDENT

CMA VIJENDER SHARMA

has been elected as Vice President of the Institute for the period 2021-2022

- CMA Vijender Sharma is a Central Council member of Institute of Cost Accountants of India for year 2019-23.
- CMA Vijender Sharma is a Fellow Member of the Institute of Cost Accountants of India and Law Graduate. He is a leading practicing Cost Accountant since 1998 & Insolvency Professional since Jan' 2017. His dynamism is embedded with rich experience of over 22 years in diversified areas of Financial, Cost and Management Accounting, Internal Audit, Management Consultancy, Forensic Audit, Insolvency and Liquidation, etc.
- He has been actively associated with the Institute in various capacities since the year 2007. He has been Central Council Member 2015-19 of the Institute of Cost Accountants of India. He has been Chairman of various Committees such as Public Finance & Government Accounting, Election Reform Committee, Professional Development & CPD Committee and International Affairs Committee.
- He has been Regional Council Member of North India Regional Council of the Institute of Cost Accountants of India (NIRC-ICAI) for the term 2007-2011 & 2011-2015. He has been Chairman of (2012-2013 and 2014-2015) and performed in various capacities as RCM.
- CMA Vijender Sharma is active member of the :
  - Insolvency Professional Agency of Institute of Cost Accountants of India (IPA-ICAI).
  - Insolvency Professional of Insolvency and Bankruptcy Board of India.
  - PHD Chamber of Commerce- Committee for Insolvency & Bankruptcy Code, Committee for National Council on MSME & Committee for Indirect Tax.
  - ASSOCHAM- Committee for Forensic Audit, Committee for Direct Tax Committee, & Committee of Law & Justice Committee.
  - Association of Certified Fraud Examiner (ACFE).
- Developed advocacy for the profession with maximum representation to the different authorities of Central & State Govt., Public & Private enterprises through a dedicated, focused and strategic approach, combined with aggressive follow-up.
- CMA Vijender Sharma has been speaker for various programs/seminar for Comptroller and Auditor General of India (CAG), Insolvency & Bankruptcy Code, Goods and Services Tax (GST), Forensic Department, Excise Department, Service Tax Department.
- He has organized many programs for professionals in GST and IBC and also for Income Tax, Central Excise, VAT, Cost Audit, Forensic Dept., Banks etc.
- Also conducted various competency and capacity building programs to enhance skills and explore the talent for CMA Members.

EDITORIAL

Changing Contours of Indian Insurance Sector

The insurance industry in India has been growing dynamically, with total insurance premiums increasing rapidly, as compared to global counterparts. The ongoing COVID-19 pandemic drastically shifted consumer needs, habits and expectations, while compelling virtualization of operations. The deadly novel coronavirus triggered a galore of structural changes across all sectors and the insurance industry was no exception. Fortunately, during these tough times, the Indian insurance industry buckled down efficiently. The industry made the best use of technology to provide the greatest possible support to customers in buying the right protection products.

The life insurance industry is expected to increase at a CAGR of 5.3% between 2019 and 2023. India's insurance penetration was pegged at 4.2% in FY21, with life insurance penetration at 3.2% and non-life insurance penetration at 1%. In terms of insurance density, India's overall density stood at US$ 78 in FY21. The insurance industry has been spurred by product innovation and vibrant distribution channels, coupled with targeted publicity and promotional campaigns by insurers. In July 2021, non-life insurance premium stood at Rs. 20,171 crore, an increase of 19.5% YoY, as compared with Rs. 16,885 crore in July 2020. The growth was driven by strong performance from health and motor segments. In July 2021, standalone private health issuers registered a premium growth of Rs. 1,753 crore, an increase of 27.5% YoY.

Union Budget 2021 increased FDI limit in insurance from 49% to 74%. India's Insurance Regulatory and Development Authority (IRDAI) has announced the issuance, through Digilocker, of digital insurance policies by insurance firms. According to data from the Insurance Regulatory and Development Authority of India (IRDAI), 25 general insurance companies recorded a 10.8% increase in their collective premium in January 2021 to Rs. 16,247.24 crore compared with Rs. 14,663.40 crore in January 2020. In August 2021, PhonePe announced that it has received preliminary approval from IRDAI to act as a broker for life and general insurance products. As a result, the company can now offer insurance advice to its more than 300 million users.

In the year 2021, the LIC introduced its Saral Pension Scheme, which is a non-linked, non-participating, single premium, individual immediate annuity plan. Going forward, increasing life expectancy, favourable savings and greater employment in the private sector is expected to fuel demand for pension plans. Likewise, strong growth in the automotive industry over the next decade would be a key driver for the motor insurance market. The public and private sectors have been actively working towards crop insurance.

With increasing penetration of the internet, cyber attacks have been increasing at an alarming rate. 2021 has been a year of change in the cyber insurance market. With the rise in ransomware attacks, insurers are also looking at the organisation's preparedness to respond to an incident and their cyber security maturity levels. A cyber insurance policy is a must-have instrument as almost every individual is becoming victim to some or the other form of cyber crime, cyber insurance now covers all cyber-related risks such as identity theft, ransomware, cyber bullying, financial frauds, mitigation losses, extortion, and many others.

CMAs, based on their techno-professional skills, can play a significant role if appointed as a consultant to assist the management in decision-making purpose and risk-mapping purposes. In various types of general insurance policies such as fire, marine, Loss due to natural calamity, loss of profits, fidelity guarantee, mean damage, etc., the CMAs can act as the surveyor and assess the quantum of loss strictly as per conditions laid down in the policy. The CMAs can assess and certify Transit Loss arising due to leakage, pilferage or improper packing, Marine loss occurring due to leakage or pilferage, Loss of Stock due to fire and Damage of equipment by militant, trade unions or political parties.

This issue presents a good number of articles on the cover story "Changing Contours of Indian Insurance Sector" written by distinguished experts. We look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at *editor@icmai.in.* We thank all the contributors to this important issue and hope our readers will enjoy the articles.

THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

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

January 2022

Theme: Future of Banking in India

Subtopics:

- The Indian Banking Sector: Its journey so far
- EASE 4.0: Reform agenda for Public Sector Banks (PSBs) towards Smart Banking
- Green Banking: Ways and Practices
- India's approach to Open Banking
- The 'RBI Retail Direct' scheme: a One-Stop Solution to Facilitate Investment in Government Securities
- Cloud Banking: a Potential Game-changer
- E-payment Landscape: Trends & Opportunities
- Innovation-driven Cyber Risk: Imminent Need of the Hour
- 'MSME Prerana': Empowering MSMEs amidst Pandemic

February 2022

Theme: "Azadi Ka Amrit Mahotsav": Promoting a spirit of Pride and Aatmanirbharta

Subtopics:

- Aatmanirbharta: Providing impetus towards achieving Independence 2.0
- Showcasing India as a Rising Economic Force: Achievements so far in terms of Education, Health and Technology
- Role of Good Corporate Governance in achieving Atmanirbhar Bharat
- 'Swachhata Se Sampannata': 7 years of iconic Swachh Bharat Mission
- Attaining Self-reliance in Agriculture
- MSMEs as the driver for Aatmanirbhar Bharat
- Export Promotion-Import Substitution: Reducing Dependence
- National Single Window System and Industrial Park Rating System: a Decision Support System for Investors and Policy Makers
- Decriminalisation of various offences under Companies Act & LLP Act: A major initiative by GoI towards Ease of Doing Business & a step towards making India Self-Reliant"
- 'Shatabdi Sankalp': India in the next 25 years
- Role of CMAs to shape a more glorified future

March 2022

Theme: Environmental, Social & Governance (ESG)

Subtopics:

- Introduction to ESG
- The ESG Market
- Environmental, Social & Governance Factors
- ESG Risks and Opportunities-Key Considerations for Companies & Investors
- ESG Reporting, Transparency, and Valuation
- ESG Competitive advantages, Trends and Initiatives
- ESG Integrated Portfolio Construction and Investment Strategies
- Global ESG Regulatory Reform and Development
- COP26 Goal

April 2022

Theme: Evidence-based Management (EBM)

Subtopics:

- Evidence-based Decision Making
- Evidence-based Human Resource Management
- Evidence-based Policy Making
- Evidence -based Health Care
- Evidence synthesis and Systematic review
- Critical thinking on EBM
- Creativity and Culture

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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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
Statutory Body under an Act of Parliament

Behind every successful business decision, there is always a CMA

PRESIDENT'S COMMUNIQUÉ

CMA P. Raju Iyer
President
The Institute of Cost Accountants of India

"Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do."

-Steve Jobs

My Dear Professional Colleagues,

Namaskar!

I feel extremely privileged to take over as 64th President of the Institute to lead and serve the Institute and CMA profession. I extend my sincere gratitude to all my Council Colleagues for placing their trust and confidence in my abilities and electing me as President of this illustrious Institute. I express my gratitude to elected representatives of Regional Councils, Chapters and also the members of the profession for their all-time support.

I congratulate my council colleague CMA Vijender Sharma on his election as the Vice President of the Institute. I am confident that his rich professional experience will certainly benefit the Institute and also help me in accomplishing my agenda for growth of the profession.

I would also like to acknowledge various accomplishments of our immediate past President and my council colleague, CMA Biswarup Basu during his presidentship and assure that we will take all his initiatives forward and achieve many significant milestones taking the Institute to newer and greater heights.

Over the last two years, COVID-19 pandemic has posed a greatest challenge before the country in terms of human, economic and financial crisis. The pandemic has brought the world to the second great economic and financial crisis of the 21st century but with the agile response of government to the challenges posed by the corona virus, we are gradually moving into a post-COVID dispensation. We are hopeful and would continue to support the decisions of our government in combating these challenges.

Being a Statutory professional body of Cost and Management Accountants, the Institute has been continuously contributing to the growth of the industrial and economic climate of the country and our large convoy of CMAs have been partners in the Nation Building. We are committed to focus on Hon'ble Prime Minister's vision of Atmanirbhar Bharat by supporting the Government's initiatives with an aim to help India to become cost competitive, capture export market, catalyze wider employment generation and GDP growth, much needed to achieve the PM's goal of USD 5 Trillion Economy by 2025.

My action plan for the year is to focus on ensuring inclusive growth of profession by addressing the challenges and creating opportunities for the members in this dynamic economic environment. I know it is a significant commitment, but I am prepared to contribute with the support of my council colleagues to build upon the successes of the past and to fulfill the vision & mission of the Institute.

- I seek your support and cooperation for timely and proper implementation of my following action plans for the growth and development of our profession and the Institute:
- To bring out a comprehensive compendium on Internal Audit Standards and Industry specific guidance manual on Internal Audit.
- To launch certificate and diploma course on Internal Audit.
- Revision of Standards on Cost Auditing and Cost Accounting Standards to make them more users friendly.
- To support the initiatives of the Government for the sustainable development of MSMEs and startups.
- To develop a framework of Performance Audit.
- Ensuring good Corporate Governance practice in India.
- Formation of Task Force for Agriculture Cost Management for augmenting Farmers' Income.
- Ensuring sustainable growth & value creation for all stakeholders.
- Be a partner of the Government in achieving Hon'ble Prime Minister's goal of USD 5 Trillion Economy.
- To develop a framework for Business Responsibility and Sustainability Reporting.
- Enlarging the scope for the members in various professional avenues.
- Partnering with the Skill Development Initiatives of the Government through CAT course.
- More emphasis will be given to further improve the liaising with Government.

I sincerely believe that with collective & organised efforts of all stakeholders of the Institute, we will take the profession to greater heights of glory and success.

I wish prosperity and happiness to members, students and their family on the occasion of Christmas & Season's Greetings and wish them success in all of their endeavours.

I wish students all the very best for their online examination!

Stay safe and healthy!

With warm regards,

CMA P. Raju Iyer

December 1, 2021

CMA Biswarup Basu
President (2020-21)
The Institute of Cost Accountants of India

COMMUNIQUÉ FROM THE PRESIDENT (2020-21)

"Don't look back -forward infinite energy, infinite enthusiasm, infinite daring, and infinite patience – then alone can great deeds be accomplished."

– Swami Vivekananda

My Dear Professional Colleagues,

I am writing my final message as President of this prestigious Institution. I would like to reiterate my gratitude to the vice president, my council colleagues, government nominees, past presidents, regional councils, chapters and employees of the Institute for their constant support during my tenure as President of the Institute. I am also thankful to the officials of Ministry of Corporate Affairs and other ministries for their cooperation and support extended to the Institute as always.

I am sure that my successor, who will be taking over the charge as President of the Institute on 28th November, will carry forward all the initiatives taken during my tenure. I am confident that CMA profession will reach greater heights under his leadership. I assure my wholehearted support to my successor in all his endeavours towards growth and development of the profession and the Institute.

I am pleased to reiterate the various accomplishments during my tenure:

- The Security Exchange Board of India (SEBI) has included the practicing Cost Accountants to carry out share reconciliation audit of issuer companies under the Regulation 76(1) of SEBI (D&P) Regulations, 2018.
- Successful launch of Digi-Locker facility for the members and students. DigiLocker is a flagship initiative of Ministry of Electronics & IT (MeitY) under Digital India programme, providing access to authentic digital documents like, Members' ID cards, certificates of passing, mark sheets, Membership certificates & Certificates of Practice, etc.
- UK NARIC evaluated CMA qualification as equivalent to postgraduate degree and CMA Intermediate as equivalent to graduation degree in the context of UK and UAE education systems.
- University Grants Commission (UGC) of India recognized the CMA qualification as equivalent to postgraduate degree for appearing in UGC-National Eligibility Test.
- More than 550 qualified CMAs from December 2020 term examination got placed in reputed organisations, which is all time high figure in the History of Campus Placement drive by the Institute, with the maximum annual package of Rs. 22 lakhs.
- Record breaking growth in students' admission with registration of around 32,000 students for June 2021 and 35,000 students for December 2021 term examination even during pandemic situation.
- Successful conduct of December, 2020 term examination through online mode.
- Implementation of online World Class Employability and Techno-Skill Training Facilities in the form of SAP Finance Power User, Microsoft, Cambridge University Press Soft Skill and E-Filing Training and Certification for Intermediate students.
- Finalisation of new 'Syllabus 2022' of CMA Course and updation of CAT course Syllabus.
- Network expansion by Constitution of five new Chapters, namely, Patna Saheb Chapter, Tirupati Chapter, Dindigul Chapter, Sathavahana Chapter and Warangal Chapter, and Inauguration of London Overseas Centre of Cost Accountants (LOCCA).
- Signed MoU with Association of Chartered Certified Accountants (ACCA), UK
- Entered into MoUs with many esteemed institutions, such as RTI Mumbai, a Training Institute of the Comptroller and Auditor General of India (C&AG), Higher Education Department, Government of Jammu and Kashmir, GPS Institute of Agricultural Management, Bengaluru, National Institute for Micro, Small and Medium Enterprises, Hyderabad, National Insurance Academy, City College, Chennai, Savitribai Phule Pune University (SPPU), National Insurance Academy (NIA), Sri Ramachandra Institute of Higher Education & Research [SRIHER], Association of Accounting Technicians (AAT) and Maharashtra State Skill Development Society (MSSDS), Government of Maharashtra.
- Received ex-post facto approval of the Union Cabinet for the Memorandum of Understandings

(MoUs) entered into by the Institute with four Foreign Professional Accountancy Institutes namely, the Institute of Public Accountants (IPA), Australia, Chartered Institute for Securities and Investment, UK (CISI), Chartered Institute of Public Finance and Accountancy (CIPFA), UK, the Institute of Certified Management Accountants of Sri Lanka.

- Launch of Diploma Course in Information System Security Audit (DISSA) and Forensic Audit, and Certificate Course on Advanced Business Excel for Finance Professionals.
- Launch of Certificate Course on General Insurance in association with National Insurance Academy, Integrated Technical Analysis and Advanced Derivatives in association with NISM.
- Launch of Advanced Course on GST Audit & Assessment Procedure and Advanced Course on Income Tax Assessment & Appeal.
- Release of Internal Audit & Assurance Standards (IAAS) by the Internal Auditing and Assurance Standards Board (IAASB) of the Institute.
- Release of 'Aide Memoire on Lending to Micro, Small & Medium Enterprises Sector (Including Restructuring of MSME Credit).
- Release of Guidance Note on Internal Audit of Pharmaceutical Industry, Internal Audit of Power Sector, Local Content in Manufacturing, Production and Supply of Goods and Services, and Information System Security Auditors.
- Release of Concept Paper on Augmenting the Farmer's Income: Roadmap for CMAs' and GST in Petroleum Sector, and Handbook on Departmental Audit under GST.
- Issued an advisory for the treatment of various elements of costs in compilation of Cost Records, Cost Statements & Annexures to Cost Audit Report.
- Release of Draft Guidelines for the Formation of Multi-Disciplinary Partnership (MDP) firms by the members of the Institute of Cost Accountants of India as per provisions of the Cost and Works Accountants Act and Regulations.
- Successful completion of prestigious project on Performance Costing System (PCS) in Indian Railways.
- Initiated a Study on Cost of Healthcare Services in India under the supervision of a High Level Committee constituted for this purpose, comprising of domain experts, government & regulators' nominees and industry representatives. The Study would recommend uniform rates for all medical procedures, irrespective of the source of funding; and performance costing & reporting system for the healthcare service providers. Besides, it will provide requisite inputs to the Government and Regulators.

Meetings with dignitaries

I am pleased to inform that CMA P. Raju Iyer, Vice President along with CMA Vijender Sharma, Chairman, Professional Development & CPD Committee, CMA Chittaranjan Chattopadhyay, Chairman, BFSI Board and Indirect Taxation Committee and CMA B B Goyal, Former Addl. Chief Advisor (Cost), Ministry of Finance, GoI had a meeting with Dr. Jitendra Singh, Hon'ble Union Minister of State for Personnel, P G and Pensions on 18th November, 2021 to discuss the representation submitted by the Institute to PESB to provide equal opportunity to Cost Accountants for recruitment to the post of Director (Finance) and other similar positions in Central PSEs.

A delegation led by CMA P. Raju Iyer, Vice President the Institute had a meeting with Shri Injeti Srinivas, IAS (Retd.), Chairperson of International Financial Services Centres Authority (IFSCA) on 17th November, 2021 to discuss Institute's representation to provide equal opportunity to Cost Accountants for Certifications under the International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021. The meeting was attended by CMA Chittaranjan Chattopadhyay, Chairman, BFSI Board and Indirect Taxation Committee and CMA B B Goyal, Former Addl. Chief Advisor (Cost), Ministry of Finance, GoI.

Representation on Name Change and Accountant Definition

I wish to inform the members that the Institute has submitted representation on change of the name of the Institute to the Institute of Cost and Management Accountants of India (ICMAI) and Inclusion of "Cost Accountant" in the definition of "Accountant" given in the Explanation to section 288(2) of the Income Tax Act, 1961, to all Cabinet Ministers and Ministers of State requesting them to extend their support to both long pending genuine demands of the Institute before the Government of India.

IFAC Council Meeting

I along with CMA (Dr.) Balwinder Singh, Immediate Past President of the Institute attended the Ordinary Council Meeting of International Federation of Accountants (IFAC) held on 10th and 11th November 2021 through video conferencing.

IIRC Council Meeting

CMA (Dr.) Balwinder Singh, Immediate Past President and Institute's representative to the Council of International Integrated Reporting Council (IIRC), UK attended the IIRC Council Meeting held on 16th November 2021 via video conferencing.

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

BFSI Board and BFSI department, under the Chairmanship and dynamic leadership of CMA Chittaranjan Chattopadhyay continued to plan and execute numerous activities during the month of November 2021, a summary and brief note of which are as follows:

I) Certificate Course on General Insurance in association with National Insurance Academy:

The BFSI Board started the 1st batch of Certificate Course on General Insurance in association with National Insurance Academy (NIA) from 20th November, 2021 to update the members about various facets of general insurance which are necessary for them to update their knowledge in insurance sector. The course was launched in the gracious presence of CMA G. Srinivasan, Director, National Insurance Academy along with CMA Chittaranjan Chattopadhyay, Chairman, BFSI Board and other eminent faculties of NIA.

The 2nd batch admission has started for members and students who should avail the opportunity of enrolling in the course for skill development and capacity building in the Insurance Sector.

II) Investment Management Course in association with NISM

BFSIB and NISM conducted the valedictory session for the Batch No. 1 of Level-IV and Batch No. 3 of Level-III respectively of the Investment Management course organized by BFSIB and NISM on 14th November, 2021. The programme was graced by Dr. V. R. Narasimhan, Dean SRSS & SCG, NISM and Dr. C K G Nair, Director, NISM respectively along with CMA Chittaranjan Chattopadhyay, Chairman, BFSI Board. The programme was compered by CMA (Dr.) Latha Chari, Associate Professor, NISM.

III) Banking Courses

BFSIB has concluded the 4th batch of Certificate Course on Treasury and International Banking on 7th November 2021. The admission process for the 6th Batch of Certificate Course on Concurrent Audit of Banks and Certificate Course on Credit Management of Banks respectively is going on along with the 5th batch of Certificate Course on Treasury and International Banking respectively.

Like all other courses of the Institute, I am sure members and students who take up the three certificate courses on Banking will greatly benefit towards their skill development and knowledge enhancement.

IV) Workshop on Risk Based Internal Audit

BFSIB organized the Workshop on Risk Based Internal Audit from 18th to 21st November, 2021. It was attended by bankers form Urban Cooperative Banks, Housing Finance Companies, Banks and others for the three days' full day workshop. The workshop was inaugurated by Shri Hargovind Sachdev, Former General Manager of State Bank of India on 18th November, 2021 along with CMA P. Raju Iyer, Vice President and CMA Chittaranjan Chattopadhyay, Chairman, BFSIB respectively. It was concluded with a wrapping up session by CMA Srinivasaraghavan, Consultant on 21st November, 2021. The workshop was very well appreciated as per the feedback received from the participants and the BFSIB will organize such online workshops in the coming days.

V) Webinar

BFSIB organized a webinar on Mutual Funds on 23rd November, 2021 for investor awareness of capital markets among students, members and others. It was conducted by Shri Sudhakar Kulkarni, Certified Financial Planner.

VI) Representation letters for inclusion of CMAs

The BFSI Directorate has represented to various authorities and employers for inclusion of CMAs in the BFSI sector whenever such a scope has come to the notice of the Institute.

VII) BFSI Chronicle 7th Volume

The BFSIB has published the 7th Volume of the BFSI Chronicle. It is available in the BFSIB portal of Institute's website which includes articles of relevance in the BFSI sector along with other features. Members and students can take the benefit for knowledge dissemination.

CORPORATE LAWS COMMITTEE

I applaud the Corporate Laws Committee for successfully conducting the 4 days in-depth sessions on Filing of ROC Forms. The programme was attended by large number of members who participated through Q&A session. Various e-forms were covered by the speaker on directors appointment, annual filing of return etc. The programme was well coordinated by CMA Vinayak Kulkarni, Regional Council Member from WIRC. The Corporate Laws Committee, through its Chairman CMA (Dr.) Ashish P. Thatte, has throughout the year organized various beneficial programmes in its endeavour to enhance the area of expertise of its members and students.

INTERNAL AUDITING AND ASSURANCE STANDARDS BOARD

CMA P Raju Iyer, Vice President and Chairman of Internal Auditing and Assurance Standards Board (IAASB) visited the Madurai Chapter of the Institute and addressed the members and students on "Internal Auditing - Way Forward" on 24th November 2021. CMA T C A Srinivasa Prasad, former Council Member of the Institute presented the Internal Audit & Assurance Standards to the august gathering and highlighted the contents with practical importance.

CMA P Raju Iyer, Vice President also visited the Nellai Pearl City Chapter of the Institute and interacted with the members and students on "Internal Auditing - Way Forward" on 25th November 2021. CMA Rakesh Shankar Ravisankar delivered a presentation on Guidance Notes issued by the Board to the august gathering and highlighted the contents with live interactions.

- **International Conference on Promotion of Cognitive Entrepreneurship - AI Powered Transformation:**

The Institute joined hands with Manonmaniam Sundaranar University (MSU), State University situated in Tirunelveli in conducting the International Conference on Promotion of Cognitive Entrepreneurship - AI Powered Transformation on 26th & 27th November 2021. Conference was inaugurated by CMA P Raju Iyer, Vice President along with Dr. K. Pituchumani, Vice Chancellor of the University, Dr. B. Revathy, Dean of Arts and Convenor & CMA Rakesh Shankar Ravisankar, Co-Convenor of the Conference. 23 Technical Themes, 40 Paper Presentations and 100 articles were presented in the conference. Proceedings of the conference were released by the Vice President, CMA P Raju Iyer. Sessions were handled by CMA Chittaranjan Chattopadhyay, CMA T C A Srinivasa Prasad, CMA (Dr.) K Ch A V S N Murthy, Dr. S. Santhosh Baboo, Principal, DDGD Vaishnav College, Dr. S. Padmavathi, Principal, SSS Jain College for Women, CA Ratnakar Samavedam, Shri Ramgopal Suriyanarayanan, Dr. J. Jayasankar, Dr. R Sundari, DDGD Vaishnav College, Dr. T. K. Avvai Kothai, Guru Nanak College, Chennai, CMA A Mayil Murugan, Madura's College, Madurai. Dr. K. Sundar -Annamalai University , Dr. P. Arunachalam, Cochin University of Science and Technology, Dr. S. Srividya. Director, SAASC, CMA T Vigneshwaran, Pondicherry Chapter. Valedictory Session was addressed by CMA K Rajagopal, Chairman- SIRC and CMA Nellai R Kumar, PD Chairman, Nellai Pearl City Chapter.

MEMBERSHIP DEPARTMENT

I am happy to share that during the month of November 2021, 100 new Associate memberships have been granted and 27 Associate members have been upgraded to Fellowship. I congratulate and extend a warm welcome to all the members.

PROFESSIONAL DEVELOPMENT & CPD COMMITTEE

I would like to congratulate CMA Vijender Sharma, Chairman, Professional Development & CPD Committee for consistent efforts for various initiatives in professional development affairs of the Institute.

I would appreciate PD & CPD Committee for commencement of the 4th batch of Online Mandatory Capacity Building Training (e-MCBT) from 11th November 2021 for the practitioners who have acquired COP on & after 1st February, 2019. I firmly believe that the sessions are upgrading the skills and knowledge of CMA Practitioners and enhancing the Professional Competence.

PD Directorate submitted representations to various organizations for inclusion of cost accountants for providing professional services. I am also pleased to inform you that on the Institute's representation, the Shipping Corporation of India Limited and the Institutional Strengthening of Gram Panchayats (ISGP) Program II, Govt. of West Bengal considered the firm of Cost Accountants for conducting Internal Audit.

Please visit the PD Portal for Tenders/EOIs during the month of November 2021, where services of the Cost Accountants are required in The West Bengal Power Development Corporation Ltd. (WBPDCL), HSCC India Ltd., The Kerala State Women's Development Corporation Ltd. (KSWDC), Container Corporation of India Limited, Gail India Limited, IREL (India) Limited etc.,

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

REGIONAL COUNCIL AND CHAPTERS COORDINATION COMMITTEE

The Regional Council & Chapters Coordination Committee under the Chairmanship of CMA (Dr.) K Ch A V S N Murthy organized a WEBINT on 8th November, 2021 on "SAP Beyond the common T Codes" jointly with the Board of Advanced Studies & Research under the Chairmanship of CMA Debasish Mitra, Council Member of the Institute. CMA P Raju Iyer, Vice President addressed the participants along with CMA (Dr.) K Ch A V S N Murthy and CMA Debasish Mitra. The speaker for the session was CMA P. R. Ralkar, MD&CEO, mSYS DOT EXE where the WEBINT was attended in large numbers and was very well received by all the participants.

TAX RESEARCH DEPARTMENT

The Tax Research Department had been launching its fortnightly Tax Bulletin on regular basis for the past 4 years and this month the 100th Edition of the bulletin was launched with grandeur on the 17th November, 2021. The bulletin is widely appreciated among the industry and the Government officials and good wishes poured in from every nook and corner for this grand achievement. Also a very important webinar was conducted on the Topic "Recent Important Rulings and Amendments in GST", wherein Industry stalwarts shared their knowledge as speakers. The Pre-Budget Memorandum was also submitted to the Government for their consideration and we are being called for a presentation on the same on 7th December, 2021. GST course for Colleges and Universities has been successfully conducted for KCLAS College, Kerela with a batch size of 56 candidates. Exam has also been successfully conducted for the college on 29th November. This course has also commenced in Bemina College, Kashmir with a participation of 46 candidates. A very enriching workshop has also been conducted on the topic "Workshop on Provident Fund – Practical Approach". The workshop received good response with mass participation by the members and non- members.

INSOLVENCY PROFESSIONAL AGENCY OF THE INSTITUTE (IPA ICAI)

I am pleased to inform you that Insolvency Professional Agency of the Institute of Cost Accountants of India (IPA ICAI) has taken various professional development initiatives during the month of November 2021. IPA ICAI associated with NeSL organised Webinar on Digitalisation of Insolvency Process on 9th & 12th November 2021. Learning Session on Committee of Creditor was organised on 12th November 2021. Pre- Registration Course jointly organised by IPAICAI in association with IIIPI and ICSIIP from 17th to 23rd November 2021. Master Class on PUFE Transactions was organised on 19th November 2021 which was attended by 100 participants.

IPA ICAI in association with Insolvency and Bankruptcy Board of India and Jaipur Chapter of Cost Accountants of India organised Orientation Program on IBC and its emerging Framework on 20th November 2021 at Jaipur. The event was attended by me, CMA P. Raju Iyer, Vice President, CMA Rakesh Singh, Past President, CMA Vijender Sharma, Council Member of the Institute and Director IPA ICAI and Mr. Ramachandra Rao, General Manager, IBBI.

IPA ICAI has launched a 5 day's Executive Development Program - Series 1 from 24th to 28th November 2021. Please visit the website of IPA ICAI for its Au-Courant (Daily Newsletter) and monthly E- Journal.

I would like to pay tribute to Rabindranath Tagore by reproducing one of his quotes:

"Reach high, for stars lie hidden in you.

Dream deep, for every dream precedes the goal."

I wish prosperity and happiness to members, students and their family.

Be safe and healthy!

With warm regards,

Biswarup Basu

CMA Biswarup Basu

November 27, 2021

FROM THE DESK OF CHAIRMAN

CMA Chittaranjan Chattopadhyay
Chairman
Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India

BFSI Board in association with National Insurance Academy has started the 1st batch on Certificate Course on General Insurance on 20th November, 2021. The course has 9 modules in total covering Marine Insurance, Fire Insurance,Motor Insurance, Health Liability and Miscellaneous Insurance in the 1st Module. Thereafter the claims and reinsurance, insurance accounts, life insurance is covered in the Level-II. We are hopeful that the course will help the members and students for knowledge enhancement and capacity building.

The Banking, Financial Services and Insurance Board regularly publishes the BFSI Chronicle . In the month of December the Board is publishing the 8th issue of the BFSI Chronicle. It is available as per the following link: https://icmai.in/Banking_Insurance/

The protection of one's income in the silver age is epitome. It is therefore felt that the National Pension System can be the panacea for such a time. The BFSI Board had a meeting with Senior Officials of PFRDA and the Institute on 2nd December and soon we would be having a product which is useful and beneficial for the members, students and employees at large. The BFSI Board would be observing January, 2021 as the Pension Month. We would be having webinars for the benefit of members at large where NPS authorities will also be present.and such programmes will help them to popularize the schemes and would help in educating the salient features.

We would be soon launching a course on 'Post Graduate Program on Actuarial Science' in association with NIA and such course will have subject exemptions for the members. The NIA is in the process of taking exemption from their academic council before launch of the programme. The program covers the Core Principles and Practices of the Actuarial Profession. The course will enable the working professionals to acquire necessary actuarial and analytical skills. The online classes will be held during the weekends for knowledge dissemination.

With various efforts in the insurance and financial arena the BFSI Board is striving to spread the awareness of the BFSI across the members, students and others.

We have brought out the Guidance Note on Internal Audit on General Insurance Companies and Supplementary Guidance Note on the Impact of COVID-19 and future strategies for Internal Audit of General Insurance Companies -

https://icmai.in/upload/BI/GN_GIC.pdf

https://icmai.in/upload/BI/Supplementary-GN-GIC.pdf

We hope to bring out further publications for educating the members about various areas of Insurance including life insurance in the coming days.

BFSI Board regularly provides updates of the BFSI sector including Insurance in their daily updates which are uploaded daily in the BFSI portal for updating the members and students on changes and developments in the BFSI sector.

We intend to do a lot more activities in the coming days.

With Warm Regards

CMA Chittaranjan Chattopadhyay

November 25, 2021

CMA P. Raju Iyer elected as President & CMA Vijender Sharma as Vice-President of the Institute for the year 2021-22

CMA P. Raju Iyer, President, CMA Biswarup Basu, Immediate Past President and CMA Kaushik Banerjee, Secretary of the Institute extending greetings to Shri Rajesh Verma, IAS, Secretary to the Government of India, Ministry of Corporate Affairs on 30th November 2021

CMA P. Raju Iyer, President, CMA Biswarup Basu, Immediate Past President and CMA Kaushik Banerjee, Secretary of the Institute met with Shri Manmohan Juneja, OSD in O/o DGCoA, Ministry of Corporate Affairs on 30th November 2021

CMA P. Raju Iyer, President, CMA Biswarup Basu, Immediate Past President, CMA (Dr.) Balwinder Singh, Past President, CMA (Dr.) K Ch A V S N Murthy, Council Member and CMA Kaushik Banerjee, Secretary of the Institute extending greetings to Shri Manoj Pandey, Joint Secretary to the Government of India, Ministry of Corporate Affairs on 29th November 2021

CMA P. Raju Iyer, President, CMA Vijender Sharma, Vice President, CMA Biswarup Basu, Immediate Past President, CMA (Dr.) Balwinder Singh, Past President, CMA (Dr.) K Ch A V S N Murthy, Council Member and CMA Kaushik Banerjee, Secretary of the Institute extending greetings to Ms. Mithlesh, Advisor (Cost) to the Government of India, Cost Audit Branch, Ministry of Corporate Affairs on 29th November 2021

CMA P. Raju Iyer, President, CMA Vijender Sharma, Vice President, CMA (Dr.) Balwinder Singh, Past President, CMA (Dr.) K Ch A V S N Murthy, Council Member and CMA Kaushik Banerjee, Secretary of the Institute met with Dr. Raj Singh, Regional Director (NR), Ministry of Corporate Affairs on 29th November 2021

WELCOMING OF NEWLY ELECTED PRESIDENT AND VICE PRESIDENT AT HEAD QUARTERS, KOLKATA

Discussion Meet with the Pension Fund Regulatory and Development Authority (PFRDA) Officials on "National Pension System (NPS)" dated 2nd December, 2021

The Banking, Financial Services and Insurance Board (BFSI B) of The Institute of Cost Accountants of India held a Discussion Meet with the Pension Fund Regulatory and Development Authority (PFRDA) Officials on "National Pension System (NPS)" held on 2nd December, 2021 at the Headquarters of the Institute.

National Pension System (NPS) is a pension cum investment scheme launched by Government of India to provide old age security to Citizens of India. It brings an attractive long term saving avenue to effectively plan one's retirement through safe and regulated market-based return. The Scheme is regulated by Pension Fund Regulatory and Development Authority (PFRDA).

We had a gracious presence of Shri Ananta Gopal Das, Executive Director and Shri Mono MG Phukon, Chief General Manager from PFRDA at the meet. The Institute was represented by CMA P. Raju Iyer, President; CMA Biswarup Basu, Immediate Past President; CMA Balwinder Singh, Past President; CMA Amal Kumar Das, Past President; CMA Avijit Goswami, Former Council Member; CMA Chittaranjan Chattopadhyay, Chairman, BFSIB; CMA Arundhati Basu, Secretary, EIRC; CMA Kaushik Banerjee, Secretary of the Institute and other senior officials of the Institute.

CMA P. Raju Iyer welcomed all who were present for the meeting and highlighted the role of the Institute through their wide network for popularizing the NPS and APY among the various members and students of the Institute. He also stated that in the upcoming National Cost Convention a specific session would be dedicated for PFRDA on NPS.

CMA Biswarup Basu highlighted that the PFRDA and the Institute jointly would be soon organizing the Pension month where webinars and other activities would be undertaken across the country.

CMA Chittaranjan Chattopadhyay welcomed the PFRDA officials and expressed his willingness to organize the pension month by BFSIB in association with PFRDA and various other seminars/ webinars across various Offices of the Institute.

Shri Ananta Gopal Das, Executive Directot, PFRDA briefed about the salient features of NPS and the present scenario of the operation of the scheme and the benefits it has compared to other retirement schemes. He highlighted that it has the lowest cost and highest safety compared to other financial schemes. He also mentioned that with the objective of Pension for all the organization is working in close coordination with various Chambers of Commerce and other corporate by webinars and physical symposiums to spread awareness about the various schemes of PFRDA.

Shri Mono MG Phukon, Chief General Manager, PFRDA stated that the tax benefit and the GST exemption the product has presently than the private insurance companies along with the cost advantage than others to manage the Assets Under Management.

The PFRDA officials replied to various questions raised during the meeting about the functioning and various matters pertaining to administration of NPS and expectancy of return of the scheme.

CMA Kaushik Banerjee concluded the meeting with his vote of thanks and requested the Officials of the PFRDA to provide a specific pension scheme for the employees of the Institute and its members so that it can be designed as a social security welfare scheme for all. He further stated that various schemes of PFRDA can be popularized through physical seminars and webinars across the length and breadth of the country through various Offices of the Institute.

EVOLUTION OF INSURTECH

Abstract

The buzzword in the world of finance today is 'fintech', which signifies financial products that are created and delivered using modern technologies such as IoT, artificial intelligence, blockchains and machine learning. Insurtech, a portmanteau of two words, 'insurance' and 'technology', is a subset of fintech that focuses on the insurance industry. In this article we shall learn what insurtech is all about and some of the reasons that are responsible for its growth.

CMA Arnab Chatterjee
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WHAT IS INSURTECH

The explosive growth of internet, personal computing devices and digital technologies during the last two decades has led to the development of many innovative financial products with greater focus on technology. Financial technologies are now used in investment management, wealth management, banking services, risk management, payment systems and insurance.

Insurance is one of the latest constituents in the financial services industry to join the technology bandwagon. Historically, insurance has been heavily dependent on people to design, promote and deliver its products to the intended consumer. But now there is an ecosystem of well-developed financial technologies which can be employed to improve products and services in the insurance sector too. Hence, in the last decade or so lot of start-ups and even well-established insurance businesses have started leveraging technology in a big way to provide innovative products that can improve savings and efficiency from the current insurance industry model. This is what *insurtech* is all about. As such, NAIC, a US Standard setting organization in the insurance industry, describes 'insurtech' as the innovative use of technology in insurance.

FACTORS PUSHING INSURTECH

Insurance business is one of the oldest businesses in the financial industry with its own processes that are quite different from others in the financial services space. Traditionally, insurance is considered as a push-product with a major focus on people and personal selling and rather a low technological footprint. But events over the past decade have changed peoples' habits and perceptions.

Consumers are now more involved and dependent on technology than before. The growth of the internet and mobile devices coupled with fall in prices of data has changed customer spending habits and demand patterns. They now prefer the 'do-it-yourself' model over the 'push-model' in everything including buying insurance. This means insurers offering products on mobile and internet platforms are now preferred over the traditional agent-only insurers. This has encouraged a number of digital-only insurers with no brick-and-mortar presence to expand their business. It has also forced the old-world insurers to introduce digital products and online delivery methods.

However, not just delivery channel, consumer preferences in insurance has also changed. Today there is a growing demand for insurance for new-age needs such as for e-commerce purchases, air travel, electronic devices such as high-end mobiles, laptops and even eyewear. These are needs which none of the incumbent insurers cater to, but which have a growing clientele because of the change in demographics and earning power.

During the same period risk perception and the need for insurance has also changed drastically. Natural disasters like the corona virus pandemic and cyclones have made people realize the importance of adequate insurance. Consequently, all major health and life insurers saw a spurt in their sales soon after the onset of the pandemic. Similarly, disasters such as cyclones led to an increase in demand for property insurance, hitherto a neglected segment.

Maturity of new technologies is another strong reason for the growing interest in developing *insurtech*. Technologies like blockchain, analytics, machine learning and robotic automation have already found applications in different fields of fintech. Together with availability of voluminous data on consumer behaviour, these technologies are proving valuable in providing new insights to existing and newly generated data. Their technological maturity has reached a level where these can be easily tailored to generate valuable information in insurance as well.

KEY BENEFITS OF INSURTECH

Employing technology in the insurance business means greater efficiency, lower costs and faster servicing for both the insurer and the insured. Some of the key benefits accruing to stakeholders are discussed below.

1. On-demand product availability is a key benefit of insurtech. Consumers need not visit a physical location at a set time to purchase or to know about a product. Instead they can interact with chatbots which can educate the consumer about the features of a policy and assist them in buying one, or they can use a mobile app to do these.
2. New and innovative products can be tailored for the insured depending on specific needs and demands.
3. Insurers can better manage their risk by using numerous data points which are used to track and project user behaviour and create risk profile of an individual. Analytics and machine learning can then be used to create personalized pricing for the product.
4. Insurers have become more effective at fraud prevention and management due to extensive use of data analytics which can sift through gigabytes of data and select the relevant details. Blockchains too help in authenticating claims and prevent frauds.
5. Integrated billing and payments ensure premia to be processed in real time and claims can be processed more efficiently for improved client satisfaction. Robotic process automation can quickly sift through relevant documents and approve or reject a claim.
6. Lower underwriting costs for the insurer and hence lesser premium for the insured.
7. Dispensing with the intermediary between the insurer and the insured means lower premiums for the insured while ensuring faster and direct delivery of services.
8. Lower costs and higher profitability for the insurer makes them more competitive vis-à-vis traditional insurance companies. Moreover, employing technology also increases their visibility and hence their customer-reach.

The growth of the internet and mobile devices coupled with fall in prices of data has changed customer spending habits and demand patterns. They now prefer the 'do-it-yourself' model over the 'push-model' in everything including buying insurance

INDIAN INSURTECH INDUSTRY

The Indian *insurtech* industry comprises of participants with disparate competencies but inter-related products. There are digital-only insurance companies that use technology extensively to deliver products and web based insurance aggregators that help consumers to compare and select insurance products from a vast array of offerings. There are also pure play technology companies that focus on business intelligence and analytics that help insurers to improve their operational efficiency and develop more relevant products for an ever-changing market. There are also companies that provide plug and play tools for managing functions like distribution networks, claims handling and sales.

India, today has over 100 *insurtech* companies and two unicorns (PolicyBazaar and Digit Insurance). Some of the major innovative insurtech companies and their focus in India are given in the following Table. This is just an indicative list that profiles the wide variety of services that are provided by insurtech today.

TABLE: ILLUSTRATIVE LIST OF INSURTECH COMPANIES IN INDIA

Insurtech Company Name	*Business Segment/Nature*	*Specialty/Focus Areas*
Policy Bazaar	Web aggregator of insurance products	Telemedicine, Coverage on OPD treatment costs
Digit Insurance	Non-life insurance products, automobile insurance for both personal and commercial sectors	Insurance of consumer electronics, OPD health insurance
Acko General Insurance	Insurance products for health, automobile and consumer electronics	Fully digitized platform, personalized insurance products
Coverfox	Web aggregator of insurance products	End-to-end support for claims
Paytm	Insurance aggregator and brokerage	Completely digital offering, Expansion plans in Tier 2 & 3 cities

Toffee Insurance	Non-life insurance products, micro insurance	Innovative products such as pet dog insurance and eyewear insurance
Artivatic AI	Risk and decision making platform for insurance, underwriting, claim processing, collections and distributions	Artificial intelligence, automation, business intelligence, fraud detection & prevention
Riskcovry	Purely technology based B2B products for insurance distribution business, micro insurance	Insurance-in-a-box model with a scalable product for digital insurance needs of any organization
Hansa Solutions	B2B service provider with end to end solutions for insurance and re-insurance businesses	Automation for client acquisition and servicing, underwriting and claim handling
Gypsee AI	AI based 4-wheeler insurance	Smart car solution with benefits on car maintenance and servicing
Pentation Analytics	AI and SaaS based B2B products for insurance broking and analytics	Data management, insurance analytics suite, transaction automation
Finsall Resources	Financing solutions for insurance premium	Fully B2B digital solutions with B2C solutions in the pipeline
Nvest Solution	B2B application development for insurance industry to help with product launches and distribution management	Benefit illustration, insurance aggregation and distribution management

LATEST DEVELOPMENTS IN INDIAN INSURTECH

In line with Global trends in fintech, large investors consider the Indian insurance sector to be ready for the introduction of disruptive technologies and consequently insurtech has attracted huge investments. And though *insurtech* in India is still in its nascent stages yet it has attracted the attention of the world in the form of large deals and funding from Global venture capitalists. According to a report by consulting major BCG, insurtech funding in India grew 26 times between 2016 and 2020 with a CAGR of 225%. For the period July to October 2020, Global funding in Indian *insurtech* touched USD 150 million against USD 92 million during January to June 2020 with companies in the general and health insurance space receiving most funding. More funding has also happened in the B2C segment which directly offers solutions to the consumers as against other businesses.

Digit Insurance recently raised USD 200 million from new investors that valued it at USD 3 billion. Acko, another insurance starts up, is also raising the same amount for a valuation of a billion dollars. It already has funding from ace investors such as Accel, Catamaran and Baring Asia. PolicyBazaar, one of the largest insurance aggregators has recently received approval for its Rs 6000 crore IPO from SEBI, and is also expecting to raise Rs 750 crores by way of private placement of equity. Its early investors include marquee names like Tencent, Temasek and Softbank. Plum, another health insurtech firm has raised over USD 15 million from global investors like Tiger Global and Sequoia Capital.

The Government too has lent a helping hand to encourage the *insurtech* industry. Earlier this year in March, the Insurance (Amendment) Bill 2021 was passed that increased the FDI limit in the insurance sector from 49% to 74%. This is expected to attract even more global investment and expertise in insurance and *insurtech*. This follows from the IRDAI announcement of 2019 of a regulatory sandbox to test new innovative products and services in a controlled environment.

CONCLUSION

India has always been an under-insured country with a miniscule part of the population only having some form of insurance. Life and non-life insurance penetration in the country stood at 2.82% and 0.94% respectively in FY20. This improved marginally in FY21 and stood at 3.2% and 1% respectively. Overall, insurance penetration in India in FY21 was 4.2% as against the global average of 7.4%. Insurance density, which is premium per capita, was a meagre USD 78 against the world average of USD 809. This provides the insurance industry with a tremendous potential to grow. But this growth can only happen if there is technological adoption across the industry to develop and deliver innovative products.

In the nascent stages of the insurtech industry there was much speculation if the legacy insurance companies will be displaced by the new entrants. But with their specific strengths, viz. technological edge of insurtech and vast customer connect and established distribution network of insurance companies, the stage is now set for their collaboration, co-existence and growth. MA

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INSURANCE OF BANK DEPOSITS: SOME ISSUES

Abstract

Bank deposit insurance is different from other insurance business. Apart from protecting individual's asset it has a broader perspective, i.e., ensuring country's financial stability. International authorities strongly advocate for installing DI system in each and every country. It has some features which are unique to this type of insurance and has made its design a complicated task. IMF has developed some basic guidelines which need to be followed before installing a DI system. India has a DI system but its function has been limited so far as majority of the banks enjoy implicit guarantee. In the emerging privatised era the DICs will have to play a more significant role.

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INTRODUCTION

The Union Finance minister in her budget speech 2020 had proposed to raise the coverage limit for bank deposit insurance from the then existing Rs1Lac to Rs5Lacs. The Bill was cleared in July 2021. The amendment was long overdue. Failure of PMC Co-operative bank, Laxmi Vilas Bank and the crisis in Yes bank, all acted as a catalyst. The FM also mandated insurers to pay the claims strictly within 90 days.

Insurance of bank deposits helps to protect people's savings in the event of a bank failure. It is adopted more as a public policy initiated by the State. Deposit insurance enhances people's confidence in the banking system, prevents contagious run on banks and ensures financial stability. (Run on banks refers to that situation when information on failure or possible failure of a bank spreads panic among clientele of other banks who queue up before banks to withdraw their money thus making otherwise solvent banks bankrupt).

In India banking sector is largely dominated by public sector banks enjoying implicit Government guarantee or a few large private sector banks which are considered as "too big to fail". Accordingly claims for deposit insurance here are much limited. As the present policy of Government is to reduce public sector's presence in banking, participation of private smaller or local area banks are going to be more perceptible in the near future for which no Government guarantee will be available. Hence the revised limit for deposit insurance was required. It would be relevant to have a glimpse on the pattern of different deposit insurance systems installed across the world, best practices recommended by IMF /World Bank and deposit insurance in our country.

HISTORY

The need for insurance of bank deposits in large scale was fist felt after the Great Depression of 1930s which resulted in failure of many banks. Prior to that some attempts were made either by State or by bank syndicates but not successfully. USA was the first to establish its national deposit insurance system, Federal Deposit Insurance Corporation, in 1934. Yet the initiative did not get the necessary momentum till 1960. A deposit insurance system to sustain would call for an unconditional assurance from Government treasury, sound banking structure and strict supervisory control. Between 1960 and 1980 only twenty countries introduced deposit insurance systems. India was second in world to adopt the policy. Proliferation of banking crisis in eighties and the Asian financial crisis in nineties led a large number of countries, the East European and South Asian countries, to introduce deposit insurance systems. Argentina which had withdrawn its insurance scheme reintroduced it after the Mexican crisis. IMF and World Bank had always been encouraging to adopt explicit deposit insurance policy to ensure financial stability. European Union in 1994 made DI mandatory for its member countries. In the aftermath of 2008 recession many more countries were compelled to join the scheme or modify their existing scheme. Countries like China, Australia, and Singapore which earlier refused to take any explicit policy finally yielded to IMF pressure.

Currently, over 107 countries have some form of explicit deposit insurance, up from 93 in 2013, according to World Bank Report, 2018. It is now an embedded feature of the banking business.

ISSUES RELATED TO DEPOSIT INSURANCE

The deposit insurance systems with regard to the numbers, ownership/ administrative structure, functional role and responsibility, coverage/ premium etc. vary widely across the countries.

Countries may have a single insurer to cover all type of depository institutions viz, bank, co-operative banks/ credit union, savings & loan institution/small finance banks or may have multiple insuring system. France, Germany, Italy, Spain, Japan, Norway and USA have separate insurers for different classes of depository institutions. A multiple deposit insurance system may also be thought of to allow banks to obtain supplemental coverage from more than one organization within the same jurisdiction.

Insurance funds are normally sponsored by State or by a separate corporation constituted by State but it may be run by private insurers also. These are mostly formed by a group of bankers or Bankers' Association under mutual agreement. Switzerland has a privately operated deposit insurance system**.** Some countries have private insurance parallel to their national agency. Several funds are managed jointly. Some argue that private insurance is a better proposition as it would exert stricter vigil on bank's activity for their own business interest and will be free of political influence. However, the performance of private insurers in past was not very satisfactory. This is because they neither have the vast resource nor the regulatory authority necessary to run this business successfully.

In some countries insurance agencies act as a pay-box i.e., make payment of insurance claim only while in some countries it is the Resolution Authority of failed institution as well. In USA FDIC takes active role in the resolution process. As per IADI survey, the percentage *of* deposit insurance agencies in resolution is increasing fast.

Designing a sound insurance system is a difficult task as it involves several conflicting issues that need careful attention. The best practices recommended by IMF with pros and cons are discussed in the following paragraphs.

1. **Capital/Fund**: The insurer must have adequate fund to pay its claimants because here claims are made en-masse. Insolvency of Federal Savings and Loan Insurance Corporation of US in 1980 highlights the importance of this point. Target level for fund is usually expressed as a percentage of insured deposit. Various mathematical models are in use to fix the target financing and resulting premium. Lack of transparency in banks' business data often becomes a problem. The insurance funds are sourced by two methods-(1) ex-ante, when funds are collected through annual premium paid by member banks and (2) ex-post, when funds are contributed by the surviving banks in the event of a bank failure. The former is definitely the better choice as it confirms funds ready at hand at the time of need and also in the latter case efficient banks would have to subsidize the weaker ones which is not desirable.
2. **Investment**: As a rule, insurer must keep its fund in risk-free liquid assets. Hundred per cent cash security would be the best choice but not practicable. Normally funds are put in Government treasury bonds at the cost of related return.
3. **Adverse Selection**: Since payment of insurance premium is a cost to the banks, the stronger banks confident of their soundness would prefer to remain outside the scheme. On the other hand, the weaker banks would be more inclined to take the coverage. This would increase insurer's liability. This situation is known as adverse selection. To avoid such occurrence, the general rule is that when any particular class of depository institution is brought under insurance cover, every member of that class must take insurance policy mandatorily.
4. **Moral Hazard**: The most important issue in deposit insurance is the problems of moral hazard. A deposit insurance is unique in the sense that while the other insurance is an agreement between two parties namely the insurer and insured, the deposit insurance involves three parties- insurance corporation, banks (or depository institution) and depositors. Moreover, the insured entity is different from the actual beneficiary. In other insurance business like life, health, accident, the liability arises for uncontrollable events or "Acts of God" while in deposit insurance it is for human mistake. It is well-known that for any venture there is a close association between risks and returns- higher the risk, higher the return as also higher the probability of loss. A normal person therefore would strike a balance between the two before making an investment decision. It is argued that a deposit insurance scheme would be an incentive for the banks to take more risks as it would then amass the profit out of that venture whereas the loss would be borne by the insurer. This may have enough potential to destabilize the financial system.

   Coverage/Premium: To combat the problem, two measures are suggested. First to put a cap on the maximum coverage and second to charge risk based premium from the participating members. While limiting the coverage would limit the insurer's liability that would be at the cost of depositors which is against the objective of public policy. It is also difficult to assess what should be the correct coverage limit. The IMF suggests two times of the country's GDP value as the coverage limit which is more as a thumb rule and in times of systemic crisis like recession of 2008 most countries have to revise their coverage upwards much above the threshold line. Nevertheless, almost all countries tend to keep their insurance liability limited.

Charging of risk based premium is logical. FDIC is charging risk based premium since 1993. But it also poses many practical problems. Categorizing risk of a bank is not an easy task. Selection of the right rating parameter is often a difficult task. If it is done on qualitative basis some bias is bound to creep in while for quantitative basis the data are not always free of manipulation. Also if discriminatory premiums are charged on the basis of risk and the information spread across the industry that will affect badly the business reputation of those with higher risk. At present most of the countries are charging flat rate premium.

THE SCENARIO IN INDIA

In India the Deposit Insurance and Credit Guarantee Corporation (DICGC) is the sole entity responsible for deposit insurance. Incorporated in 1961, it covers deposits of all public and private sector banks including foreign banks, all co-operative banks, Regional Rural Banks, Local Area Banks, small finance banks and payment banks. Non-banking financial institutions are not covered under its scheme. From 1971 DICGC had started guaranteeing priority sector credit. After establishment of Credit Guarantee Trust for Micro and Small Enterprise (CGTMSE) in 2000 this function was transferred to CGTMSE. Presently DICGC functions merely as a pay-box.

Deposit insurance cannot prevent bank failures, but it could protect small deposits of low income groups and improve Government's goodwill

Indian banks were nationalised in 1969. Thereafter no incidence of nationalised bank failure has occurred except one which was merged with another PSB. Even in the case of private bank failure mostly these were absorbed by some PSBs under RBI supervision thus protecting depositors' interest hundred per cent. DICGC didn't have to pay any claim as the failed bank's liabilities were taken up by another bank. DICGC liability arose mostly in cases of co-operative banks and a few private commercial banks. As per the annual report of DICGC, the claims paid by it since inception till 31/3/2021was Rs57.6 billion only while its annual premium collected in the single year of 2020-2021 amounted to 175.17 billion.

In the light of global trend some changes in the role of DICGC is being suggested here to make it a more pro-active entity.

1. To expand the role and make it a Resolution Authority of failed banks. There is already a proposal to this effect which should be materialized. Resolution processes are expected to be more efficiently handled in this way. Insurance agents become creditors of the failed institution after payment of claims and receive a share from the realised value of assets of the failed entity. It is natural that they will take active interest in the resolution process and ensure maximum recovery with minimum resolution cost. The exercise will also result in improved resolution guidelines.
2. For long there has been a debate whether public sector banks need to pay any insurance premium as they enjoy implicit Government guarantee. According to the guidelines of the International Association of Deposit Insurers, in a country having deposit insurance system all banks including Government owned banks will have to be its member. However, a separate agency for Government owned banks on the lines of many other countries, may be considered.
3. During 60 years of its existence the DICGC has built up a huge corpus fund of Rs1299 billion as on 31/3/3/2021. A suitable investment strategy should be drawn for it. Investment in shares of public sector banks which are in dire need of recapitalization may be a suitable option.

CONCLUSION

Deposit insurance cannot prevent bank failures, but it could protect small deposits of low income groups and improve Government's goodwill. It also provides a level playing field for the smaller banks to compete with the larger banks. A sound and well-designed deposit insurance system helps to support and develop a country's banking sector. MA

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THE EVOLVING ROLE OF INSURTECH IN INDIA: TRENDS, CHALLENGES AND THE ROAD AHEAD

Abstract

Over the last five years, the Indian insurtech sector has shown a significant growth due to its impressive performance and future potential. The growth has, so far, been a balanced one spread over all the key sub-segments. The present article is an attempt to look into the growth story to identify the motivating factors behind the same. The article also attempts to assess the major trends in Indian insurtech sector that have the potential of a game changer. It also assesses the hurdles that the sector will need to overcome to continue this momentum. Finally, the article makes a neutral assessment of the future potential of the sector at the backdrop of the present insurtech ecosystem comprising of the regulatory framework, market dynamics and competitive landscape.

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INTRODUCTION

Digital technology has been the greatest enabler of modern civilization. It is constantly redefining our life and lifestyle by continuously enabling firms to innovate. There is hardly any sphere of modern life that has not been reshaped by its Midas touch. This technology led digital revolution in India has paved the way for the advent of a new breed of start-ups in the insurance industry that is creating newer opportunities in product development and service delivery with their innovative skills. These are the *insurtech* firms – the future of Indian insurance sector.

MEANING OF INSURTECH

Insurtech, a portmanteau of 'insurance' and 'technology', refers to the use of technological solutions to optimise the performance of the insurance companies and improve customer experience. It is the application of disruptive technologies like Big Data, Analytics, Artificial Intelligence, IoT and Machine Learning, aimed at providing value addition in the form of cost reduction and enhanced efficiencies across the entire insurance value chain. *Insurtech* is the crossroad where traditional insurance services meet the technology led innovations at a digital platform. It is, basically, a subset of *Fintech,* the tech-enabled financial innovations, targeted at improving the accessibility and quality of financial services. The same term is also used to mean the firms engaged in *insurtech* offerings.

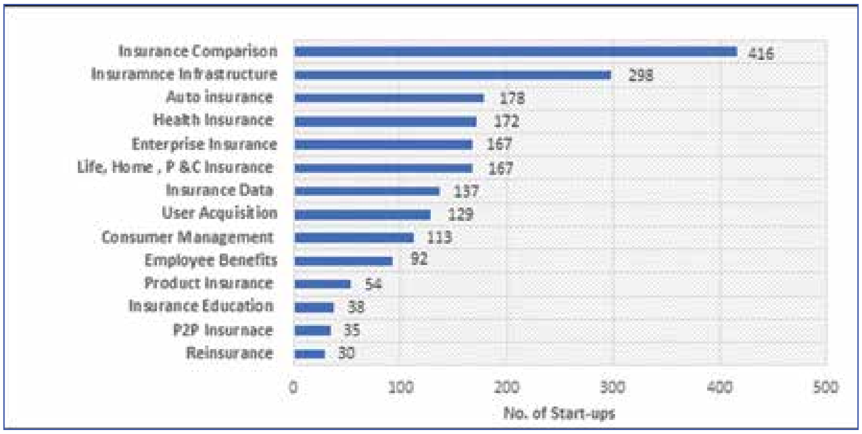
ORIGIN AND DEVELOPMENT OF INSURTECH WORLDWIDE

Insurtech emerged around 2010 as an offshoot of a similar innovation in banking, known as '*Fintech'*. Friendsurance was among the first start-up to introduce digital transformation in insurance sector. This Berlin-based start-up established the first peer-to-peer insurance in 2010. Friendsurance's P2P insurance model incorporated a smaller group into a bigger insurance pool and offered claim free years with cash back bonus. Among the other early players were the price-comparison aggregators like CoverHound and on-demand property insurer Trov. The number of *insurtech* companies has since exploded unimaginably to create a vast, ever evolving ecosystem of innovation in the field of product offerings and serviceability in the sector.

Over the last one decade, the number of *insurtech* platforms has increased in a steady pace. A report by Milken Institute revealed that out of 104 new launches between 2000 and H1 2018, 79 per cent were launched during 2011-2016. The U.S.A accounted for 64 such platforms (62 per cent) followed by India and U.K. Ninety per cent of the new launches were in five countries namely U.S.A, U.K, India, Singapore and Germany. At the height of the rush, between 2012 and 2016, there were anywhere from 10 to 15 firms launching per month worldwide. The following was the business category wise break up of *insurtech* start-ups worldwide as of September 2019.

FIGURE 1

NO. OF INSURTECH START-UPS WORLDWIDE BY BUSINESS CATEGORY



(Source*: CB Insights*)

The funding in the sector also increased manifold over this time. While the annual investment in *insurtechs* was merely \$140 Mn in 2011, it climbed to \$270 Mn in 2013 and a whopping \$2.7 Bn in 2015. The average investment per *insurtech* had risen from \$5 Mn in 2011 to \$22 Mn in 2015 (Source: *Panorama Insurtech Database of McKinsey & Company*). In its report on Insurance Tech sector, CB Insights disclosed that between 2015 and 2017, more than \$6.5 Bn was invested in *insurtech* firms. The latest Insurance Tech Report of Q3 2021 by CB Insights shows that quarterly funding in the sector reached a record \$4,824 Mn in Q2 2021 from a mere \$135 Mn in Q1 2014 (Figure 2), with property and casualty (PC) segment leaving the life and health (LH) segment far behind.

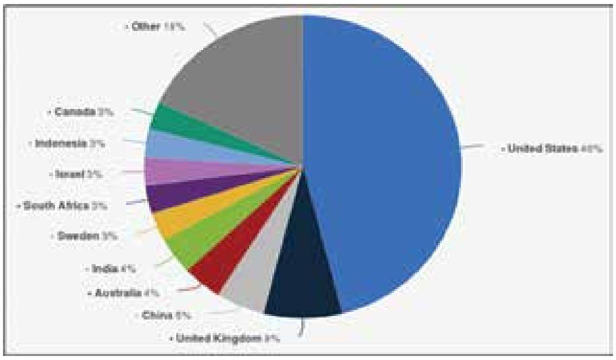
FIGURE 2:

QUARTERLY INSURTECH FUNDING VOLUME – ALL STAGES AND SHARE OF PC AND LH

(Source: *CB Insights Insurance Tech Report of Q3 2021*)

The country-wise share of *insurtech* funding transactions is the highest in U.S.A (46 per cent) followed by U.K (8per cent), China (5 per cent) and India (4 per cent) (Source: *CB Insights Insurance Tech Report of Q3 2021*).

FIGURE 3:
SHARE OF INSURTECH FUNDING TRANSACTIONS IN SELECTED COUNTRIES IN Q3 2021



(Source: *CB Insights*)

IMPORTANCE OF INSURTECH

The traditional insurance business model suffers from a number of limitations that seriously hamper its ability to offer products and provide post-sale services in a cost-effective manner. Inefficiencies can be found at each and every activity of its value chain – product management, sales and distribution, underwriting, claim processing, payments and customer service. Products are still sold offline through agents, filing up the application form and getting a quote take hours, terms and conditions often remain unexplained, claim processing requires submission of numerous documents and are subject to unnecessary delay due to inappropriate documentation, settlement process is extremely slow and customer services falls short of quality. All these not only increase the customer acquisition cost, distribution cost, underwriting and claim processing cost substantially but also reduce the customer on boarding rate. *Insuretech* firms can provide better value on all these aspects. Leveraging on disruptive technologies, these firms may come up with digital solutions in the sphere of product development, distribution, underwriting, claim processing and payment and settlement. They can provide better customer experience at an affordable cost.

HOW CAN INSURTECH REVOLUTIONIZE THE INSURANCE VALUE CHAIN?

Insurtech has the potential to revolutionize each and every activity of the insurance value chain through the innovative use of technology.

a. Product Design

Insuretech can use IoT and AI to assess the behaviour

Insurtech, a portmanteau of 'insurance' and 'technology', refers to the use of technological solutions to optimise the performance of the insurance companies and improve customer experience

of the applicant and provide customised insurance products. For example:

- In the auto insurance segment, insurers may introduce usage-based insurance where the premium will be decided based on driver's behavioural data. Even a pay-as-you-drive auto insurance may also be introduced where monthly billing will vary based on how a person drives.
- In the health insurance segment, wearable technology may be used to design a customised product.
- In the home and commercial insurance segment, smart sensors and predictive analytics may be used to predict floods, burglary attempts or a potential fire and design the premium structure accordingly.

b. Marketing and Distribution

Insurtech can certainly go beyond making the distribution digital. It can ensure omni channel approach towards marketing and distribution of products to improve customer experience. It may also introduce a liquid ecosystem that will facilitate customisation to the highest possible extent.

c. Underwriting and Policy Administration

Insurtech can improve the policy administration over the term of the policy through collection and processing of data seamlessly. For example, in the health insurance sector, medical records can be accessed right from the healthcare institution's database.

d. Claim Processing

Insurtech can use artificial intelligence and data processing to improve claim management. Aerial image recognition and sensors can support digitization of the entire process. For example, satellite images, CCTV footages, drone images, car repairing and maintenance records may help accidental claim processing in the auto insurance segment. Similarly, AI may help in fraud detection, cyberattack detection and processing claims in cyber insurance segment. Health data based on unique health id. of a person can smoothen out the health insurance claim processing.

e. **Payment and Settlement**

Insurtech can certainly use online claim payment and settlement by recourse to various fintech tools.

f. **Customer Service**

Using AI and machine learning, *insurtech* can automate customer services such as generating personalised quotes, comparison of products, complaint booking and query resolution (through Chatbots).

INSURTECH LANDSCAPE IN INDIA

The MEDICI India InsurTech Report 2020 has classified the independent *insurtech* companies (i.e., excluding those *fintech* companies that sell insurance in collaboration with insurers) into five sub-segments as follows:

a. **Software/White Label/ APIs:** These *insurtech* companies provide various software solutions to insurance companies and brokerage firms. Their offering ranges from solutions such as risk assessment, fraud detection, underwriting, policy administration, data aggregation, online sales, chatbots, customer relationship management (CRM) tools, APIs, regulation and other white-label tools.

b. **Internet of Things:** The companies in this segment leverage the connected device technology. They use sensors and wearables to identify and analyse the risk to users and accordingly help to design customised products and prices. Examples include usage-based telematics programme in car insurance through regular monitoring of the driver, customised solutions for home and life insurance.

c. **Online-First Insurance:** The companies in this segment sell their own insurance products, such as life and health, property and casualty insurance mainly through the digital platforms.

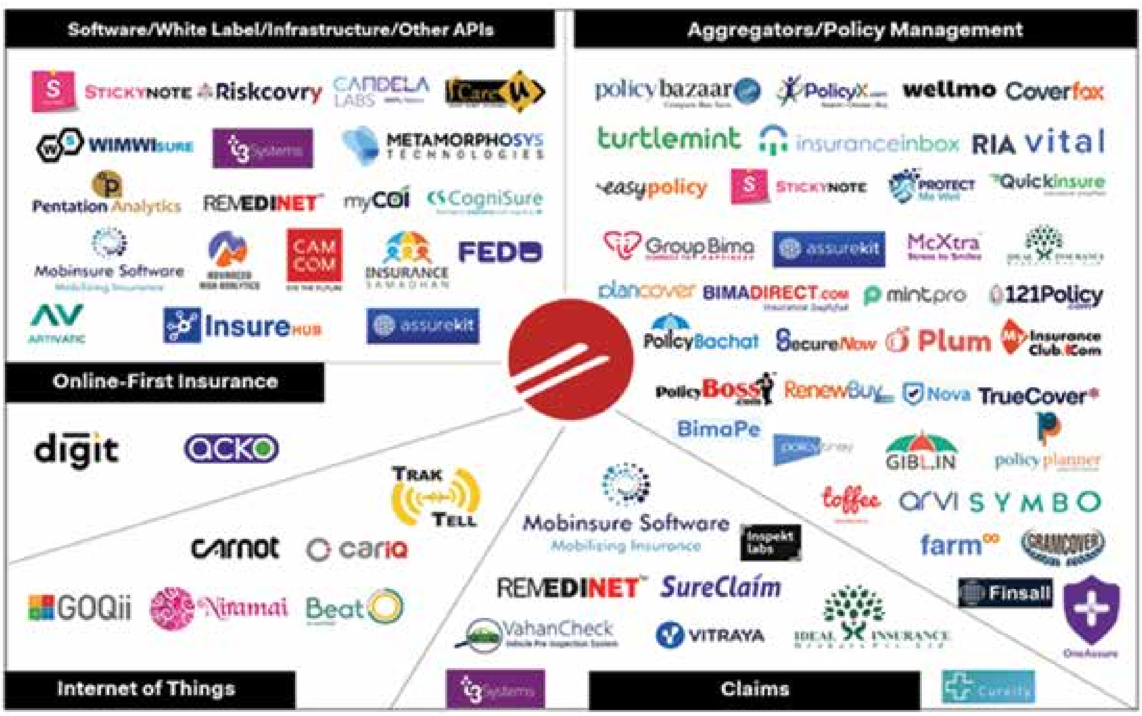
d. **Claims:** These companies help digitizing the claim processing using tech solutions such as video calls and self-service portals. They further leverage technologies, such as AI, machine learning and robotics, to provide cognitive learning systems for quicker responses.

e. **Aggregators/Policy Management:** These firms offer digital tools which allow users to search, compare, and find affordable premiums from various insurers offering the product. It may also include players who help users to manage policies and/or finance premiums from a single platform.

The major players in these segments are as follows.

FIGURE 4

MAJOR PLAYERS OF INDIAN INSURTECH SUB-SEGMENTS



(Source: MEDICI India Insurtech Report 2020)

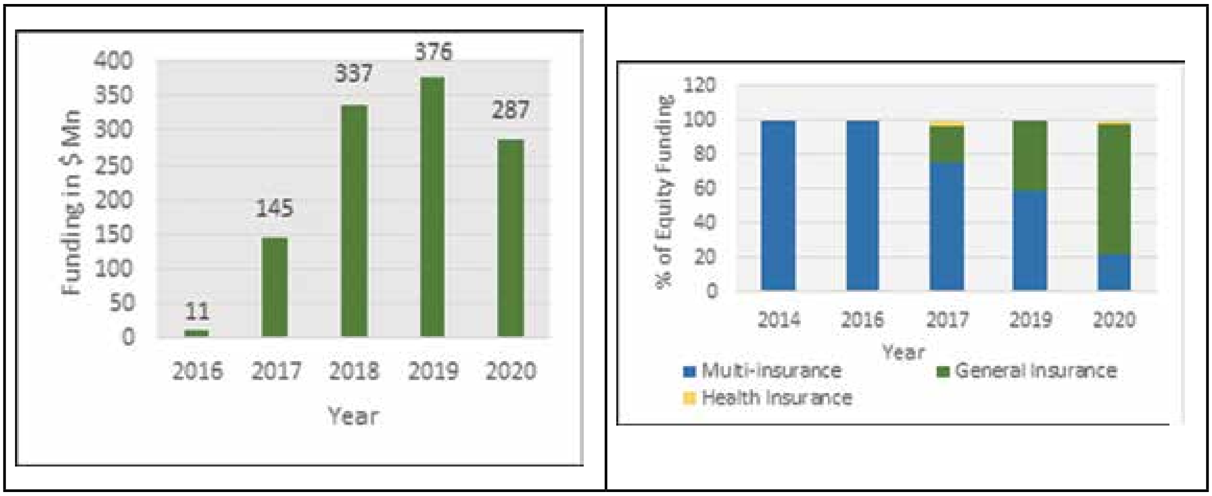
GROWTH OF INSURTECH IN INDIA

In spite of a marginal growth in insurance penetration, Indian *insurtech* sector has experienced a significant growth in recent years on multiple parameters.

As per the recent data published by ET BFSI.com, there are currently more than 110 *Insurtech* start-ups in India with maximum number of additions during 2015-2020 period across all the sub-segments. The *insurtech* funding in India grew from a modest base of $ 11 Mn in 2016 to $ 287 Mn in 2020. From 2014 to 2017, Indian *insurtech* sector was largely dominated by Multi-insurance players (i.e., firms who provide multiple services and not only insurance) including PolicyBazar, Coverfox and Renewbuy. However, with the emergence of Acko and Digit Insurance, the General Insurance started gaining momentum. Accordingly, funding share to general insurance consistently increased from a mere 25% in 2017 to 75% in 2020 (Figure 5).

FIGURE 5

EQUITY FUNDING IN INSURTECHS IN INDIA (IN $ MN) WITH SECTORAL BREAK-UP

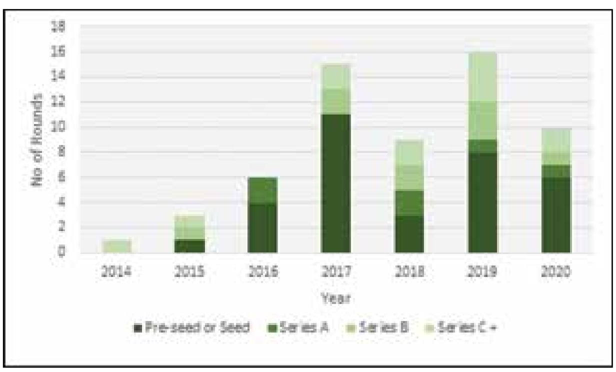


(Source: India InsurTech Landscape and Trends by IIA, 2021)

The year 2019 saw the maximum number of major funding rounds followed by 2017. Funding was obtained by firms mostly as pre-seed or seed capital. However, later stage funding also increased steadily (Figure 6).

FIGURE 6

NO. OF ROUNDS BY FUNDING STAGE



(Source: India InsurTech Landscape and Trends by IIA, 2021)

The pace of late-stage funding has been increasing consistently since 2015. In 2019, there were 4 Series C+ rounds and 3 Series B rounds raising $257 Mn and $62 Mn respectively. Another indicator of rising late-stage funding is the increase in the number of $10 Mn funding which jumped from one in 2014 (PolicyBazar) to 6 in 2019 and 5 in 2020. The average size of investment also increased from $20 Mn in 2014 to $46 Mn in 2020. In 2021, Digit Insurance became the first Indian Unicorn in the sector with a valuation of $1.0 Bn.

Of the total funding till 2020, B2C segment accounts for more than 90 per cent indicting that B2B segment is still at its nascent stage.

KEY DRIVERS OF THE GROWTH OF INSURTECH IN INDIA

The phenomenal growth of *insurtech* start-ups in India over the last few years is the result of certain key factors. These are discussed in the following paragraphs.

a. **Advancement in Technology:** *Insurtech* solutions are technology driven. Accordingly, the recent advancements in technology, especially in the field of artificial intelligence (AI), machine learning, blockchain and analytics, biometrics, cloud computing etc. played a major role in the growth of *insurtech* start-ups in India.

b. **Legacy Insurers:** One of the prime reasons for the inefficiencies of Indian traditional insurance firms is the outdated computing system and/or hardware that are still in use. What adds to this is the lack of effort on the part of these firms to replace the age-old system of customer acquisition, record maintenance and claim management. As a result, these traditional firms still struggle with easing the policy terms, developing differentiated products, claim settlement, payment and mutual trust between buyers and sellers. This is where the Indian *insurtech* firms have found their opportunity.

c. **Conducive Funding Environment:** Over the last five years, Indian *fintech* sector has attracted the attention of investors worldwide. Being a subset of *fintech* sector, *insurtech* firms also have been successful in tapping a large chunk of these investments. Attention of Global investors provided a conducive funding environment to Indian *insurtech* sector within which it is growing at a significant pace.

d. **Mobile and Internet Penetration:** Another significant contributor to the rapid growth of *insurtech* firms in India is the high rate of internet and mobile penetration. Low cost of internet and budget smartphones have helped India to record the second largest internet population at over 749 million users in 2020, after China. Of these, 744 million users used mobile phones to access the internet. The internet penetration rate in India is as high as 53.92 per cent in 2020 while the mobile phone internet user penetration rate is 60.5 per cent as *insurtech* services are technology driven, higher internet and mobile penetration have boosted the growth of this sector further.

e. **Favourable Demographics:** Today India has more than 65 per cent of its population below 35 years of age. This young population is extremely tech-savvy and has an appetite for innovative technology in all spheres of their lives. *Insurtech* firms are leveraging on this section of population for greater acceptance of their offerings.

RECENT TRENDS IN INDIAN INSURTECH SECTOR

During the recent times, Indian *insurtech* firms can be seen experimenting successfully with tech-enabled innovations in almost all the aspects of insurance business. Some of these innovations like the following ones even have the potential to be the game changers for the industry.

1. Sachet Insurance:

These are some non-comprehensive plans which focus on a specific event and are offered at a low premium and cover. Examples:

- Acko has collaborated with many digital platforms to sell bite sized insurance or sachet insurance such as trip insurance that covers accidental medical expense, hospital daily allowance, death and disability.
- Toffee Insurance is experimenting with innovative sachet insurance such as cycle theft and fitness insurance.
- PhonePe is selling sachet health insurance products with cover against Covid-19, Dengue and Malaria. Mobikwik is also offering insurance cover against vector borne diseases.
- Digit Insurance is offering mobile insurance with cover against accidental screen damage. It also has home protection insurance covering burglary, loss of jewellery etc.
- Symbo India is offering Marathon insurance with cover against loss of shoes, trip cancellation, accident, hospitalisation etc.

2. Microinsurance

Another emerging trend in Indian *insurtech* sector is microinsurance which tries to help low-income families by offering tailor-made insurance plans. *Insurtech* firms are betting big on this untapped opportunity by offering innovative products such as coverage for irrigation system, animal carts, livestock welfare, failed wells etc.

1. Insurance as a Feature

Today, insurers are increasingly partnering with intermediaries like various digital platforms, online or offline dealers to sell their insurance not as a separate product but as an additional feature of the product a customer is buying from such channels. For example, Mobikwik, PhonePe, Paytm are selling the insurance to its customers as an additional feature while they are buying products from their platforms.

3. Seamless Customer On boarding and Claim Management

Insurtech firms are leveraging technology to make customer on boarding, claim management a seamless experience. For example, GramCover has developed a mobile based platform to enable seamless customer on boarding in rural India. TurtleMint has developed an AI based sales assistant which helps in paperless issuance of insurance products and also simplifies the lead management. Xceedance has developed a cloud-based technology to automate policy issuance, renewal and customer service.

THE FRONTRUNNERS IN INDIAN INSURTECH SECTOR

Following are the top performers of Indian *insurtech* sector in recent years:

a. **Digit Insurance:** This Bengaluru based *insurtech* was founded in 2016. It offers products such as car insurance, travel insurance, home insurance, commercial vehicle insurance, and shop insurance. Till date the company has raised $460.8 Mn over seven funding rounds. Presently, it is a unicorn with valuation of $3.5 Bn.

b. **PolicyBazar:** Founded in 2008, this start-up is an online insurance aggregator and facilitates comparison of insurance products available across insurers. It also supports claim processing. Its current valuation is around $2.4 Bn.

c. **Acko General Insurance:** It is a Mumbai based online-only insurance provider offering personalised insurance products and bite-size insurance products. Over 6 funding rounds, the company has, so far, raised $458 Mn. Recently it has entered the unicorn list in 2021 with current valuation of $1.1 Bn.

d. **Coverfox Insurance:** Founded in 2013, the company provides online insurance broking services, insurance products such as car, bike, health, travel insurance and also offers end-to-end support for claims. Over 6 funding rounds, the company has raised $51.3 Mn.

e. **Toffee Insurance:** Founded in 2017, the company is growing fast in the *insurtech* space by offering insurance products that are affordable, relevant and accessible. Total fund raised by the company is $ 7.1 Mn.

f. **Riskcovry:** This Bengaluru based company was founded in 2018. It provides a one-stop platform to access any digital insurance need by a business. The company has, so far, raised $5 Mn over two rounds.

g. **Symbo:** The company offers direct insurance as well as reinsurance solutions across all the product categories.

CHALLENGES OF INDIAN INSURTECH SECTOR

Indian *insurtech* sector needs to overcome a number of hurdles to establish it as a trend setter within the broader insurance industry. These are:

a. **Low Insurance Penetration Rate:** In spite of its huge population, the insurance penetration rate in India is not satisfactory. As per the MEDICI India InsurTech Report 2020, the penetration rate was between 3.4% to 3.7% during 2015 to 2018, way below from the peak in 2009 (5.20%). The lower penetration rate may eventually limit the growth of this sector.

b. **Fragmented Market:** Due to the sudden spurt in *insurtech* opportunities, many new companies have been launched without significant differentiation in their products or service offerings. As a result, the industry space is getting overcrowded leading to fall in market share. The market is increasingly getting fragmented.

c. **Customers' Inertia:** The vast majority of Indian population still have faith on the public insurance companies. They are still not ready to switch over to these new firms even if their products are way more affordable. The *insurtech* firms have to fight against this customer inertia to increase customer onboarding significantly.

d. **Competition with Traditional Insurers:** Traditional insurance firms, which have lost their ground to *insurtechs* in a big way during the last few years are trying hard to regain their position either by modernizing their systems or by partnering with technology firm to reach the customers. This competition is likely to be more intense in the future.

THE ROAD AHEAD

Indian *insurtech* sector has a tremendous growth potential in the near future for a number of reasons.

a. **Well Placed Regulatory Initiatives:** A number of recent regulatory initiatives have brought in a positive vibe for the sector. In order to improve insurance penetration and facilitate innovations in the sector, the insurance regulator, IRDAI, notified the IRDAI (Regulatory Sandbox) Regulations, 2019 on July 26, 2019. Regulatory sandbox usually means live testing of new products or services in a controlled environment before they get node for rollout. In the first cohort of the sandbox, 173 applications were filed while the second cohort got another 185 applications. Though originally scheduled for expiration on July 25, 2021, the validity period of the Regulations has been extended by another two years.

b. **Market Outlook:** Currently,

India's share in the Global insurance market is 1.7 per cent which is likely to grow to 2.3 per cent by 2030. The life insurance sector is expected to grow at a CAGR of 5.3 per cent between 2019 to 2023. In the fiscal year 2021, renewable life insurance premium stood at $53.7 Bn. The general insurance sector is also expected to grow at 7-9 per cent during fiscal year 2021 backed by healthy growth from health and car insurance segment. According to S&P Global Market Intelligence data, India is the second largest *insurtech* market in Asia-Pacific accounting for 35 per cent of $3.66 Bn *insurtech* focused investment made in the region.

c. **Partnership with Traditional Insurers:** The traditional insurers have realised that collaboration with *insurtech* firms, rather than competition, will be the key for their sustainable development. As a result, many insurers such as Apollo Munich, ICICI are partnering with these new age *insurtech* companies to leverage their tech capabilities to improve customer experience and product delivery, claim settlement and underwriting. This will create huge growth opportunities for the *insurtech* sector.

CONCLUSION

Riding on the recent rounds of capital infusion, Indian *insurtech* firms are leveraging on technology to come up with innovative products and customised services at affordable cost, which is the most essential factor for insurance adoption in India. Given the potential market size, if *insurtech* firms can deliver on this front, India will soon see an *insurtech* revolution that will redefine the entire insurance sector. MA

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CONGRATULATIONS

Our heartiest congratulations to CMA Delzad D. Jivaasha, a Member of the Institute on being elevated to the position of Deputy Vice President – Risk Management with ICICI Lombard General Insurance Company Limited- a leading private sector and listed general insurance company in India. Mr. Jivaasha is the recipient of the prestigious "Risk Manager of the Year 2017" award by the globally renowned Legal Era Group. He is responsible for driving the Enterprise Risk Management & Business Continuity Planning Functions for ICICI Lombard. He is an eminent speaker and is invited by various prestigious institutes & forums as a subject matter expert.

We wish CMA Delzad D. Jivaasha the very best for all his future endeavours.

AN EMPIRICAL STUDY OF THE PRE-COVID 19 TO POST-COVID 19 PANDEMIC EFFECT ON THE BUSINESS PERFORMANCE OF THE INSURANCE SECTOR IN INDIA

Abstract

India witnessed a double-digit growth in the life and non-life insurance sector after the breaking of monopoly and deregulation in the sector. Covid-19 pandemic and lockdowns have had a far-reaching and adverse effect on the insurance sector as well. There is a need to see the effect on a few key variables during pre-Covid 19 to post-Covid 19 duration. The researcher has selected dependent variables under study such as first-year premium, number of policies, number of lives covered under group schemes, and total sum assured. This is an empirical study with a quantitative research approach and the analysis is based on secondary data collection. The key results reveal that there was an adverse effect of the pandemic on the growth of the insurance sector during the year 2020. From April 2021 onwards the insurance sector is witnessing positive growth and will continue at the same pace.

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THE INDIAN INSURANCE SECTOR

There are at present 57 insurance companies in India of which 24 are life insurance and 34 are non-life insurance companies. LIC is the sole public sector company in the life insurance segment. In 2020 the overall market size of the insurance sector in India was estimated to be US$ 280 billion. During the five-year period 2019 - 2023, the life insurance sector is expected to grow at a CAGR (Compound annual growth rate) of 5.3 per cent.

Though India is the second largest populated country in the world, its insurance sector penetration was pegged at 4.2 per cent during the financial year 2021 and India's overall insurance density was US$ 78 billion. There is an increase in the total market share of private sector companies in the general and health insurance market from 47.97 per cent (during the financial year 2019) to 48.03 per cent (during the financial year 2020).

The market share of life insurances companies in India is presented in the following Table 1:

TABLE 1

SN	*Name of the Insurer*	*First Year Premium (Market Share)*	*Number of Policies/ Schemes (Market Share)*	*Number of lives covered under Group Schemes (Market Share)*	*Sum Assured (Market Share)*
1	Aditya Birla Sun Life	1.25	0.96	0.95	3.26
2	Aegas Federal Life	0.23	0.17	0.01	0.18
3	Aegon Life	0.01	0.07	0.06	0.86
4	Aviva Life	0.09	0.08	0.23	0.45
5	Bajaj Allianz Life	2.41	1.83	14.63	7.18
6	Bharti Axa Life	0.29	0.50	0.36	0.66
7	Canara HSBC OBC Life	1.08	0.61	5.90	4.22
8	Edelweiss Tokio Life	0.13	0.26	0.16	0.28
9	Exide Life	0.33	0.53	0.78	2.19
10	Future Generali Life	0.15	0.13	0.06	0.51
11	HDFC Standard Life	7.58	4.18	24.20	11.68
12	ICICI Prudential Life	4.94	2.84	11.85	13.53
13	India First Life	0.87	0.96	2.81	5.88
14	Kotak Mahindra Life	1.53	1.11	9.87	3.27
15	Max Life	2.40	2.60	2.47	4.66
16	PNB Met Life	0.65	1.03	1.77	7.24
17	Pramerica Life	0.10	0.12	0.67	1.02
18	Reliance Nippon Life	0.38	0.74	0.03	0.41
19	Sahara Life	0.00	0.00	0.00	0.00
20	SBI Life	7.31	7.41	3.81	7.85
21	Shriram Life	0.28	1.04	1.83	1.26
22	Star Union Dai-ichi Life	0.61	0.46	1.76	1.90
23	Tata AIA Life	1.41	2.01	0.32	4.58
	Private Total	**34.05**	**29.63**	**84.53**	**83.07**
24	LIC of India	65.95	70.37	15.47	16.93
	Grand Total	**100.00**	**100.00**	**100.00**	**100.00**

(Source: www.irda.gov.in)

(Note: As regards the first year premium of life insurers for the period ended 31st August, 2021)

Note: As regards the first year premium of life insurance for the period ending on 31 August 2021, the total market share of all the private life insurance companies was 34.05 per cent for the first-year premium and 83.07 per cent for the total sum assured.

OBJECTIVES OF THE STUDY

1. To study the pre-Covid 19 to post-Covid 19 pandemic effect on the business performance of the insurance sector in India.
2. To understand the current scenario of the Indian insurance sector.

PROBLEM STATEMENT

The Indian insurance sector along with the banking sector contributes 7 per cent of the total GDP. The insurance sector provides huge employment and also gives risk protection against life and non-life threats to the Indian citizens. The insurance sector provides various benefits such as health and non-health risks, savings, investment opportunities etc. Insurance penetration in the country is still low in spite of being the second-largest populated country in the world. Covid-19 pandemic had an adverse effect on the insurance sector in India as, during the first and second waves of the pandemic the Indian insurance sector witnessed significant losses in their business. There is a need to see the effect on a few key variables during pre-Covid 19 to post-Covid

19 duration. These dependent variables under study are first-year premium, number of policies, number of lives covered under group schemes and total sum assured.

RESEARCH METHODOLOGY

The researcher has used an exploratory research design for this study. The research approach is quantitative in nature. This research paper is purely based on secondary data and secondary data was collected from various official websites, IRDA's annual and other reports. The analysis here is restricted for the months March to August of the years 2019 to 2021. The Variables under the study are as follows:

DATA ANALYSIS & DATA INTERPRETATION

I. The study is on the basis of data pertaining to the period of the years 2019,2020 and 2021.

II. The researcher collected data for the six months (March to August) for each of the years mentioned above.

III. Comparison between the growth in percentage during the year 2019-20 and 2020-21 is done based on the secondary data collected for the period March to August.

- The period March to August of the year 2019 is considered to be pre-Covid 19 period.
- The period March to August of the year 2020 is considered to be peak Covid 19 period.
- The period March to August of 2021 is considered to be post-Covid 19 period.

IV. The researcher has listed the business performance of life insurance sector during pre-Covid to post-Covid period from March to August of 2019 to 2021

V. The key dimensions under study are first-year premium, number of policies, number of lives covered under group schemes and sum assured for the insurance sector in India.

Business Performance of Life Insurance

The Business performance of life insurance during the pre-Covid to post-Covid period from March to August of 2019 to 2020 is presented in the following Table 2.

TABLE 2

Month & Year	*First Year Premium*	*Number of Policies / Schemes*	*Number of lives covered under Group Schemes*	*Sum Assured*
Mar-21	278277.98	28167513	179797825	4940821.46
Mar-20	258896.48	28886569	227867194	4825723.36
Mar-19	214672.86	28687812	224653013	4333541.41
Apr-21	9738.79	996933	13005050	357960.05
Apr-20	6727.73	416200	6050419	227486.42
Apr-19	9981.88	1282879	12056508	272148.08
May-21	22715.78	1857389	22306006	750751.02
May-20	20466.76	1424373	11122411	465050.59
May-19	28395.90	2908093	26380339	583009.39
Jun-21	52725.25	3463732	32239438	1200631.01
Jun-20	49335.44	3105611	20479452	875033.36
Jun-19	60637.22	4807717	46655398	1004852.31
Jul-21	73159.98	5568612	44995930	1637668.54
Jul-20	72321.53	4913592	30561688	1255281.45
Jul-19	82146.47	7000277	64229837	1383113.48
Aug-21	100980.72	7949344	60964244	2053545.29
Aug-20	99361.32	6794872	42025663	1640070.74
Aug-19	105701.40	9329976	82248111	1788129.45

(Source: www.irda.gov.in)

period

Note: The first year premium in the statement refers to actual premium collected by life insurers net of only free look cancellations for the period.

Interpretation (Table 2) From the above Table 2 the researcher can interpret that, during the year 2020, the overall business performance of the insurance sector had significantly decreased compared to its business performance for the year 2019. This decrease can be clearly seen for all the variables under study. Similarly, it can be observed that the business performance for the year 2021 is showing positive growth i.e. the insurance sector can be said to be moving towards the post-COVID 19 recovery phase of the business.

First year premium

The following Table 3 presents a comparison between the percentage growth in respect of the first year premium for the years 2019-20 & 2020-21

TABLE 3

	March	April	May	June	July	August
% in growth 20-21	7.49	44.75	10.99	6.87	1.16	1.63
% in growth 19-20	20.60	-32.60	-27.92	-18.64	-11.96	-6.00

(Source: Calculations based on the data available on www.irda.gov.in)

The data in the above Table 3 could be presented graphically as under:

GRAPH 1

Number of policies

The following Table 4 presents a comparison between percentage in growth for years 2019-20 & 2020-21 in respect of the number of policies.

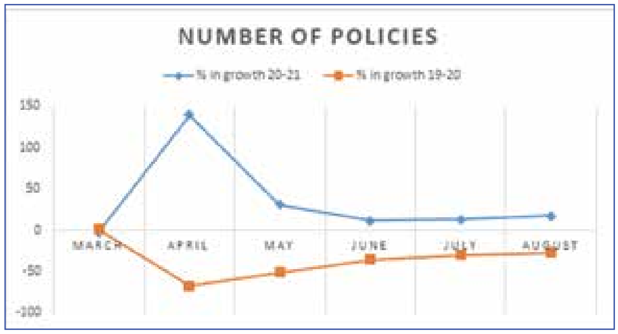
TABLE 4

	March	April	May	June	July	August
% in growth 20-21	-2.49	139.53	30.40	11.53	13.33	16.99
% in growth 19-20	0.69	-67.56	-51.02	-35.40	-29.81	-27.17

(Source: Calculations based on the data available on www.irda.gov.in)

The data in the above Table 4 could be presented graphically as under:

GRAPH 2



Number of lives covered

Following Table 5 gives the comparison between percentage in growth for the years 2019-20 & 2020-21 in respect of the number of lives covered under group schemes

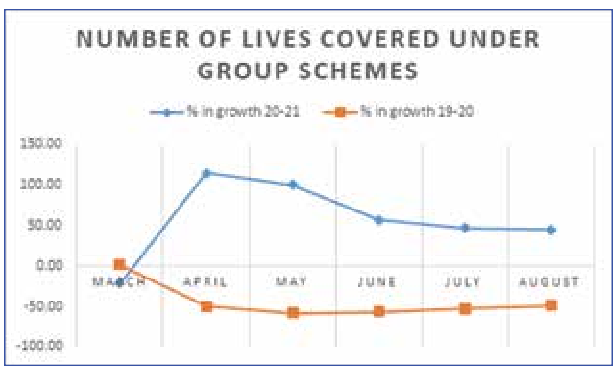
TABLE 5

	March	April	May	June	July	August
% in growth 20-21	-21.10	114.94	100.55	57.42	47.23	45.06
% in growth 19-20	1.43	-49.82	-57.84	-56.10	-52.42	-48.90

(Source: Calculations based on the data available on www.irda.gov.in)

The data presented in Table 5 above could be graphically described as under:

GRAPH 3



Sum assured

Following Table 6 makes a comparison between percentage in growth for years 2019-20 & 2020-21 in respect of sum assured

TABLE 6

	March	April	May	June	July	August
% in growth 20-21	2.39	57.35	61.43	37.21	30.46	25.21
% in growth 19-20	11.36	-16.41	-20.23	-12.92	-9.24	-8.28

(Source: Calculations based on the data available on www.irda.gov.in)

The data presented in the above Table 6 could be graphically described as under"

GRAPH 4

Graph 4: Comparison between sum assured and % in growth for years 2019-20 & 2020-21

Interpretation (Tables 3 to 6)

From the given Tables 3 to 6 and Graphs 1 to 4, the researcher interprets that, the overall performance of the life insurance companies during the year 2020, significantly declined.

First-year premium variable declined from April to August 2020. India faced its first lockdown in April 2020, thereby growth figures turned negative i.e. -32.6, -27.92, -18.64, -11.96 and -6.0 per cent. From April 2021 onwards it significantly increased to record positive growth i.e. 44.75, 10.99, 6.87, 1.16 & 1.63 per cent respectively.

The number of policies in the insurance sector also recorded a similar growth patterns. April 2020 onwards it showed overall negative growth of -67.56, -51.02, -35.4, -29.81 & -27.17 per cent. From April 2021 onwards it significantly improved to positive growth figures of 139.53, 30.4, 11.53, 13.33 & 16.99 per cent respectively.

Percentage in growth in number of lives covered under group scheme was found to have dropped to -49.82, -57.84, -56.10, -52.42, and -48.90 per cent during the year 2020 (months April to August), which was found to be positive at 114.94, 100.55, 57.42, 47.23 and 45.06 per cent respectively during the year 2021 (months April to August).

The sum assured percentage growth dropped and recorded a negative figure of -16.41, -20.23, -12.92, -9.24, and -8.28per cent respectively from April to August 2020. These figures went up to 57.35, 61.43, 37.21, 30.46, and 25.21 per cent for April to August 2021.

All negative figures recorded during the year 2020 were found to have become positive during the next year's corresponding period under the same parameters and variables under study.

Thus like many other sectors, the insurance sector also witnessed a downward trend incurring losses during the Covid 19 period as compared to the pre-Covid years. Similarly, the researcher can clearly see positive growth figures for almost all the variables under study, during the post-Covid 19 period.

GOVERNMENT'S INITIATIVES

To boost the insurance sector, The Indian government has taken few initiatives. Some of them are listed below:

- **The Finance Ministry announced its intention to infuse Rs 3,000 Crore (US$ 413.12 Million) into thw State-owned general insurance companies. This initiative is to improve the overall financial health of the companies.**
- **An amount to the tune of Rs. 1 6,000 Crore (US$ 2.20 Billion) has been allocated for the crop insurance scheme. This is done under Union Budget 2021.**
- **The Government extended the Rs 50 Lakh (US$ 66.85 thousand) insurance coverage scheme for healthcare workers across India (until the next year) in June 2021.**
- **The Parliament has passed the General Insurance Business (Nationalization) (Amendment) Bill in August 2021. This Bill aims to allow the privatization of State-run general insurance companies.**

THE ROAD AHEAD

The life insurance sector in India is expected to grow annually by 14 to 15% for the next five years at least. After a setback during Covid 19 pandemic, the insurance sector appears to be back on the positive track where the growth figures are showing a positive trends The overall insurance sector is expected to earn up to US$ 280 billion by end of the year. There have been various changes in the regulatory framework for the insurance sector. This makes the future to be promising for the insurance sector as the sector is using innovations in the way it is conducting business and engages its customers. Currently, there are 110 plus insurtech start-ups in India and the scope of the internet on things (IoT) in the Indian insurance market will continue to go beyond customer risk assessment. MA

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INSURTECH - REVOLUTIONARY SCOPE AND GROWTH WITH REFERENCE TO INDIA

Abstract

Insurtech, like fintech, is a word for a firm that uses technology to disrupt the insurance sector, because the insurance industry is heavily regulated, any insurance business must exercise extreme caution. That is why they are still hesitant to deal with any technology startup. Insurtech is a complement to existing insurance firms rather than a rival.

Insurers should get familiar with new ideas, such as blockchain, smart contracts, machine-oriented deep learning and the internet of things. Crucial aspects of insurance are drastically changing through use of artificial intelligence. New customer specific insurance plans are getting structured with the help of these new techniques in the form of usage, micro and sachet insurance etc.

Claims, distribution, underwriting, and pricing aspects of insurance are getting reshaped. Several startups are coming forward with innovative ideas on connecting technology with insurance.

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INTRODUCTION

The term 'insurtech' is commonly used to describe how new technology is being leveraged throughout the insurance value chain to reduce costs and increase efficiency. *Insurtech* emerged in 2010 as a spinoff of 'fintech', a similar banking endeavour.

Because the insurance market is tightly regulated, any insurance business must exercise extraordinary caution. *Insurtech,* like fintech, is a term for a company that employs technology to disrupt the insurance sector. This is why they remain wary of working with any technological startup. In fact, *insurtech* is not a competitor, but a supplement to current insurance companies.

SCOPE AND TECHNOLOGY USE

India is the second-largest *insurtech* market in the Asia-Pacific region, accounting for 35 per cent of the $3.66 billion in venture capital invested in the industry, according to S&P Global Industry Intelligence.

According to Boston Consulting Group, property and casualty (P&C) insurance was the well-funded area of *insurtech* in 2020, with $3.4 billion, or about 45 per cent of total funding. The other large expenditure categories were health insurance with $2.1 billion at 29 per cent, multiline insurance with $1.6 billion at 22 per cent and life insurance with about $300 million at 4 per cent. There are also *insurtech* start-ups that specialise in actuarial or risk discovery methods.

Insurtech is built on cutting-edge technological applications. Some of the most common technologies utilised in this field include micro insurance, peer to peer insurance(P2P), Robo Advisory, internet of things (IoT), embedded insurance (machine learning, AI, Big Data), usage based insurance, machine learning and deep learning, blockchain technology and gamification

INDIAN COMPANIES IN INSURTECH INDUSTRY

Indian IT firms are leading the way in *insurtech* innovation, with six companies making the *Insurtech*100 list. The

*Insurtech*100 is a list of tech start-ups that are revolutionizing the digital insurance sector with innovative products and solutions, published annually by FinTech Global. A team of experts and industry insiders selected the top 100 *insurtech* from a large list of over 1000 technology businesses to address the most pressing insurance challenges.

As per MEDICI's newest India *Insurtech* Report 2020, India's share of the global insurance market is expected to reach 1.7 per cent by 2030, with a growth rate of 2.3 per cent. In 2018, India's overall real premium growth rate was 9.3 per cent, compared to 1.5 per cent globally, showing that the country's expanding insurance industry has a promising future. According to a BCG report of 2021, India has over 110 *insurtech* companies in several subsectors, including as aggregators, claims management, digital-first insurers, software white label and infrastructure APIs, and IoT. To solve the affordability issue, *insurtech* is developing small-ticket and short-duration insurance solutions.

The India Insurtech Map was produced in collaboration with the India Insurtech Association, according to The Digital Insurer. Every logo on the map was connected to the Insurtech Directory, which provides further information about each company and allows people to communicate more easily. Notable *insurtech* businesses in India include the following.

PolicyBazaar, which is India's largest insurance marketplace. Depending on their preferences, users may study and compare numerous insurance packages online. Insurance plans can also be bought, sold, and stored online. For tracking insurance and dealing with claims, the programme provides an end-to-end solution. The company receives over 100 million visitors each year and conducts over 1,000,000 sales transactions. *PolicyBazaar* currently has about a third of the Indian life insurance and retail health-care market. Home content insurance from Digit Insurance is aimed at renters who wish to cover their possessions rather than the structure of their home. To enhance customer engagement and claim avoidance, the auto insurance industry is using driving behaviour through the use of telematics and IoT sensors. Health insurance firms are utilising sophisticated wearable devices, IoT sensors, and mobile applications to measure its members' health and fitness,

According to *Agrawal Nidhi's* (2020) list of six key *insurtech* businesses in India, Acko is the country's first entirely digital general insurance company. It was launched in 2017 and offers clients personalised pricing based on deep data analytics. It examines customers' interaction patterns and behavior before making insurance recommendations based on the data. The popularity of' bite-size' insurance, often known as 'sachet' insurance, is on the rise. It is frequently purchased as an add-on to a wide range of products and services, including travel and e-commerce. Acko General Insurance, on the other hand, has collaborated with over 20 digital platforms to provide bite-sized insurance across retail, travel, banking, and other industries. Ola's travel insurance by Acko has covered over 23 million trips in less than ten months and is considered as one of the most innovative insurance solutions in the market. Over 40 million Indians have been insured by Acko, which accounts for 8% of all vehicle insurance plans purchased online in India. Lost baggage, computers, delayed flights, accidental medical costs, and ambulance transportation are all covered by Ola Ride Insurance.

Toffee Insurance is a micro insurance firm that specialises on contextual risks. Its customer-centric services deconstruct traditional underwriting and bundle appropriate insurance based on individual requirements. It has collaborations with Hero Cycles, Wildcraft, Eko, and Apollo Hospitals, as well as support from ICICI, Religare, HDFC Ergo, and Tata AIG Insurance.Another *insurtech* firm, also protects bicycles against theft and damage, as well as unintended mishaps while participating in a fitness activity or sport. Customer on boarding, profiling, underwriting, and claims administration are all automated with Artivatic's SaaS platform for insurance. Natural language processing (NLP), machine learning (ML), deep learning (DL), behaviour analysis (BA), artificial intelligence (AI), and the internet of things are all used in their solutions (IoT). Deloitte, KPMC, HCL, and Cynopia are among the 16 clients the business presently has.

Mantra Labs is an AI-first product and solution business that assists insurance companies in resolving their most pressing front- and back-office challenges. Its solutions include FlowMagic, a visual-AI platform for insurer operations, an AI-enabled insurance chat bot, and an AI-driven lead conversion accelerator that maximizes sales funnel prospects.

Pentation Analytics creates cutting-edge analytics software for typical insurance scenarios. The company has introduced the 'Insurance Analytics Suite®,' which handles retention/ persistence, cross-sell, acquisition, and underwriting using sophisticated machine learning algorithms. For people with monthly earnings of less than $300, they now provide cycle insurance, income protection insurance, daily commute insurance, and dengue insurance. Over 115, 000 Indians have been insured by the company, 80 per cent of them being first-time clients.

Collaboration between HDFC Ergo and Tropogo to provide drone owners was the first one under 'Pay as you Fly' insurance. ICICI Bank has partnered with MobiKwik to offer a cyber-insurance cover for MobiKwik's mobile wallet clients under micro insurance category with

Rs. 50,000 sum insured, which will help new payment system users while boosting digital financial inclusion. Aureus' 'SentiMeter,' uses a real-time customer experience measuring solution which combines deep text analytics. AI. CamCom analyses faults and damage on the vehicle using photographs, assigning a severity rating and advising whether the item should be repaired or replaced.

BeatO is a full-stack digital health platform based on artificial intelligence for treating lifestyle-related chronic illnesses. It integrates health insurance with a comprehensive digital health ecosystem. Ria's data-driven platform, which is supported by an integrated care platform, a network of care partners, and an underlying health data platform, allows consumers to actively manage their health.

Insurepays is a platform that allows advisors, brands, and insurers to interact with customers more deeply while rewarding policyholders who pay their premiums on time. The ELLE Chatbot, which has over 4.75 million users, makes use of NLP. The speech bot for CRM is a strong tool with 14 language options and emotion analysis. Insurance industry is using AI, machine learning, and big data to drive excellence throughout the value chain, including customised product creation, bionic sales forces, proactive risk management, and more.

GROWTH

As stated by the General Industry Council, health insurance premiums surpassed life insurance premiums for the first time in India during the first half of FY 2020-21. *Insurtech* investments have been increasing, reflecting the market's confidence in the sector. The most successful *insurtech* firms proceeded through seed, venture capital and advanced financing rounds.

According to the India Insurtech Map, Acko, which is in talks to raise $200 million, is expected to raise eyebrows because the funding will push the five-year-old company into the longed for unicorn club. Digit was valued at $1.9 billion earlier this year. Last month, Plum, an *insurtech* company, secured $15.6 million in a round led by Tiger-Global. PolicyBazaar also has stated that they intend to go public.

The popularity of' bite-size' insurance, often known as 'sachet' insurance, is on the rise

As per the study by the India Insurtech Association, *insurtech* financing in the nation has risen from a small foundation of $11 million in 2016 to $287 million in 2020. According to *Sheersh Kapoor* (2021), Turtlemint raised $30 million in November 2020, while Digit raised about $84 million during the start of 2021, continuing the funding pattern. According to IBEF statistics, there are presently more than 110 *insurtech* startups in India. India's Insurance Regulatory and Development Authority (IRDAI) has been aggressive in addressing the demand for *insurtech* development.

As stated by *Monika Ghosh* (2021), India has become the second-largest *insurtech* market in Asia Pacific area and one of the fastest-growing markets in the Globe, thanks to its expanding middle-class population and increased mobile and internet usage. The average financing size for *insurtech* has increased from $20 million in 2014 to $46 million by 2020. In 2021, Digit Insurance became the first Indian unicorn, valued at $1.9 billion.

CONCLUSION

Insurers now have the chance to play a significant role in the new digital environment by co-creating and adjusting their services. To allow more tailored management and considerably expand insurance coverage in India, they must collaborate with digital platforms and *insurtechs*.

Insurance is closely regulated, and confidence can only be won after years of sustained efforts and substantial of investment. *Insurtech* might help traditional insurers' price products more cheaply, offer products that customers want and improve the speed and simplicity of the insurance buying process for both the consumer and the agent. Except for a few actual insurers like Oscar and Lemonade, the vast majority of *insurtech* businesses comprise of brokers who would be unable to function without the help of an insurer. Even if some start-ups succeed, it will take time and involve money for them to become financially self-sufficient.

Indeed, the future insurer will be one that shifts its business strategy to emphasise prevention and promotes itself as a preventative specialist. Risk mitigation will be a major concern that will need considerable expenditure on people, infrastructure, and technology. Insurers will most likely turn to subscription-based preventative treatments as a new source of revenue.

Insurers should get familiarised with these new ideas, concentrating on blockchain with both public and private ledgers, smart contracts, machine-oriented deep learning, and internet of things, and utilise their sector knowledge to assess the potential of these developing technologies. Blockchain has the ability to transform insurance operations by bringing new methods that rely on decentralised networks and secure transactions; it might also be the solution to new challenges given by new insurance models like peer-to-peer and on-demand micro and use insurance. MA

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PERFORMANCE OF HEALTH INSURANCE SECTOR DURING COVID-19 PANDEMIC: AN OVERVIEW OF PERCEPTION AMONG INSURED INDIVIDUALS IN WEST BENGAL

Abstract

The health insurance sector is playing a satisfying role in tackling the Covid-19 related health exigencies in West Bengal, at present. This Sector has shown a sustainable performance through properly maintaining of policy costs, launching of new policies, undertaking of proper publicity, making of health policy clauses dynamic and through extensive knowledge base of insurance agents regarding policy features. The insured persons mainly encounter problems during claim settlements, in this pandemic period.

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INTRODUCTION

Spread of Covid-19 has affected many industries adversely in some way or the other, but, the insurance sector is the one which has got affected the most, both indirectly in terms of their investment portfolio and directly in terms of increasing number of claims, due to spread of novel corona virus. While the virus has affected millions of people all over the world, the fatal impact has been seen to be severe on patients with pre-existing medical conditions leading to low immunity. India too is facing the crisis with more than 3.4 crore confirmed cases and more than 4.5 lakh deaths (as per, WHO Covid-19 Dashboard) so far. Considering the severity, the Insurance Regulatory and Development Authority (IRDA) has issued guidelines from time to time for the insurers to include Covid-19 cases and Covid related health issues under the insurance plans. Though the number of cases diagnosed is subject to discussion, apart from the paid diagnostic services, the Government of India has made the diagnostic services available free of cost as well. The insurers were left to deal with the hospitalization, pre-hospitalization and post-hospitalization expenses for their customers. Under such circumstances, the insurers introduced new clauses in existing policies and also came up with customized plans for Covid to deal with the situation. But, due to rapid spread the virus has affected crores of people in India and the surge in number of cases has put the insurance companies under tremendous pressure.

REVIEW OF LITERATURES

Bhatia, M., Mittal, S., & Bansal, A. (2021), state that with profiteering nature of private medical service providers, it has become essential that the insurance sector in India is expanded to cover more people and also Government should intervene to ease the financial burden of expenses on individuals. *Mangla, D. & Aggarwal, R.* (2020) stated that Indian health insurance sector is not sufficient currently to meet the rising demand. In his study, *Mondal, A.* (2021) has concluded that the growth of private health insurance sector in India has got accelerated due to COVID-19. *Basak, S. & Das, S.* (2020) concluded that, people from younger generation in Kolkata are, to a good extent, aware about various health policies available in the market.

No specific study has yet been conducted for exploring the performance of health insurance sector in West Bengal during Covid period. Hence researchers identified it as a vital research gap, having huge socio-economic significance. The present study has been planned to fill this gap and add something valuable to the existing literatures.

Considering the severity, the Insurance Regulatory and Development Authority (IRDA) has issued guidelines from time to time for the insurers to include Covid-19 cases and Covid related health issues under the insurance plans

RESEARCH OBJECTIVES

This study is primarily targeted in exploring the performance of health insurance sector in West Bengal during the Covid-19 pandemic period in terms of protecting the people from various Covid-19 related health complexities through efficient policy coverage.

RESEARCH METHODOLOGY

The entire study is descriptive and exploratory in nature. To understand the efficacy of health polices in tackling Covid-19 related health complexities in West Bengal; the researchers have used primary survey through a structured questionnaire. The surveys have been conducted among 87 respondents. Six separate questions have been raised for measuring the sector's performance in West Bengal during Covid-19 period, through 7-Points ordinal Likert's Scale. Descriptive statistics associated with the measurements are logically presented and analyzed to achieve the above said objective. Convenient sampling procedure is being used for data collection; from the health policy users' population.

ANALYSIS

Following are the six parameters (questions) based on which the performance of health insurance sector in West Bengal during the Covid-19 pandemic period is being judged by the researchers in terms of protecting the people from various Covid-19 related health complexities through efficient policy coverage.

- *Policy premium and associated costs for covering Covid and related health issues are reasonable (Statement 1)*

TABLE 1: POLICY PREMIUM AND ASSOCIATED COSTS

		Frequency	*Per cent*	*Valid Per cent*	*Cumulative Per cent*
Valid	Strongly agree	7	8.0	8.0	8.0
	Agree	16	18.4	18.4	26.4
	To some extent agree	18	20.7	20.7	47.1
	Neutral	21	24.1	24.1	71.3
	To some extent disagree	10	11.5	11.5	82.8
	Disagree	9	10.3	10.3	93.1
	Strongly disagree	6	6.9	6.9	100.0
	TOTAL	87	100.0	100.0	

Source: *Computed by authors.*

It is observed from Table 1 that 47.1per cent (41) of the total respondents have a positive perception regarding reasonableness of policy premium and associated costs of health policies; which are capable of covering Covid and related health issues. However, 28.7 per cent (25) respondents have a negative perception regarding this and 24.2 per cent (21) respondents have no clear idea regarding this.

- *Available health policies are dynamic in taking care of various health issues and associated complexities arising due to Covid (Statement 2)*

TABLE 2: DYNAMISM OF HEALTH POLICY FEATURES

		Frequency	*Per cent*	*Valid Per cent*	*Cumulative Per cent*
Valid	Strongly agree	7	8.0	8.0	8.0
	Agree	22	25.3	25.3	33.3
	To some extent agree	15	17.2	17.2	50.6
	Neutral	21	24.1	24.1	74.7
	To some extent disagree	3	3.4	3.4	78.2
	Disagree	14	16.1	16.1	94.3
	Strongly disagree	5	5.7	5.7	100.0
	TOTAL	87	100.0	100.0	

Source: *Computed by authors.*

It is observed from Table 2 that 50.6 per cent (44) of the total respondents have a positive perception regarding dynamism of health policy features which are capable of taking care of various health issues and associated complexities arising due to Covid, whereas 25.3% (22) respondents have negative perception regarding this and 24.1 per cent (21) respondents have no clear idea regarding this.

- *Adequate publicity related activities have been undertaken by the insurance companies for promoting new and existing health policies, capable of covering Covid and related health complexities.*

TABLE 3: PUBLICITY BY HEALTH INSURANCE ORGANIZATIONS

		Frequency	*Per cent*	*Valid Per cent*	*Cumulative Per cent*
Valid	Strongly agree	6	6.9	6.9	6.9
	Agree	26	29.9	29.9	36.8
	To some extent agree	12	13.8	13.8	50.6
	Neutral	21	24.1	24.1	74.7
	To some extent disagree	6	6.9	6.9	81.6
	Disagree	11	12.6	12.6	94.3
	Strongly disagree	5	5.7	5.7	100.0
	TOTAL	87	100.0	100.0	

Source: *Computed by authors.*

It is observed from Table 3 that 50.6 per cent (44) of the total respondents have a positive perception regarding publicity related activities undertaken by health insurance organizations for promoting new and existing health policies, capable of covering Covid and related health complexities whereas 25.3 per cent (22) respondents have negative perception regarding this and 24.1 per cent (21) respondents have no clear idea regarding this.

- *Claim settlement procedures for policies covering COVID and related health issues; are easy.*

TABLE 4: CLAIMS SETTLEMENT ISSUES

		Frequency	*Per cent*	*Valid Per cent*	*Cumulative Per cent*
Valid	Strongly agree	1	1.1	1.1	1.1
	Agree	15	17.2	17.2	18.4
	To some extent agree	16	18.4	18.4	36.8
	Neutral	25	28.7	28.7	65.5
	To some extent disagree	9	10.3	10.3	75.9
	Disagree	15	17.2	17.2	93.1
	Strongly disagree	6	6.9	6.9	100.0
	TOTAL	87	100.0	100.0	

Source: *Computed by authors.*

It is observed from Table 4 that 36.8 per cent (32) of the total respondents have a positive perception regarding easiness in claims settlement for policies covering Covid and related health complexities, whereas 28.7per cent (25) respondents have negative perception regarding this and 34.5 per cent (30) respondents have no clear idea regarding this.

- *Many new health policies have been launched to cover dynamic health issues arising due to Covid.*

TABLE 5: NEW HEALTH POLICIES

		Frequency	*Per cent*	*Valid Per cent*	*Cumulative Per cent*
Valid	Strongly agree	9	10.3	10.3	10.3
	Agree	30	34.5	34.5	44.8
	To some extent agree	16	18.4	18.4	63.2
	Neutral	21	24.1	24.1	87.4
	To some extent disagree	6	6.9	6.9	94.3
	Disagree	3	3.4	3.4	97.7
	Strongly disagree	2	2.3	2.3	100.0
	TOTAL	87	100.0	100.0	

Source: *Computed by authors.*

It is observed from Table 5 that 63.2 per cent (55) of the total respondents have a belief, that many new health policies have been launched for covering Covid and related health complexities, whereas 12.6 per cent (11) respondents have negative perception regarding this and 24.2 per cent (21) respondents have no clear idea about this.

- *Insurance agents have adequate knowledge about various rules and clauses of existing policy contracts and customized plans taking care of COVID and related health issues.*

TABLE 6: KNOWLEDGE BASE OF THE INSURANCE AGENTS

		Frequency	*Per cent*	*Valid Per cent*	*Cumulative Per cent*
Valid	Strongly agree	3	3.4	3.4	3.4
	Agree	25	28.7	28.7	32.2
	To some extent agree	14	16.1	16.1	48.3
	Neutral	24	27.6	27.6	75.9
	To some extent disagree	4	4.6	4.6	80.5
	Disagree	14	16.1	16.1	96.6
	Strongly disagree	3	3.4	3.4	100.0
	TOTAL	87	100.0	100.0	

Source: *Computed by authors.*

It is observed from Table 6 that 48.3 per cent (42) of the total respondents have a positive perception regarding knowledge of insurance agents about various health policies covering Covid and related health complexities, whereas 24.1 per cent (21) respondents have negative perception regarding this and 27.6 per cent (24) respondents have no clear idea about this.

DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS

In terms of four parameters, that is (i) policy related costs, (ii) dynamism of health policy clauses, (iii) publicity related activities undertaken by insurance organizations and (iv) knowledge base of insurance agents, around half of the respondents expressed a positive perception regarding health insurance performance in West Bengal during Covid-19 period. Regarding claim settlement issues a comparatively small portion of the health insurance users expressed positive perception, whereas a comparatively larger portion of respondents showed negative perception. It's being noted that, as Covid increases claims, insurance companies make the claim settlement procedures stricter in many cases. A comparatively larger portion of the respondents believed that many new health policies have been launched to cover Covid-19 and related health issues. Moreover, the study also reveals that around one fifth of the insured persons have absolutely no idea regarding performance of health policies during Covid-19 period, especially regarding claims settlement complexities and knowledge of insurance agents. The researchers observed that many insured persons had no idea regarding their policy or other available policies, as their family members who are knowledgeable about this purchased the policy for them and also several respondents did not resort to claims settlement activities during Covid period.

The performance of health insurance sector in West Bengal was found to be good during pandemic period but, as a part of the recommendatory measures, the individual policy users need to be more knowledgeable about the merits and demerits of their policies and alternatives. This will promote better policy launches. Finally, insurance companies need to rethink for making policy settlements easier. MA

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INSURTECHS: THE FORCE TO RECKON WITHIN INSURANCE SECTOR

Abstract

The touch of digitization has always accelerated and given a new height to every aspect. So why the insurance sector should stay away from that touch and so comes the new normal in the world of insurance INSURTECH.

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BACKGROUND

The year 2010 marked the beginning of a new era in world of insurance sector that mainly focused on enhancement of the existing efficiencies of the insurance companies by using technological innovations derived from applications of *fintech,* known as *insurtech*. *Insurtech* can be defined as technological innovations of different innovative product offerings that are much differentiated and customized from traditional products and provides for arrangement of a guaranteed compensation for a specified premium—all by the assistance of Artificial intelligence and IoT (internet of things). The motive of such technological innovation is quite pronounced and clear. The attempt here is to focus on insufficient areas like in case of life insurance more on customer touch points and customer engagement because after the sale the second touch point is at the time of claim ;thus *insurtech* will increase this engagement of customers more with the insured company; in case of health insurance the most important area of concern is to properly connect wellness and health with the policy so that an effective policy portfolio could be provided to customers, whereas in case of general insurance the focus is mainly on cost cutting as it is a super-fast exchange market of products and services. The aim of *insurtech* is to minimize the time taken to convert customers to consumers and also to provide ease of procedure at the comfort of customer through digitization of activities, thereby potentially improving fraud minimization.

TRENDS IN INDIA

Insurtech has impacted the United Kingdom largely and Asia is seeing a rising trend in shift from traditional insurance methods to reliance upon *insurtech*. India has seen a manifold increase in funding and truly *insurtech* is the next big thing. The year 2016 saw $11 million funding for *insurtech* in India, which increased to $287 million in 2020. There are at present 110+ *insurtech* start-ups and the past two years have seen established insurance companies collaborating with *insurtech* start-ups to offer unique bite-sized insurance products to the customers. With increasing customer base on digital platforms over the past few years, demands for insurance products online have increased. About 65 per cent of insurance customers in 2019 were found to credit digital platforms for their journey towards purchase. About 88 per cent of the customers expressed their willingness to purchase insurance products through digital channels (according to the BCG-FICCI survey reports). Moreover, demands for unconventional insurance products like property insurance, pet insurance, point-to-point delivery insurance, shared car insurance, etc are on the rise. It can be safely concluded that insurance now is no longer limited to general, life and non-life insurance. The scope is ever widening with innovations all around the Globe that has in fact impacted the domestic demand.

With the Covid 19 pandemic, things have turned in favour of *insurtech*. Though the first three quarters of 2020 saw reduced funding, with Turtlemint raising $30 million in November 2020 and Digit raising $84 million at the start of 2021 to achieve a valuation of $1.9 billion, surely the funding is back on track. Now, within two years PolicyBazar plans to go for public issue of equity shares, which is nothing but a reflection of optimism of fund flow for *insurtech*. From the time pandemic hit our country, there has been increased customized offering of insurance products by *insurtech* firms, coupled with increase in customers' demand for insurance products. Covid 19 has shifted the perception of risk and risk coverage, due to which there has been about 10 per cent increase in demand from urban customers. With India's total real premium growth rate of 9.3 per cent, increased customer demand for customized product, the age long tradition of 'one size fits many' is turning obsolete. The only way to meet the demands effectively is with the help of *insurtech* collaborations.

INSURTECH: THE DRIVING FORCE TO CHANGE

Insurance has been so long considered as a protection against certain and uncertain risk. However, with technological innovations now this sector is slowly moving towards prevention and prediction of risk. Technological innovations like smart watches can monitor health and physical activities thereby providing data about health risks. ADAS (Advanced Driver Assistance System) provides data about the driving patterns, artificial intelligence, drones, machine learning, internet of things, all contribute towards large data gathering that provides insight in the insured's life style and risk associations, thereby not only enabling to price the policies differently for different customers, but also to provide assistance to customers by warning them ahead, notifying nearby health Centre, detecting symptoms earlier, etc. All these now are changing insurance from merely being a risk protection device to prediction of risk and prevention of it.

Another insurtech company Toffee Insurance is offering risk coverage against cycle theft and fitness insurance

Insurance is no longer 'one size fits many'; in fact, now everyone has a different 'size'. Traditional insurance companies are unable to cope up with the present demands. As digitalization becomes the norm of the new age in the new normal, insurance sector has been experiencing the tide of such change and only the ones that cope up with the present demand will survive in the future. Insurance is no longer about only long-term protection; in fact now insurance is demanded for short terms like travels on rented cabs, train travels,for pets, for fitness, etc. Seeking the opportunity Acko Insurance has tied up with more than 20 digital platforms to offer insurance across retail, finance, travel, delivery and many more. Success of such bite-sized product offerings can be seen from the fact that more than 23 million Ola customers were insured in less than 10 months for their rides. Another *insurtech* company Toffee Insurance is offering risk coverage against cycle theft and fitness insurance. Digit Insurance is offering rented individuals risk coverage against theft of their belongings in rented premises.

Differentiated product offerings with customized pricing for different customers are only possible through enormous amount of data collection and analysis, which is the competitive advantage that *insurtechs* have over traditional insurers. With the rise in technology usage and innovations and increased desire of varied risk protections, *insurtechs* are providing the solution. It not only makes the whole procedure efficient and effective but also helps in providing customized package, faster settlement of claims, and attracts more buyers. Technology is the future of insurance and there is no denying that fact.

RECENT PARTNERSHIPS

Anticipating the changing market insurers are collaborating with *insurtech* companies to meet the present challenges and be better equipped to face the future. Apollo Munich Health Insurance partnered with MEDICI to launch Inspire Next, HDFC Ergo partnered with Tropogo to provide insurance to drone owners under the scheme "Pay as you Fly"; ICICI partnered with MobiKwik to provide insurance coverage to mobile wallet users; Bajaj Allianz partnered with Toffee Insurance to provide insurance coverage against 7 mosquito related diseases under the scheme of "mosquito insurance" and these are just few examples among many.

These partnerships reveal the importance of collaboration between traditional insurers and *insurtechs*. To survive in the future, one cannot go alone. The advantage of one has to be shared with the other. Traditional insurers have advantages of large customer base and risk underwriting abilities, along with established mechanism for compliance with regulatory requirements. *Insurtech* on the other hand has the advantage of ability to meet new demands and create personalized offerings, catering to larger customer base and data collection and analysis. Though there remains the challenge of security and trust of customers, yet unless both join hands, survival would be a tough challenge.

THE ROAD AHEAD

A disruption in the insurance sector is anticipated to occur very soon with the advantages of *insurtech* in the form of chat-bot automation, machine learning, behavioral analytics, prediction and prevention data analysis and reduced infrastructural and human capital costs, reduced pricing and customized policies, paperless transactions, digital footprints and faster settlements. These advantages are able to cater to the dynamic demands of the customers at present which is a threat to the insurance companies. They must accept the changes and adopt or develop technology to meet the needs. Though there have been partnerships between insurers and *insurtech* startups yet most traditional insurers consider *insurtech* start-ups as facilitators but not core innovations to be embraced. The insurance eco-system needs both the insurers and *insurtechs* to be core partners in building new atmosphere to facilitate incorporation of changing trends within their business environment. The focus must be to offer new products, develop strategic collaborations and explore new opportunities to develop policies.

Regulators have an important role in this regard. Facilitating collaboration with greater ease and allowing more than 10 per cent equity acquisition in start-ups will provide the necessary assistance for collaboration. Moreover, allowing insurers to provide value added services will help the insurance companies to shift from largely protection based to prevention and prediction based. Regulatory Sandbox in the Indian insurance industry has to be improved with more support to enable the *insurtechs* a safe zone for carrying out innovative approaches without the consequences of failures, which will be crucial in helping the insurance sector innovations. MA

CONCLUSION

It is quite evident that the insurance industry is on the rim of tech-driven shift. AI which is already integrated in the industry will give a different shape to the insurance industry as well. Therefore, in the coming years the AI related technologies will have a vast impact on every aspect of the insurance industry. It will make the current insurance model more efficient by several ways like enhancing the purchase experience by helping in real time purchase and with the less engagement of insurer and insured. Use of AI and data analytics will also help in competitive product pricing. This new era will also help the existing insurers to become more proactive as they need to understand and adopt the required skill, knowledge, talent to cope with the changes and to have a clear and consistent perspective of their willingness to become successful players in the new space whereas the *insurtech* startups might also require the help of such traditional insurers in handling cataclysmic risks. Thus, *insurtech* will definitely act as a catalyst for the insurance industry and give a total tech-makeover to the traditional insurance industry. MA

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THE WINDS OF CHANGE IN HEALTH INSURANCE

Abstract

This article endeavors to investigate the change in the mindset of the people towards health insurance sector. A comparative study is conducted among different types of health insurers in India. The focus is on various health insurance products launched during Covid-19 pandemic period, recent challenges faced by the health insurance sector and the penetrative growth of the health insurance sector in India.

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INTRODUCTION

Health is the basic necessity of human beings. In India, the health insurance sector is one of the most important sectors boosting India's healthcare coverage through financial and healthcare protection. The health insurance sector has witnessed huge escalations since liberalization due to introduction of private healthcare financers, increase in health consciousness among all the sections of the society, competition in insurance sector, increase in income of the households etc. But the absence of adequate number of exclusive health insurance companies is causing a number of problems to the people. The coverage for health insurance policies is improving in recent times in India, but the publicly funded schemes are almost restricted to socially weaker sections or socially backward sections of the society. If we look back, we will find that health insurance in India began with the Employee's State Insurance Scheme (ESIS) in 1948. Its introduction provided an umbrella of social security to blue -collar workers of the organized sector but still the employees of the unorganized sectors were unprotected. The ESIS scheme is mainly financed from the contributions of employers and employees. In 1954, Central Government launched a scheme called as "Central Government Health Schemes" (CGHS) to provide healthcare services to Central Government employees and their families. In 1986, the General Insurance Corporation (GIC) launched India's first mediclaim policy which covered hospitalization expenses such as pregnancy, HIV, AIDS, Childbirth etc. It is from 1991 after the introduction of the new economic policy and liberalization that the Government permitted privatization in insurance sector. In the health insurance sector, the Insurance Regulatory and Development Authority (IRDA)Bill, 1999 created a milestone. Since 2002 upon the introduction of the National Health Policy 2002, that more than 17 health insurance schemes have been introduced by the Government. In 2018, Hon"ble Prime Minister, Narendra Modi launched the *Ayushman Bharat Pradhan Mantri Jan Arogya Yojana* (PM-JAY) to achieve the target of universal health coverage. The PM-JAY, a national public health insurance fund of Government of India provides free access to health insurance coverage to low-income earners in the country. It is a scheme created for the upliftment of the economically weaker sections who require healthcare facilities.

The PM-JAY, a national public health insurance fund of Government of India provides free access to health insurance coverage to low-income earners in the country

OBJECTIVES OF THE STUDY

1. To understand the change in mindset of people towards health insurance in India.
2. To make a comparative analysis of health insurance sector for the yearS 2018-19 and 2019-2020
3. To make a comparative analysis between different types of health insurers in India.

RESEARCH METHODOLOGY

In this study only a systematic descriptive analysis has been made. The study is based on secondary data collected from IRDA website based on the IRDA Annual Report 2019-2020.

STANDARD PRODUCTS

The following were the stamdard products of health insurance found during the era of Covid 19 Pandemic:

1. **Arogya Sanjeevani Policy**

It is a health insurance policy launched on 1st April, 2020 by the Insurance Regulatory and Development Authority of India (IRDAI) and it is offered by top health insurance companies in India. It provides the benefit of having sum insured up to 10 lakhs available in both individuals as well as floater type.

2. **Corona Kavach Policy**

It was launched on July 10, 2020 by the Insurance Regulatory and Development Authority of India. Corona Kavach Policy covers mainly hospitalisation expenses if the insured is diagnosed with Covid-19. Here the sum insured range is between Rs 50,000/- to Rs 5,00,000/-.

3.**Corona Rakshak Policy**

It was launched on March 31,2021 when the second wave of pandemic spread in the country. This policy coves the expenses like corona related hospitalization cost, ambulance cost and other medical expenses. It will provide 100 per cent payout if the insured is hospitalised for over 72hrs due to Covid-19.

4. **Mashak Rakshak Policy**

It was launched on 1st April, 2021 by IRDAI to offer general and health protection from vector-borne diseases like dengue and malaria. The extent of cover for treatment of these diseases ranges from Rs 25,000 to Rs 1lakh or more.

5. **Saral Suraksha Bima Policy**

Launched on 1st April, 2021 by IRDAI, this policy is a standard accident product with common coverage and policy wordings across insurers, which every policyholder should know. The tenure of this policy is 1 year. Upon the demise of the insured, 100 per cent of the sum assured shall be paid as a benefit if the death results from an injury sustained in an accident, and death occurs within 12 months from the date of the accident.

Corona Kavach Policy covers mainly hospitalisation expenses if the insured is diagnosed with Covid-19

CHALLENGES

1. Healthcare insurance sector requires a strong data management system where data collection and data analysis can be done without disruption.
2. Healthcare insurance sector has high-claim paid ratio with respect to the public investors where the company incurs a huge loss due to expenses.
3. Third Party Administrators (TPA) are not working professionally and it is causing lack of faith on making investment by people towards health insurance.
4. Socially weaker sections or Socially backward sections are still deprived of the benefit of health insurance.
5. Lack of amalgamation between the public sector and private sector is a major problem in the development of health insurance industry.
6. Lack of knowledge about health insurance policy is another major problem affecting the development of health insurance industry.
7. Many people think they are not at the risk of getting affected by any disease and therefore they do not opt for health insurance policy. This is a wrong mindset of the people.

DATA ANALYSIS AND FINDINGS

1. The standalone health insurance entities emerge as the one which as the most crucial role in the health insurance sector. The health insurance premium earned by the public sector insurers was the maximum. The growth rate in market share is maximum for standalone health insurers and this is clearly reflected in Table 1. Its growth rate during the years 2019-2020 was 28.59 per cent.

Table 1
Health Insurance Premium Underwritten by General and Health Insurers

Insurer	Premium (₹crore)		Market Share (%)	
	2018-19	2019-20	2018-19	2019-20
Public Sector Insurers	23,536.26 (9.42)	24,631.85 (4.65)	52.45	48.53
Private Sector Insurers	10,655.09 (38.57)	12,390.72 (16.29)	23.75	24.41
Standalone Health Insurers	10,681.41 (36.42)	13,735.50 (28.59)	23.80	27.06
Total	**44,872.76 (21.18)**	**50,758.07 (13.12)**	**100**	**100**

Note: 1 Figures in bracket indicates growth (in per cent) over previous year.
2 The data does not include the detail of health insurance business carried-out in foreign countries.
3 Premium is excluding of Personal Accident and Travel Insurance Business

Source: IRDA Annual Report 2019-20

2. The premium, growth rate and the market share are maximum for the private health insurance business (group business) and this is evident from Table 2, i.e., the premium amount is 25880.83 crores, the growth rate is 19.40 per cent and the market share is 50.99 per cent.

Table 2
Health Insurance Business of General and Health Insurers: Class of Business-wise

Class of Business	Item	No. of Policies (Lakhs) 2018-19	No. of Policies (Lakhs) 2019-20	No. of Lives Covered (lakhs) 2018-19	No. of Lives Covered (lakhs) 2019-20	Gross Premium (₹crore) 2018-19	Gross Premium (₹crore) 2019-20
Government Business	No. / Premium	0.003	0.002	3,571.17	3,619.71	5,672.10	4,920.62
	Growth (%)	-3.04	-4.71	-0.60	1.36	42.47	-13.25
	Share (%)	0.001	0.001	75.65	72.58	12.64	9.69
Group Business (Excl. Govt. Business)	No. / Premium	10.90	7.61	728.54	935.17	21,676.01	25,880.63
	Growth (%)	68.78	-30.20	-18.55	28.36	22.08	19.40
	Share (%)	5.27	4.24	15.43	18.75	48.31	50.99
Individual Business	No. / Premium	195.91	171.72	420.64	432.25	17,524.64	19,956.63
	Growth (%)	39.11	-12.35	26.41	2.76	14.61	13.88
	Share (%)	94.73	95.76	8.91	8.67	39.05	39.32
Total	**No. / Premium**	**206.82**	**179.33**	**4,720.35**	**4,987.13**	**44,872.76**	**50,758.07**
	Growth (%)	**40.41**	**-13.29**	**-2.06**	**5.65**	**21.18**	**13.12**
	Share (%)	**100**	**100**	**100**	**100**	**100**	**100**

Note: 1. The data does not include the detail of health insurance business carried-out in foreign countries.
2. Premium is excluding of Personal Accident and Travel Insurance Business

Source: IRDA Annual Report 2019-20

3. The total premium collected by health insurance sector amounted to Rupees 50,758 crores and the current trend shows that the public sector enjoys the maximum amount of the premium in health insurance sector and the standalone health insurance sector enjoys the second position as reflected in Figure 1.

Figure 1:
Trend in Health Insurance Premium
(Exl. PA & Travel Insurance)

Source: IRDA Annual Report 2019-20

4. When the premium is underwritten within India by general insurers and health insurers, it is found that most of the market share is went to the private health insurers and this is evident from Table 3 which clearly shows that the market share covered by private health insurers amounted to 47.97 per cent in 2018-19 and 48.03 per cent in 2019-2020.

Table 3
Premium (within India) Underwritten by General and Health Insurers

Insurer	Premium (₹crore) 2018-19	Premium (₹crore) 2019-20	Market Share (%) 2018-19	Market Share (%) 2019-20
Public Sector Insurers	68,658.85 (1.28)	73,263.08 (6.71)	40.52	38.78
Private Sector Insurers	81,287.15 (24.25)	90,743.94 (11.63)	47.97	48.03
Standalone Health Insurers	11,354.03 (36.56)	14,472.89 (27.47)	6.70	7.66
Specialized Insurers	8,148.42 (-10.79)	10,436.71 (28.08)	4.81	5.52
Total	**1,69,448.46 (12.47)**	**1,88,916.62 (11.49)**	**100**	**100**

Note:
1. Figures in bracket indicates growth (in per cent) over previous year.
2. Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.

Source: IRDA Annual Report 2019-20

5. Most of the new health insurance policies have been issued by the private sector insurers and standalone health insurers and the maximum growth percentage in new health policies has been achieved by the private sector insurers and standalone health insurers as (23.77 per cent and 16.63 per cent respectively) shown in Table 4.

Table 4
New Policies Issued by General and Health Insurers

(in lakh)

Insurer	2018-19	2019-20
Public Sector Insurers	733.02 (-8.10)	733.50 (0.07)
Private Sector Insurers	1,021.23 (29.70)	1,263.91 (23.77)
Standalone Health Insurers	79.04 (34.27)	92.18 (16.63)
Specialized Insurers	78.49 (-33.20)	325.50* (314.71)
Total	**1,911.78 (8.55)**	**2,415.09 (26.33)**

Note:
1. Figures in bracket indicates the growth (in per cent) over the previous year.
*2. *In Crop insurance, up to season Rabi 2018, proposals in NCIP could be created by entering all the survey numbers for a crop in single application. However, from season Kharif 2019, the applications are created at crop-land survey number level instead of crop level.*

Source: IRDA Annual Report 2019-20

6. On the basis of investment income of health insurance sector, it is found that maximum growth in income (43.77 per cent) has been recorded by standalone health sector as reflected in Table 5.

Table 5
Investment Income of General and Health Insurers

(₹crore)

Insurer	2018-19	2019-20
Public Sector Insurers	15,599.13 (-0.64)	15,300.37 (-1.92)
Private Sector Insurers	8,884.58 (14.50)	11,181.55 (25.85)
Standalone Health Insurers	515.19 (33.15)	740.71 (43.77)
Specialized Insurers	1,289.60 (11.10)	1,382.89 (7.23)
Total	**26,288.51 (5.13)**	**28,605.52 (8.81)**

Note: Figures in bracket indicate growth (in per cent) over the previous year

Source: IRDA Annual Report 2019-20

7. It is seen from Table 6 that among the private sector health insurers, most of the premium had been collected by ICICI Lombard General Insurance Co Ltd which amounted to Rupees 13312.84 crores during 2019-2020 and among the public sector insurers most amount of premium was collected by the New India Assurance Co. Ltd to the extent of rupees 29715.07 crores during 2019-2020. Among the standalone health insurers, most premium was collected by Star Health and Allied Insurance Co. Ltd (Rs. 6865.14 crores.) The overall health premium increased during 2019-2020 to rupees 192192.59 crores.

Table 6

Premium Underwritten by General and Health Insurers (Within and Outside India)

(₹ crore)

S.No.	Insurer	2018-19	2019-20
	Private Sector Insurers		
1	Acko General Insurance Ltd.	141.89	373.07
2	Bajaj Allianz General Insurance Co. Ltd.	11,059.41	12,779.77
3	Bharti AXA General Insurance Co. Ltd.	2,258.05	3,134.24
4	Cholamandalam MS General Insurance Co. Ltd.	4,428.16	4,398.49
5	Edelweiss General Insurance Co. Ltd.	92.55	146.36
6	Future Generali India Insurance C. Ltd.	2,553.94	3,417.49
7	Go Digit General Insurance Ltd.	894.82	1,767.86
8	HDFC ERGO General Insurance Co. Ltd.	8,612.85	9,308.40
9	ICICI Lombard General Insurance Co. Ltd.	14,488.23	13,312.84
10	IFFCO Tokio General Insurance Co. Ltd.	7,001.84	7,961.04
11	Kotak Mahindra General Insurance Co. Ltd.	301.11	433.39
12	Liberty General Insurance Ltd.	1,125.16	1,531.37
13	Magma HDI General Insurance Co. Ltd.	970.11	1,224.77
14	Navi General Insurance Ltd.*	243.07	157.99
15	Raheja QBE General Insurance Co. Ltd.	115.96	158.12
16	Reliance General Insurance Co. Ltd.	6,191.03	7,465.04
17	Royal Sundaram General Insurance Co. Ltd.	3,172.57	3,666.96
18	SBI General Insurance Co. Ltd.	4,706.55	6,796.97
19	Shriram General Insurance Co. Ltd.	2,356.34	2,466.19
20	Tata AIG General Insurance Co. Ltd.	7,742.66	7,384.53
21	Universal Sompo General Insurance Co. Ltd.	2,830.87	2,859.05
	Private Total	**81,287.16** **(24.25)**	**90,743.94** **(11.63)**
	Public Sector Insurers		
22	National Insurance Co. Ltd.	15,179.94	15,312.88
23	The New India Assurance Co. Ltd.	26,607.99	29,715.07
24	The Oriental Insurance Co. Ltd.	13,484.75	13,996.01
25	United India Insurance Co. Ltd.	16,420.47	17,515.09
	Public Total	**71,693.15** **(1.59)**	**76,539.05** **(6.76)**
	Specialized Insurers		
26	Agriculture Insurance Co. of India Ltd.	6,900.88	9,361.24
27	Export Credit Guarantee Corporation of India Ltd.	1,247.54	1,075.47
	Specialized Total	**8,148.42** **(10.79)**	**10,436.71** **(28.08)**
	Standalone Health Insurers		
28	Aditya Birla Health insurance Co. Ltd.	496.80	872.04
29	HDFC ERGO Health Insurance Co. Ltd.**	2,194.44	2,521.66
30	ManipalCigna Health Insurance Co. Ltd.@	484.82	576.19
31	Max Bupa Health Insurance Co. Ltd.	947.02	1,242.89
32	Reliance Health Insurance Ltd.#	4.09	5.99
33	Religare Health Insurance Ltd.	1,825.57	2,388.99
34	Star Health and Allied Insurance Co. Ltd.	5,401.29	6,865.14
	Stand-alone Health Total	**11,354.04** **(36.56)**	**14,472.89** **(27.50)**
	Grand Total	**1,72,482.77** **(12.41)**	**1,92,192.59** **(11.43)**

Note:

1. *Figures in bracket indicate growth (in per cent) over previous year.*
2. *Reclassification/Regrouping in the previous year's figures, if any, by the insurer has not been considered.*
3. **Erstwhile DHFL General Insurance Co Ltd., ** Erstwhile Apollo Munich Health Insurance Ltd., @ Erstwhile CignaTTK Health Insurance Co. Ltd.*
4. *# With effect from November 15, 2019, the business portfolio of Reliance Health Insurance Ltd. was transferred to Reliance General Insurance Co. Ltd vide IRDAI Order dated November 06, 2019.*

Source: IRDA Annual Report 2019-20

CONCLUSION

From an overall study of health insurance sector for the years 2018 to 2020, it is clearly evident that the mindset of the people is changing, awareness towards the health insurance has increased and after Covid 19, more health insurance products have been launched by the IRDA. The overall growth rate in market share and the income from investment is quite high for the standalone health insurance sector and this reflects that the main focus of general public is on pure health insurance products. MA

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A STUDY ON THE IMPACT OF COVID-19 LOCKDOWN ON SHARE PRICE OF SELECTED INSURANCE COMPANIES IN INDIA

Abstract

In this article a study has been carried out to show the impact of Covid-19 lockdown on the share price of insurance companies in India and also to show the percentage change in the share prices of the selected insurance companies. To perform this study, three companies from the insurance sector have been taken and the daily price data of the selected companies has also been collected for a period of 28 days. The Covid-19 lockdown was announced on 24th March 2020. Data of 14 days before the announcement of lockdown and 14 days after the date of lockdown announcement have been considered in this study. To make an analysis and to find out the impact, statistical tool like Paired t-test has been used and it has been found that there is no significant impact of Covid-19 lockdown on share price of insurance companies.

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INTRODUCTION

The insurance sector is an important part of the Indian financial system. It plays a significant role in the development of Indian economy from providing protection coverage of an individual life to providing aid in the formation of capital for the Indian financial system. On 24th March'2020 a nationwide lockdown was announced by our Hon'ble Prime Minister, Narendra Modi to fight against the spread of Covid-19. Due to such lockdown and its subsequent extensions many sectors of the economy and ultimately the economy of the country itself had been affected. The gross domestic product (GDP) rate, foreign direct investments (FDI), consumer price inflation (CPI), education system, revenue collection, securities market, employment rate, poverty rate etc, have all been affected due to the lockdown. It has been witnessed that various sectors such as banking, construction, automobile, pharmaceuticals, textiles, steel, agriculture, insurance, etc have all been affected due to the lockdown. Therefore, a study was carried out focusing mainly on the insurance sector and its share price movement so as to bring out the impact of Covid-19 lockdown on the insurance sector.

RESEARCH OBJECTIVE

The objectives of this study were to:

1. find out the impact of Covid-19 lockdown on share price of insurance companies and
2. find out the percentage change in share price of selected insurance companies before and after the lockdown.

HYPOTHESIS

We have tested the following hypothesis:

H0: $\mu1 = \mu2$, finds out that there is no significant impact of Covid-19 lockdown on the share price.

H1: $\mu1 \neq \mu2$ finds out that there is significant impact of Covid-19 lockdown on the share price.

RESEARCH METHODOLOGY

In this study, data for a period of 28 days has been collected from March 2020 to April 2020 i.e., 14 days before lockdown announcement (24th March 2020) and 14 days post lockdown announcement. The study has been carried out with secondary data only. The data has been collected from NSE India website. The closing share price for each day for 28 days has been taken along with the application of statistical tool P*aired t-test* and for each test statistic a 95% confidence interval or a 0.05 level of significance has been considered and an analysis has been done to find out the impact of Covid-19 lockdown on the share price of insurance companies.

POPULATION OF THE STUDY

The sample consist of the following three companies from the insurance sector.

Sector	*Company*
Insurance	HDFC Life Insurance Company Limited.
	ICICI Prudential Life Insurance Company Limited
	SBI Life Insurance Company Limited

ANALYSIS AND INTERPRE4TATION

The data analysis of the study has been presented in the following Tables and Charts with appropriate interpretations.

Table1

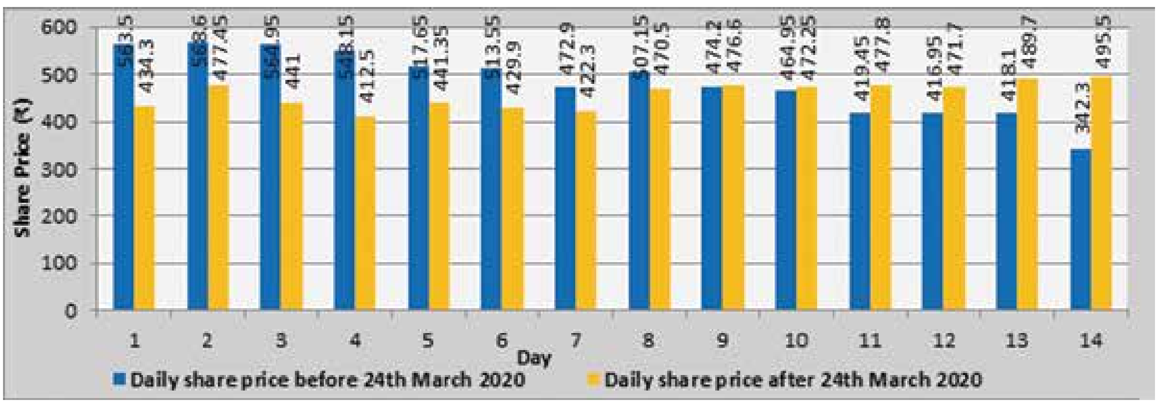
Share price of HDFC Life Insurance Company Limited for 28 days

Day	*Daily share price before 24th March 2020 (₹)*	*Daily share price after 24th March 2020 (₹)*
1	563.5	434.3
2	568.6	477.45
3	564.95	441
4	548.15	412.5
5	517.65	441.35
6	513.55	429.9
7	472.9	422.3
8	507.15	470.5
9	474.2	476.6
10	464.95	472.25
11	419.45	477.8
12	416.95	471.7
13	418.1	489.7
14	342.3	495.5

(Source: https://www.nseindia.com)

Chart 1

Share price of HDFC Life Insurance Company Limited for 28 days



Inference

It is observed from Chart 1 that there was a change in share price of HDFC Life Insurance Company Limited i.e., a decrease of 12.07 per cent during the period of 28 days.

Table 2
t-Test Paired Two Sample for Means

HDFC Life Insurance Company Limited	*Daily share price before 24th March 2020*	*Daily share price after 24th March 2020*
Mean	485.171	458.061
Variance	4641.08	718.204
Observations	14	14
Pearson correlation	-0.64433	
Hypothesized mean difference	0	
Df	13	
t Stat	**1.1551**	
P(T<=t) one-tail	0.13442	
t Critical one-tail	1.77093	
P(T<=t) two-tail	0.26884	
t Critical two-tail	**2.16037**	

(T-test is done using Microsoft Excel)

Interpretation

It is observed from Table 2 that the t-stat is 1.1551 and the critical value for a 0.025 significance level (two- tailed test) is 2.16037. It is found that the calculated test statistic of 1.1551 is lower than the rejection point of 2.16037 and therefore, the null hypothesis is accepted and we can reject the alternative hypothesis. Thus, it can be said that there was no significant impact ofthe lockdown on the share price of HDFC Life Insurance Company Limited.

Table 3

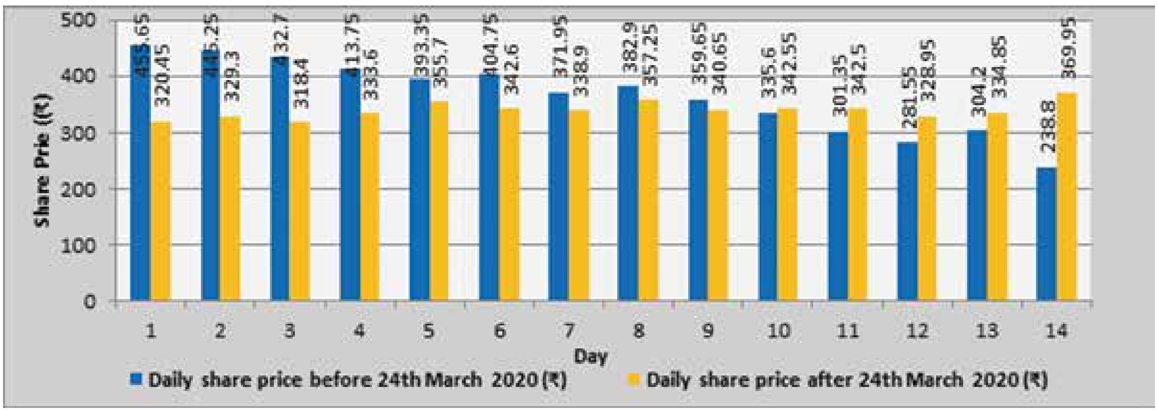
Share price of ICICI Prudential Life Insurance Company Limited for 28 days

Day	*Daily share price before 24th March 2020 (₹)*	*Daily share price after 24th March 2020 (₹)*
1	455.65	320.45
2	445.25	329.3
3	432.7	318.4
4	413.75	333.6
5	393.35	355.7
6	404.75	342.6
7	371.95	338.9
8	382.9	357.25
9	359.65	340.65
10	335.6	342.55
11	301.35	342.5
12	281.55	328.95
13	304.2	334.85
14	238.8	369.95

(Source: https://www.nseindia.com)

Chart 2

Share price of ICICI Prudential Life Insurance Company Limited for 28 days



Inference

It could be observed from Chart 2 that there was a change in share price of ICICI Prudential Life Insurance Company Limited i.e., a decrease of 18.81 per cent % in the share price for the period of 28 days.

Table 4

t-Test Paired Two Sample for Means

ICICI Prudential Life Insurance Company Limited	*Daily share price before 24th March 2020*	*Daily share price after 24th March 2020*
Mean	365.8178571	339.6892857
Variance	4299.366003	201.052761
Observations	14	14
Pearson Correlation	-0.524063165	
Hypothesized Mean Difference	0	
Df	13	
t Stat	**1.32127075**	
P(T<=t) one-tail	0.104597423	
t Critical one-tail	1.770933383	
P(T<=t) two-tail	0.209194847	
t Critical two-tail	**2.160368652**	

(T-test is done using Microsoft Excel)

Interpretation

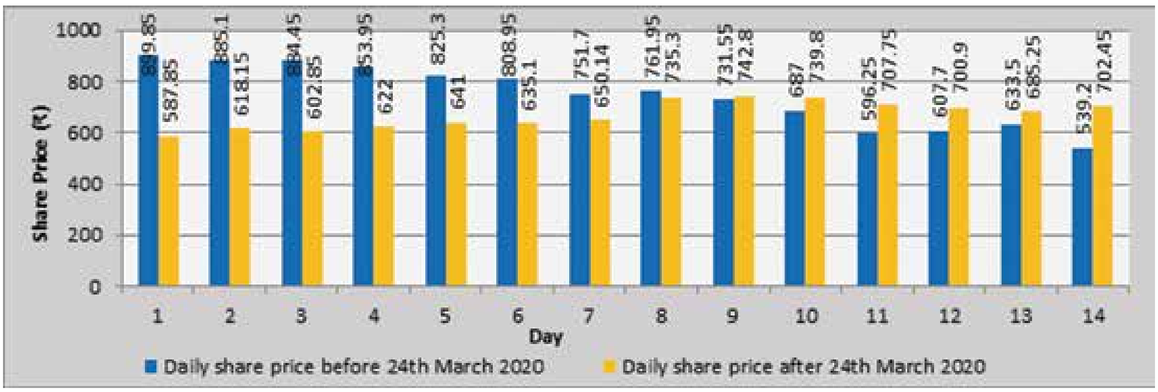
It could be observed from Table 4 that the t-stat is 1.3212 and the critical value for a 0.025 significance level (two-tailed test) is 2.16036. It was found that the calculated test statistic of 1.3212 is lower than the rejection point of 2.16036 and therefore, the null hypothesis is accepted and we can reject the alternative hypothesis. Thus it can be said that there was no significant impact of the lockdown on the share price of ICICI Prudential Life Insurance Company Limited.

Table 5
Share price of SBI Life Insurance Company Limited for 28 days

Day	*Daily share price before 24th March 2020 (₹)*	*Daily share price after 24th March 2020 (₹)*
1	899.85	587.85
2	885.1	618.15
3	884.45	602.85
4	853.95	622
5	825.3	641
6	808.95	635.1
7	751.7	650.14
8	761.95	735.3
9	731.55	742.8
10	687	739.8
11	596.25	707.75
12	607.7	700.9
13	633.5	685.25
14	539.2	702.45

(Source: https://www.nseindia.com)

Chart 3
\ Share price of SBI Life Insurance Company Limited for 28 days



Inference

It is clear from Chart 3 that there was a change in share price of SBI Life Insurance Company Limited i.e., a decrease of 21.94 per cent during the 28 days period under study.

Table 6
t-Test Paired Two Sample for Means

SBI Life Insurance Company Limited	*Daily share price before 24th March 2020*	*Daily share price after 24th March 2020*
Mean	747.6035714	669.381
Variance	14329.27441	2830.74
Observations	14	14
Pearson Correlation	-0.74422247	
Hypothesized Mean Difference	0	
Df	13	
t Stat	**1.797607928**	
P(T<=t) one-tail	0.047747002	
t Critical one-tail	1.770933383	
P(T<=t) two-tail	0.095494005	
t Critical two-tail	**2.160368652**	

(T-test is done using Microsoft Excel)

Interpretation

It is clear from t Table 6 that the t-stat is 1.7976 and the critical value for a 0.025 significance level (two- tailed test) is 2.1603. The calculated test statistic of 1.7976 is lower than the rejection point of 2.1603 and therefore, the null hypothesis is accepted and we can reject the alternative hypothesis. Thus it can be said that there was no significant impact of the lockdown on the share price of SBI Life Insurance Company Limited.

FINDINGS

The findings of the study are presented in the following Table:

Table 7

Sector	*Company*	*Per cent Change in Share Price*	*Impact on Share Price*	*t-test*	*Impact of lockdown on Share Price*
Insurance	HDFC Life Insurance Co Limited	12.07	Decrease	Accept the null hypothesis	No
	ICICI Prudential Life Insurance Company Limited	18.81	Decrease	Accept the null hypothesis	No
	SBI Life Insurance Co. Limited	21.94	Decrease	Accept the null hypothesis	No

ROLE OF CMA

In the emerging insurance sector a Cost and Management Accountant can render the following services:

- Act as a consultant for providing advisory functions related to share price and overall growth of the company.
- Act as a portfolio manager for providing **investment decisions** and **carry out investment activities.**
- Monitor the operational efficiency of insurance companies through operational cost structure.
- Assess the financial risk of a company and provide necessary solutions.
- Provide solutions of controlling cost at different levels of management
- Help in measuring the efficiency of an organization

CONCLUSION

Insurance sector is one of the most important sectors in the Indian economy. It plays a crucial role in the economy from providing coverage to individual life to providing assistance in the formation of capital. In this study we have analysed the impact of COVID-19 lockdown on the share price of select insurance companies and it was found that that there was a no significant impact on the share price of companies in the insurance sector due to the lockdown. It was also observed that during the period of the study the share prices of all the three insurance companies had decreased; however, by carrying out Paired t-test it was found that there was no significant impact on share price of all the three insurance companies during the period of study. The Indian economy has witnessed a difficult phase since Covid-19 lockdown and most sectors in India had been adversely affected but insurance sector has acted as a shield for the Indian economy providing a protection for the present scenario and a security for the future but the overall economy was adversely affected by the lockdown. There is a bull market waiting and at this point of time there is a great opportunity for the investors to invest in share market for getting good returns in the near future.

The Indian economy has witnessed a difficult phase since Covid-19 lockdown and most sectors in India had been adversely affected but insurance sector has acted as a shield for the Indian economy providing a protection for the present scenario and a security for the future

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BOOK REVIEW

Statutory Auditors' Independence in Protecting Stakeholders' Interest: An Empirical Study

By Dr. Mitrendu Narayan Roy and Professor (Dr.) Siddhartha Sankar Saha

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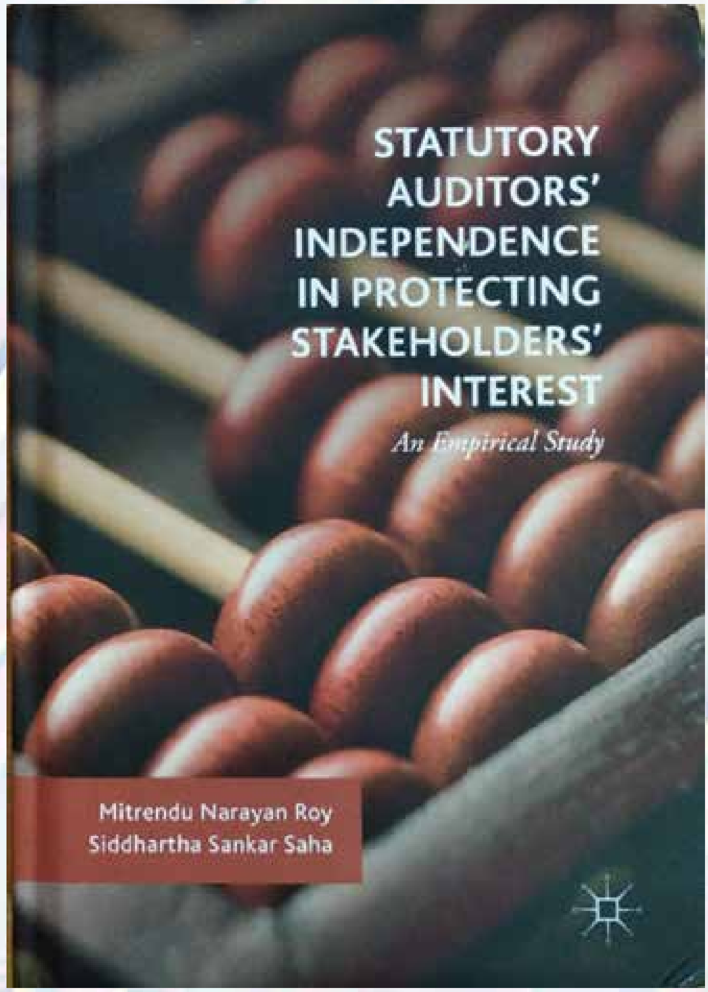
The central theme of the book is statutory auditors' independence in protecting stakeholders' interest which has created a lot of buzz over the last couple of years. Quite a few books have been published in this field, among which the works of Jones (2011, John Wiley & Sons), Saha (2015, Lap Lambert, Germany), Adelopo (2012, Routledge) and Saha & Roy (2017, Emerald) are notable. The book adds to the existing pool of knowledge by making a cross-country analysis of regulatory and ethical framework governing statutory auditors' independence in select countries; comparing the statutory auditors' independence in select cases of corporate accounting scandals; and empirically analyzing the opinion of select classes of respondents on three inter-linked themes that represent the title of the book. Corporate failures and accounting scandals had shaken the investor confidence in the accountability of big corporate houses. There had also been public disquiet about the role of professional auditors associated with these corporate scandals. Every time a scandal got exposed, question on auditors' independence was raised. In some cases, big audit firms were observed to have a nexus with the management to falsify financial reports and in other; their unintentional negligence resulted in disastrous consequences. Stakeholders were betrayed and ethical responsibility of the auditors was questioned. Hence, statutory audit failure in the backdrop of recent corporate accounting scandals and their irreparable impact on stakeholders' interest of the business is the main theme of the book.

In some cases, big audit firms were observed to have a nexus with the management to falsify financial reports and in other; their unintentional negligence resulted in disastrous consequences. Stakeholders were betrayed and ethical responsibility of the auditors was questioned. Hence, statutory audit failure in the backdrop of recent corporate accounting scandals and their irreparable impact on stakeholders' interest of the business is the main theme of the book.

The first author, Dr. Mitrendu Narayan Roy, Assistant Professor of Commerce, Goenka College of Commerce and Business Administration, Kolkata, India has become an excellent researcher in the related area and he has contributed a research oriented book and many research papers in the finance area. The second author, Professor (Dr.) Siddhartha Sankar Saha, Professor of Commerce, University of Calcutta, India, having more than 24 years of teaching and research experience, has proved to be a prolific author and erudite researcher in finance area with dozens of books in national and international reputed publishers and more than 131 research papers published in refereed international and national journals and conference of repute.

The book is organized into seven chapters with each chapter dealing with distinct aspects of statutory auditors' independence, like introduction, regulatory and ethical framework for statutory auditor independence, statutory auditors' independence in select corporate accounting scandals, perceptions of respondents on the stated theme and the conclusion. In its introductory chapter, the authors explained the need for statutory auditors' independence in light of a significant number of books and research papers on this field.

The conceptual study of the book begins with a comparative discussion on regulatory and ethical framework governing statutory auditors' independence in select developed and developing countries across the globe. The authors thought fit to include the USA, the UK, India, China, and Germany for this study. In addition, the authors have also identified one corporate accounting scandal case from each one of these countries [Enron (USA); PPI (UK); Satyam (India); Baiwen (China) and ComRoad (Germany)] and comparatively analysed statutory auditors' independence in each one of them based on certain parameters, such as professional skepticism, appointment of auditors, provision of non-audit services, tenure of service, remuneration of auditors, relationship with management, role of audit committee, audit inspection mechanism, and disciplinary framework. The authors believed that statutory auditors' independence has always drawn significant regulatory attention across the globe. After cases of audit failures in a few well-known companies, regulatory awareness has been magnified further. Circumstances behind introduction of audit committee following Cadbury committee report, enactment of SOX Act 2002, setting up of PCAOB (at the global level) and introduction of Ind AS, Companies Act 2013, setting up of NFRA, introduction of LODR (in India) have been discussed in detail. All these observations only go on prove a pro-activeness of the regulatory authorities in improving statutory auditors' independence and audit quality and restoring stakeholders' confidence.



Further, in the following three chapters, the authors have empirically studied the perceptions of CAs, CMAs, academicians and students from colleges, universities and business schools, investors and corporate houses from Kolkata (India) selected based on convenience sampling technique on three inter-linked themes – statutory auditors' independence in corporate accounting scandals, ethical responsibility of statutory auditors and quality control procedure for statutory financial audit. The authors have made a rigorous field survey in collecting almost 1000 responses from different categories using a close-ended structured questionnaire on Likert 5-point scale. The responses so collected, were then empirically analysed using certain statistical techniques, such as exploratory factor analysis, ANOVA, Tukey HSD test, cluster and discriminant analysis and logistic regression.

As evidenced from the results, the respondents have expressed their concern and pointed out that laxity in present regulatory environment, an unholy nexus between auditor and management in the due course of engagement, process of appointment, uncontrolled remuneration, provisions of non–audit services and managerial influence on the auditors significantly govern statutory auditors' independence. While the professional accountants believed that statutory auditors' independence was mainly governed by internal environment and audit procedure, others recognise presence of an external environment having considerable influence on statutory auditors' accountability. The next crucial dimension, as identified by the authors is enhancement of ethical orientation of the statutory auditors. While professional accountants advocated for a practical approach to ethical education, investors demanded strict punitive action as a measure of their improving their ethical behaviours. On the other hand, while academic fraternity propose ethical education as a measure of improving responsibility, corporate personnel call for regulatory interventions and public awareness. Another important aspect of statutory auditors' independence is improvement in quality control and other procedures of an audit engagement. The study reveals that nexus with management and negligence in duty, professional skepticism and physical inspection, role of accounting firm in designing quality control procedures and engagement quality control review are some of the issues that significantly influence quality control procedures for statutory financial audit. While students pursuing CA course believe input factors as a measure of improving quality, practising CAs are more inclined towards the process factors of it.

In the final chapter, the authors summarised the aspects covered in all the previous chapters. They narrated the steps taken by audit regulators to improve statutory auditors' independence and identified the gaps that still persist. According to them, regulatory sanctions are important in ensuring regulatory compliance. However, in order to nurture the inner value sense of the statutory auditors, incessant endeavours of the professional institutes in imparting ethical education, conducting awareness, orientation and training in ethics and recognising good acts by rewarding ethical practice should not also be ignored.

The book, unlike other books on the related theme has made an extensive review of literature and is based on a thorough field survey with multiple categories of respondents which may not have been adopted in other books of its class. The authors have also incorporated a detailed discussion on quite a few advanced statistical techniques used for the purpose of analysing primary data responses. The book being published by one of the world-class publishers, Palgrave-MacMillan is also free from any typographical errors or editorial incongruities. Having covered all these aspects, the book is written with a noble purpose of addressing a decade-long socio-economic problem with a practical approach which makes the book unique in itself. While the book covers a lot of issues concerning statutory auditors' independence, the authors deliberately did not enter into a vivid theoretical discussion on audit, may be because of the elementary nature of the book. The book is highly recommended for students pursuing post-graduate in accounting, finance and management and select professional courses, such as CA, CPA, CMA, etc. Professional institutes (e.g. ICAI, AICPA, ICMAI, etc.), academic researchers from universities and b-schools, chartered firms may also be interested in the content of the book. Academic references scientifically incorporated in the book may pave the way for further researches in the field.

The book explored regulatory framework governing statutory auditor independence in five major economies. However, a few more countries could have been considered for more conclusive results. While the book digs deep into the three inter-related concepts – 'Statutory Auditors' Independence', 'Ethical Responsibility of Statutory Auditors' and 'Quality Control Procedures for Statutory Financial Audit' individually, it would have been phenomenal if the authors thought about connecting them under a common thread.

In 2021-22, the business environment in which broader accounting profession operates has gone through unprecedented changes in the backdrop of Covid-19. Deteriorating mental health may have caused the professional accountants to compromise on their critical review. In view of this, maintaining highest standards of independence has become increasingly challenging for them. All the more, rapid digitization in the workspace in the wake of 2021-22 has made the accounting system increasingly complex leading to threats to statutory auditors' independence. Truly speaking, the current book meticulously points out several instances of unethical behaviors by professional accountants and proposes means of solutions to them. However, authors' endeavour might be very much fruitful to steer its readers including the CMAs in contemplating the ethical consequences of different issues amidst this crisis in 2021-2022.

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DIGITAL TRANSFORMATION FOR CORPORATE REPORTING ON ENVIRONMENT, SOCIETY AND GOVERNANCE

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Introduction

Post the World War - II industrial entities remained focussed on scaling up manufacturing operations and expansion of business. Their sole objective was to meet ever growing market demands simultaneously with diversifications by adding varieties to product basket. Another set of entities remained engaged in development of new technologies and products through R&D and innovations. Miners continued to excavate mother earth to take out as much natural resources as possible. Trading entities remained busy in bridging gaps between producers and ultimate consumers. Industrial developments also revolutionised agriculture. Availability of resources also from different sources simultaneously improved, including from government and multilateral agencies.

Around 1970 human civilisation witnessed advent of information technology aided by computer science, which was followed by internet. The entire focus of industry, trade and commerce got shifted to automation and improvements in systems and processes by reducing human intervention. This third industrial revolution brought in many benefits by way by improving speed, quality, and wastage reduction. However, all told, the theme of entire game in the business ecosystem was for volume, market share, maximisation of profit, and profitability. Industrialists and government machinery hardly had any time to ponder over the fact that the entire mad rush for reaching products and services to the ultimate consumers is in turn are hugely risk-prone and causing many irreparable damages to environmental ecosystem, humanity, and society at large.

Research findings of scholars and voices civil society organisations were not heard, neither the regulators could take out needful time to focus on such issues. Humanity kept on suffering from many maladies to the benefits through soaring top lines and bottom lines of business entities and investors. Devastating impacts of frequent climate crises and evil effects due to unscrupulous use of social media, in the absence of appropriate principles of governance and self-driven sense of responsibilities, are now very apparent for people even at the lower rung of society across the globe. However, measures for controlling all these started being perceptible from early this century through revelations in corporate reporting mainly due to mandates from regulators.

Objective

This article aims at first demystifying the myths clouded around ESG reporting by briefly narrating the evolution of corporate reporting from the period prior to World War – I till now. It will try to establish why ESG reporting metrics serve as a set of important drivers and which are applied by forward looking investors while assessing the value of a corporate entity. This will be done by highlighting the importance of intangible assets, some of which are not even measured in monetary terms for reporting through balance sheet. It will bring about the trend of using such assets for building corporate and product brand images which can be and are being created/fortified through ESG reporting. In the later half the author would make efforts to delineate how Digital Transformation can make ESG reporting easy and user friendly without any additional investments, efforts, and human interventions,

Evolution of Corporate Reporting

Corporate reporting with its restricted connotation of stakeholders kept on improving qualitatively at slow pace since World War - II. Frequency also increased from only annual reports to summary of quarterly financial results with brief narratives for major variances. However, the emphasis remained on sharing only financial and statutorily mandated information. It was the kind of a regime for restricted confidentiality. In other words, many information, that are warranted for transparency and responsibilities to all stakeholders other than the said four, were not shared under the mainly garb of business secrecies. Shareholders' activism as a movement was not visible. There was hardly any disclosure from the perspective of responsibilities of business to society, mother earth, and humanity. The definition of governance remined shackled due to the mandates by corporate laws and regulations and could not transcend to board room driven responsibilities for pervasive governance. Umpteen number research papers have been written on these by academicians and protests raised by civil society leaders without any result.

The findings from various studies conducted by researchers and the author's personal experience over last about four decades reveal the following evolution of corporate reporting. The evolution occurred in terms contents published for information of all stakeholders and larger addressable audience like stockbrokers, etc. The definition of stakeholders started getting widened by addition of indirect stakeholders also to only shareholders and lenders till about 1960s:

Developments Prior to ESG

- Pre-World War to 1960: Only financial information and limited narratives, which were mandated by the then laws, used to be disclosed only once through annual reports. Contents in explanatory form used to include only those which the promoters wanted to disclose at their sweet will.
- From 1960s to 1980: The additions to financial statements were narratives for Management Commentary, presently known as 'Management Discussion and Analysis', 'Governance and Remuneration' and 'Environmental Management.' However, self-driven disclosures continued to be scanty.
- From 1980 to 2010: 'Environmental Management' was replaced by 'Sustainability Management. This phase saw the emergence of a new phrase '3P Bottom Line'. Ps signify Planet, Profit and People, the order importance being determined by the nature of industry. Soon after the fourth P, i. e., Product got added and sustainability management started being reported from the perspective of 4Ps. In India such reporting continued to remain optional barring a disclosure of a few mandatory information like electricity consumption etc.
- Emergence of Integrated Reporting in 2010: The International Integrated Reporting Council (IIRC) was incorporated in 2010. Its final draft paper for consultation was published in 2013. IIRC's CEO Paul Drukman said, *"Don't let others define you. Communicate what you are trying to do"*. One of the major recommendations in the consultation paper was for corporate houses to include in annual reports reliable information on respective companies' a. Business Strategies, b. Performance, c. Prospects in foreseeable future d. Governance and e. Propositions for creating and preserving values in short, medium, and long term. Finally IIRC merged with Sustainability Reporting Standard Board in 2020 at global level.

Emergence of Reporting on ESG

The overarching principle of 'Who Cares Wins' is fundamental to the concepts related to responsible investments. What all a corporate entity should care for while crafting win-win strategies are Environment, Society and Governance, popularly summed up as ESG, the new frontier of corporate governance. This principle has been included in the report of Freshfield's document titled 'A Legal Framework for Sustainability Impact in Investor Decision Making'[1]. ESG was first referred in the UNO's 'Principles for Responsible Investment (PRI), published in 2010. From thereafter ESG criteria and evaluation of actions executed by entities at the ground level started becoming a set of information for incorporating in the financial evaluations of companies.

The first clarion call for investments with responsibilities of ESG was from former UN Secretary General Kofi Annan when he wrote to over 50 CEOs of major financial institutions inviting them to partake in a joint initiative to integrate ESG into capital markets, within the framework of the UN Global Compact. According to Deloitte[2], *".... the percentage of retail and institutional investors that apply*

ESG principles to at least a quarter of their portfolios jumped from 48% in 2017 to 75% in 2019. Furthermore, a 2018 U.S Trust Wealth and Worth Survey concluded new investments in ESG funds could total $20 trillion in the next two decades."

The conceptual framework of 'Reporting on Environment Society and Governance' by a corporate entity is enshrined in the "The Ten Principles of the United Nations Global Compact[3] derived from: the 1. Universal Declaration of Human Rights, 2. the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, 3. the Rio Declaration on Environment and Development, and 4. the United Nations Convention Against Corruption." While the Societal aspects are taken care of by principles related to human rights, labour rights and anticorruption, principles of governance circumscribe all these principles. The following graphic aptly describes ESG by incorporating some the essential elements for ESG reporting

Source:
https://earlymetrics.com/esg-ratings-how-can-a-business-environmental-and-social-impact-be-measured/

According to PwC[4], *"ESG is more than ticking boxes. It's about making a difference - for your business and our world. Creating sustained outcomes that drive value and fuel growth, whilst strengthening our environment and societies. ESG is more than good intentions. .... success is not about climate change, diversity, and disclosures alone. It's about embedding these principles- and more across your business- from investment to sustainable innovation."*.

The giant PE Fund BlackRock[5] conducted a survey in 2020 on sustainable investing for which 425 responses were received from 25 countries with asset under management of about USD 25 Billion. The following were their two major findings:

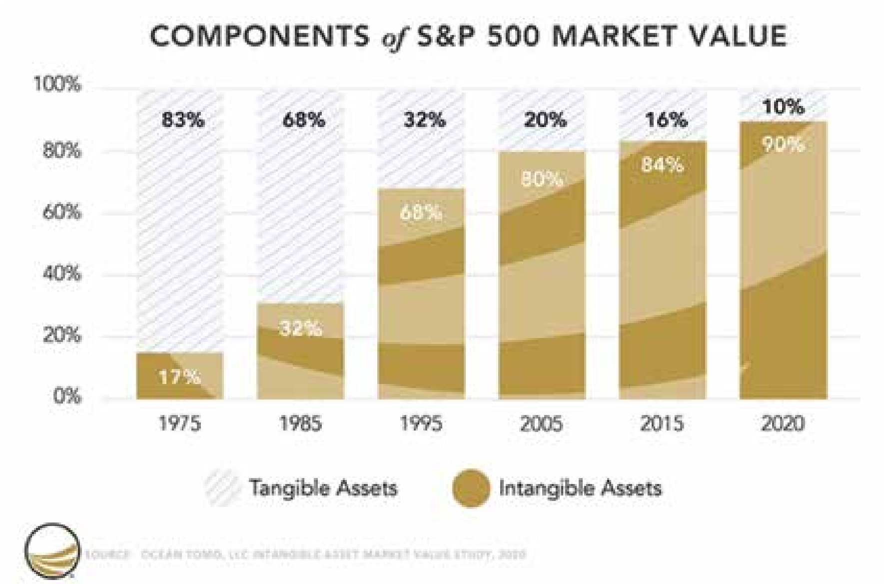
- 54% of respondents are of the view that sustainable investing is essential to the process of generating outcomes. Respondents of EMEA region adopted this more than others. While respondents from APAC and Americas were found to be in the early stages of their sustainable investing journey.
- The proposed scheme of almost all respondents was to double sustainable AUM in the next five years from 18% average to 37% on by 2025. Covid-19 Pandemic delayed the implementation plan of about 3% of respondents.

By virtue of a circular from the Security Exchange Board of India (SEBI) ESG reporting is mandatory for top 1,000 listed companies from FY 2021-22. The framework for contents has also been prescribed. The Economic Times reported on March 25, 2021[6], the following: *"The new reporting requirements are expected to bring in greater transparency through disclosure of material ESG-related information to enable market participants to identify and assess sustainability-related risks and opportunities."*

ESG and Corporate Image Branding

In this short period of about a decade post announcement of the aforesaid 'Principles of Responsible Investment by the UNO in 2010 large conglomerates around the world have started using ESG reporting as a tool for improving images and building brands for their corporate group and products. This exercise by corporates is seen to be a great going the way to go albeit the speed is slow. World-wide scholars have conducted research on this phenomenon called 'The Intangible Asset Market Value" (IAMV) and concluded that the importance and impact of intangible assets and disclosures about their successful utilisations have acquired more vigour in driving share prices in stock exchanges than mere property plant and equipment and financial information.

It is not necessary that all such intangible assets are measured in monetary terms and reported through the Balance Sheet of any entity. It has also been established that corporate image and brand building through ESG reporting has also brought respects and attracted investors to certain corporate houses. Case in point is proliferation and popularity of Green Bonds widely accepted by investors. Ocean Tomo, a reputed management consulting firm has published their following updated version of IAMV Study[7].



Source: *https://www.oceantomo.com/intangible-asset-market-value-study/*

Readers will be able observe that with evolution in corporate reporting, as delineated above, the importance of intangible assets have increase from 17% in 1975 to 68% 1995 and from there to about 90% in 2020. Findings of Ocean Tomo's research also suggest that Covid 19 Pandemic has accelerated the process of intangible assets build through more and more ESG efficiency are gaining momentum. Importance of tangible assets is relegated to only 10%. This is because investors take it for granted that business managers, having invested money in property, plant and equipment, must effectively and efficiently use those for value generation. The differentiating factors for attracting investors should be ESG efficiency and sustainability.

Therefore, investors' sentiments are clear in the context of evaluating any company's performance. They take it for granted that any responsible set of corporate managers are bound to utilise their tangible assets for creating values and reaching goods and services to consumers. The differentiating factors for them are the intangible assets in the form of patented unique products by 'innovention', digital technology driven unique processes and solutions. They want smarter digital solutions, more effective and efficient solutions in terms of creating competitive advantages remaining fully compliant with legal and regulatory mandates. They are also keen to see a company to be responsible for environment and society as well as reliably manifest that responsible behaviour through their perceptibly pervasive actions for good governance. A unique case in point to prove this is, 62% of ExxonMobile shareholders went against management's recommendations in May 2017 by voting to force this major hydrocarbon and gas company to report on the impacts of climate change to its business. Such an action was more prompted by the Paris Climate agreement.

Digital Transformation for ESG Compliance and Reporting

It will be useful to understand at this juncture the need for using a standardised set of metrics that would help ESG transformation and reporting. Unless such a code of standard metrics is established, ESG reporting will be driven through too many directions without any orchestration. This would baffle investors and they would not be able to make any meaning out of those information. Case in point is the use of IFRS or US GAAP for financial reporting. The metrics would usher in a new era of 'Stakeholder Capitalism' with a forward-looking approach. Such metrics are increasingly being used for a range of ESG integration approaches, such as benchmarking and scenario analyses.

ESG Reporting Metrics

Once a common set of metrics are established, and it is understood what all information would be required to reliably constructing and regularly reporting those, embedding the capability to generate those data through digital solutions will be that much easy. There are as of now 22 ESG specific metrics as recommended by the World Economic Forum in collaboration with International Business Council and Big4 accounting firms. These are used to evaluate the extent of exposures of a company to a range of risks emanating from factors related to environment, society, and governance. Days are not very far when various functional ministries of federal and state governments of will have to also report their ESG efficiency and measures taken for risks mitigation.

Applications of such ESG metrics while conducting investment analyses are almost similar to traditional financial analyses. Like an analyst compares the growth in revenue, profit, and profitability of a company, she/he would now compare the key differences in numbers reported through ESG metrics using non-financial data. Line items of report could include the level of greenhouse gas emissions, energy efficiency, product life cycle, recycling of scraps and wastages, treatment of air and water pollution, incidence of safety breaches and accidents, employee attritions and unrest, etc. The author would urge upon readers to read the publication of Harvard Law School Forum titled 'The Rise of Standardized ESG Disclosure Frameworks in the United States'[9] and 'What are ESG Matrics'[10] written by Majid Khan for first-hand understanding of these metrics.

Meeting Challenges for Designing Digital Solution for ESG Reporting

Readers would recall that in all his previous twenty-seven articles under this column, the conscious effort of the author was to emphasise on the axiom that technologies do not have ethics, morality emotional intelligence, and value generation skills. But every technologist and solution designer have. They are expected to apply those while designing solutions using digital technologies and devices for serving the causes of every stakeholder. Their ultimate objective should be to ensure shared benefits for inclusive growth, inclusive happiness, and inclusive smile for all people across societal strata anywhere under the sun. These objectives when achieved, in most likelihood the designed solutions would be ESG compliant by:

- Proactively assessing all varieties of risks that may emanate from ESG,
- Performing measurement of those risks both in financial and non-financial terms,
- Enabling management to craft strategies for risk-enabled performance management, and
- Feeding all information required for ESG reporting.

However, such a process for designing ESG compliant digital transformation would not be smooth and free from challenges and hurdles. The author in one of his earlier articles has voiced the following 'Ten Commandments for Digital Transformation' which would be appropriate to include in this article even at the cost of repetition and perhaps would serve as a reminder for readers:

- Humanity first
- Redistribute power
- Reduce complexities
- Reimagine consumption
- Go for creative destruction
- Manage climate emergency
- Be accountable without discrimination
- Fix imbalance of humanity and technology
- Enhance technology with universal altruism
- Let imagination safety and ethics lead transformation

Compliance of these commandments in letter and spirit would be possible only when the author's initiated 7Ts and 7Ps are also put together in their thought process while designing digital solutions:

7 Ts for Success in Technology	*7 Ps for Shared Development*
Technology	People
Talent	Patience
Truth	Passion
Trust	Perseverance
Transparency	Piety
Tenacity	Purity
Timeline	Penance

Meeting challenges for ESG complaint solution designing and generating quantitative and qualitative information for corporate reporting would call for embedding those requirements in the software scripted solution itself. Therefore, applications of digital technologies, inter alia serving the primary operational objectives, must also ensure the following:

- Simplification of the way ESG related data are to be collected, collated, analysed, and stored for meaningful periodical reporting of ESG related information,
- Sensitisation of cross-functional enterprise team members and encouraging them to ensure this with a sense of priority and importance,
- Appropriately integrating the ERP systems and databases of the company with digital technology-based solutions, and
- Provision of workflow, document flow and information flow in all process management for standard and customised ESG disclosure frameworks.

Application of Digital Technologies for ESG Reporting

This task of assessing risks related to ESG, effectiveness of mitigation measures initiated, and periodical reporting of the same using the said twenty-two metrics must be embedded with every entity's strategy for digital transformation right from the beginning. Almost all transaction/function oriented applications of digital technologies can take care of requirements for assessment and reporting of ESG efficiency. This can briefly be narrated through the following points:

- Blockchain: In the context of day-to-day business management what is trusted may not be true and what is true may not be trusted because any matter of truth can be of only one version. This digital technology would help establishing the single version truth for all transaction in a transparent manner. By now hundreds of use cases have been tested and implemented by business organisations. Designing and scripting of software using smart contracts for all Blockchain platform can also embed data requirements to be met for assessing ESG efficiency and reporting thereof under applicable metrics.
- Artificial Intelligence and Machine Learning: Data is considered as the most valuable and strategic asset in the present Industry 4.0 era. All solutions designed under any ERP system as well as operating systems created with applications of

digital technologies like a blockchain platform can be integrated with systems for applications of AI, ML, and big data analytics. Business entities need these to make meaning out of data, draw inferences before formulation of strategies. Such applications would also be needed for reporting numbers through ESG metrics post analysis of huge data.

- Internet of Things (IoT): It has predictively been assessed by researchers of digital technologies that by around 2030 a common human being would be under direct and indirect influence of 5 and 25 IoTs respectively. The author has in his articles on digital transformation of manufacturing operations[11] has narrated various applications of Industrial Internet of Things (IIoTs) and Internet of Robotic Things (IoRTs) simultaneously with applications of sensors and actuators for multivarious purposes. Such IoTs, are integrated with the main ERP and digital technology-based platforms for collecting and using of operational data. While designing applications/solutions, an entity can also embed in script the requirements for generating data specifically required for assessing and reporting ESG efficiency.
- Robots and Robotic Process Automation: Digital technologies and hardware for these two applications, coupled with AI and ML, are increasingly being adopted by companies across all sectors, particularly manufacturing, healthcare and BFSI. Study of various publications and research reports reveal that industries adopting technologies for Robots and RPAs are to a considerable extent showed responsibilities for transparently sharing information related to associated risks and adverse impacts, if there be any, for substitution of human efforts due to such adoption. However, proliferation of these technologies in India are yet to assume reckonable proportion except in industries that require assembly functions.
- Drones: Number of instances for using these unmanned aerial vehicles by industrial and other commercial entities are slowly increasing. Governmental administrative authorities have also started using these for multivarious applications. Information collected through applications of drones would be useful for collecting data for assessment and reporting of ESG efficiency, duly mapped with geographical coordinates by integrating GPS technology. Readers may refer the article of the author published under this column in October 2021[12]

Rest of the other deep digital technologies, e. g., AR, VR, 3D Printing, etc. are also being used by industry, however, more study is required to appreciate their impacts on ESG related risk issues and mitigation. It is pertinent to mention here that audit professionals and eminent accounting and consulting firms have initiated actions for designing systems, processes and crafting online software for auditing transactions generated from out of applications of digital technologies. The author is of the view that for making any digital technology application ESG compliant, adopting entities should involve and collaborate with auditors right from the beginning of selecting, designing, and customizing solutions. Readers may refer a relevant article of the author in the context of Audit 4.0[13] in Industry 4.0 era.

Conclusion

In the limited space of this article dealing with such a critical subject like ESG may not give satisfaction to any stakeholder. So is the case of this author. This subject is assuming critical importance and evolving simultaneously with evolution of legal and regulatory mandates. This subject needs more attention, research, and deliberations as different regions of the world, irrespective being in any stage of economic development, are experiencing serious metamorphosis with plenty of adverse impact to humanity. The author would look forward to opportunities for conducting more collaborative research on the subject and contributing for the great cause of ESG efficiency. MA

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FINANCIAL PERFORMANCE AND PRICING POLICY: A STUDY ON THE STATE-OWNED TELECOMMUNICATION SERVICES IN INDIA PRIOR TO ITS CONVERSION AS A TELECOM COMPANY - AN OVERVIEW

Abstract

The Century-old State-owned Department of Telecommunication (DoT) in India, continues to generate net operating revenue since its inception. There was also a steady increase in its profits with a corresponding increase in the ACGR. Whenever the funds were needed for investment, the DoT met it by increasing the tariff under the powers conferred on it in the Indian Telegraph Act.

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1. OBJECTIVES OF THE STUDY

The State-owned Department of Telecom, DoT, in short, was providing telecom services in the country, till it was converted as BSNL, a telecom company in the year 2000. The DoT had followed its own policy on tariff over the last one-century and it was free to prescribe, modify and revise it under the powers conferred on it by the Indian Telegraph Act 1885. The telecom development was slow with growth in terms of its volume till the end of the seventies. Until then the funds' requirement for development were met out of the budgetary support from the Government; thereafter all the requirements of funds for investment needs were met by generating internal resources.

In the instant study, an analysis of the pricing policy of DoT and also its financial performance has been made, to identify the pricing policy followed by it and to see how the pricing policy contributed to its financial performance

2. INFORMATION AND DATABASE

For the study the relevant data for the period from 1970 to 2000 have been collected from secondary sources ie published Annual Accounts of the Government of the respective years. Besides, various Government reports, documents published by the Planning Commission, and various other reports of the Government have been used.

3. FINANCIAL PERFORMANCE OF DOT.

On critical analysis of the data and information, the following conclusions are drawn on the financial performance of the DoT with the help of the various criteria like profitability and financial ratios and other financial parameters.

3.1 Operating Profit

Profitability is an important index of the performance of every organization. The DoT, which was earning a negligible profit of Rs 22.64 Crores in 1970, had earned an impressive profit of Rs 11975.05 Crores in 2000. Beginning with the nineties, the DoT started to earn more profits. It was Rs 1150.44 Crores in 1990, Rs 3975.71 Crores in 1995, and Rs 11975.05 Crores in 2000. . The rate of growth was the highest of ACGR of 28.15 per cent during the sub-period from 1990 to 1995. The study revealed that the DoT continued to generate a surplus from the very beginning.

3.2 The pattern of Revenue

The main source of telecom revenue is from rental, local calls (including STD), and trunk calls. It is seen that the percentage of rental revenue, which is a fixed charge, to the total revenue had decreased from 34 per cent in 1983 to 17 per cent in 1997. It is observed that similar is the case with trunk call revenue. It decreased gradually from 25 per cent in 1983 to 2 per cent in 1997. On the contrary, the revenue from the local call, which is the variable revenue, according to the usage of the service, had increased from 41 per cent in 1983 to 80 per cent in 1997. The tremendous increase in variable revenue reveals that there was an increase in the utilization of service by the public.

The study revealed that the total number of direct exchange lines (DELs) increased from 21.49 lakhs in 1981 to 2.85 Crores in 2000. The metered calls (Local plus STD) per DEL had also increased from 3942 in 1981 to 5703 in 2000. At the same time, the trunk call booked per DEL had decreased from 108 in 1981 to two in 2000. The change in the pattern of revenue is on account of an increase in the number of STD stations in the country from 333 in 1985 to 15616 in 2000. The reason for this dramatic change is on account of the technological changes/ technological upgradations that had taken place in the telecom field.

4. INVESTMENT

4.1 Demand for Telephones

The total number of direct exchange lines (DELs) constituted the demand already met and the demand not met (waiting list). The demand increased from 34.03 lakhs in 1984 to 3.22 Crores in 2000. The percentage of increase in demand every year was around 10 per cent during the period from 1984-1990 and it was high at 24.69 per cent during 1997. This increase in demand had resulted in the provision of additional telephones every year, which needed enormous funds for investment.

The earnings from telephone services constituted nearly 80 per cent of the total revenue

4.2 Growth of Investment

The quantum of investment increased with every planning period of the Government of India. The rate of growth was highest during the Eighth Five Year Plan (1992-97) with 5.8 per cent of the telecom outlay of the total Plan outlay. The study revealed that from Seventh Plan onwards the telecom sector began laying a sound base.

4.3 Financing of Investment

The study reveals that part of the requirement of funds for investment was met from internal resources from 1988 onwards. Before that, it was a mix of internal resources and budgetary support. The budgetary support from the Government had reduced from around 40 per cent in the mid-eighties to almost Nil from the mid-nineties. The internal resources had increased from Rs 298 Crores in the Fourth Plan period to Rs 51982 Cores in the Eighth Plan period.

4.4 The pattern of investment

The study reveals that there was a continuous technological up-gradation in the field of telecom, which needed replacement of good old overhead telephone lines, laying of high tech cables and replacing of Electro-mechanical Exchanges with high tech Electronic Exchanges. This change necessitated funds for replacement as well as for expansion of telecom networks

4.5 Investment per Direct Exchange Line

The study reveals that the capital investment per DEL had increased from Rs 19428 in 1981 to Rs 48965 in 1990 and came down to Rs 21893 in 2000. This reveals that the DoT depended upon the imported equipment with a high cost during the initial period of telecom development. The cost of telecom equipment and components had come down consequent on the opening up of the telecom sector to private players participation in the manufacture of telecom equipment from 1991 onwards. The fall in prices of telecom equipment and components globally was also the other reason for the downfall in investment.

5. Revenue and Expenditure Per DEL

The study has revealed that the revenue per DEL had increased steadily from Rs 3060 in 1981 to Rs 8189 in 1997 and thereafter started to come down and stood at Rs 6528 in 2000. It is also seen that there is a definite correlation between the revenue per DEL and the demand for telephone connections.

The study reveals that the DELs and waiting lists had steadily increased every year. The waiting list for telephone increased from 7.37 lakhs in 1984 to 28.94 lakhs in 1997 and the DELs increased from 26.66 lakhs to 1.49 crores during the same period. The trend revealed that when more and more telephone connections are provided, the revenue per DEL comes down. The reason behind this downfall is that while the revenue from rental (fixed charge) may increase proportionately to the increase in telephone connections, the revenue from local call charges (variable revenue) may not increase in the same proportion.

The study reveals that the total revenue had increased from Rs 657.80 Crores in 1980 to Rs 18628.59 Crores in 2000. At the same time, the expenditure had also increased from Rs 413.52 Crores to 7261.42 Crores during the same period, resulting in a steady increase in surplus except in the year 1986-87. There was a negative performance in 1986-87 which was on account of carving out MTNL from DoT and expenditure on staff expenses due to the Fourth Pay Commission recommendations.

The study further reveals that the surplus had jumped up in the years when the tariffs were changed. There was a surplus in 1992-93 to the tune of Rs 1613.46 Crores and it had increased to Rs 2786.40 Crores in 1993-94, with an increase of 72.70 per cent since there was a change in tariff (an upward revision), during that year.

It is seen that the financing of telecom investment during the year 1992-93 through the internal resources was, Rs 14261 Crores, an increase of Rs 4346 Crores (an increase of 40 per cent) when compared to the previous year. From this, it is concluded that whenever there was an increase in demand for investment, the increase was met from internal resources by way of changing the tariff.

The revenue per DEL is not uniform in every telecom Circle in the Country. It is very high with Rs 18378 per annum in the Madras Telephone District and very low with Rs 4644 in Himachal Pradesh in the year 1996-97. This aspect had not been considered in making investments. The investments were made uniformly in all circles to have a balanced growth in all regions.

6. RETURN ON INVESTMENT

The investment per DEL in 1981 was Rs 19428/- with the rate of return (RoR) of 15.13 per cent and in 1998 it was Rs 22739/- with the RoR of 34.34 per cent. The investment per line had increased steadily over the years and the RoR also increased simultaneously. This position may occur only where the increase in investment is accompanied with the increase in revenue.

The study reveals that the rate of return on investment per DEL was 20.23 per cent in 1992-93 and 23.78 per cent in 1993-94, which were the highest when the telecom sector remained as a State owned Department.

It was found that a substantial surplus per DEL had been generated in 1992-93 and 1993-94. The percentage of expenditure per DEL to revenue had decreased from 65.62 in 1993 to 55.54 in 1994 resulting in an increase in RoR from 20.23 per cent to 23.78 per cent. The expenditure per DEL had also shown a downward trend. Despite all these favourable indicators, upward revision of the tariff, were made during the year 1993-94.

The study also showed that a minimum return of 22 per cent is required for a no-profit, no-loss operation. Before the year 1994-95, the rate of return was less than this cutoff percentage. The DoT had not gone into “Red” merely on account of utilization of internal resources for investment; with the result, there was practically no outgo of funds for discharging debt obligations.

7. STAFF EXPENSES AND OPERATING RATIOS.

The operating ratio had shown a declining trend from 83.24 per cent in 1988 to 53.7 per cent in 1999-2000. This was on account of the decrease in staff expenses and cost of operation per DEL from Rs 522 in 1988 to Rs 142 in 1999. The decline in this indicator was on account of the introduction of high-level technologies in the telecom sector, which needed less manpower for operation and maintenance. The reduction in the “telephone and employees ratio” was the other reason for the decline. This is the positive side of the performance of DoT.

8. CONCLUSION

Keeping the above findings in view, the following conclusions are s drawn:

- There was a continuous demand for telephone services over the years.
- The increase in demand resulted in demand for more investment.
- The increase in demand was met mostly from internal resources.
- Internal resources were generated by way of surpluses.
- The surpluses were created by increasing the revenue. The expenditure was not
- increasing at the same rate of increase in revenue.
- The surpluses were generated merely by increasing the tariff.

In short, the impressive financial performance of DoT and generation of surpluses continuously all these years was a result of the pricing policy followed by DoT.

9. TELECOM PRICING

There had been a considerable expansion in the telecom network in the country with constraints of the low teledensity of DELs, excess demand of DELs with demand far outstripping supply. The population had limited access to DELs. Under-investment was the reason for excess demand. The ratio of supply to demand ranged from 77.54 per cent in 1985 to 87.81 per cent in 2000.

The study reveals that the characteristics of demand, supply gap in the market for telecom services had led to the pricing mechanism designed to ration the demand for DEL through differentiated schemes linked to the waiting time, that is the premium for the acquisition of a DEL, until the mid-nineties. The earnings from telephone services constituted nearly 80 per cent of the total revenue

9.1 Structure of Telephone Tariff.

The study reveals that the telecom tariff contains the elements of installation charge, rental, charge, and a call charge. The rentals are fixed charges recovered bi-monthly to recover the capital cost incurred in providing the telephone connection. Again the rental is either “flat rate” or “measured rate”. Under the measured rate the subscriber is charged a fixed higher rental with a specified number of free calls, whereas under a flat rate, the subscriber has to pay a fixed monthly rental with no call charges.

9.2 Characteristics of tariff.

The study reveals that in the telephone tariff there was a differentiated tariff structure between rural and urban areas. Lower charges for flat rates and small-sized exchanges under rural areas and higher tariff charges for urban areas. The rentals prescribed in the tariff were, according to the size of the exchanges. There were 4 categories of exchanges to charge rental in 1979 and it was revised to 7 categories in 1988, modified to 5 in 1990, and increased again to 6 in 1993.

The study reveals further that the rental and free calls were revised/modified in 1979,1980,1981,1982,1986,1988,1990 and 1993. The revisions were made with the changes in the quantum of free calls and changes in call rates in different slabs.

The study reveals an interesting feature in the tariff structure of DoT, namely, the higher the number of calls, the higher the call rate. In other words, a subscriber had to pay a premium for making more calls.

9.3 Long-distance call charges.

The study reveals that the long-distance call included the STD/ISD calls, apart from trunk calls. The tariff structure of trunk call charges contains 3 factors, distance, and time of usage, and category of call. The unit free zone is identified with Tahsil boundaries generally and these unit free zones are then merged to form long-distance charging Areas (LDCAs). The charging plans are worked out as short-distance calls (calls with LDCA), point-to-point basis (between contiguous LDCAs), and long-distance calls (between non-contiguous LDCAs).

The study reveals further that 65 per cent of the revenue arose from local call charges (including STD) and the percentage of this revenue had increased from 41 in 1982-83 to 65 in 1991-92.

10. SUMMING UP

The study shows that the tariffs were revised periodically by the DoT by making changes in the charges for rentals, free calls, call charges, etc. No clear justification for making these changes could be gauged from the pattern of modifications made. It shows that there were demands for investment and these demands were met by raising internal resources. By taking this point of evidence, in the absence of any clear cut policy by the DoT, one can conclude that the pricing policies followed by DoT in all these years until the TRAI prescribed the first Telecom Tariff Order (TTO) in 1999 was "Administered pricing mechanism". MA

The study reveals an interesting feature in the tariff structure of DoT, namely, the higher the number of calls, the higher the call rate

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NOTIFICATION

In pursuance of Regulation 146(4) of the Cost and Works Accountants Regulations, 1959, the Council of the Institute of Cost Accountants of India held on 11th and 12th September, 2021 has dissolved the following Chapter of The Institute of Cost Accountants of India:

The Institute of Cost Accountants of India – Bhadravati-Shimoga Chapter
C/o Company Secretary
Visvesvaraya Iron & Steel Ltd.
Bhadravathi Shimoga – 577 301.

(CMA Kaushik Banerjee)
Secretary

IMPACT ANALYSIS OF GST IMPLEMENTATION IN VARIOUS SECTORS

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Abstract

1st July 2017 was a landmark day in the Indian history, as the most significant tax reform which was expected to spearhead the Indian economy towards global level playing field and a business changer namely GST was brought into effect. GST has impacted every industry be it an export house or a manufacturer or trader or service industry or public at large.

In GST era, the consumer is in the know of the final indirect tax burden borne by him/her as GST has a transparent taxation structure. In view of the sea of changes brought about by GST, the impact and business analytics have also undergone a transformation which have been briefly brought out in this article.

BUSINESS ANALYTICAL REPORT IN GST ERA

Goods and services tax (GST in brief) has brought in the 'one nation one tax' concept, but its effect on various industries is slightly different. The impact of GST implementation across various spheres of the industry would be unique to the nature of the activity, whether it is manufacturing, distributors, retailers, service providers and also under each sector further business structure of the individual entity concerned.

SECTOR-WISE IMPACT ANALYSIS

Impact of GST on Manufacturers, Distributor, and Retailers

With the introduction of GST, which was not just a tax reform but also a business reform and hence the impact could be felt in all the types of businesses be it manufacturers, retailers or distributors. In the case of manufacturers, the earlier tax regime had all the systems in place for availing the input credit on CENVAT credit, which was both credit on input materials and procurement of services. The major positive impact of GST on manufacturers is that the input credit on capital goods is available in the first year of procurement of capital equipment itself and the manufacturer need not carry over the credit to the subsequent years unlike the earlier tax regime wherein 50 per cent of the input credit on CENVAT is eligible in the first year of purchase of equipment and balance 50 per cent is carried over to the subsequent here. Consequent to this reform, better cash flow will be available for the manufacturers in the year of purchase itself. When it comes to distributors and retailers who were not registered under the Central Excise law in the earlier tax regime but only under the respective State VAT Acts, the GST is a boon as it is bringing all the taxes Central, State on goods and services under one umbrella. There is no limitation or restriction on availment of input credit in the GST regime whether it pertains to inward supply of material or services. Under the earlier indirect tax regime, in the case of a distributor or retailer who was registered only for VAT, was not eligible to take input credit on services which was a cost. Similarly, if the distributor or retailer is an importer, he was not eligible to take input credit on the CVD, additional duty and SAD.

IMPACT OF GST ON SERVICE PROVIDERS

Introduction of service tax in the year 1994, turned out to be a major economic tax reform. Till the introduction of service tax, income tax was the largest revenue earner for the exchequer for the Government of India. However, after introduction of service tax, gradually the revenue collection from service tax started increasing multifold and by 2014, service tax collections touched all time high of INR 215000 crores. Hence, registration of service providers is a significant part of the overall GST registrations and hence service providers play a vital role in contributing to GST. On the impact analysis of GST on service providers, during the earlier tax regime, the registration under service tax gave entitlement to the service provider only with respect to input credit on the services received as per the CENVAT Credit Rules. However, input credit on any equipment purchased for office use for provision of their service from their local dealers who were registered only under the State VAT Act was not available and it became a cost in their books.

With the introduction of GST, the positive impact on the service providers is that input credit is seamlessly available on all the inward supplies which are procured in the course of their business without any restrictions.

The negative impact on service providers is on account of the higher rate of GST. Earlier under the service tax regime, the rate of tax was 14 per cent. However, under GST most of the services, except those listed specifically under the lower rate, the tax rate is 18 per cent. Irrespective of collection of amount from the service receiver, the service provider has to discharge the tax liability immediately upon raising of the invoice. In cases where the credit period is generally 90 days for service providers. This leads to working capital issues with the higher rate of tax causing additional burden on them.

LOGISTICS

In a vast country like India, the logistic sector forms the backbone of the economy. The logistics industry is right now booming with the Make in India program of the Government of India and the boost being given to the export promotion efforts of manufacturers. Logistics sector is thus making in-roads to becoming a large contributor to the economic progress of our Nation. On the transition to GST front, the logistics sector also had multiple challenges. The positive impact on logistics sector is the removal of check post. In the earlier tax regime, check post was a huge hurdle for smooth movement of goods and the turnaround time was significantly high for a transport operator. However, post implementation of GST, check posts have been removed and this has helped the logistics sector to improve their operational efficiency and functioning

With the introduction of GST, the positive impact on the service providers is that input credit is seamlessly available on all the inward supplies which are procured in the course of their business without any restrictions

Further, introduction of GST has led to central warehousing concept wherein companies which were having multiple depots in various locations PAN India, have changed the business model to having a centralized warehousing system through logistics service providers for cost effective operations as GST has converged all the State taxes into "one Nation One Tax" and this has given new business opportunities to the logistics sector.

E-COMMERCE

In India, in the last one decade there has been a manifold growth in the e-commerce sector. The Covid 19 pandemic and the consequent lockdown measures taken by the Government has seen unprecedented surge in the sale through e-com portals and it is seen as a way forward as many youngsters in the Gen Y & Gen Z are seeing e-commerce as the new way of procurement. GST in e-commerce industry is in a primitive stage of structuring and implementation of GST will support the e-com sector's continued growth as ecommerce mostly happens through digital transactions and it is more structured than unorganized players in the market.

PHARMA

The services provided by a Medical Practitioner and the facilities of the Hospitals are exempt from GST as these fall under health care sector. As far as generic drug makers, GST has simplified the tax structure and hence it has a positive impact on this sector. It is also favorable for supporting the health care sector in medical tourism. Also the negative impact can be seen as the pricing structure under GST. However, the GST Council is periodically reviewing the GST rates of essential supplies and notifying the revised rates to cater to the requirements and benefit of the general public at large.

REAL ESTATE

The real estate sector is one of the most pivotal sectors of the Indian economy, playing an important role in employment generation. The slowdown in the economy and also the higher GST rates had brought a slump in the real estate sector. Combined with the higher rate of tax under GST, there is also a restriction to claim refund on the overflow of the input tax credit and hence this amount becomes a cost to the builder which in turn is n loaded on the rate offered to the customers. With ever increasing prices of the basic raw material like cement, steel etc. required for the construction industry, the ultimate customer made to bear the brunt by paying higher price which has led to inflation in this sector. However, the real estate sector will see substantial benefits from GST implementation, as it has brought to the industry much-required transparency and accountability.

AGRICULTURE

The agricultural sector is the largest contributing sector to the overall GDP. It covers around 16 per cent of the GDP. One of the major issues faced by the agricultural sector is the transportation of agri-products across State lines all over India. With the introduction of GST, the transportation and logistics industry has been regularized which supports the smooth movement of goods. Also most of the items from agricultural sector are under *nil* rate of duty as these are classified under essential supplies.

STARTUPS

With increased limits for registration, a DIY compliance model, tax credit on purchases and a free flow of goods and services, the GST regime truly augurs well for the Indian startup scene. Previously, Indian States had different VAT laws which were confusing for companies that have a Pan-India presence, especially the e-com sector. All these have changed under GST.

GST IMPACT IN AUTOMOBILE SECTOR

Automobile sector is a key and important sector in the economy and this sector alone contributes to nearly 7 per cent of our National GDP. Apart from the OEM, the ancillary automobile component manufactures form a major part of the manufacturing sector in India. Like any other sector, automobile sector also geared up for the transition from the erstwhile Central Excise regime applicable for the manufacturing industries to goods and service tax regime which is a comprehensive indirect tax mechanism covering both supply of goods \and supply of services under one umbrella.

The impact of GST on the automobile sector in India can be classified as under

- Impact on business process
- Impact on cash flow & liquidity
- Impact on business growth and prospects

Impact on Business Process

Any new or major taxation reform will involve redefining the way the business is structured, location of the plant, location of the depot, central warehousing, sourcing, supply chain and material procurement.

The core of any business process is aligning the location of the vendor, un-interrupted supply, domestic inward supply, imports and purchases through aggregators. Post implementation of GST, on the procurement of material, the revolutionised part of the reform is removal of all additional duties, SAD and cess on imports and converging all the taxes applicable on import of material under IGST and the entire IGST is eligible for taking input credit. Being a manufacturer, even during the central excise era, the manufacturer was eligible for taking the input credit on import duties except customs duty under the Customs Tariff Act.

Though there is no financial impact on the input credit on purchases pre-and post GST era on the procurement of material, the significant impact has been the GST input credit on the Inter State purchase which was not available as input credit. The positive impact, post implementation of GST is that full input credit is now available on all import purchases and domestic purchases including inter- State purchases

While the impact of GST is revenue neutral in the case of a manufacturer, in the case of the trader the positive impact is more. The trader who had been registered only under the State VAT under the erstwhile indirect tax era was ineligible to take input credit on the CVD, AD, cess applicable on the import of goods and in case of any input services also the service tax portion was ineligible for taking input credit.

However, under GST, as all the indirect taxes have been brought under one umbrella, the input credit is available which is a booster for automobile dealers.

Overall, the transition to GST has been very positive from the point of view of business process of any business enterprise.

Impact On Cash Flow and Liquidity

Working capital is vital like blood for the human nervous system. The primary concern for any organisation is having a healthy cash flow position and it directly impacts the business performance of the enterprise. Under the extinct indirect tax regime, it was a tax on the value addition wherein the tax credit was available on the purchases and payable on the outward supplies.

The major factors affecting the cash flow and liquidity of any enterprise will be depending upon the hassle free availability of input credit. Prior to GST under the earlier tax regime, input credit was eligible to be taken on MRP of goods and on receipt of the invoice.

During transition to GST, the vision and mission of the GST Council was to get into a system driven process of input credit wherein the entire supply chain was routed through the GST Network and the input credit is available to the business enterprise only when the GST amount is remitted by the vendor and the respective returns viz GSTR 3B and GSTR 1 are uploaded in the system. This is in spite of the fact that the business enterprise would have made the payment towards the vendor purchase along with the GST amount. In scenarios where the payment has been made to the vendor but the vendor failed to remit the tax and file the returns in the GST portal, it becomes a double whammy to the business enterprise and it gives a negative impact with reference to the cash flow and liquidity.

Impact on Business Growth and Prospects

The implementation of GST has led to business growth as diversified business opportunities have emerged in some sectors of business. Example of one such business sector is logistics industry where the business enterprises have restructured their business process post implementation of GST wherein they have moved to centralised warehousing system from the traditional practice of multiple depots in multiple States as earlier the VAT was a State Tax and the laws were unique for every State and there were limitations on input tax credit pertaining to inter-State purchase and sale. However, after introduction of GST, there is no requirement of such business planning as the taxation structure is integrated and there is no limitation in taking input credit on any inter-State movement.

Similarly, the business growth and prospects could be seen in the increasing monthly collection of GST which stands presently at a monthly average of rupees 1,17,000 crore.

Overall, it can be concluded that GST implementation has been very positive for every business enterprise and has spearheaded organic growth in the business sector. MA

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ECONOMY MEASURE – COST EFFECTIVE POWER BY AP DISCOMs

Abstract

AP Distribution companies have supplied power to their consumers at the cheapest cost ultimately all categories of consumers are benefited in the state. The aim of every distribution company is to supply reliable power at the cheapest cost.

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After 73 years of Independence we are self-reliant in many fields. Still we are yet to develop in certain sectors one of such sector is power sector. Free subsidised power is the most critical issue in the present scenario due to many fold consumption of power in different areas. Major portion of revenue gets consumed for purchasing power in the Power Utilities.

Power utility sectors purchase power from different power production units such as of Thermal hydel, solar, Wind, NCES. Power consumption trend goes on increasing from 5% to 10% every year due to rise in demand. Due to escalation on the input costs of power and related expenditure, the cost of power is moving upward automatically. This will be finally passed on to the ultimate consumers. Normally the increased power cost is compensated through subsidy or by increasing the Tariff in the State Power utilities. However, in order to maintain the uninterrupted and reliable power supply at the cost effective rates to Consumers, cost control and cost reduction plays an important role in the Management of cost in Power Sector in India.

Always Andhra Pradesh is a Trend setting state in the Country, AP Power utilities total Cost of Power purchase for the year 2018-2019 was Rs.39,26,283 crore which has been reduced to Rs. 28,533.71 crore during the year 2019-2020. The details are illustrated in the following Statement: -

Comparative Statement of Power Purchase Cost

				Rs.In Crore
Sl.No.	POWER PURCHASE COST	FY 2018-19	FY 2019-20	Increase / Decrease(+/-)
-1	-2	-3	-4	(5)=(4-3)
1	State Generating Stations (SGS)	11052.94	11743.38	690.44
2	Central Generating Stations (CGS)	4395.02	5144.66	749.64
3	Independent Power Producers (IPP)	1791.05	2228.42	437.37
4	Inter State Traders (Short Term)	2738.46	1473.25	-1265.21
5	Swapping return		-1232.76	-1232.76
6	Non-Conventional Energy (NCE)	7360.25	7364.13	3.88
7	Transmission & UI Charges	2554.82	3249.21	694.39

8	Inter State Traders (Medium Term MTOA of KSK Mhanandi)	347.42	916.14	568.72
9	Andhra Pradesh Power Development Company Limited Differential Fixed Cost & Variable Cost claims from 2015-16 withdrawn as per APERC Order	0	-2352.72	-2352.72
10	Discom to Discom cost	1708.33		-1708.33
11	**Year Wise Differential Cost**			
	2014-15	462.51		-462.51
	2015-16	1245.65		-1245.65
	2016-17	2256.46		-2256.46
	2017-18	1773.41		-1773.41
	2018-19	1576.51		-1576.51
	Total	**39262.83**	**28533.71**	**-10729.12**

GENERATOR NAME	FY 2018-19		FY 2019-20		DIFF	
	ENERGY IN MU'S	TOTAL COST IN CR'S	ENERGY IN MU'S	TOTAL COST IN CR'S	ENERGY IN MU'S	TOTAL COST IN CR'S
APGENCO -Thermal	15937.00	7851.12	15824.42	7861.11	**-112.58**	**10.00**
APGENCO -Hydel	2712.90	475.26	3518.31	602.87	**805.41**	**127.61**
APGPCL -Stage-I	31.32	12.27	27.41	12.15	**-3.92**	**-0.12**
APGPCL -Stage -II	112.75	36.95	123.09	52.46	**10.34**	**15.50**
Sri Damodharam Sanjeevayya Thermal Power Station (Unit-I &II) APPDCL	6469.54	2422.10	6648.22	3003.65	**178.68**	**581.55**
Godavari Gas Power Plant (Now Own Source previously GVK-I)	796.53	255.24	627.60	211.14	**-168.93**	**-44.10**
SGS TOTAL	**26060.04**	**11052.94**	**26769.05**	**11743.37**	**709.01**	**690.44**
NTPC (SR) Ramagundam St.I&II	1766.92	605.95	1909.86	635.73	**142.95**	**29.78**
NTPC (SR) Simadri Stage 1	2585.99	1296.66	2914.59	1418.41	**328.60**	**121.74**
NTPC (SR) Simadri Stage 2	895.88	523.82	1162.16	605.43	**266.28**	**81.62**
NTPC (SR) Talcheru St.II	1117.76	288.29	1131.30	319.49	**13.53**	**31.20**
NTPC (SR) Ramagundam St.III	442.15	151.47	504.42	168.81	**62.27**	**17.34**
NTECL Valluru Thermal Power	336.28	238.04	376.09	314.26	**39.82**	**76.22**
NLC -Stage - I	268.20	90.61	329.66	114.30	**61.46**	**23.69**
NLC -Stage - II	504.49	170.96	570.18	203.66	**65.69**	**32.70**
NPC (MAPS)	47.62	13.30	59.99	-0.71	**12.37**	**-14.01**
NPC (Kaiga Unit-I,II & III)	856.29	321.40	866.90	237.12	**10.61**	**-84.28**
NLC Tamilnadu Power Ltd Stage.1	563.36	318.62	648.03	327.51	**84.67**	**8.89**
NTPC Kudgi Stage-I (New Thermal Station)	486.65	375.89	733.16	599.29	**246.50**	**223.40**
NTPC (ER)- Farakka, kahalgoan & Talcher.1	0.00	0.00	0.00	0.01	**0.00**	**0.01**

NTPC WR & NR Stations (Only for Sep'19)	0.00	0.00	318.94	189.97	**318.94**	**189.97**
NLC NNTPS (New Thermal Station)	0.00	0.00	27.75	11.38	**27.75**	**11.38**
SGS TOTAL	**9871.58**	**4395.02**	**11553.04**	**5144.65**	**1681.45**	**749.64**
Spectrum Power	1109.62	330.60	541.61	193.39	**-568.01**	**-137.20**
LANCO Kondapalli	1633.02	504.63	758.31	256.02	**-874.71**	**-248.60**
Sembcorp Energy India Ltd (TPCIL)	1535.12	605.11	1853.18	725.59	**318.06**	**120.48**
Hinduja National Power Corp Ltd(HNPCL)	887.53	339.04	2748.83	1050.05	**1861.30**	**711.02**
SRIVATHSA POWER	30.80	11.68	9.87	3.36	**-20.93**	**-8.32**
IPP TOTAL	**5196.08**	**1791.05**	**5911.80**	**2228.42**	**715.73**	**437.37**
Indian Energy Exchange(Energy Charges)	1586.25	773.59	2370.89	805.33	**784.65**	**31.73**
Indian Energy Exchange(STOA Charges)	0.00	75.61	0.00	130.90	**0.00**	**55.30**
Power Exchange India (Energy Charges)	97.74	53.65	711.04	261.78	**613.30**	**208.12**
Power Exchange India PXIL(STOA Charges)	0.00	5.02	0.00	39.99	**0.00**	**34.97**
NHPC LIMITED (Trading)	0.00	0.00	311.36	126.11	**311.36**	**126.11**
SWAPPING (STOA)	3859.94	1830.59	364.12	109.15	**-3495.82**	**-1721.44**
Swapping Return	0.00	0.00	-3295.27	-1232.76	**-3295.27**	**-1232.76**
Inter State Traders (Short Term)TOTAL	**5543.92**	**2738.46**	**462.14**	**240.49**	**-5081.78**	**-2497.97**
NCE - Bio Mass	172.32	107.83	111.65	70.49	**-60.68**	**-37.34**
NCE - Bagasse	46.60	15.87	54.49	19.95	**7.89**	**4.07**
NCE - Industrial Waste	23.92	14.78	18.74	11.63	**-5.18**	**-3.15**
NCE - Wind Power	7825.19	3481.02	6833.60	3189.17	**-991.59**	**-291.86**
NCE - Mini Hydel	95.18	36.31	174.54	47.81	**79.36**	**11.50**
NCE-SOLAR Power(Without Bundled)	1855.74	961.89	2717.16	1263.92	**861.42**	**302.03**
NVVNL Bumdled Power - SOALR	40.66	45.21	46.29	57.97	**5.63**	**12.75**
NVVNL Bumdled Power COAL	206.25	85.67	180.32	86.59	**-25.93**	**0.91**
NTPC Ramagundam Solar Power	2.40	2.24	122.75	28.62	**120.35**	**26.38**
NTPC NPKunta Ultra Mega Solar PVP	406.17	240.93	373.85	220.26	**-32.32**	**-20.67**
NTPC NSM Phase- II,Bundled Power (SOLAR)	2304.02	1309.92	2349.96	1088.53	**45.94**	**-221.39**
NTPC NSM Phase- II,Bundled Power (COAL)	2861.55	1058.57	2956.53	1279.20	**94.99**	**220.63**
NCE TOTAL	**15840.00**	**7360.25**	**15939.88**	**7364.13**	**99.88**	**3.88**
PGCIL POC ULDC	0.00	797.25	0.00	1192.75	**0.00**	**395.50**
AP Transco Tr. Charges	0.00	1162.88	0.00	1626.12	**0.00**	**463.24**
Long Term (LTOA) Tr. Charges-TPCIL	0.00	216.45	0.00	159.65	**0.00**	**-56.81**
Long Term (LTOA) Tr. Charges-KSK	0.00	317.77	0.00	224.23	**0.00**	**-93.54**
POSOCO SRLDC Fee & Charges	0.00	2.09	0.00	-3.10	**0.00**	**-5.19**
POSOCO Deviations/ UI Charges	0.00	35.37	25.18	38.73	**25.18**	**3.36**
POSOCO Reactive Charges	0.00	22.99	0.00	10.82	**0.00**	**-12.17**

Transimission & UI Charges TOTAL	**0.00**	**2554.82**	**25.18**	**3249.21**	**25.18**	**694.39**
KSK Mahanadi Power Co.Ltd.,	800.20	347.42	2135.82	916.14	**1335.62**	**568.72**
Inter State Traders (Medium Term-MTOA) TOTAL	**800.20**	**347.42**	**2135.82**	**916.14**	**1335.62**	**568.72**
Sale To EPDCL	0.00	1708.33	4854.88	19516.61	**4854.88**	**17808.28**
Purchase From SPDCL	0.00	0.00	-4854.88	-19516.61	**-4854.88**	**-19516.61**
D TO D	**0.00**	**1708.33**	**0.00**	**0.00**	**0.00**	**-1708.33**
SUB TOTAL	**63311.82**	**31948.27**	**62796.91**	**30886.42**	**-514.91**	**-1061.85**
less: APPDCL Differential FC and VC Claims from 2018-19 (TRUE DOWN)	0.00	0.00	0.00	-2352.73	**0.00**	**-2352.73**
APPDCL Diff. FC & VC for 2015-16	0.00	765.45	0.00	0.00	**0.00**	**-765.45**
APPDCL Diff. FC & VC for 2016-17	0.00	1531.70	0.00	0.00	**0.00**	**-1531.70**
APPDCL Diff. FC & VC for 2017-18	0.00	1102.51	0.00	0.00	**0.00**	**-1102.51**
APPDCL Diff. FC & VC for 2018-19	0.00	1045.00	0.00	0.00	**0.00**	**-1045.00**
TS Genco Differential Fixed Cost from 2014-15 to 2017-18	0.00	248.99	0.00	0.00	**0.00**	**-248.99**
TS Genco Interest on Pension Bonds from 2014-15 to 2017-18	0.00	424.45	0.00	0.00	**0.00**	**-424.45**
TS Genco FCA from 2014-15 to 2017-18	0.00	702.39	0.00	0.00	**0.00**	**-702.39**
TS Genco Income Tax from 2014-15 to 2017-18	0.00	38.45	0.00	0.00	**0.00**	**-38.45**
TS Genco Incentive for 2017-18	0.00	0.58	0.00	0.00	**0.00**	**-0.58**
TS Genco Differential Hydel Fixed Cost for 2014-15	0.00	57.11	0.00	0.00	**0.00**	**-57.11**
APGENCO - Int on Pension Bonds	0.00	808.28	0.00	0.00	**0.00**	**-808.28**
AP Genco Differential FCA for 2014-15 & 2015-16	0.00	29.20	0.00	0.00	**0.00**	**-29.20**
AP Genco Differential FCA for 2017-18	0.00	386.48	0.00	0.00	**0.00**	**-386.48**
AP Genco Diff. Fixed Cost for 2017-18	0.00	8.21	0.00	0.00	**0.00**	**-8.21**
AP GENCO Diff. interest on pension bonds for the FY 2014- 15 to 2018-19	0.00	165.74	0.00	0.00	**0.00**	**-165.74**
FY 2014-19 ADJUSTMENT TOTAL	**0.00**	**7314.53**	**0.00**	**-2352.73**	**0.00**	**-9667.26**
GRAND TOTAL	**63311.82**	**39262.80**	**62796.91**	**28533.68**	**-514.91**	**-10729.12**

From the above it has been observed that the Net Power Purchase cost reduced by 10729.12 crores in the year 2019 -2020. It is The reason behind such reduction in power purchase cost is the increase of Plant availability from 80% to 85%. During the year 2019-20 volume of power production has increased due to the plant availability hence the fixed cost is reduced as a result there was a reduction in Power Purchase Cost.

Another important factor for reduction in cost is due to change of Flexi Coal availability from Andhra Pradesh Power Development Company Limited (APPDCL) to Rayalaseema Thermal Power Plant (RTPP). Before this change the availability of coal was limited to 55% but later on the availability becomes 49%. Due to that New flexi Coal policy cost has come down resulting in reduction in Power Purchase cost.

Further from 2014-2018 excess cost incurred was also restricted as per the Andhra Pradesh Electricity Regulatory Commission final order (OP52) Received on October 2020.

The above two factors have been considered by Distribution Companies to review the earlier years expenditure which resulted in reduction of Rs.8,868 crore leading to the total cost reduction in Power Purchase to Rs. 10,729.12 crore. It is a great hall mark in the history of AP Power Utilities. Generally, cost reduction and cost control is a marathon task in power utilities in India due to consistent increase in demand (or) consumption of power and abnormal increase of input costs of various types of power i.e Hydel, Thermal, NCEs. MA

BARTER TO CRYPTOCURRENCY – ISSUES AND CHALLENGES FOR THE WORLD ECONOMY

Abstract

Global residents are undergoing a cutting-edge and inventive technological revolution that is putting our current systems to the test and altering the way individuals do a range of jobs. Global residents have experienced various developments that have had a significant impact on their everyday lives, ranging from the barter system to the invention of information, communication, and technology (ICT).

In today's environment, people employ smart phones, cloud computing, artificial intelligence, machine learning, big data, the internet of things (IoT), and other technologies. These innovations are not just replacing previous technologies, but also transforming our economy into one that is more computerised and centric on innovation.

Governments create fiat currencies and regulate their value, but they have no authority over their worth. Cryptocurrencies, on the other hand, are essentially decentralised. Members of the cryptocurrency community, miners, and the general public who participate in transactions manage cryptocurrency.

Cryptocurrency miners process, confirm, and verify transactions, and successful transactions are recorded on the blockchain, a public and distributed ledger. Bitcoin is one of the highly known examples of the same.

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INTRODUCTION

In ancient times, the barter system was used to meet everyone's basic wants and requirements for goods, commodities, and services. Later, as society's needs grew, the barter system became unworkable, resulting in the creation of particularly allotted coins made of precious metals, as well as currency in the form of paper, to support society as a whole. The monetary policy of the country has been formed through the Central Bank of the country, e.g., known as the Federal Bank, Reserve Bank, and so on, to manage coinage and currency.

In the final two decades of the twentieth century, the development of state-of-the-art technologies of information and computer technologies (ICT) has resulted in the emergence of currency in the form of electronic forms. These are sometimes referred to as "digital currency," and they are based on the concept and operation of cryptography. Cryptocurrency was born as a result of this.

As a result of digital currency, the use of new technology has increased. Today's disruptive technologies are rapidly evolving and increasing all around the world. Doing business via the internet has resulted in a significant reduction in transaction costs, stimulating the development of new electronic payment systems and increasing demand for them. Traditional payment methods, such as digital money or digital currency, have grown more effective as a result of the current electronic payment revolution.

As a result of their ability to support the reorganised supply of digital products and services, financial institutions have been considerably influenced by client behaviour, tastes, and preferences. Customers currently expect quick, cost-effective, and convenient financial services. Mobile payments, PayPal, Bitcoin, and Blockchain, among other digital currencies, have ushered in a new imaginative manner of trading, utilising, and upgrading online transactions in the financial industry as a means of increasing liquidity.

CASH

A physical object, such as a coin or a banknote, is used to represent cash currencies. When this item is given to someone else, its unit of value is also transferred, without the need for a third party. There is no credit link between the buyer and the seller. The main advantage of physical cash is that whoever owns the physical object also owns the unit of value. This eliminates the need for a central authority to maintain track of property rights to circulating units of value. Cash, on the other hand, has a number of disadvantages. Buyers and sellers must be physically present at the same area in order to trade, which is difficult in many cases.

DIGITAL CASH

Digital currencies have caused a drastic evolution in the payment system with their main aim being *to improve the efficiency of the traditional payment methods* (Tatjana, 2018).

The ideal payment system would allow for the electronic transmission of monetary value through currency data files. These monetary data files would have all of the advantages of real money while also being able to move freely across technical networks. Email or social media could be used to disseminate this type of data packet. The advantage of electronic data is that it may be copied indefinitely at a minimal cost.

This function is highly undesirable in terms of money. If cash data files can be copied and the duplicates utilized as currency, they cannot be used as a payment instrument. We may separate the huge number of electronic payment methods into two groups because credit and currency are such essential notions. On the internet today, credit card transactions are the most popular method of payment.

CREDIT CARDS AND E - BANKING

You're probably familiar with the process if you've ever bought something from an online retailer like Amazon. You give Amazon your credit card information, which it uses to communicate with a financial system that comprises processors, banks, credit card companies, and other middlemen.

You're dealing with an intermediary infrastructure when you use something like PayPal, on the other hand. You give your credit card information to a company that acts as a middleman between you and the vendor, and this company confirms the transaction and informs the seller. The middleman will settle its account with the seller at the conclusion of each day.

ELECTRONIC PAYMENT SYSTEM

To tackle the problem of duplicate spending, traditional electronic payment systems rely on a central authority that verifies the legitimacy of payments and keeps track of the current status of ownership. In such arrangements, the accounts of buyers and sellers are maintained by a central authority (usually a bank). The buyer initiates the payment procedure by submitting an order.

Following that, the central authority checks that the buyer has sufficient funds and makes the necessary adjustments to the accounts. Centralised payment systems eliminate the problem of duplicate expenditure, but they require trust.

Agents must trust that the central authority will not abuse its delegated authority and that correct records will be kept in any location throughout the world—that is, that the banker will not flee with the money. Furthermore, centralized systems are vulnerable to cyber-attacks, technical failures, and malicious Governments with the ability to intervene and grab funds. This is being worked out via credit card and net banking a well.

VIRTUAL CURRENCY

On Yap Island, large millstone-like stones were used as a form of commerce. The stones were mined on Palau's island and brought to Yap in small boats across a distance of 280 miles. Every inhabitant could contribute more stone money units to the system. The costs of money manufacture, which included labour and equipment such as boats, prevented the economy from inflating.

Instead of moving the up to 13-foot-diameter stones by hand, ownership rights were practically transferred from a buyer's front yard to a seller's front yard with each transaction. A stone could be detached from it and circulated regardless of where it was found and the unit of value could be detached from it and distributed regardless of where it was found.

Everyone in the village knew who owned each stone, so that was enough. The distinction between the unit of value and the stone expanded to the point where the lost-at-sea unit of value was still used. The Yap system was based on a distributed ledger, in which each citizen kept track of who owned whose stones. As a result, Yap's stone money can be classified as a quasi-virtual currency, with each unit of value only tenuously linked to a physical object.

When a buyer concluded a transaction, he or she told his or her neighbours that the stone had now been transferred to the seller. Neighbors then spread the word until all of the island's occupants were aware of the change in ownership.

Because of this communication, every islander knew exactly which unit of value belonged to whom at any given time. Knowing how many monetary units exist at any one time, as well as how many new units have been created, is crucial for a virtual currency. To ensure that all participants agree on the ownership rights to the virtual currency units, a consensus mechanism must be in place.

CRYPTOGRAPHY

The earliest ideas about applying cryptography to cash came from David Chaum in 1983. This concept is based on a physical analogy. For instance, a piece of paper that I wrote states:

"By submitting this note to me, the bearer of this note may redeem it for one dollar."

with my signature on it. People can pass these pieces of paper around like banknotes if they believe I will honour my word and believe my signature is unforgeable.

Commercial banks were the first to issue promissory notes, which eventually became banknotes. Governments have only lately interfered in the money supply to concentrate it and legally compel banks to repay notes.

CRYPTOCURRENCY

Cryptography is a means of embedding the rules of a cryptocurrency system securely within the system. It can be used by members of society to prevent fraud and ambiguity, as well as to encapsulate the rules for creating new currency units in a mathematical protocol.

A digital signature is intended to be the electronic version of a paper signature. It looks for two features in digital signatures that are similar to handwritten signatures. It can be signed by the person who is concerned, but everyone who sees it can verify that it is real. Second, the individual concerned wants the signature to be connected to a specific document so that it cannot be used to imply agreement or endorsement of another.

Cryptocurrency is an example of such innovation and technology that is changing the way people do banking in our globalised, internet-powered world

Cryptocurrency is a type of digital currency that is stored on a blockchain and may be exchanged for goods or services. Cryptocurrency is a type of digital currency that is cryptographically signed, has a virtual origin, and is difficult to forge due to its strong encryption. Cryptocurrency and fiat money are not the same thing. Governments issue fiat currencies and manage their value; governments, on the other hand, have no power over cryptocurrency, which is essentially decentralized.

The currency is controlled by cryptocurrency community members, miners, and public transaction participants. Successful transactions are recorded on the Blockchain, a public and distributed ledger, by cryptocurrency miners who process, confirm, and verify transactions. Cryptocurrency is an example of such innovation and technology that is changing the way people do banking in our globalised, internet-powered world.

BLOCKCHAIN

Blockchain is the second most valuable technology after the internet, and it is a widely used, non-controversial technology in the bitcoin business that works flawlessly and safely. A public ledger, which is a central yet distributed record of all successful events or transactions, is maintained in Blockchain networks.

After a transaction has been recorded in Blockchain, it is impossible to remove or reverse it. Each transaction in this public ledger is confirmed by a majority of Blockchain contributors agreeing on it. Fake entries may be avoided since the ownership of blocks in the Blockchain can be verified.

Someone must verify transactions in order for the Blockchain network to function, which involves the usage of hashing algorithms as well as a significant amount of CPU time and electricity. A new coin is created and delivered to the supporting note, also known as the miner, to compensate the supporting node in the Blockchain network.

Transaction fees can also be used as an incentive or mining reward. Blockchain, Ether, Binance coin, Solana, Dogecoin, and Cardano are among of the promising cryptocurrencies that utilise Blockchain as an essential underlying technology (https://cryptocurrencynews.com/).

There are, however, certain differences in terms of validation times, processing techniques, and services available. Bitcoin Cash is identical to Bitcoin; however, its block size is different. Bitcoin Cash has a higher block size than Bitcoin and processes transactions faster. Dash has two types of nodes: master nodes and validation nodes. Both Ethereum and Dash are built on virtual machines. On the other hand, Ethereum is a decentralised Blockchain application platform that allows users to run smart contracts. Ethereum allows programmers to build and issue their own cryptocurrency. Ether is the cryptocurrency that powers the Ethereum platform. Litecoin is comparable to Bitcoin, except it is faster thanks to its block generation time is 2.5 minutes shorter.

STRENGTHS OF BLOCKCHAIN

Following is the illustrative list of strengths of blockchain.

1. No third party or central bank stands between the sender and the recipient because Blockchain is based on peer-to-peer concepts. It's impossible to spend two currencies at the same time. Transactions are recorded in a single, unchangeable public ledger.
2. Traditional banking takes days to settle international transactions, whereas Blockchain takes only minutes. Transaction fees are incredibly minimal because the blockchain eliminates the need for third parties.
3. Users have complete control over their data and transactions, and they are empowered.
4. Because Blockchain is founded on the decentralisation principle, users can perform secure transactions at any moment.
5. International transactions take days to settle in traditional banking, but only a few minutes with Blockchain. Because the blockchain eliminates the need for third parties, transaction fees are extremely low.
6. The Blockchain reduces the risks of identity theft and fraud, which are the most serious issues in the old banking system.
7. Blockchain tolerates unauthorized transactions while avoiding malicious attacks.

WEAKNESSES OF BLOCKCHAIN

Following is the illustrative list of weaknesses of Blockchain.

1. The Government cannot manage or regulate Blockchain since users can conduct transactions anonymously.
2. Blockchain consumes considerable electricity. To keep the Blockchain network running substantial electricity is necessary.
3. The status of different Government Blockchain rules is unknown. Legal adoption is a challenge when it comes to Blockchain for cryptocurrency.
4. Cyber security is a major worry because Blockchain-related technologies are still being reviewed.
5. Because of the transaction's anonymity, itcan be abused by a number of criminals.
6. Integrating Blockchain into existing financial and banking systems will require a large investment of time and money.
7. Customer protection is another issue with Blockchain; once a transaction is committed, it cannot be undone unless the new token owner agrees.
8. The most serious issue with Blockchain is the growing block size.
9. Online Initial Coin Offering (ICO) fraud is common in the Blockchain space; thus, investors should exercise extreme caution. Due to an ambiguous regularity framework, the future of Blockchain-related projects is in peril.
10. Currently, mining a single Bitcoin needs extremely large and expensive equipment.

BITCOIN

Satoshi Nakamoto is the pseudonym used by Bitcoin's founder. Satoshi claims that he began coding Bitcoin in May of 2007. In August 2008, he registered the domain bitcoin.org. Bitcoin (BTC) is referred to as cryptocurrency since it is a cryptographic-based type of electronic cash. It has risen to prominence since its establishment in early 2009, not least in terms of market value.

Bitcoin does not have set denominations like US dollar bills, and there is no such thing as a "1 bitcoin" designation. Bitcoins are merely transaction outputs, and under the current rules, they can have any value up to eight decimal places. The smallest potential value of 1 Satoshi is 0.00000001 BTC (bitcoins).

The Bitcoin protocol does not necessitate the use of real-world identities. Transactions are instructions to move bitcoin from one address to another, using these pseudonymous key pairs as identities, that are broadcast to the Bitcoin peer-to-peer network. Bitcoins are nothing more than the outcomes of transactions. The goal of the Bitcoin peer-to-peer network is to ensure that all new transactions and blocks reach all Bitcoin peer nodes. Due to the network's inherent flaws, it makes a best-effort to communicate this information. The security of the system is not reliant on the peer-to-peer network's flawlessness.

Instead, security is provided by the Blockchain and consensus process, which have been created and dedicated. Orphan blocks (blocks that are not included in the consensus chain) are common. It's not unusual for problems to arise that do not make it into the consensus chain. For a variety of causes, a block may become orphaned. In the block, there could be an invalid transaction or a double-spend attempt. Network latency can potentially result in orphaning. As a result, two miners could discover new blocks within seconds of each other. As both blocks were virtually simultaneously broadcast on the network, one of them will probably be orphaned.

BENEFITS OF CRYPTOCURRENCIES

Following is the illustrative list of benefits of Cryptocurrencies:

1. *Autonomy*: Ordinary money is maintained in a bank or in the form of cash. These are

stored in a virtual wallet with cryptocurrency and do not require the involvement of a bank or Government.

2. *Confidentiality:* Because transactions are anonymous, it's difficult to relate them to specific users. There is no one to approve and record transactions in the ledger for you.
3. *Bank charges are reduced*: Bitcoin does not charge account maintenance, minimum balance fees, or overdraft fees, while there is still 'maker' and 'taker' fees, as well as the occasional deposit and withdrawal costs.
4. *Accessibility:* Anyone with an internet connection can send and receive bitcoin payments, allowing those who do not have access to traditional banking institutions to do so.

NEGATIVITIES OF CRYPTOCURRENCIES

Following is the illustrative list of negativities of Cryptocurrencies:

1. *Scalability:* While the number of cryptocurrency coins that may be mined each day is unlimited, the number of transactions that can be made each day is limited Because blockchain process transactions one by one, these transactions can take many hours to complete.
2. *Cybersecurity:* Cryptocurrency can be stored in a digital wallet connected to a hard drive or in an online trading database. These, like anything else on the internet, can be hacked and forwarded to a third party without a trace.
3. *Lack of inherent value:* Gone are the days when currency was backed by gold, but in the past, the New Zealand dollar was indirectly backed by the New Zealand Government, which had the power to control its value for the good of the country.
4. Cryptocurrencies, on the other hand, have no direct connection to any physical or immaterial object.
5. *Price Volatility:* Cryptocurrency prices are highly volatile when compared to traditional currencies. Bitcoin, for example, started the year at roughly $9,500 US $ and ended it at little under $40,000 US $. Cryptocurrencies have become more of an investment than a currency as a result of this volatility.

CRITICS OF CRYPTOCURRENCY

There have been various critics of bitcoin, with one questioning if it is a form of asset currency and able to perform monetary transactions in their current form. As a result, bitcoin and other cryptocurrencies are increasingly resembling currency and satisfying the criteria.

Challenges

Despite the fact that cryptocurrencies do not match all of the criteria for money's three fundamental characteristics, namely storage value, unit of account, and transaction mechanism, they do possess the majority of them. Despite the opportunities, Bitcoin faces various hurdles.

Because of the risks and challenges associated with trading and investing in cryptocurrencies, watchers and new investors have adopted a cautious approach to selecting whether or not to participate extensively. When it comes to bitcoin, anyone can open as many accounts as they want for free. There are no centralised vetting procedures in place, and they are not obligated to use their true names. This process is a little murky, and the notion of illegal conduct underpinning all bitcoin registration and trade could be a hoax in some form.

Being anonymous on the internet allows thieves and fraudsters to carry out their plans in a safe environment. Cybercriminals would use this trade platform to carry out their illicit actions, such as scamming and cheating. According to *Kethineni* et al. (2017), cryptocurrency is more likely to be utilised by criminals in money laundering and drug trafficking schemes.

Despite the fact that Blockchain technology was created to make life easier for users all around the world, criminals will always find a way to profit. An efficient market, according to *Fama* (1970), is one in which prior information is accessible that can fully reflect the prices of the market's history. Cryptocurrency is considered a weak kind of commodity because investors are unable to foresee future prospects due to the lack of historical data (Urquhart, 2016).

This is especially true given that Bitcoin was first introduced in 2009, over a decade ago. An investment made in such a short period of time is unlikely to have a track record, and investors cannot rely on it to be lucrative.

According to *Fry and Cheah* (2015) and *Urquhart* (2016), cryptocurrency would be less volatile if it had a real form of account and a way to store value. For example, there is a possibility of crashes and bubbles. It is expected that Bitcoin will soon hit the peak of its bubble.

CONCLUSION:

There had been no actual bubble that would cause Bitcoin or any other cryptocurrency to lose value. While it has been projected that bitcoin will eventually replace traditional currencies, analysts believe this will take a long time and will impact the future scenario for global citizens' social, commercial, and economic lives. This would undoubtedly result in the formation of the Global village, which would govern all monetary, financial, and societal activities.

Although there are obvious benefits of replacing traditional banks with digital currencies, this is not currently practical until the global economy has the necessary legislation and technology in place. MA

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AN OVERVIEW OF COMPLIANCE MANAGEMENT

Abstract

Compliance management seems to supersede all the management functions that an organisation carries out for accomplishment of its objectives. Compliances are basically organizational, legal, social, environmental, ethical and financial standards that aim to protect an organization's integrity and accountability. Compliance is a high priority issue, failing of which may entail a cost, implicit and/or explicit. A general awareness discussion is attempted here towards compliance and its necessity and benefits including the practical aspects of managing the compliance activities.

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INTRODUCTION

Compliance should not be viewed as nuisance. It contributes greatly to the overall strategic governance of the organisation. It is a 'business abler', and not a 'hindrance'. If all members of an organization are aware of the internal policies and procedures and applicable rules and regulations including their interpretations and impacts, compliance activities can easily be accomplished effectively, whereby risks of non-compliances are reduced if not fully avoided.

Cambridge Dictionary defines 'compliance' as the act of obeying an order, rule or request, while Oxford Dictionary defines the same as the action or fact of complying with a wish or command. As per Business Dictionary, compliance means certification or confirmation that the doer of an action or the manufacturer or supplier of a product meets the requirements of accepted practices, legislations, prescribed rules and regulations, specified standards or the terms of a contract.

TYPES OF COMPLIANCES

Compliance can be 'implicit' or 'explicit'. Implicit compliances are those which are implied or understood or suggested or necessary. On the other hand, explicit compliances are those which are fully and clearly expressed or spelt out or prescribed, leaving nothing implied so that there is no room for confusion. Compliances may also be 'internal' or 'external'. Internal compliances relate to adherence to internal control system, organization's policy and procedure, standard operating procedure (SOP), budgetary control system, specific standard or benchmark, etc. which can also be termed as policy compliance, while external compliances relate to obeying the provisions of different Acts, Rules and Regulations, Notifications, Circulars, etc. which can also be termed as regulatory compliance.

NECESSITIES AND BENEFITS

Compliance is a process by which an organization strives to adhere to the internal control system, standard operating procedures, objectives and principles, mission & vision and the applicable laws of land, rules and regulation, notifications, circulars, regulatory standards, and so on. The goal of compliance management is to enhance operational effectiveness and to reduce the overall risk of violating the legal and regulatory prescriptions in order to build positive regulatory framework. The success of an organisation depends on its efficient and effective compliance management system, which helps to reduce legal problems and improve operations and profitability. Compliance management system helps the management to identify particular problems, the standard that was not met, why the problem occurred and what were the negative outcomes or opportunity foregone. It ensures that the organization's operations are conducted within the internal policies and procedures as well as external rules and regulations. Moreover, directors of a company are required to comply with the provisions of section 134(5) of the Companies Act, 2013 which require the companies to have a well laid down internal financial controls to be followed and a proper compliance management system to ensure compliance with the provisions of all applicable laws and to ensure that such systems are adequate and operating effectively.

COST OF COMPLIANCE VIS-À-VIS NON-COMPLIANCE

Non-compliance costs more than the cost of maintaining compliance requirements. Compliance cost includes the extra manpower, maintaining compliance software system, resourceful persons of respective domain and increase in the number of reporting obligations. On the other hand, cost of non-compliance includes cost of procedural lapses, fraud, time, misuse, misappropriation including loss of profit and legal expenses, penalty, fine, interest, loss of revenue, business disruption, including personal liability, prosecution, suspension of license, sealing of premises, freezing of bank account, loss of company reputation, etc. Compliance costs the organization, but non-compliance costs it even more. When an organization fails to meet compliance standards and regulations, increased costs come in the forms as mentioned above. Cost of compliance is always less than the cost of non-compliance if we take into consideration all the associated monetary and non-monetary factors.

COMPLIANCE MANAGEMENT

Compliance management seems to supersede all the management functions that an organization carry out for accomplishment of its objectives. Compliances are basically legal, social, environmental, ethical and financial prescriptions that aim to protect an organization's integrity and accountability. Compliance is a high priority issue, failure whereof may entail a cost, implicit or explicit. Compliance management is a process by which management of an organization plans, organizes and controls the activities required to be done to make them comply with the objectives, policies and procedures, norms, standards and rules and regulations, etc. For this purpose, managements have five key functions, namely (1) Identification of the risk that an organization confronts or may confront (2) Prevention of the same by way of designing and implementing controls (3) Monitoring and detection of effectiveness of those controls (4) Resolution of compliance difficulties and (5) Advising on the controls on regular basis keeping abreast of internal policies and procedures and regulatory obligations and their developments within or outside the organization and their awareness and training. Managing compliances with internal systems and external laws is a challenging task that requires devising of a compliance strategy. The strategy must result in a structured set of guidelines that detail an organization's process for maintaining or adhering to established internal systems, standards and norms and external laws and regulations. For this purpose, an organization may formulate a Compliance Policy Statement to be accepted by all and a Compliance Manual to be followed by all.

Compliances are basically legal, social, environmental, ethical and financial prescriptions that aim to protect an organization's integrity and accountability

MANAGING COMPLIANCE ACTIVITIES

For internal compliance: Preparation and development of a comprehensive checklist to verify the internal compliances with the organization's policies, procedures, standards, norms, standing instructions, guidelines, office rules and regulations, etc. with reference to standard operating procedure (SOP) for all major functions like purchase, production & operation, sales & marketing, finance & accounts, human resources, information & technology, etc. and for Manuals relating to areas such as accounting, costing, purchase/stores e-procurement, Contract management , fixed assets acquisition, staff recruitments , User/IT , HR , delegation of power etc. The purpose of internal compliance is to check whether or not the internal control measures have been fully complied with. Actually, a well laid down internal control system helps better compliance of internal policies and procedures.

For external compliance: Preparation and development of a comprehensive checklist to comply with the regulatory requirements. In India, we have loads of regulatory compliances with reference to different Acts, Rules, Ordinances, notifications, etc. Every entity should have an illustrative checklist for important/relevant/applicable provisions under different commercial, industrial, economic, corporate and taxation laws including the timelines for filing of different returns and forms under different Acts/Rules. Apart from these, there are also industry specific laws for tobacco, plantation, motor transport, mines, aviation, construction, food, sugar, electricity, oil, gas, etc. Compliance is perhaps more relevant for legal, finance & accounts, and information & technology functions since these functions act as support hands in completing and giving shapes to the core business activities of purchase, operation, production, sales and marketing. Their role in compliance is rather challenging. In many cases, finance and account functions have to comply with the internal aspects of compliance as to organization-established policies, procedures, rules, standards, manuals, instructions, etc., as well as, external aspect of compliance towards regulatory requirements as to rules and regulations, laws, ordinances, notifications, including Accounting Standards, Cost Accounting Standards, Cost Auditing Standards, etc.

HOW THE COMPLIANCE ACTIVITIES CAN BE MANAGED

A compliance management system requires the organization to establish its compliance responsibility system. Communication of those responsibilities to every employee for ensuring business processes that incorporates internal policies and procedures and the meeting of the regulatory requirements, reviewing the operation to ensure that those internal policies and procedures and regulatory requirements are complied with and if not, whether corrective actions are taken is a vital task. Every business sector has to cope up with internally established policies and procedures for sustainability with ever-growing business competitiveness and a host of laws which are volatile and constantly growing. Here we have five components for effective compliance management, such as, (1) compliance responsibility, (2) policy and procedure, (3) education and training, (4) testing and monitoring and (5) corrective action. For compliance responsibility, the organization should have an environment to ensure that the organization adheres to internal controls and external laws and that too, all the members of the organization are equally responsible for the same as a party to the system. An organization should have well laid down policies and procedures that address the compliance applicability and guidance for effective compliance management to ensure quality, fairness, and safety for all financial and non-financial matters. For education and training, the organization should have a regular system of updating the skills and talents of the employees on internal as well as external laws, rules and regulations. Violations by employees may lead to inefficiency and ineffectiveness besides exposing the organization to the legal liabilities for violations. Employees should get familiarized with the operating procedures, policies and philosophies of the organization. The organization should have an effective testing and monitoring programs since without testing program it is difficult or impossible to understand what is working and what needs correction or upgrade. Similarly, without monitoring program one does not have an early warning system to help them identify, in time the potential compliance issues. A testing program should ensure an independent checking of compliance processes of selected areas periodically and reporting on the operating effectiveness of such compliance controls. On the other hand, a monitoring program should ensure ongoing surveillance, review, and analysis of compliance controls to identify potential compliance violations. For corrective action, the organization should have an effective system of taking appropriate action to prevent occurrences of compliance failures or to prevent reoccurrences of compliance failures addressing the weakness in the system. The management should tackle non-compliance incidents without any delay. An organization may have a compliance department consisting of compliance officers having adequate knowledge in their respective domain like purchase, operation & production, sales & marketing, HR/IR, IT, Law, F&A, etc. including the nature of business of the organization. They provide an in-house guidance on concurrent basis to the concerned employees/group of employees in their activities to comply with internal policy and procedures and external rules and regulations those are relevant in nature.

CONCLUSION

Every organization should have an integrated system of incorporating the compliance requirements into business processes and at the same time every member of the organization should be unprejudiced and should have the willingness to consider new ideas and to learn and grow, and should welcome the changes in the compliance process. If all members of the organization are well aware of the internal policies and procedures and applicable rules and regulations including their interpretations and impact, the compliance activities can easily be accomplished effectively and the risks of non-compliances considerably reduced, if not fully avoided. MA

Down The Memory Lane

December 2011

Mr. Simon Culhane, CEO, CISI (second from right) being felicitated during the CISI-ICWAI MoU at Mumbai during 2011. Seen (from L to R) in the photograph are Council Members Shri Sanjay Gupta; Shri A.S. Durga Prasad; Shri Rakesh Singh, Vice President, ICWAI; Shri M. Gopalakrishnan, President, ICWAI and Ms. Arwa Tapia, Regional Head, CISI.

CEP Programme on GACAP, CAS, CARR in progress at Scope Complex New Delhi on 21.12.2011. Seen (from L to R) Shri S.A. Murali Prasad, Management Consultant Chennai; Shri J.K. Puri, Chairman, (National Task Force on CARR & CAR); Shri A.K. Awasthi, Dy. Comptroller & Auditor General and Shri M. Gopalakrishnan, President, ICWAI.

Residential Regional Conference at Udaipur. Seen (from L to R) Shri Vijender Sharma, Secretary, NIRC; Shri B.L. Jain, Chairman, NIRC; Dr. C.P. Joshi, Hon'ble Union Minister for Transport & State Highways, GOI; Shri Rakesh Singh, Vice President, ICWAI and Shri Rajiv Mehrotra, MD, Rites Ltd.

December 2001

Shri Arun Jaitley, Hon'ble Union Minister of Law, Justice & Company Affairs speaking on Labour Laws Reforms at Pune. Seen on the dais (L to R) Sanjay Bhargave, RCM; Dhananjay Joshi, CCM; P.D. Parkhi, Past President, ICWAI; Ravi Chopra, M.D., Piaggio Vehicles Ltd., B.R. Fernandes, Chairman, Pune Chapter; Ramesh Joshi, RCM.

Down The Memory Lane

December 2001

V.V. Deodhar, President, ICWAI, discussing with Shri Suresh Prabhu, Hon'ble Minister for Power, Government of India alongwith Kunal Banerjee, Vice President, ICWAI and S. Ramanathan, CCM and Past President.

December 1991

The First-ever National Seminar of The Institute of Cost & Works Accountants of India at Pune on 21 December'91. Shri P.D. Phadke, President, ICWAI inaugurating the National Seminar. Others seen from the dais from left: S/shri J.K. Puri, S. Ramanathan and V.B. Behede

DPE-ICWAI joint management development programme on Infrastructure Leasing and Profit Improvement in Public Enterprises held between 18 and 20 December 1991 at Bombay. Shri C. Ramulu, General Manager (Finance & Marketing), Hindustan Petroleum is speaking while Shri P.D. Phadke, President, ICWAI and Shri S. Ganapathisubramanian, Central Council Member look on.

Shri P.D. Phadke, President, ICWAI releasing the Souvenir at Silver Jubilee Celebration on 14-15 December'91. To his right are Shri S. Satyananda Rao and Shri K.R. S. Sastry and to his left are Dr. G.B. Rao seen handling over the Souvenir and Shri B.S. Rawat.

December 1981

CAPA Executive Committee meets at New Delhi in December'81. Sitting (L to R) Messrs. B.A. Christmas (New Zealand); N.K. Bose (India); E.M. Villaneuva (Philippines, CAPA President); D.M. Casino (Philippines); P.S. Gopalakrishnan (India). Standing (L to R): A.V. Ramana Rao (India); Song Chwee Him (Singapore); D.C. Roberts (USA); K R Macdonald (New Zealand); Samuel W.H. Wong (Hong Kong); John O. Miller (Australia), Hiroshi Nakachi (Japan); Hideo Iwata (Japan); A.W. Graham (Australia)

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GLOBAL RECOGNITION OF CMA QUALIFICATION

Benchmarking of Intermediate and Final Course of The Institute of Cost Accountants of India by UK NARIC*

With the objective of enhancing the recognition and professional opportunities for its students and members across the globe, the **International Affairs Committee** and **Professional Development & CPD Committee** of the Institute had engaged UK NARIC (National Recognition Information Centre in United Kingdom) to conduct an independent benchmarking study for evaluating the comparability of the CMA Intermediate and Final Course in the context of the UK and UAE education systems.

UK NARIC is the designated national agency in the United Kingdom for the recognition of international qualifications and professional skills. As the National Agency, managed on behalf of the UK Government, UK NARIC is the internationally respected voice in qualification recognition offering impartial, trusted judgement on international qualifications. UK NARIC has the largest database of international qualifications in the world, with over 5,000 qualifications from more than 200 countries.

UK NARIC has made the following comparability levels recommendations in the context of the UK & UAE education system:

Course	UK Qualifications	UAE Qualifications
CMA Intermediate Course	RQF Level 6 (Bachelor's Degree Standard)	QF Emirates Level 7 (Bachelor's Degree Standard)
CMA Final Course	RQF Level 7 (Master's Degree Standard)	QF Emirates Level 9 (Master's Degree Standard)

Link to the benchmarking results of CMA qualification published in UK NARIC website:
https://www.ecctis.com/news.aspx?NewsId=1138

This independent benchmarking of the CMA qualification would ensure widespread, international acceptance of CMA qualification. The benchmarking results would strengthen the position of CMA members and help corporates gain a better understanding on the relevance and standing of the CMA qualification. It would also provide opportunities for higher studies and enhanced professional opportunities for CMA members/ semi qualified professionals in UK, Middle East and other foreign jurisdictions accepting NARIC evaluation.

**Due to the United Kingdom leaving the European Union, the UK NARIC national recognition agency function was re-titled as UK ENIC on 1st March 2021, operated and managed by Ecctis Limited. From 1st March 2021, international benchmarking findings are published under the Ecctis name.*

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NEWS
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EASTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BHUBANESWAR CHAPTER

The Chapter organized a webint on the theme "Overview of Valuation and Emerging Professional Opportunities" on 06.11.2021. CMA Dr. S K Gupta, Managing Director, RVO, The Institute of Cost Accountants of India delivered on the topic as "Resource Person". CMA Himoj Mishra, Chairman delivered the welcome address and introduction of Guest. CMA Surya Narayan Tripathy, Secretary of the Chapter extended formal vote of thanks. As a Part of the Career Counseling Programme, the Chapter successfully organized a National WEBINAR on "GST: Win-Win Impact for Taxpayers, Consumers and Government '' in association with Fakir Mohan University, Balasore, Odisha on 16.11.2021. Flt. Lt. Professor Munesh Chandra Adhikary , Chairman, Post Graduate Council , Fakir Mohan University , Balasore graced and addressed on the occasion as "Patron". CMA Himoj Mishra, Chairman, ICAI-Bhubaneswar Chapter graced and addressed on the occasion as "Chief Guest". CMA Himoj Mishra, Chairman of the Chapter highlighted about the Institute & Career Prospect in CMA Course, about the Chapter and its activities and admission procedures etc. He also advised, blessed & encouraged the pursuing Commerce Students for becoming a CMA. Eminent "Resource Persons" on the occasion, CMA Shiba Prasad Padhi, Partner, SAPSJ Associates, Cost Accountants, Bhubaneswar and CMA Santanu Kumar Panigrahi, CFO, IPICOL delivered in detail on the topic and also interacted and addressed the queries of the participants. Dr. Arta Bandhu Jena, Co-ordinator, P.G. Department of Commerce, F. M University, Balasore extended vote of thanks.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA SOUTH ODISHA CHAPTER

The Felicitation Ceremony for December, 2020 pass out students organized by the Chapter dated 24th October, 2021 at Sahid Laxman Nayak Community Hall, Berhampur. Prof. (Dr.) Praffula Kumar Mohanty, Vice Chancellor, Khalikote Unitary University, as a Chief Guest, Sri Rama Narsingha Rao, Past President, Ganjam Chamber of Commerce, Berhampur as Guest of Honor, CMA Ashwini Kumar Patro, Chairman of the Chapter, CMA Rajkiran Padhi, Secretary of the Chapter and CMA Narasingha Chandra Kar, Chairman, Coaching Committee occupied the dias and presented Certificates & Mementos to Semi Qualified, Qualified CMAs & Rank holders of December, 2020 Examination of Berhampur Center. The meeting ended with gracious presence of CMA Suresh Chandra Mohanty, Past President, ICAI and CMA Niranjan Mishra, CCM, ICAI and other eminent dignitaries which made it a grand success.

NORTHERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA JAIPUR CHAPTER

The chapter organised Cleanliness Drive on 1st October, 2021 under Amrit Mahotsav of India's Independence. In this program cleanliness activities were performed in the chapter building and nearby area. On this occasion Chairman of the Chapter CMA S.L. Swami, Secretary Sudarshan Nahar and students took active part. The Chapter organised Students Convention on 23rd October 2021 for students qualified in December 2019 and December 2020 Examination Chief Guest of the program was Shri Gopal Meena, MLA form Jamwa Ramgarh and Guest of Honour was Dr. Satish Handa, Professor, GLA university Mathura. In the beginning of the program CMA S.L. Swami,

Chairman welcomed Chief Guest, Guest of Honour and all the participating students. In this Convention, Chief Guest congratulated the Budding CMAs for completing CMA Course and conveyed Best Wishes for their bright future. On this occasion Certificates were awarded to more than one hundred Budding CMAs. Program was conducted by CMA Sudarshan Nahar, Secretary of the Chapter. At the end of the program, CMA Swapnil Bhandari, immediate past Chairman of the Chapter thanked all the Guest and Budding CMAs. The Chapter organised Seminar on the above subject on 23rd October 2021. In the beginning of the Seminar CMA S.L. Swami, Chairman of the Chapter welcomed Key Speakers and all the participants. In the first technical session, CMA Tanuj Agrawal, leading Tax Practitioner explained in detail on the Topic "Succession planning and Taxation". In the Second technical session, CMA Dr. B.L. Gupta, Retd Professor, University of Rajasthan explained in detail on the Topic "Risk Management in Derivative Trading". Program was conducted by CMA Sudarshan Nahar, Secretary of the Chapter. At the end of the program, CMA Swapnil Bhandari, immediate past Chairman of the Chapter thanked the Key Speakers and all the participants. The Chapter organized seminar on "Vipassana (Meditation) for Better Professional Life" on 7th November 2021. Program was started with Tree plantation by Chief Guest Shri Dinesh Malpani, Trustee, Vipassana Centre, Jaipur. After tree Plantation CMA S.L. Swami, Chairman of the Chapter welcomed Chief Guest, Guest of Honour and all

the participants. In the Seminar Key Speaker Shri Dinesh Malpani told how we can make professional life better by Vipassana (Meditation). He also told how Vipassana can help in making our life balanced in the present busy life. Guest of the Honour, CA Vikas Bansal shared his experiences and told about the changes happened in his life after Vipassana (Meditation). Program was conducted by CMA Deepak Kumar Khandelwal, Treasurer of the Chapter and CMA Deeptanshu Pareek, CMA member. At the end of the program CMA Swapnil Bhandari immediate past Chairman of the Chapter thanked Chief Guest, Guest of Honour and all the participants.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BEAWAR CHAPTER

The Chapter organised a Vaccination Camp with the support of the Medical Department and Public Administration Wing of Beawar on 24th October 21. The camp was inaugurated by Beawar MLA Sh. Shankar Singh Rawat and Chairman Sh. Naresh Kanaujia. On this occasion, the chapter chairman CMA Prakash Kothari appreciated the efforts of the staff dedicated to Corona Duty and said that the staff committed to vaccinate the entire eligible population of Beawar City and make it fully vaccinated. Immediate Past Chairman of the Institute and Vaccination Camp In-charge CMA Rupesh Kothari thanked the Corona Vaccination Team for allowing Beawar chapter to hold a camp on the auspicious occasion of Karwa Chauth and appreciated their efforts in making such a high number of vaccinations possible. Treasurer of the chapter, CMA Jyoti Maheshwari highlighted that all Corona Guidelines were ensured and social distancing was maintained. Members of the Institute contributed to the success of this camp. PMO S.S. chauhan, COVID Vaccination incharge Shalabh Tandon, CMA Mitesh Chopra, CMA Ankur Singhal, CMA Mandeep Singh, CMA Lekhak Agarwal, Rajendra Jangid contributed in the camp.

SOUTHERN INDIA REGIONAL COUNCIL

The Region organised Swachhta Abhiyan on Friday, 1st October, 2021 at its premises, as part of the various events planned by the Institute to commemorate the Azadi ka Amrit Mahotsav. CMA Rajesh Sai Iyer, Treasurer, SIRC conducted the event during which cleanliness activities in the office premises and its surroundings were performed by Mr. P. Balamurugan, Assistant Director SIRC along with Treasurer SIRC, the Staff Members and support staff. Followed by the cleanliness activities, Swachhta Pledge was also read by the Treasurer, SIRC which was followed by Staff Members of SIRC. A Pledge Taking Ceremony was organised at SIRC on 1st November, 2021 as a part of celebration under **Azadi ka Amrut Mahotsav (AKAM),** which was led by CMA K. Rajagopal, Chairman, SIRC. All Staff members participated in the event and have pledged along with the Chairman, SIRC. A webinar was conducted by PD Committee on 10th November 2021 on the topic Digitization of Finance Processes. Speaker was Shri Susheel Sahoo, Co-Founder, Mindmap Consulting. SIRC along with Internal Audit & Assurance Standard Board (IAASB, ICAI – Kolkata) organised a PD Programme on the Topic, 'Internal Audit – Way Forward' on 23rd November, 2021 at its premises. This Interactive Session was conducted physically first time at Chennai following all COVID-19 PROTOCOLS and guidelines and the entire event was coordinated by CMA H. Padmanabhan, Central Council Member. CMA P. Raju Iyer, Vice President, ICAI inaugurated the Session by lighting the traditional lamp. CMA K. Rajagopal, Chairman SIRC rendered Welcome Address. CMA TCA Srinivasa Prasad was the Guest Speaker who made a mind blowing Power Point Presentation which focused on 'Purpose and Process of Internal Audit', 'IIA Statement of Responsibilities', 'Planning, Performing and Reporting', 'Designing Audit Tests', 'Audit Report Structure', 'Assumptions and Responsibilities' 'Responsibilities of Internal Audit', 'Scope of Internal Audit' etc. which were well received by the participants. As part of the Programme, there was a Question Answer Session in which CMA Kunal Banerjee, Former President ICAI replied to the queries raised by the participants. During the Event, CMA TCA Srinivasa Prasad was introduced by CMA Rajesh Sai Iyer,

RCM SIRC while CMA Kunal Banerjee was introduced by CMA R. Vishwanath Bhat, Vice Chairman SIRC. The Interactive Session was concluded with a Vote of Thanks proposed by CMA Vijay Kiran Agastya, Secretary SIRC. CMA P. Raju Iyer, our new President ICAI who landed at Chennai on 30th November, 2021 after assuming Office of the President of The Institute of Cost Accountants of India was received by Mr. P. Balamurugan, Asst. Director, Mr. S. Gnanaselvan, Officer along with Staff Members of SIRC ICAI at the Airport with a grand welcome.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BENGALURU CHAPTER

The Chapter organized "Dhee - Vikasa Students Study Circle Programme Webinar on Cost Accounting Examination view point" through online Webinar and CMA Mrudula M, B.com, DGM, CA Educator, Entrepreneur - United Kingdom & India was the speaker of the programme on October 23, 2021. The Chapter organized a "Dhee - Vikasa Students Study Circle Programme Webinar on Accounting Basics, Material, Depreciation, Forex & Fixed Assets with Practical Examples" through online Webinar and CMA Harshitha N, CMA Vijayalakshmi K R – Chairperson Students Guidance Bureau were the speakers of the programme. Practitioner's Forum on "E-Way Bill Under GST" at Bengaluru Chapter on November 6, 2021 and CA Gella Praveen Kumar, CMA Kumar H N Chairman BCCA, CMA Jayaram A V Secretary BCCA, CMA Vishwanatha Bhat Vice Chairman SIRC were the speakers of the programme. Professional Development Programmes on "Strategic Management in SCM" organized at Bengaluru Chapter on October 30, 2021 and Mr. B. Rajesh, Chief Consultant, M/s. SGC Services & Lead Auditor, Management Systems, CMA Kumar H N Chairman BCCA and CMA Pranabandhu Dwibedy Member BCCA were the speakers of the programme and another one on "Integrity and Ethical Compliances" on November 20, 2021 organized at the Chapter and Mr. G. Senthil Kumar, GM (Vigilance) Retired, BHEL-EDN, Bengaluru, CMA Kumar H N Chairman BCCA, CMA G N Ventakataraman Past President ICAI were the speakers of the programme.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA HYDERABAD CHAPTER

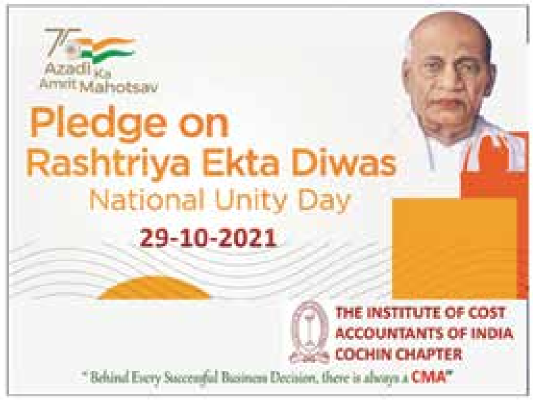
On 01.10.2021, as per the instructions of the Institute, the chapter organized a Swachhta Abhiyan by undertaking cleanliness activities in the office premises and its surroundings. On 02.10.2021 the speaker CMA J H Rao detailed on Uber business model - Strategic analysis and role of management accountant. On 03.10.2021 eminent speakers CMA Sudhir Kumar Jain Practising Cost Accountant and Insolvency Professional and CMA Shiba Prasad Padhi, Practising Cost Accountant for this programme discussed on Property insurance by MSMEs and claim settlement- Critical issues and recent changes. On 23.10.2021 the chapter organized refresher course on IBC - A practical insight and CMA Dr. K.Ch. A.V.S.N.Murthy was special invitee and CMA CA R. Koushik Mukhesh as speaker. CMA CA R. Koushik Mukhesh explained about 'insolvency and bankruptcy code' in detail. On 27.10.2021 the chapter organized a programme in hybrid mode on 'Share Capital Reconciliation audit by Practising Cost Accountant' at Chapter premises. CMA CS Madhavi Latha M. has explained the topic in depth with her authoritative knowledge. The Chapter conducted two online career counselling programmes in October 2021 in various colleges and one face to face career counselling Programme. CMA P. Chandra Sekhara Reddy Chairman HCCA, CMA M.Venkateshwarlu Immediate Past Chairman HCCA, CMA Dr. Chandra Sekhar Rajanala Past Chairman HCCA, CMA NSV Krishna Rao Practising Cost Accountant counselled the students.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA THRISSUR CHAPTER

The Chapter conducted webinar on "STRESS MANAGEMENT" on September 25th 2021. CMA PRAVEEN KUMAR, Chairman delivered the welcome speech. The resource person was Sivakumar A, ACMA. Assistant Professor of Commerce of Sreeneelakanta Government Sanskrit College Pattambi. CMA members and students were well attended the programme. CMA Anoop N G, the Vice Chairman, Thrissur Chapter delivered the vote of thanks. The Chapter conducted offline class inauguration of foundation and intermediate batch on 20/10/2021 and 25/10/2021 respectively. CMA PRAVEEN KUMAR, CHAIRMAN Thrissur Chapter inaugurated the function. The programme was well attended by the students.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA COCHIN CHAPTER

As advised, the Chapter observed 29th October, 2021 as Rashtriya Ekta Diwas Shapath Campaign (National Unity Day) which was the part of the celebration under Azadi ka Amrut Mahotsav (AKAM).The programme was led by Mr. Biju K. Elias, Superintendent, along with Students and Staff members by taking the Pledge and collectively singing the National Anthem, at CMA Bhawan, Judges Avenue, Kaloor, Cochin. The Chapter mourned the untimely demise of CMA A. SIVADASAN, Former Chairman of ICAI Cochin Chapter



on 06th November 2021. The meeting was conducted thru online. Cochin Chapter Chairman, CMA Padmakumar V.A., delivered welcome address. A two minute silence prayer was observed for the departed Soul. CMA Sunil Chacko, former Chairman, SIRC, CMA Sankar P Panicker, Member SIRC, CMA C. A. Thulasidas, Former Chairman, Cochin Chapter, CMA K.R.K. Menon, Senior Faculty Member, Cochin Chapter, shared their memories with him and his contributions to the Chapter. In their condolence message, they all extended deepest sympathy and shared in the grief of the bereaved family. CMA Lajeesh K. L., Vice Chairman, Cochin Chapter, expressed the vote of thanks. As part of World Diabetes Day, the State Government's Ayush Homoeopathy Department and Ernakulam District panchayat under the leadership of The Institute of Cost Accountants of India, Cochin Chapter, Ayushman Bhava

Special Clinic and Kochi Metro Rail Limited organised a Cyclothon on 14th November 2021 to impart awareness among the public on the importance of exercise while treating the Diabetic patients. Shri. Hibi Eden, Member of Parliament, inaugurated and flagged off the cyclothon. Shri. M. J. Jomi, Standing Committee Chairman, Health Education, District Panchayath, Ernakulam, welcomed the gathering. Dr. Leena Rani, District Medical Officer (Homoeo), Ernakulam delivered the presidential address. CMA Padmkumar V. A, Chairman, Cochin Chapter, CMA Lajeesh K. L., Vice Chairman, Cochin Chapter, CMA Renjini R, Chairperson P. D. Committee & Senior Deputy General Manager, Kochi Metro Rail Ltd., felicitated on the occasion. Dr. Hema Thilak, Convener, Ayushman Bhava, District Homoeo Hospital, Ernakulam expressed vote of thanks. Mr. Biju K Elias, Superintendent, Mr. Kalesh B., Dy. Superintendent and Mr.Vijesh M V, Asst. Superintendent participated in the 10 KM cyclothon. The event started from Jawaharlal Nehru International Stadium, Kaloor, Cochin and ended at Ernakulum Government Homoeo Hospital, Pullepady.

The Chapter conducted many Career Guidance programmes during various dates of November 2021.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA COIMBATORE CHAPTER

Chairman of the chapter conducted online & offline career counselling programs to the students at various Colleges in September and October 2021. Rashtriya Ekta Diwas Shapath (Pledge) was taken on 29th October 2021 at the Chapter by Members and staffs of the chapter.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA DINDIGUL CHAPTER

The Dindigul Chapter Chairman CMA D. Kalaichelvan and Vice Chairman B. Sangaiah attended the CMA Awareness program ST PATRICK'S ACADEMY MATRIC. HR.SEC.SCHOOL, Dindigul on 02.11.2021.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA MADURAI CHAPTER

One day Seminar on "Setup-Startup-Scaleup" was conducted by the chapter jointly with Madurai Chapter of ICSI on 23rd October, 2021 at Madurai. The programme was inaugurated with Tamil Thai Vazhthu, Lighting of lamps and playing of Motto Songs of ICSI & ICMAI.CA. S. SELVARAJ, Chairman, Madurai Chapter of ICSI welcomed the gathering. CA. R. Giridharn, Chennai delivered Chief Guest Address. In Technical Session-I, Shri. S. Shivaraja Ramanathan, CEO, NATIVE LEADE, MADURAI gave detailed lecture on FUNDING OF STARTUP along with his own personal experience as a IT Professional turned a Startup Owner and now CEO of the organization having about Rs.500 Crores corpus for funding startup companies across India. During the session, CMA. S. Kumararaja, Vice Chairman, Madurai Chapter of ICMAI was honored in recognition of his securing Ph. D. from the Madurai Kamaraj University. Students who cleared ICSI Professional exam with flying colors were honored. In Technical Session –II, Shri. R. Gowtham, Regional Manager, Tamilnad Mercantile Bank Ltd., Madurai explained about the bank's lending schemes in general and schemes for startup companies in particular. Mr. Bhuvaneswaran, Manager, District Industries Center (DIC), Madurai explained about various schemes and benefits available to Startups in DIC in conjunction with banks. In Technical Session-III, CA. Prasant Mohan, Kerala delivered lecture on "START-UP - AN OVERVIEW" supported by PPP presentation. In post lunch Technical Session-IV, CS. A.N.S. Vijay, PCS, Sivakasi presented a case study on "STARTUP TO IPO". This was followed by a Panel Discussion on STARTUPS. Panelists were: 1) CS. A. N. S. Vijay, (2) CA. K. Swaroop, (3) CA. PA. Karthick, (4) CA. Prasanth Mohan, (5) CA. J. Balasubramanian and (6) CA. G. Saravanakumar. The Seminar concluded with the vote of thanks by CMA. R. K. Bapulal, Chairman, Madurai Chapter of ICMAI and singing of National Anthem.

WESTERN INDIA REGIONAL COUNCIL

The Regional Council organised two days seminar "CMA Conclave - Goa 2021" at Goa on 27th & 28th November 2021 for the benefit of Members who hitherto were inactive and had minimum interactions with their Professional peers, due to Pandemic induced lockdown.

Conclave was inaugurated by Shri Ritesh Kavdia, Executive Director, Insolvency and Bankruptcy Board of India. CMA Dinesh Birla, Chairman WIRC, CMA Mahendra Bhombe –Secretary and Treasurer, WIRC and CMA Harshad Deshpande, Chairman P D. Committee, WIRC, CMA Vaishali Dessai, Vice- Chairperson, Goa Chapter were on the dais during the inaugural session. CMA Mahendra Bhombe, Secretary and Treasurer, WIRC welcomed all participants for the conclave. CMA Dinesh Birla in his address welcomed all delegates and thanks those attending in large numbers from different part from the Western Region. CMA Harshad Deshpande, Chairman, P D. Committee, WIRC felicitated Shri Ritesh Kavdia, Executive Director, Insolvency and Bankruptcy Board of India by offering Shawl and trophy. CMA Biswarup Basu, President of ICAI could not make it attend physically in the programme, however, sir addressed the participants through online. Shri Ritesh Kavdia, Executive Director, Insolvency and Bankruptcy Board of India were the speaker in the first technical session, on the topic on Quinquennial of

Insolvency and Bankruptcy Code 2016. In the 2nd Technical Session on Quinquennial of Insolvency and Bankruptcy Code 2016, CMA Chitralee Goswami, Chief General Manager & Head of Finance Onshore Engineering Services, ONGC and Advisor Finance to Director (Onshore) ONGC, presented the Case studies. In 3rd Technical Session on Cross Border and Group Insolvency & Personal & Partner Insolvency Enhancing the territories Support services to IBC Ecosystem, CMA IP Dushyant Dave, Shri Anil Goel, Insolvency Professionals were the speakers. CMA Harshad Deshpande proposed vote of thanks. On 2nd day in the 3rd Session on "Forensic Audit of "PUFE" transaction under IBC 2016" Shri Anil Goel, Insolvency Professional and CMA Ashok Nawal expert in the Indirect Taxes, were the speakers. CMA Arindam Goswami, RCM-WIRC proposed vote of thanks. In 4th technical session on Registered Valuers Ecosystem and Valuation Profession, CMA R.K. Patel and Vr. Kedar Chikodi were the speakers. Valedictory session was chaired by CMA Sunil Bagi, GM-Finance, Goa Shipyard Ltd along with CMA Dinesh Birla, Chairman WIRC, CMA Mahendra Bhombe Secretary & Treasurer, WIRC, and CMA Praveen Singh, Hon. Secretary, Goa Chapter. WIRC thanked the Goa Chapter for extending good support and CMA Shameem Memon for conducting the event in a professional way. WIRC also thanked the main sponsors like ONGC & Goa Shipyard etc., for their support making the Conclave successful.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA AHMEDABAD CHAPTER

As Government of India is celebrating Bharat Ki Azadi ka Amrit Mahotsav (AKAM) to commemorate the 75 years of India's Independence. As per the guideline of Institute and as a part of celebration, ICAI-Ahmedabad Chapter organized Swachhta Abhiyan on 1st October, 2021 by undertaking cleanliness activities in the office premises and its surroundings. Committee members, staff members and students actively participated in the program. The Chapter organized felicitation function at Haribhai Auditorium for all the students, who have passed Foundation Examination of Dec'19, June'20, Dec'20 & June'21 term. CMA Aparna Bhonde, Treasurer of Chapter welcomed dignitaries on Dias, Managing Committee members, Students and their parents. CMA Malhar Dalwadi, Chairman of Chapter gave greeting speech and congratulates all the students. He also informed about the activities of chapter and explained about opportunities for the CMAs. RCM, CMA AShish Bhavsar felicitate the Chief Guest CMA Marzun Jokhi, Director-GLS University by offering bouquet and memento. CMA Malhar Dalwadi, Chairman of Chapter felicitates the RCM, CMA Ashish Bhavsar by offering bouquet. Chief Guest CMA Marzun Jokhi gave inspiration speech to students and explained about opportunities for CMAs. Felicitation of successful students was done by the hand of dignitaries on Dias and committee members. At the end of the program, CMA Mitesh Prajapati, Secretary & Chairman-Oral Coaching Committee of Ahmedabad Chapter proposed vote of thanks. The chapter had organized Residential Program at Dwarka during 21st Oct'21 to 23rd Oct'2021. The theme of program was "75th year of Independence towards Atmanirbhar CMAs." There were esteemed presence of President CMA Biswarup Basu, Vice President CMA P Raju Iyer, Central Council member CMA Chittaranjan Chattopadhyay and CMA Ashwin Dalwadi of the institute in the program. The 1st ever Residential Program at Dwarka was inaugurated by the President, Vice President, Central Council members, Chairman of Ahmedabad Chapter CMA Malhar Dalwadi and Chairman of Professional Development Committee CMA Uttam

Bhandari. The inaugural speech was delivered by Chairman CMA Malhar Dalwadi. The vote of thanks proposed by Secretary & Chairman-Oral Coaching committee of Ahmedabad chapter CMA Mitesh Prajapati. The inaugural session concluded by National Anthem. There were three technical sessions organized for development of CMA professionals at this holy place, Dwarka. All the sessions were very interactive and found useful to the participants. A press conference was also organized at Dwarka to promote CMA professions. President CMA Biswarup Basu, Vice President CMA P Raju Iyer, Central Council member CMA Ashwin Dalwadi, Chairman of Chapter CMA Malhar Dalwadi and Secretary & Chairman Oral Coaching committee of Chapter, CMA Mitesh Prajapati attended the conference and brief the media about CMA course, opportunities and placement for recently pass out CMAs. During the month of Oct 2021, the Chapter conducted promotional activities for CMA course. As part of Career counseling activity, CMA Mitesh Prajapati, Secretary and Oral Coaching Committee Chairman along with admin person met principals of different schools, Colleges, universities and owner of Private classes. The chapter organized a PPT Presentation competition on 1st November 2021 at Chapter office. The topics of PPT presentation were Securing Financing for New Businesses, GST: Before and after impact on Indian economy, Is AI & machine learning a real threat to the job economy? Cost accounting as a management tool. Cash and Cashless Economy: Challenges and Opportunities. CMA Malhar Dalwadi, Chairman welcomed office bearers and participants and gave brief about concept of PPT Presentation Competition. The Chapter organized discussion meet of students and Members with Vice President CMA P Raju Iyer, CCM CMA Chittaranjan Chattopadhyay Dr. Giri Ketharaja-Addl. Director of Institute and Advisor-ICAI-MARF CMA B B Goyal on 17th Nov 2021. CMA Vinod Savaliya-Past Chairman of Chapter welcomed and felicitated the Vice President CMA P Raju Iyer with bouquet. CMA Mitesh Prajapati, Secretary of Chapter welcomed and felicitates the CCM CMA Chittaranjan Chattopadhyay and CMA Aparna Bhonde-Treasurer welcomed Addl. Director of Institute Dr. Giri Ketharaja. There were two sessions of discussion,

1st one with the students and 2nd with members. RCM CMA Ashish Bhavsar also joined the meeting alongwith dignitaries. CMA Mitesh Prajapati, Secretary welcomed and introduced the dignitaries on dais to students. During the session, Vice President of Institute CMA P Raju Iyer briefed about the activities of Institute. CCM CMA Chittaranjan Chattopadhyay informed about the CMA course and the scope as well opportunities for CMAs in corporate world as well as in practice. CMA B B Goyal-Advisor-ICAI MARF delivered motivational speech to students. 2nd session starts with the felicitation of dignitaries. Vice President CMA P Raju Iyer felicitated by CMA P H Desai, past chairman of Chapter, CCM-CMA Chittaranjan Chattopadhyay felicitated by CMA Vinod Salaviya, past chairman of Chapter and CMA B B Goyal-Advisor, ICAI MARF felicitated by CMA K M Mehta, Member. During the session Vice President CMA P Raju Iyer gave brief about activities of Institute. CCM CMA Chittaranjan Chattopadhyay gave details about the scope of services of CMAs in practice and service sectors. CMA B B Goyal-Advisor ICAI MARF also explained and expressed his view to members present in reference to CMA. The discussion concluded by vote of thanks by CMA Mitesh Prajapati, Secretary of Chapter. The Chapter organized a CEP webinar on GST due Diligence and Litigation Handling on 19th November'2021. CMA Ashish Bhavsar-RCM welcomed present members and CMA Uttam Bhandari-Chairman PD committee welcomed & introduced speaker CMA Vikas Agrawal and participants. CMA Vikas Agrawal gave detailed presentation and explained on subject of webinar. CMA Mitesh Prajapati, Secretary Ahmedabad Chapter proposed vote of thanks. During the month of Nov 2021, Chapter has done promotional activities for CMA course. As part of Career counseling activity, CMA Mitesh Prajapati, Secretary and Oral Coaching Committee Chairman along with admin person met principals of different schools, Colleges, universities and owner of Private classes.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA SURAT SOUTH GUJARAT CHAPTER

The Nashik - Ojhar & Surat South Gujarat Chapter jointly organized a CEP Webinar on the Topic "S/4 HANA Finance New Era in SAP" on 23rd October 2021. Speaker for the session was CMA Chaitanya Mohrir Regional Council Member ICAI, M.Com. CMA Arif Khan (Treasure- Nashik-Ojhar Chapter) welcomed the members. CMA Nanty Shah (Chairman- Surat Chapter) addressed the dignitaries and the members online and CMA Bhushan U. Pagere (Managing Committee Member- Nashik Ojhar Chapter) introduced the speaker to the audience. The Session started with a brief introduction on the topic and continued with the elaborated explanation on new Era of SAP software and how useful it could be for industries in future. Around 68 members joined the Webinar. The duration of the session was 2 hours. CMA Keval Shah (Vice Chairman- Surat Chapter) gave formal Vote of Thanks.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA PIMPRI CHINCHWAD AKURDI CHAPTER

The Chapter conducted webinar on 'Yield Management, an Extension of Marginal Costing' on 2nd October 2021 through Google Digital platform. CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter welcomed the audience and Sagar Malpure, Chairman-PD Committee introduced the speaker CMA Sreehari Chava, Practicing Cost Accountant. CMA Sreehari Chava in his speech said Yield Management is the innovation that addresses the ticklish issue of underutilization of available capacity. There was overwhelming response by the Members in practice, Professionals, Members from industries and Students. The program ended with vote of thanks. The Chapter conducted webinar on 'Personal Finance and its management' on 9th October 2021 through Google Digital platform. CMA Sagar Malpure, Chairman – PD Committee has welcomed all audience and introduced the speaker CMA Ranjan Gunjal, Practicing Cost Accountant. CMA Ranjan Gunjal in his speech explained about Personal Finance. The Chapter conducted a webinar on 'WHISTLE BLOWING POLICY: A REVERED TOOL FOR CORPORATE GOVERNANCE' on 16th October 2021 through Google Digital platform. CMA Abhijeet Deshmukh, Member of the managing committee of PCA Chapter welcomed all audience and introduced the speaker CS Dr. Gunjan Khanna, Assistant Professor, Department of Commerce Lakshmibai College (University of Delhi). Question-Answer session was conducted during the session. Many members from the industries and professionals have discussed during the session. The session was well interactive. The Chapter conducted webinar on 'Changing Dimensions of Finance in 21st Century" on 23rd October 2021 through Google Digital platform. CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter welcomed the audience, introduced the speaker CMA Dr. S. K. Gupta, Managing Director, Registered Valuers Organisation of The Institute of Cost Accountants of India. He explained on the role of CFOs. He said the persisting situation has tested the skills of the CFOs across the globe including India and in turn has defined as well as enriched the role of the CFO. CMA Hanif Shaikh, member of the Chapter gave the vote of thanks.

DIRECT & INDIRECT TAX UPDATES - NOVEMBER 2021

DIRECT TAXES

- **Notification No. 129 dated 1st November 2021**: In exercise of the powers conferred by sub-section (11) and (12) of section 245D of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the Scheme, this Scheme may be called the e-Settlement Scheme, 2021. This Scheme shall be applicable to pending applications in respect of which the applicant has not exercised the option under sub-section (1) of section 245M of the Act and which has been allotted or transferred by Central Board of Direct Taxes to an Interim Board. The Interim Board shall conduct e-settlement of pending applications allocated or transferred to it under paragraph 3, in accordance with the provisions of this Scheme. The Interim Board shall have such income-tax authority, ministerial staff, executive or consultant to assist the members of the Interim Board, as considered necessary by Central Board of Direct Taxes.
- **Notification No. 130 dated 2nd November 2021:** In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the "Act"), the Central Government hereby specifies the pension fund, namely, the School Employees Retirement System of Ohio, (hereinafter referred to as "the assesse") as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions. Violation of any of the conditions as stipulated in the said clause (23FE) of section 10 of the Act and this notification shall render the assessee ineligible for the tax exemption.
- **Notification No. 131 dated 10th November 2021:** 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, 'Assam Building and Other Construction Workers Welfare Board' (PAN AAAJA2255M), a Board constituted by the State Government of Assam, in respect of the following specified income arising to that Board,

  (a) Labour cess received;

  (b) Beneficiaries registration fees;

  (c) Members contribution;

  (d) Capital gain on sale/redemption of investments; and

  (e) Interest income earned on (a) to (b) above.

  This notification shall be effective subject to the conditions that Assam Building and Other Construction Workers Welfare Board, - (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. 132 dated 23rd November 2021:** In exercise of the powers conferred by section 285B read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct taxes hereby makes the rules further to amend the Income-tax Rules,1962. These rules may be called the Income tax (32nd Amendment), Rules, 2021. In the Income-tax Rules, 1962, in Appendix II, Form No. 52A shall be substituted.
- **Notification No. 133 dated 23rd November 2021:** 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, 'Haryana State Legal Services Authority' Panchkula (PAN AAALH0475J), an authority constituted by the State Government of Haryana, in respect of the following specified income arising to that Authority:

  (a) Grants received from Central Authority i.e. National Legal Services Authority (NALSA) for the purposes of the Legal Service Authorities Act, 1987;

  (b) Grants or donations received from the State Government of Haryana;

  (c) Amount received under the orders of Courts;

  (d) Fee received as recruitment application fees; and
  (e) Interest income earned on deposits.

  This notification shall be effective subject to the conditions that Haryana State Legal Services Authority, Panchkula,- (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.

This notification shall be deemed to have been applied for the financial year 2020-2021 and shall apply with respect to the financial years 2021-2022, 2022-2023, 2023-2024 and 2024-2025.

INDIRECT TAXES

GST

- **Circular No. 165/21/2021-GST dated 17th November 2021:** Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020-Central Tax dated 21st March, 2020. It is observed that from the present wording of S. No. 4 of Circular No. 156/12/2021 dated 21st June 2021, doubt arises whether the relaxation from the requirement of dynamic QR code on the invoices would be available to such supplier, who receives payments from the recipient located outside India through RBI approved modes of payment, but not in foreign exchange. It is mentioned that the intention of clarification as per S. No. 4 in the said circular was not to deny relaxation in those cases, where the payment is received by the supplier as per any RBI approved mode, other than foreign exchange. Accordingly, to clarify the matter further, the Entry at S. No. 4 of the Circular No. 156/12/2021-GST dated 21st June, 2021 is substituted as below:

4	" In cases, where receiver of services is located outside India, and payment is being received by the supplier of services ,through RBI approved modes of payment, but as per provisions of the IGST Act 2017, the place of supply of such services is in India, then such supply of services is not considered as export of services as per the IGST Act 2017; whether in such cases, the Dynamic QR Code is required on the invoice issued, for such supply of services, to such recipient located outside India	No. Wherever an invoice is issued to a recipient located outside India, for supply of services, for which the place of supply is in India, as per the provisions of IGST Act 2017, and the payment is received by the supplier, in convertible foreign exchange or in Indian Rupees wherever permitted by the RBI, such invoice may be issued without having a Dynamic QR Code, as such dynamic QR code cannot be used by the recipient located outside India for making payment to the supplier."

- **Circular No. 166/22/2021-GST dated 17th November 2021:** Clarification on certain refund related issue. Various representations have been received from taxpayers and other stakeholders seeking clarification in respect of certain issues relating to refund. The issues have been examined. In order to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"), hereby clarifies each of these issues.

Central Excise

- **Notification No.9/2021-Central Excise dated 3rd November 2021**: In exercise of the powers conferred by section 112 of Finance Act, 2018 (13 of 2018), read with section 5A of the Central Excise Act, 1944 (1 of 1944) (hereinafter referred to as the Excise Act), the Central Government being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 04/2019-Central Excise, dated the 6th July, 2019:

  In the said notification, in the Table,

  (i) against Sl. No. 1, for the entry in column (4), the entry "Rs. 13 per litre" shall be substituted;

  (ii) against Sl. No. 2, for the entry in column (4), the entry "Rs. 8 per litre" shall be substituted.

  This notification shall come into force with effect from the 4th November, 2021.

- **Circular No. 1079/03/2021-CX dated 11th November 2021:** It is hereby clarified that exclusion from pre show cause notice consultation is case specific and not formation specific.

Customs

- **Notification No.52 /2021-Customs dated 3rd November 2021**: In exercise of the powers conferred by section 111 of Finance Act, 2018 (13 of 2018), read with sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 18/2019-Customs, dated the 6th July, 2019:

  In the said notification, in the Table

  (i) against Sl. No. 1, for the entry in column (4), the entry "Rs. 13 per litre" shall be substituted;

  (ii) against Sl. No. 2, for the entry in column (4), the entry "Rs. 8 per litre" shall be substituted.

  This notification shall come into force with effect from the 4th November, 2021

Sources:
incometax.gov.in, cbic.gov.in

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Kolkata, the 08th November, 2021

N O T I F I C A T I O N

11–CWR(621-670)/2021: In pursuance of sub-Regulation (3) of Regulation 11 of the Cost and Works Accountants Regulations, 1959, it is hereby notified that the Certificates of Practice granted to:

1. Ms Amruta Rajendra Deshpande MCOM, ACMA, Dattai Nandanwan, Ganeshpur Road, Wani-445304 (Membership No-45291) is cancelled from 12th September,2019 to 31st March,2020 at her own request,

2. Shri S. Suresh, BCOM, ACMA, 68/48, Amuthapadi Street, Little Kanchipuram Kanchipuram-631501(Membership No-39330) is cancelled from 17th September,2019 to 31st March,2020 at his own request,

3. Shri Baboo Lal Jain MCOM, LLB, ACS, MBA, FCMA, J-602, Gate No.2, Pioneer Park, Sector-61, Golf Course Extension Road, Gurgaon-122005 (Membership No-6218) is cancelled from 19th September,2019 to 31st March,2020 at his own request,

4. Shri Sakshay Vrat BCOM HONS, ACMA, 28/1, Krishna Lodge, Lakkar Bazaar, Shimla-171005 (Membership No-45555) is cancelled from 20th September,2019 to 31st March,2020 at his own request,

5. Shri Ravindra Dubey MSC, FCMA, 37, Kalindikunj, Pipliyahana, Indore-452018 (Membership No-9873) is cancelled from 1st October,2019 to 31st March,2020 at his own request,

6. Shri Ramesh B V, BCOM HONS, FCMA, #537, "Sri Rajarajeshwari", 7th Cross, Upkar Layout, North Block,,Near Mallathalli, Vishwaneedum Post, Bangalore-560091 (Membership No-17593) is cancelled from 9th October,2019 to 31st March,2020 at his own request,

7. Shri Roshan Kumar Jha BCOM HONUS, ACMA, C-138, Maharani Enclave, Hastshal Village, Uttaamnagar, New Delhi-110059 (Membership No-36692) is cancelled from 23rd October,2019 to 31st March,2020 at his own request,

8. Shri Aman Kumar BCOM, ACMA, House No.58, Block No.12, Geeta Colony, Near Chinese Inn, Delhi-110031 (Membership No-42237) is cancelled from 31st October,2019 to 31st March,2020 at his own request,

9. Shri Srinivasan Subramanian, MBA, M.TECH, FCMA, 82, Beverly, RC Gardenia Flats, 97, Perambur-Redhills Road, Kolathur, Chennai-600099 (Membership No-7250) is cancelled from 4th November,2019 to 31st March,2020 at his own request,

10. Ms Gayatri Kishor Shirsat, MCOM, ACMA, Flat No. 1 C-1 Building, Chitrakut Society, Dindori Road, Panchavati, Nashik-422003. (Membership No-45920) is cancelled from 1st December,2019 to 31st March,2020 at her own request,

11. Ms Jyothi Sita Ratna Puvvada BCOM, ACMA, Door No 5-7-72/A, Swanlake Apartment, Flat No.818, Kolathur, Tower-2, Opp. Metro Shopping Mall, Kukatpally, Hyderabad-500072 (Membership No-41204) is cancelled from 3rd December, 2019 to 31st March,2020 at her own request,

12. Ms. Sahana M, BCOM, ACMA, No.75/A, 2nd Main Road, 3rd Block, Thyagarajanagar, Bengaluru-560028 (Membership No-39733) is cancelled from 31st December,2019 to 31st March,2020 at her own request,

13. Shri A. P. Madhu MCOM, CMA(USA) FCMA, A. P. Madhu & Associates, Anallur Mana, St. Mary"s College Road. Trichur City, Trichur - 680020 (Membership No-20715) is cancelled from 1st January, 2020 to 31st March,2020 at his own request,

14. Shri Juber Jahir Sayyad MCOM, ACMA, Near Jama Masjid, Waluj, Taluka Gangapur, Dist-Aurangabad, Aurangabad-431133 (Membership No-42399) is cancelled from 9th January, 2020 to 31st March,2020 at his own request,

15. Shri Naveen Kumar Dighuva Sadum BCOM, ACMA, 9-5-1, Diguva Veedi, Mathukuvari Palli Village, Bodireddyagari Palle, Chittoor-517113 (Membership No-45895) is cancelled from 28th January,2020 to 31st March,2020 at his own request,

16. Shri Hasan Basha Shaik BCOM, ACMA, H. No.10-276-14, Bellam Mandy Street, Ayesha Nagar, Near Ayesha School, Kadapa-516001 (Membership No-41864) is cancelled from 29th January,2020 to 31st March,2020 at his own request,

17. Shri Naveen Gupta,BCOM, ACMA, Flat No. 207, The Karamyogi Society, Plot No. Gh 14, Sector-10 A, Gurgaon-122001 (Membership No-46438) is cancelled from 18th February,2020 to 31st March,2020 at his own request,

18. Shri Santosh Kumar Gembali, BCOM, ACMA, Dr. No 1-20, Turakapeta, Lakshminarsupeta Dabbapadu (Post) Srikakulam-532458, (Membership No-45356) is cancelled from 3rd March,2020 to 31st March,2020 at his own request,

19. Shri Pratik Jain, BCOM(HONS), ACMA, 151, 2nd Floor, Block-A, Bangiur Avenue, Kolkata-700055 (Membership No-40175) is cancelled from 5th March,2020 to 31st March,2020 at his own request,

20. Shri Amit Kumar Agarwal BCOM, MBA, ACMA, C-40, Aloknagar, Kanchana Bihari Marg, Kalyanpur, Lucknow-226022 (Membership No-41745) is cancelled from 25th August, 2020 to 31st March,2021 at his own request,

21. Ms. Pulle Sai Harika Pavani, BCOM, ACMA, H. No:2-2-647/201/12/A/1, C E Colony, Bagh Amberpet, Hyderabad-500013 (Membership No-48798) is cancelled from 17th October,2020 to 31st March,2021 at her own request,

22. Shri Mangesh Sudhaker Barde BCOM, ACMA, Plot No. 73, S. E. Rly, Colony, Ranapratap Nagar, Nagpur-400022 (Membership No-33869) is cancelled from 12th November, 2020 to 31st March,2021 at his own request,

23. Shri Vijayakumar Marakatham Kuppuswamy MCOM, FCMA, Plot No. 13, J K B Flat No F1, Manivasagar Street, Kamakodi Nagar, Valasaravakkam Chennai-600087 (Membership No-10166) is cancelled from 23rd November, 2020 to 31st March,2021 at his own request,

24. Shri Pabitra Kumar Behera MCOM, MBA, ACMA, AT: Nuakaliakan, PS-Astarang, PO-Nagar, Puri-752109 (Membership No-48704) is cancelled from 14th December, 2020 to 31st March,2021 at his own request,

25. Shri Pankaj Dinkar Bhusari, BCOM, MBA, FCMA, Plot No-111, Gayatri Nagar, Near Infotech Park, Opp. Hanuman Temple, Nagpur-440022 (Membership No-27425) is cancelled from 28th December, 2020 to 31st March,2021 at his own request,

26. Shri Dipakkumar Mohanlal Sanghani BCOM, ACS, ACMA, C-402, Sargam Co-Op. HSG Society, Opp. Ghatakpore Diary,B: H/ Chharwada Road, GIDC, Vapi-396195, (Membership No-45255) is cancelled from 1st January, 2021 to 31st March,2021 at his own request,

27. Ms. Poonam Khemka MCOM, ACMA, Sharwan Khemka, 123, 124, J & K Block, Near Narulas Bakery, Laxmi Nagar, East Delhi, Delhi-110092 (Membership No-48844) is cancelled from 1st January, 2021 to 31st March,2021 at her own request,

28. Shri Rajesh Rastogi MCOM, ACMA, 306-A, Tower 1, 3rd Floor, Panchsheel Wellington, Crossing Republic, Sector-1, Group Plot No 6, Ghaziabad-201016 (Membership No-19692) is cancelled from 18th January, 2021 to 31st March,2021 at his own request,

29. Shri Komaravolu Krishna MCOM, MBA, ACS, ACMA, H. No 7-1-214, Flat No. 409, Vamsikrishna Apartments, Dharam Karam Road, Ameepet, Hyderabad-500016 (Membership No-8853) is cancelled from 22nd January, 2021 to 31st March,2021 at his own request,

30. Ms. Siri Chandana Kotu, BCOM, ACMA, Flat No: 301, Lily Block, Naimul Kasim Apts, Opp. Emerald House, Red Hills, Lakdikapul, Hyderabad-500004 (Membership No-45195) is cancelled from 1st February, 2021 to 31st March,2021 at her own request,
31. Shri Shivanshu Kumar Arya BCOM(HONS), ACMA, S/o Ved Prakash Arya, Tara Tand Near Durga Mandap, Ward No. 14, Jhumritilaiya-825409, (Membership No-43479) is cancelled from 04th February, 2021 to 31st March,2021 at his own request,

32. Shri Gopal Singha BCOM, ACMA, Pouro 8/609, Gayeshpur Gram, Dist-Nadia Gayeshpur-741234 (Membership No-43526) is cancelled from 08th February, 2021 to 31st March,2021 at his own request,

33. Shri S A Sundarajan, BCOM,ACMA,, Flat - G3, Door - 8B, 1st Cross Street, 2nd Avenue, Ashok Nagar, Chennai - 600083 (Membership No-29172) is cancelled from 12th February, 2021 to 31st March,2021 at his own request,

34. Shri Sanjay Kumar Sarkar BSC, FCMA, 182, N S C Bose Road, Jaysree Apartment, Flat No. 414, Kolkata-700040 (Membership No-7002) is cancelled from 17th February, 2021 to 31st March,2021 at his own request,

35. Shri Nagender Saini BCOM, ACMA, B-47, Najafgarh Park, Dichaon Road, Najafgarh, Delhi-110043 (Membership No-35676) is cancelled from 19th February, 2021 to 31st March,2021 at his own request,

36. Shri Santosh Kumar BCOM(HONS), ACMA, C/o Medicure, Near Kashyap Eye Hospital, Dangratoli, Purulia Road Ranchi-834001 (Membership No-41845) is cancelled from 19th February, 2021 to 31st March,2021 at his own request,

37. Shri Shitanshu Agarwal, BCOM,ACMA, G-159 Patel Nagar 3rd, Behind Tata Motors, Near Old Bus Stand, Ghaziabad- 201001 (Membership No-47935) is cancelled from 3rd March, 2021 to 31st March,2021 at his own request,

38. Shri Nadakuditi Chandu Varma, MCOM,ACMA, D.No. 16- 11- 60, 3rd Street, Haranatha Puram, Nellore - 524003, (Membership No-29738) is cancelled from 25th February, 2021 to 31st March,2021 at his own request,

39. Shri Rayees Ahmad, BCOM,ACMA,, Maulana Azad Colony, Road No 15, Samlong, Namkum, Ranchi - 834010, (Membership No-48042) is cancelled from 18th March, 2021 to 31st March,2021 at his own request,

40. Ms. Yashi Garg, BCOM,FCMA, A15, Mallavenue, Awas Vikas Colony, Lucknow - 226001, (Membership No-36838) is cancelled from 20th March, 2021 to 31st March,2021 at her own request,

41. Ms. Vaishali Sharma, BCOM,ACMA, B-275 First Floor, Rama Park, Uttam Nagar, New Delhi - 110059, Delhi, (Membership No-34861) is cancelled from 20th March, 2021 to 31st March,2021 at her own request,

42. Shri Malay Chandrakantbhai Hapani, BTECH,ACMA, C/o Om Prakash Somani 47 kailashpuri, Harni Mahadeo Road, Shastri Nagar, Near New Maheshwari Coaching, Bhilwara - 311001, Rajasthan, (Membership No-44244) is cancelled from 02nd June, 2021 to 31st March,2022 at her own request,

43. Shri Akash Gupta, BCOM HONS,ACMA, M - 42 Paharpur Road, Garden Reach, Kolkata - 700024, (Membership No-38647) is cancelled from 20th July, 2021 to 31st March,2022 at his own request,

44. Shri Shyam Kumar ,BCOM HONS,ACMA, S/o Ram Sakkal Singh, Chira Chas, Chanakya Puri, Plot No:-775 House No -14, Near Ambar Appartment, Post - Bharah - 827013, Bokaro Steel City, (Membership No-43451) is cancelled from 30th August, 2021 to 31st March,2022 at his own request,

45. Shri Hitesh Gulgulia,BCOM HONS,ACMA, Flat No. 2-D,2nd Floor, Shine Tower, Sharabhati,Rehabari, Kamrup, Guwahati- 781008, (Membership No-49663) is cancelled from 31st August, 2021 to 31st March,2022 at his own request,

46. Shri Prem Prakash Gupta, MCOM,MBA,ACMA, House No. 284, Gali No. 2, New Bhoor Colony, Faridabad - 121002, Haryana, (Membership No-42420) is cancelled from 4th October, 2021 to 31st March,2022 at his own request,

47. Shri Pankaj Singh,,BCOM,ACMA, C5,Jai Bhagwan Complex, Near Telco Road, Rangpuri, Delhi – 110037,Delhi, (Membership No-44218) is cancelled from 5th October, 2021 to 31st March,2021 at his own request,
48. Shri Merugu Jayaramireddy,BCOM,ACMA, #49,2nd floor,7th main,3rd Block Thyagarajanagar, Bangalore, Bangalore – 560004, (Membership No-44801) is cancelled from 1st November, 2021 to 31st March,2022 at his own request,

49. Shri Karn Kumar Pandit, BCOM,ACMA, 3rd Floor, 13 E, Ganesh Nagar Ext -II, Shakarpur, New Delhi - 110092, (Membership No-44363) is cancelled from 3rd November, 2021 to 31st March,2022 at his own request,

50. Shri Pranab Ray, BSC, MCOM,FCMA, 5A, Prantik Apartment, 159, Motijheel Avenue, Kolkata - 700074, (Membership No-10756) is cancelled from 5th November, 2021 to 31st March,2022 at his own request.

(Kaushik Banerjee)
Secretary

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Postal Registration No.: KOL RMS /139 /2019 – 2021
'D' Number MH/MR/TECH/47/10/2020-21
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Benevolent Fund

FOR THE MEMBERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

CMA Bhawan, 12 Sudder Street, Kolkata - 700016

OBJECTIVE

The Fund has been created to provide outright grant of prescribed amount to the member in the event of critical illness of a member / beneficiary of the Fund. It is also for outright grant of prescribed amount to the beneficiary in the event of death of a member of the Fund.

LIFE MEMBERSHIP FEE

Onetime payment of ₹7500/-

BENEFITS

- ***Income Tax Benefit under section 80G***
- ***Outright grant not exceeding ₹3,00,000.00/- in each case to the beneficiary in the event of death of the member.***
- ***Outright grant not exceeding ₹1,50,000.00/- in each case to the member and beneficiary for critical illness duly certified by the doctor under whom the treatment is continuing.***

Coverage of Critical Illness, leading to hospitalization, may cover the following -

- Cancer / Malignancy
- Coronary Artery Bypass Graft Surgery
- Stroke / Cerebral Attack / Paralysis
- Heart Valve Replacement Surgery
- Myocardial Infarction (heart attack) / Heart Failure / Pace Maker Surgery / Kidney Dialysis(CKD)/ Renal Failure
- Major Organ Transplant
- Hemophilia
- Thalassaemia
- Neurological Diseases
- Flue Blown acquired Immune Deficiency Syndrome
- Multiple sclerosis
- Tuberculosis / Bronchopneumonia/ Pleurisy
- Permanent disablement
- Any other disease that may be considered by the Board of Trustees to be critical in nature.

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