THE MANAGEMENT ACCOUNTANT

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Azadi Ka Amrit Mahotsav

Azadi Ka Amrit Mahotsav

PROMOTING A SPIRIT OF PRIDE AND AATMANIRBHARTA

*To honour & remember **Netaji's** indomitable spirit and selfless service to the nation*

Celebrating

125th Birth Anniversary

Journal of

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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

MISSION STATEMENT

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

VISION STATEMENT

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

IDEALS THE INSTITUTE STANDS FOR

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

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

Headquarters
CMA Bhawan, 12 Sudder Street
Kolkata - 700016

Institute Motto

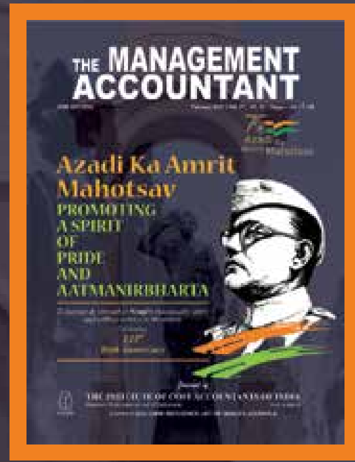
असतोमा सद्गमय	From ignorance, lead me to truth
तमसोमा ज्योतिर् गमय	From darkness, lead me to light
मृत्योर्मामृतं गमय	From death, lead me to immortality
ॐ शान्ति शान्ति शान्तिः	Peace, Peace, Peace

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

CONTENTS

INSIDE

FEBRUARY 2022



FEBRUARY VOL 57 NO.02 ₹100

SPECIAL ARTICLE

FROM THE INA MOVEMENT TO THE NAVAL MUTINY: THE ANDAMAN SCENARIO ---- 24

ECONOMICS OF BOSE WAS AS POWERFUL AS HIS POLITICS! ---- 29

COVER STORY

ROLE OF CMAs TO SHAPE A MORE GLORIFIED FUTURE ---- 32

REMINISCING THE EXPEDITION TOWARDS SWACHH BHARAT - A MISSION WITH A CONVICTION OF ALL 'SWACHHAGRAHIS' ---- 36

ROLE OF GOOD CORPORATE GOVERNANCE IN ACHIEVING AATMA NIRBHAR BHARAT ---- 40

MANAGING RISKS, CHALLENGES AND OPPORTUNITIES IN MSMEs TO BUILD A SELF-RESILIENT INDIA ---- 43

ON THE PATH OF DECRIMINALISING THE MISDEMEANOURS: STRIDES TOWARDS EASE OF DOING BUSINESS – THE UNDERLYING PRINCIPLES AND ARGUMENTS ---- 48

DECRIMINALISATION OF CORPORATE OFFENCES IN INDIA LEADING TO EASE OF DOING BUSINESS IN THE BACKDROP OF AMRIT MAHOTSAV ---- 52

ATMANIRBHAR BHARAT - THE ADVENT OF 5G TECHNOLOGY IN ADVANCING A STEP TOWARDS INDIA'S DIGITAL INDIA MOVEMENT AND VOCAL FOR LOCAL ---- 58

MSMEs AS THE DRIVER FOR AATMANIRBHAR BHARAT ---- 65

SUSTAINABLE CONSUMPTION PRACTICES – A LEVERAGING FACTOR OF ATMANIRBHAR BHARAT ---- 68

BUDGET - 2022

BENCH MARKING THE BUDGET DRIVERS FOR AMRITKAAL 72

BUDGET HIGHLIGHTS 2022-2023 77

DIGITAL TRANSFORMATION

DIGITAL TRANSFORMATION OF INDIA BY AND WITH STARTUPS, SOONICORNS AND UNICORNS 79

FINANCIAL PERFORMANCE

MEASUREMENT OF PROFITABILITY OF SELECT IT COMPANIES IN INDIA: AN APPLICATION OF DEA 86

MONEY MARKET

OVERVIEW OF MONEY MARKET IN INDIA - An Empirical Analysis 89

IBC

INSOLVENCY OF INDIVIDUAL CORPORATE GUARANTOR: A DISTANT DREAM TO REACH 93

FINANCIAL MANAGEMENT

PREFERENCE TOWARDS MODES OF INVESTMENT: AN EMPIRICAL ANALYSIS 98

Editorial 06
President's Communique 10
ICAI-CMA Snapshots 20
Down the Memory Lane 102
News from the Institute 105
Digital Object Identifier (DOI) January - 2022 115
Statutory Updates 116

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

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

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EDITORIAL

Azadi Ka Amrit Mahotsav: Promoting a Spirit of Pride and Aatmanirbharta

Azadi Ka Amrit Mahotsav, is an initiative of the Government of India to celebrate and commemorate 75 years of progressive India and the glorious history of its people, culture and achievements. This Mahotsav is dedicated to the people of India who have not only been instrumental in bringing India this far in its evolutionary journey but also hold within them the power and potential to enable Prime Minister of India's vision of activating India 2.0, fuelled by the spirit of *Atmanirbhar Bharat.*

This year, the budget also seeks to lay the foundation and give a blueprint to steer the economy over the Amrit Kaal of the next 25 years – from India at 75 to India at 100. It continues to build on the vision drawn in the budget of 2021-22. The growth-oriented Budget has focused on 4 pillars – productivity, climate action, financing investments and PM Gati Shakti plan. Budget 2022 unveiled a bigger Rs 39.45 lakh crore Budget, with higher spending on highways to affordable housing with a view to fire up the key engines of the economy to sustain a world-beating recovery from the pandemic. The focus of the Union Budget is on providing basic amenities to the poor, middle class and youth, that is imperative for India to become self-reliant.

Budget 2022 saw a sharp increase in capital expenditure and the government committing enhanced support for the hospitality sector and related services. There was also an announcement that a digital rupee, using Blockchain, would be issued by the RBI soon. Among other things, the Government also re-jigged the customs duty structure. In a push for Digital India, the government will start issuing e-Passports with embedded chips later this year. It has envisaged the launch of 5-G services by telcos within the next financial year after spectrum auctions. Further, the budget proposed to set up 75 Digital Banking Units (DBUs) in 75 districts. All post offices of the country will soon connect to the core banking system, to improve financial inclusion. The finance minister also announced plans to establish a Digital University to provide access to students across the country for a world-class quality education.

Professionals like CMAs are competent enough to motivate the investors and to restrain them from unethical practices, the professionals can assist the Government to groom and disseminate the entrepreneurs for adopting corporate governance principles. With their techno-professional skills, sound knowledge and rich expertise, CMAs can assist the Government in big data analysis and framing policies to ensure accountability, disclosure and transparency. Also, can definitely advise and guide the Government in implementing various operational strategies, valuation etc. CMAs can also represent in various Advisory Boards of the Government to assure adherence to governance standards and futuristic requirements and preparations of the system to meet the increasing demand and contingencies, for economical achievement of Aatma Nibhar Bharat vision.

This issue presents a good number of articles on the cover story "Azaadi ka Amrit Mahotsav: Promoting a Spirit of Pride and Aatmanirbharata" written by distinguished experts. To present the issue more fruitful and exciting we have added ***Special Articles*** on Netaji Subhas Chandra Bose, whose patriotism towards India has left a mark in the hearts of Indians. Netaji's struggle for freedom proved to be an inspiration not just for India, but also for all Third World countries. The Indian freedom struggle and the war of independence led by Bose had a profound impact that established him as the "hero of freedom" globally.

Netaji Subhas Chandra Bose envisioned the financial and economic strength of India and had set up a planning committee under the Chairmanship of Jawaharlal Nehru for rapid industrialisation of India on modern lines even before the country got its independence. He dreamt of gender equality and wanted to build a nation where men and women will have equal rights and can deliver the same duties. According to Netaji, economic freedom was the essence of social and political freedom. He felt the appalling poverty, high rate of unemployment and low standard of living were due to the foreign domination. In view of all this, he desired economic reconstruction and industrialisation on modern scientific and technological methods. Subhas Chandra Bose classified industries into three categories, namely Large Scale or Heavy Industries, Medium-Scale and Cottage Industries. According to him, heavy industries are important for rapid economic development, but at the same time he never lost sight of cottage and small industries in a developing country like India.

Hon'ble Prime Minister of India once quoted in his address, "From the Line of Actual Control (LAC) to Line of Control (LoC), the world is witnessing the powerful avatar of India that was once envisioned by Netaji". The Prime Minister said that Netaji is the biggest source of inspiration behind 'Atmanirbhar Bharat'. This reminds us one of Netaji's eternal quotes, *"One individual may die for an idea, but that idea will, after his death, incarnate itself in a thousand lives."*

Further, we are happy to proclaim that the pioneering Journal of the Institute, ***'The Management Accountant'*** has got enlisted in the ***'UGC-CARE Reference List of Quality Journals'*** ***[Link: https://ugccare.unipune.ac.in/Apps1/Home/Index].*** We invite more thought-provoking and research-based quality articles and case studies from the members, readers and researchers.

We look forward to constructive feedback from our readers on the articles for the 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 INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

CMA (Dr.) K Ch A V S N Murthy
Chairman
Journal & Publications Committee
The Institute of Cost Accountants of India

'THE MANAGEMENT ACCOUNTANT'
now enlisted in
"UGC-CARE REFERENCE LIST OF QUALITY JOURNALS"

Dear Members & Students,

Greetings and best wishes of the New Year 2022!!!

It is a great honour and pleasure to proclaim that the pioneering Journal of the Institute, '***The Management Accountant***' is now enlisted in the prestigious ***"UGC-CARE Reference List of Quality Journals"*** after several rounds of rigorous process and quality checking. The UGC-CARE (University Grants Commission - Consortium for Academic and Research Ethics) has been introduced to match global standards of high-quality research in all academic disciplines under its purview as well as stimulate and empower the Indian academia through its "Quality Mandate".

The Management Accountant journal is the mouthpiece of the Institute and the CMA profession likewise and also caters to the informational needs of members, students and readers in general. It is being published regularly since 1966 keeping in mind the needs of the Cost and Management Accountants, and provides wide range of knowledge resources on the recent developments and changes in the financial and economic domain that is happening around the globe.

In view of enlistment of our esteemed Journal in UGC-CARE Reference List, we strongly encourage the members and students to write more thought-provoking quality research articles and case studies for the overall development of the Journal to brand it truly international.

I am very much grateful to our Hon'ble President, Vice President and Council Colleagues of the Institute for their keen support in this journey. I also express my heartfelt gratitude to all my team members of Journal & Publications Directorate for their untiring efforts to make it happen. I would like to mark a special mention and thanks to Calcutta University authority without whose support and cooperation we could not achieve this success.

May the New Year bless you with health, prosperity, and happiness!!!

Warm regards

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

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editor@icmai.in

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

THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

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

Month	Theme	Subtopics
March 2022	Environmental, Social & Governance (ESG)	⦿ 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	Evidence-based Management (EBM)	⦿ 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
May 2022	'Social Entrepreneurship': Catalyst for inclusive business growth	⦿ Social Entrepreneurship in India: Opportunities and Challenges ⦿ Frugal Innovation and Social Entrepreneurship ⦿ Re-inventing social entrepreneurship in the COVID era ⦿ Socialpreneur vs. Entrepreneur ⦿ Agritech and Social Entrepreneurship ⦿ Fintech: Driving force for Social good ⦿ Addressing present-day inequities and gaps: Why India needs Social Entrepreneurs? ⦿ Future of Entrepreneurship in Industry 4.0
June 2022	Revolutionizing Agriculture for Enhancing Food Security	⦿ Innovations for Resilient Agro-Food System ⦿ Food security and safety: Challenges and Opportunities ⦿ Doubling farmers' income by 2022: Progress so far and future course of action ⦿ Agri Cost Management & Profitability for Sustainable Food Security ⦿ Crop diversification: Significant way-out for Doubling Farmers' Income ⦿ Concerns and Policy Recommendations for building resilience in post-pandemic situation ⦿ Artificial Intelligence (AI) based Smart Agriculture for Sustainable Development ⦿ Agri Start-ups: Emerging backbone of Farm Value Chains ⦿ Agri Banking & Agri Entrepreneurship ⦿ Union Budget 2022-23: Measures to boost Farmers' Income ⦿ Technology Diffusion and R&D activities for Agricultural Sustainability in India

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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More than **600** Placements in 2021

CMA CAMPUS PLACEMENT DRIVE 2021

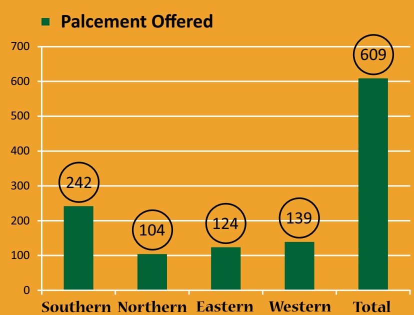
For December 2020 Batch of Qualified Cost Accountants

All-time Highest Placements & CTC Offered in the History of CMA Campus Placement Drives

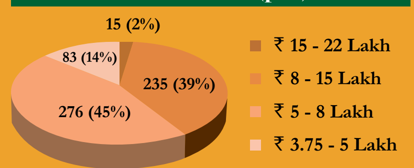
Campus Placement Statistics

- Participating Companies: 55
- Participating PSUs: 11
- New Participating Companies: 24

Region wise Placement Record



CTC Offered (p.a.)



Prominent Recruiters

And Many More ....

Gender Diversity

366 (60%)
243 (40%)
Total : 609

Campus Placements Titbits

Highest Package	Average Package	Average Experience	Average Age	Highest Package in Off-Campus
₹22 lakh p.a.	₹10 lakh p.a.	1.5 Year	24 Years	₹27 lakh p.a.

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

"If Four things are followed - having a great aim, acquiring knowledge, hard work and perseverance, - then anything can be achieved."

- Dr. A P J Abdul Kalam

My Dear Professional Colleagues,

As our nation celebrated its 73rd Republic Day on 26th January 2022, the Institute also participated in the celebrations with the support of the Regional Councils and Chapters spread across the country. I unfurled the National Flag at the Delhi and Noida Office of the Institute during the Republic Day ceremony which was attended by CMA Vijender Sharma, Vice President, CA Mukesh Singh Kushwah, Government Nominee, CMA D.C. Bajaj, Past President of the Institute, Regional Council Members of NIRC, and the officials of the Institute, ICMAI MARF, ICMAI RVO and IPA of ICAI.

The Republic Day celebration organized at the HQ, Kolkata was attended by CMA Chittaranjan Chattopadhyay, Council Member, Past Presidents CMA Amal Kumar Das & CMA Mahesh Shah, and CMA Kaushik Banerjee, Secretary along with other officials of the Institute.

Meetings with dignitaries

I am happy inform you that I had an opportunity to have a virtual meeting with Shri Piyush Goyal, Hon'ble Union Minister of Commerce & Industry, Textiles, Consumer Affairs and Food & Public Distribution on 24th January, 2022. The meeting was also attended by CMA Vijender Sharma, Vice President and CMA B. B. Goyal, Former Addl. Chief Adviser (Cost), Ministry of Finance.

During this meeting, we discussed the representations submitted by the Institute on the Production Linked Incentive (PLI) Scheme/Guidelines notified by the Government, Certification under the Consumer Protection (Direct Selling) Rules, 2021 and amendment in the Public Procurement (Preference to Make in India) Order, 2017 Order relating to Local Content Certification. We also extend an invitation to the Hon'ble Union Minister to be the 'Chief Guest' of the Presentation Ceremony of CMA Awards and National Awards for Excellence in Cost Management.

Meeting on FATF called by Ministry of Finance

A delegation of the Institute led by me comprising of CMA Vijender Sharma, Vice President of the Institute and CMA B.B. Goyal, Former Addl. Chief Adviser (Cost), Ministry of Finance, GoI attended a meeting called by the Ministry of Finance under the Chairmanship of Additional Secretary (Revenue) on 11th January, 2022 to discuss the role of the Institute as self-regulatory body in regulation of professionals as per FATF standards in view of upcoming FATF's Mutual Evaluation of India. Representatives of ICAI and ICSI also participated in the meeting.

Representations submitted by the Institute

- The Institute has submitted a representation to Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution on 5th January, 2022 for inclusion of Cost Accountants for Certifications under the Consumer Protection (Direct Selling) Rules, 2021 notified on 28th December 2021.
- The Institute has submitted a representation to the CMD of General Insurance Corporation of India on 10th January, 2022 for inclusion of Cost Accountants for tender of appointment of Internal Auditors for Investment and other Non-Insurance Operations of GIC Reinsurance for the year 2022-23.
- The Institute has submitted a representation to the Secretary, Ministry of Corporate Affairs on 14th January, 2022 requesting to grant status of Institute

of National Importance to the Institute.

- The Institute has submitted a representation to the Hon'ble Prime Minister on 17th January, 2022 requesting to provide equal opportunity to Cost Accountants for recruitment to the post of Director (Finance) and other similar positions in Central PSEs.
- The Institute has written a letter to IFAC CEO on 23rd January, 2022 requesting IFAC to review the composition of its Board & Advisory Groups to ensure promoting the domain of Cost & Management Accounting.
- The Institute has submitted a representation to the Chairman, Insurance Regulatory and Development Authority of India on 25th January, 2022 requesting to include Cost Accountants in the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as well as in all other Regulations issued by your authority providing requirement of internal audit, concurrent audit, or certification for different class of insurance companies, and other intermediaries.
- The Institute has submitted a representation to the Chairman, Securities and Exchange Board of India (SEBI) on 28th January, 2022 requesting for inclusion of Cost Accountants for Audit and Certification under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

SAFA Board & Assembly Meeting

The Institute of Certified Management Accountants of Sri Lanka hosted the SAFA Meetings and Events on 4th January, 2022 in Colombo, Sri Lanka. I congratulate Mr. Hennayake Bandara, Vice President of the Institute of Certified Management Accountants of Sri Lanka for taking over as the President of SAFA and CA Nihar N. Jambusaria, President of the Institute of Chartered Accountants of India as Vice President of SAFA for the year 2022.

I am pleased to inform you that I along with CMA Vijender Sharma, Vice President and CMA (Dr.) Balwinder Singh, Past President & Council Member of the Institute attended the 70th SAFA Board Meeting and 94th SAFA Assembly Meeting on 4th January, 2022 through Video Conferencing.

Further, SAFA also organized a Strategy Meeting of all its Committees and Task Forces to deliberate on their Action Plan for the year 2022. CMA H. Padmanabhan, Chairman, International Affairs Committee of the Institute, who is also the Chairman of SAFA Committee on Professional Accountants in Business (PAIB) attended the Strategy Meeting on 4th January, 2022 and presented the Action Plan of the SAFA PAIB Committee.

DigiLocker facility for the Students

I am happy to announce the DigiLocker facility for all the active students of the Institute who will now be able to download their ID Cards from DigiLocker.

DigiLocker a flagship initiative of Ministry of Electronics & IT (MeitY) under Digital India program. DigiLocker aims at 'Digital Empowerment' of citizen by providing access to asthenic digital documents wallet. The issued documents in DigiLocker sytem are deemed to be at par with original physical documents.

To download ID Cards, the students are required to first create an account on DigiLocker by using their Aadhaar number which will allow them to access their ID cards by entering their Registration Number. The student's ID card depicts their details like Name, Address, Email ID, and Mobile Number along with his/her photograph & signature from the records of the Institute. In case of any mismatch in data displayed, the student can update his/her details by making requisite change request on the student's portal https://icmai.in/studentswebsite/vas.php.

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

BANKING, FINANCIAL SERVICES AND INSURANCE BOARD

The BFSI Board and BFSI department continued to plan and execute numerous activities during the month of January 2022 under the Chairmanship and dynamic leadership of CMA Chittaranjan Chattopadhyay. The summary and brief note of such activities and initiatives are as follows:

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

The 1st batch of the Certificate Course on General Insurance successfully concluded on 16th January, 2022. In the valedictory session CMA Chittaranjan Chattopadhyay, Chairman, BFSIB along with CMA G.Srinivasan, Director, National Insurance Academy addressed and inspired the participants. The 1st batch examination concluded on 23rd January, 2022 and I congratulate the successful participants. The 2nd batch admission of the course have already started for the members and students who should avail the opportunity of enrolling in the course for skill development and capacity building in the Insurance Sector. BFSIB and NIA are developing the modalities of the Level-2 of the certificate course and I am sure that soon it would be offered.

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

BFSIB and NISM conducted the inaugural session for the Batch No. 7 of Level-I of the Investment Management course organized by BFSIB in association with NISM on 15th January, 2022. The programme was graced by Dr. C K G Nair, Director, NISM respectively along with CMA Chittaranjan Chattopadhyay, Chairman, BFSI Board, CMA (Dr.) Latha Chari, Associate Professor, NISM, and other faculties of NISM.

III. Banking Courses:

BFSIB inaugurated the 6th batch of the Certificate Course on Concurrent Audit of Banks on 8th January, 2022 where Shri Chandrasekaran, Zonal Head Mumbai of Indian Bank was the Chief Guest.

Further, BFSIB inaugurated the 6th batch of the Certificate Course on Credit Management of Banks on 16th January, 2022 where Shri Ram Narayan Boga, General Manager& Director, SBIRB was the Chief Guest.

The admission process for the 5th batch of Certificate Course on Treasury and International Banking has also started.

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

IV. Observance of January 2022 as Pension Month:

BFSIB observed the January, 2022 as the pension month and all regional council and chapters organized various programmes across the country in the pension month by webinars and other educative activities for spreading the awareness of pension planning through NPS, Atal Pension Yojana, etc.

I along with CMA Vijender Sharma, Vice President and CMA Chittaranjan Chattopadhyay, Chairman BFSIB attended the online event organised by the BFSI Board in association with PFRDA on 28th January, 2022 based upon the topic, "Creating Pension Society in India-Importance and Challenges". We were honoured to have the gracious presence of **Dr. Bhagwat Kishanrao Karad, Hon'ble Minister of State, Ministry of Finance, Government of India** as the **Chief Guest** and the kind presence of **Shri Supratim Bandyopadhyay, Chairperson, PFRDA** for the event which was attended in large numbers by members, students and stakeholders. The conference was graced by Shri Sudhir Shyam, Economic Advisor, Department of Financial Services. Further, the technical session was moderated by Shri Deepak Mohanty, Whole Time Member (Economics), PFRDA, Former Executive Director, Reserve Bank of India. The technical speakers were Mr. William Price, Global Pension Expert, Former Official of World Bank, UK Treasury & UK Pension Regulator and Ms. Bahroze Kamdin, Taxation Consultant, Partner, Deloitte Haskins & Sells LLP. BFSIB released a Monograph on NPS and was inaugurated by the Hon'ble Minister with aplomb.

V. Handbook on Aide Memoire on Infrastructure Financing:

I understand that the BISIB will be coming out with the much anticipated publication titled Aide memoire on infrastructure financing, I keenly await for the said publication which I am sure will be immensely useful for all stakeholders.

VI. Representation letters for inclusion of CMAs:

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

BOARD OF ADVANCED STUDIES & RESEARCH

- **Announcement of various Career-Oriented Courses:**

I am delighted to inform that the Board of Advanced Studies & Research has announced various career-oriented courses to train and groom professionals with latest tools and techniques:

- Advanced Certificate Course in Internal Audit - Batch 1 (50 hrs.) in association with IAASB
- Certificate Course in Advanced Business Excel for Finance Professionals - Batch 3 (50 hrs.)
- Executive Diploma in Cost & Management Accounting for Engineers - Batch 3 (100 hrs.)

I am very much thankful to CMA Debasish Mitra, Chairman, Board of Advanced Studies & Research for taking great initiative to launch new age courses for the professional capacity building of the members and students. I request members and students to join these highly effective courses to develop their career path in the right direction.

- **Webinar on 'Measuring Cost of Quality in Health Care - Opportunities & Challenges:**

I attended this thought-provoking online event with my Council Colleague CMA Chittaranjan Chattopadhyay. The technical session was graced by the following eminent personalities - Dr. Prabir Bandyopadhyay, Former Professor of Symbiosis Institute of Business Management, Pune and Goa Institute of Management, Independent Researcher and Management Consultant, CMA Kishore Bhatia, Practicing

Cost Accountant, CMA Amrita Bhaumik, Head of Finance (ER), Narayana Health and CMA B B Goyal, Former Addl. Chief Advisor (Cost), Ministry of Finance, Govt. of India. The seminar was moderated by CMA (Dr.) D.P. Nandy, Sr. Director of the Institute who also proposed a vote of thanks.

CAREER COUNSELLING COMMITTEE

⦿ 1st Career Counselling Session of the year 2022:

I had the pleasure of delivering the presidential address during a career counselling session on "Avenues for Future Accounting Professionals" organized by the Career Counselling Committee, initiated by the Tax Research Department in association with Amal College of Advanced Studies (ACAS), Nilambur, Kerala on 19th January, 2022. It was the first career counselling session of the year 2022 organized by the Career Counselling Committee. The online webinar was attended by more than 200 participants. CMA Chittaranjan Chattopadhyay, Chairman, Banking, Financial Services & Insurance Board, and Indirect Taxation Committee shared his views on opportunities of CMAs. Dr. Zacaria TV, Principal of ACAS delivered his address. Dr. Dhanya KA, Assistant Professor & HOD of Commerce and Dr. Abbas Vattoli, Assistant Professor in Commerce & Programme Coordinator also spoke on the occasion.

CMA (Dr.) Debaprosanna Nandy, Secretary of Training & Education Facilities Committee and Board of Advanced Studies & Research elucidated the CMA Main course along with eligibility criteria for each stage, fees structure and future prospect of CMAs. He also displayed the courses offered from the Board of Advanced Studies. CMA Arup Sankar Bagchi, Secretary of Banking, Financial Services & Insurance Board depicted the courses of BFSIB and highlighted career opportunities in Banking, Financial Services & Insurance sector. CMA Rajat Kumar Basu, Secretary of Direct Tax and Indirect Tax Committees illustrated various courses of the Tax Research Department and future visibility in the taxation arena.

CMA Vijith Pattoli, Chairman and CMA Anas K, Secretary of Kozhikode-Malappuram Chapter explained the availability of dedicated services and support which are extended from the local chapter.

At the end, CMA Shubhro Michael Gomes, Secretary of Career Counselling Committee offered the vote of thanks. The programme was anchored by CMA Tinku Ghosh Das, Deputy Director, Tax Research Department and CMA Ria Chowdhury, Assistant Director, Advanced Studies, Training & Placement.

TASK FORCE ON MSME & START-UP

I am pleased to inform that the Institute has formed a Task Force on MSME & Start-up for the first time in the history of the Institute and I believe that it would definitely reach newer heights. I convey my best wishes to the newly formed Task Force for MSME and Start-up. As you are kindly aware that after Honorable Prime Minister Shri Narendra Modiji's clarion call for Self-Reliant India (Atmanirbhar Bharat), our Institute has taken many steps for awareness on the various initiatives taken by the Government. The Institute conducted Survey amongst the members after the outbreak of Covid-19 pandemic asking for suggestions for rehabilitation schemes due to onslaught of COVID-19. The Institute has submitted its suggestions to the Ministry of Finance and Ministry of Micro Small and Medium Enterprises. Many of the recommendations forwarded by our Institute were accepted by the Ministries.

I urge upon our Members to come forward and send their suggestions to "Task Force on MSME & Start-up" at msmesu@icmai.in to support the Cell with all its activities.

DIRECTORATE OF CAT

⦿ CAT Examination: January 2022 Term:

The result of CAT Course Part- I Examination-January 2022 was declared after the examination was successfully concluded on 23rd January, 2021. I would like to congratulate all the students who have passed the examination. I would also like to inform that passing the CAT examination makes them eligible to take direct admission in the Intermediate Course of the Institute.

⦿ WEBINT:

The CAT Directorate began the New Year 2022 with resuming the virtual learning through the WEBINT on IND AS, in association with International Affairs Committee and Public Relations Committee for the benefit of students and Members of the Institute. I would like to thank flamboyant resource person CMA (Dr.) Gopal Krishna Raju, for his continuous support and making this series a grand success.

Further, I am grateful to my Council Colleague CMA (Dr.) Ashish P Thatte for enlightening Members and Students with the nuances of Cost Accounting Standards in series of WEBINTs on 24 Cost Accounting Standards issued by the Institute. The series will be continued in the month of February as well.

I congratulate CMA H Padmanabhan, Chairman-Committee for Accounting Technicians for his continuous efforts in organising these WEBINTs, which have been immensely beneficial and helpful whenever our lives get shifted to the virtual mode in the era of COVID-19 situation.

⦿ Implementation of CAT Course in other States and Universities:

I am glad to share with you that the Institute has bagged a project for capacity building training programs under National SC-ST Hub (an initiative of the Ministry of MSME, Government of India). As per the project, the CAT course will be imparted to the SC/ST candidates chosen by the National SC-ST Hub for the purpose.

I am pleased to see the efforts of the delegation of Committee for Accounting Technicians(CAT) to make inroads in different states with the implementation of CAT course under the Skill development Programmes, under the aegis of renowned Universities /Institutions or other schemes for the benefit of youth/deprived section.

DIRECTORATE OF STUDIES

⊙ Online Coaching Classes for CMA Students:

I am pleased to share that Directorate of Studies has successfully started Online Coaching Classes for CMA Intermediate and Final Students who will be appearing in June 2022 term examinations under the guidance of CMA (Dr.) Balwinder Singh, Chairman, T&EF Committee. The online classes have already got overwhelming response and huge acceptances from the students' community at large. The classes are being conducted on a regular basis by expert and experienced faculty members across the country with curriculum-based and subject-wise in-depth teaching along with effective students' query handling. I urge that students must take the advantage by regularly participating in those brainstorming sessions to sharpen and upgrade their knowledge skill to qualify various stages of CMA examinations smoothly.

MEMBERSHIP DEPARTMENT

The first month of the calendar year 2022 witnessed the grant of 177 new Associate memberships and up-gradation of 22 Associate members to Fellowship, I take this opportunity to congratulate and warmly welcome them.

As you are kindly aware, members holding Certificate of Practice (CoP) for the current Financial Year have their CoP valid till 31st March 2022 and the same needs to be renewed for Financial Year 2022-23 to carry on as a practicing member. I congratulate the Members Facilities Committee, who under the dynamic Chairmanship of CMA (Dr.) V Murali has put up an Advisory to this effect on the members section of the Institute's website. For ready reference and guidance of CoP holders, the said advisory is also published elsewhere in this February 2022 edition of the Management Accountant and I urge all practicing members to apply for renewal of CoP at an early date, preferably by online mode, and avoid last moment rush to ensure seamless renewal of CoP.

PROFESSIONAL DEVELOPMENT COMMITTEE

PD Directorate has been regularly submitting representations to various organizations for inclusion of cost accountants for providing professional services.

Please visit the PD portal for Tenders/EOIs where services of the Cost Accountants are required in Haffkine Bio-Pharmaceutical Corporation Limited, Sardar Sarovar Narmada Nigam Ltd., Flavourit Spices Trading limited, National Textile Corporation Limited (NTC), NLC India Ltd., NBCC (India) Ltd., Governing Board of Public Sector Restructuring and Internal Audit Board (RIAB), Jammu and Kashmir Bank, Narmada Clean Tech, Paschim Gujarat Vij Seva Sadan, AAI Cargo Logistics and Allied Services Company Limited, Hindustan Copper Limited, Rajasthan , City and Industrial Development Corporation of Maharashtra Limited (CIDCO), etc.

Professional Development Committee alongwith Saharanpur Chapter organised seminar on "Role of Cost Accountants in Present Economic Scenario". Further, Professional Development Committee associated with the PHD Chamber of Commerce and Industry to conduct webinars on "Shadow Budget: 2022-23" and "GST ITC-Litigations Divergent Rulings and Way Forward".

CONTINUING EDUCATION PROGRAMME COMMITTEE

I am delighted to inform you that after successful completion of four batches of online mandatory capacity building training (e-MCBT), the Continuing Education Programme Department has started registrations for the 5th batch of e-MCBT.

I urge the practitioners to enroll for 5th batch of e-MCBT to avail this opportunity to complete their MCBT for practicing members who have taken Certificate of Practice (COP) on and after 1st February, 2019 and have not undergone the MCBT and desirous of renewing their COP for the year 2021-22.

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 like International Trade and Customs, Forensic Audit, Enterprise Risk Management "Core Focus Areas and a Strategic Approach to Organizational Sustainability", NBFC Sector - An Overview with New Regulations, Overview of Valuation and Emerging Professional Opportunities, Cost Records and Audit for Cement Industry, Energy Management in Industries and so on. I am sure our members are immensely benefited from the deliberations in the sessions.

TAX RESEARCH DEPARTMENT

The Tax Research Department started the year 2022 with a thoughtful insight. The various aspects and changes that has been brought about from the year 2022 was addressed in the Webint "Rebooting - GST & Business Processes" on 11th January 2022. The session was illuminated with the illustrious presence and deliberation of Shri D. P. Nagendra Kumar, Member, CBIC as Chief Guest and CMA Harihara Prasad K, Joint Director (Cost), CGST Hyderabad Audit as speaker among others. Shri Nagendra Kumar conveyed the Government's sincere appreciation and acknowledgement of the fact that the Institute is playing proactive role in ensuring that the GST Law has a smooth implementation journey. I along with CMA Chiitaranjan Chattopadhyay, Chairman – Indirect Taxation Committee and CMA Rakesh Bhalla, Chairman – Direct Taxation Committee also addressed the participants during the session. CMA B Mallikarjuna Gupta, CFO, GST & Management Consultant, CMA Nitish Kalra, Practicing Cost Accountant and CMA Vishwanath Bhat, Practicing Cost Accountant graced the occasion and guided the participants on the changes and its implementation.

GST courses for College and Universities has been successfully conducted for the students of Amal College of Advanced Studies (Nilambur) and Umesh Chandra College, Kolkata.

The department submitted a representation to Prasar Bharati, Patna for inclusion of Cost Accountants in providing services for filing of GSTR-1 & GSTR-3B etc.

The 103rd and 104th Tax Bulletin has been launched. Classes for all the Taxation Courses are being conducted seamlessly. Taxation Portal is being updated time to time with latest amendments and changes in Direct and Indirect Tax.

INSOLVENCY PROFESSIONAL AGENCY (IPA) OF THE INSTITUTE

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 January 2022 such as organizing a Workshop on Role of IP in Individual and Fresh Start Process on 3rd January, Three days Master Class on Liquidation Process from 7th to 9th January, Workshop on Compliances to be made by IPs under IBC, 2016 on 14th January, Two days Learning Session on Handling CIRP as a Project on 22nd & 23rd January and 52nd Pre- Registration Course was jointly organised by all three IPAs - IPAICAI IIIPI and ICSIIP from 15th to 21st January, 2022.

Further, an Interactive Session of Insolvency Professionals on Voluntary Liquidation was also organised in a hybrid mode which was moderated by CMA Vijender Sharma, Vice President of Institute on 20th January 2022 and a Workshop on Soft Skill Development for Insolvency Professionals on 28th January 2022 which was addressed by Dr. Jai Deo Sharma, Chairperson of IPA ICAI. Both the programs received a stupendous response from the participants.

I request you to visit the website of IPA ICAI for its Au-Courant (Daily Newsletter), IBC Dossier weekly and monthly E- Journal.

ICMAI REGISTERED VALUERS ORGANISATION (RVO)

I am pleased to inform that ICMAI RVO has successfully organized 14th Online Mandatory COP Program, Workshop on Valuation Report, Certificate Course on Tools for Data Analysis , Master Class on How to become an effective Link for Valuation Professional, Learning Session on Emerging Business and Economic Environment, 18th & 19th Online Batch of Seven Days Program on Securities or Financial Assets, 13th Online Batch of Seven Days Program on Plant & Machinery and Land & Building during the month.

I wish prosperity and happiness to members, students and their family on the occasion of Saraswati Puja, Basant Panchami, Shivaji Jayanti, Guru Ravi Das Birthday & Hazarat Ali's Birthday and pray for the success in all of their endeavours.

Stay safe and healthy!

With warm regards,

CMA P. Raju Iyer

February 1, 2022

ஸ்ரீமத் ஆண்டவன் கலை மற்றும் அறிவியல் கல்லூரி (தன்னாட்சி)
Srimad Andavan Arts and Science College (Autonomous)
(Managed by Sri Ranganatha Paduka Vidyalaya Trust)
Affiliated to Bharathidasan University — Reaccredited by NAAC
An ISO 9001-2015 Certified Institution — Recognised as SIRO by DSIR New Delhi

Memorandum of Understanding

Between
The Institute of Cost Accountants of India
&
Srimad Andavan Arts and Science College [Autonomous], Tiruchirapalli, Tamil Nadu
[Affiliated to Bharathidasan University]

PRESS RELEASE

The Institute of Cost Accountants of India & Srimad Andavan Arts and Science College [Autonomous], Tiruchirapalli, Tamilnadu has entered into a Memorandum of Understanding [MoU] for Academic – Industry partnership. The MoU is aimed at promoting professional development for students and teachers, conduct of Faculty Development Programmes, Professional Development and Capacity building programmes Skill Development Workshops, Rural Empowerment programmes, Agricultural Capacity building under the aegis of Agricultural Task Force of the Institute, Certificate & Diploma courses of the Institute.

The MOU was signed on **25-12-2021 [Saturday]** at the **College Campus** by **CMA P Raju Iyer, President**, The Institute of Cost Accountants of India and **CA Ammangi V Balaji,** Secretary & Correspondent, Srimad Andavan Arts and Science College in the august presence of **Dr. M. Pitchaimani,** Principal [i/c], **CMA K Rajagopal**, Chairman, SIRC of the Institute of Cost Accountants of India, **CMA K Ch A V N S Murthy**, Council Member, **CMA Vijay Kiran Agastya**, Secretary-SIRC, **CMA Manoharan P**, Chairman, **CMA N Shanmugasundaram**, Vice Chairman, Tiruchirappalli Chapter of Cost Accountants, **CMA T K Sridhar**, **CMA Rakesh Shankar Ravisankar**, Member – IAASB.

CA Ammangi V Balaji & CMA P Raju Iyer stressed the importance of rural development and empowerment in the nation building and discussed the aspects related to nurturing of satellite centres at rural areas, career counselling for the students to elevate them to the professional studies. The event was graced by the faculty members of the college and other invitees.

The event was co-ordinated by Dr. S. Srividhya, Director, Smt. Sowmiya K, Assistant Professor, CMA Rakesh Shankar Ravisankar**.**

MoU Signing between the Institute & Srimad Andavan Arts and Science College [Autonomous], Tiruchirapalli, Tamilnadu by CMA P Raju Iyer, President, & CA Ammangi V Balaji, Secretary & Correspondent of the College

e-Conference on
"Creating Pensioned Society in India – Importance and Challenges"

Jointly organised by

Banking, Financial Services & Insurance Board & Pension Fund Regulatory and Development Authority (PFRDA)

The Institute of Cost Accountants of India observed January 2022 as pension month. To mark the occasion, Banking, Financial Services and Insurance Board (BFSIB) of ICAI organized an e-conference in association with Pension Fund Regulatory Development Authority (PFRDA). In order to change the perspective regarding saving, investment and retirement plan, ICAI joined hands with PFRDA to provide a forum for discussion on the topic **"Creating Pensioned Society – Importance and Challenges"** and create awareness on importance of pension. The conference was streamed live in Institute's You tube channel on 28th January, 2022 and can be viewed at https://www.youtube.com/watch?v=tRaHTDvzB9g .

Dr. Bhagwat Kishanrao Karad, Hon'ble Minister of State, Ministry of Finance, GOI, graced the conference as the chief guest of the program.

CMA P. Raju Iyer, President, ICAI; CMA Vijender Sharma, Vice President, ICAI; Shri Shudhir Shyam, Economic Advisor, DFS; Shri. S. Bandyopadhyay, Chairperson, PFRDA were the esteemed chief guests of the program for which the welcome address was given by CMA Chittaranjan Chattopadhyay, Chairman BFSI Board ICAI.

CMA P. Raju Iyer, President, ICAI welcomed the esteemed presence of Dr. Bhagwat Kishanrao Karad, Hon'ble Minister of State, Ministry of Finance, GOI, and thanked him for taking his valuable time to share his thoughts on this very important topiv. He expressed it to be a proud moment for the Institute to join hands with PFRDA and organize the e conference on this very relevant topic and praised the government for the launch of NPS and Atal Pension Yojana to augment the objective of social security. He further appraised the Hon'ble Minister of the Institute's activities and role in National and Global perspective.

Shri. S. Bandyopadhyay, Chairperson, PFRDA deliberated about the evolution and transformation of the pension industry holding the hands of the then government way back from 2003. He was delighted to share a data set of PFRDA indicating the increasing customer base for pension schemes. NPS has come along a long way of having 50 million customers on date worth more than 70 trillion rupees and it is growing. Apart from that he also shared that they have got nearly 8 lakhs new customers under the Atal Pension Yojana which have seen more than 7.2 million new customers this year. He applauded the joint effort of PFRDA and The Institute of Cost Accountants of India to bring the issue to the notice of the younger generation and to see that the younger generation really takes a retirement benefit also very seriously and they start at a young age through NPS which gives a very flexible system possibly the lowest cost pension available in the world today.

Shri Shudhir Shyam, Economic Advisor, DFS, complemented for choosing a very relevant topic of pension and creating pension society in India. He enlightened all on both the segments organized as well as the unorganized segment and also suggesting the ways how to streamline the unorganized segment by way of the incentive schemes, drives on financial literacy which he expressed to be the key challenge in creating a pensioned society. He said all the initiatives of the Govt are quite welcome and it has made desirable impact in creating a pensioned society.

Chairman, BFSIB, CMA Chittaranjan Chattopadhyay also thanked and welcomed the esteemed presence of Dr. Bhagwat Kishanrao Karad, Hon'ble Minister of State, Ministry of Finance, GOI, for taking his valuable time and address this very important session. On his request the honorable minister released the monograph on 'National Pension Scheme' to be published by the BFSI Board of the institute.

Dr. Bhagwat Kishanrao Karad, Hon'ble Minister of State, Ministry of Finance, GOI, in his address expressed his delight to take part in the event as a chief guest, and congratulated ICAI and PFRDA for successfully conducting the program on such an important and relevant topic. He said that India in its 75th year of independence is a nation of young population with the fastest growing economy. This is the generation that will participate in nation building and take India on the forefront of the global era. Government deeply wishes to make sure that the past present and future of each Indian is secured and aspires to move towards affordable adequate efficient and sustainable pension society. The government wants to make sure that everyone from the stall vendor to an organized worker is taken care of and has secured their old age. he said that creating pension schemes and promoting insurance are not just limited to the financial security and income that they provide to the people of this country especially people from the unarmed sectors they are also extremely important for collecting long-term funds for growth of the economy as also in the capital market it stabilizes the economy by promoting long-term savings combined with long-term investment. In order to do the same the government is in the process of building a financial ecosystem with diverse financial products for the youth to engage with an established culture of saving in the nation. The govt. administered and regulated by PFRDA have curated flexible pension products while ensuring transparent functioning and awareness amongst the investors of pension schemes. He mentioned APY which is digitalization pension system that would also be creating a financial inclusion society where all will be covered under a social security pension system. Dr. Karad further said the government has also focused on the financial awareness of the pension products in the country there have been many states for educating subscribers and the general public on the issues related to the pension retirement saving and so on it is important to have a well-developed self-sustaining pension society in India. He stressed that employer should therefore incentivize and educate employees about the benefits provided under the various pension schemes. He also said that there is a little awareness of the importance of retirement planning and pension products although the information about pension is widely available people do not know which sources to trust how to access it or how the information relate to the circumstances the most important factor for success of the voluntary pension scheme would be financial literacy. The lack of comprehensive and appropriate data is one of the major tendencies faced when developing or implementing a target-based pension scheme. The government of India has appointed national security department, a central record-keeping agency for maintenance of data. To protect grass root and providing social security to small and marginal farmers the government has launched the Pradhan Mantri Kisan Jan Dhan Yojana in 2019. He urged all the regulators and stakeholders to also take initiative to work towards maintaining the good network which is safe and legal information sharing platform. He appreciated the efforts made by The Institute of Cost Accountants of India and PFRDA to create potential literacy about pension and its products.

CMA Vijender Sharma, Vice President, ICAI addressed the participants and offered a hearty vote of thanks for the inaugural session of the e-conference.

The panel discussion that followed offered a deeper understanding on the topic, which was moderated by **Dr. Deepak Mohanty, full-time member (Economics) PFRDA and former executive director, RBI.** The learned panelists were **Mr. William Price, Global Pension expert, Ex official of World Bank, UK Treasury and UK Pension Regulator, and Ms. Behroz Kamdin, Tax consultant, Partner Deloitte Haskins & Sells LLP.** The eminent speakers threw light on the global scenario of pension and also appreciated the various schemes of GOI like NPS and APY. The panelists stressed on automatic inclusion of the workforce in the pensioned society and ways to include the grass root working force and inclusive growth of all the people to enter into this pensioned society and answered and clarified all the questions raised by the participants.

CMA Chittaranjan Chattopadhyay, Chairman BFSI Board, ICAI summed up the session and offered a hearty vote of thanks to all the dignitaries and participants, who attended in large numbers.

CMA P. Raju Iyer, President and CMA Vijender Sharma, Vice President of the Institute with CA. Nihar N Jambusaria, President, ICAI, CS Devendra V. Deshpande, President, ICSI and CS Manish Gupta, Vice President, ICSI during a meeting held on 1st February, 2022 in New Delhi

Saraswati Puja Celebration at the Institute

73rd Republic Day Celebration at the Institute

73rd Republic Day Celebration at CMA Bhawan, New Delhi

73rd Republic Day Celebration at CMA Bhawan, Noida

73rd Republic Day Celebration at CMA Bhawan, Kolkata

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

NATIONAL INSURANCE ACADEMY

2ND BATCH

ONLINE CERTIFICATE COURSE IN

GENERAL INSURANCE

Course Details

MODULE - I

- **FUNDAMENTALS OF INSURANCE**
  - ✓ BUILDING BLOCKS OF INSURANCE
  - ✓ LEGAL ASPECTS OF INSURANCE
  - ✓ PRINCIPLES OF INSURANCE
  - ✓ FUNDAMENTALS OF GENERAL INSURANCE
  - ✓ SIGNIFICANCE OF IRDAI REGULATIONS IN INSURANCE BUSINESS

MODULE - II

- **FIRE INSURANCE**
  - ✓ COVERAGE
  - ✓ CONDITIONS AND EXCLUSIONS
  - ✓ SPECIAL COVERS AND CLAUSES
  - ✓ BUSINESS INTERRUPTION
  - ✓ FIRE CLAIMS AND ROLE OF SURVEYORS IN LOSS ASSESSMENT

MODULE - III

- **MARINE CARGO INSURANCE**
  - ✓ MARINE INSURANCE ACT
  - ✓ CARGO CLAUSES
  - ✓ TYPES OF CARGO
  - ✓ MARINE UNDERWRITING
  - ✓ MARINE CLAIMS

MODULE - IV

- **MOTOR INSURANCE**
  - ✓ COVERAGE OF MOTOR LIABILITY
  - ✓ PACKAGE POLICIES
  - ✓ MOTOR UNDERWRITING
  - ✓ MOTOR OWN DAMAGE CLAIMS
  - ✓ MOTOR THIRD PARTY CLAIMS

MODULE - V

- **HEALTH, LIABILITY AND MISCELLANEOUS INSURANCE**
  - ✓ HEALTH POLICY COVERAGE & UNDERWRITING
  - ✓ HEALTH REGULATIONS
  - ✓ BASICS OF LIABILITY
  - ✓ LIABILITY INSURANCE PRODUCTS
  - ✓ BURGLARY AND PERSONAL ACCIDENT
  - ✓ CLAIMS INTIMATION AND NECESSARY FOLLOW UP

Program Objectives

The objective is to equip members and students of the Institute and other Graduates in areas of General Insurance for equipping them to understand and comprehend various insurance aspects and have a working knowledge on the various aspects of General Insurance.

Program Takeways

The objective is skill development and knowledge enhancement of members on matters pertaining to insurance.

Key Contents

5 Modules

Coverage in Fire Insurance, Cargo and Marine, Health, Liability and Miscellaneous 25 hours capsule

Course Fees

We propose to charge a fee of Rs. 6000 + GST at applicable rates for the program.

Details of Payment is stated in BFSI Portal of the Institute's website

Who Can Attend

- ✓ Graduates of any discipline
- ✓ Students of the ICAI
- ✓ Members of the ICAI

Course Timing

Saturdays and Sundays from 11.30 a.m. to 1.30 p.m.

For more details

Course Coordinator from BFSI Department

CMA Dibbendu Roy - Additional Director
E-mail: bfsi@icmai.in
Mobile: 96434-43047 / 83686-93781

Course Coordinator from National Insurance Academy

Dr. Steward Doss - Faculty, Marketing
Email: gdoss@niapune.org.in
Mobile: 9765203257

Behind Every Successful Business Decision, there is always a CMA

Image Source: https://rarebooksocietyofindia.org/grid-layout.php?t=30&page=1

From the INA Movement to the Naval Mutiny: The Andaman Scenario

Abstract

Based on archival records, newspaper clippings, booklets of Political parties and a host of secondary books, periodicals including biographic and oral testimonies of participants, it is evident that the history of Andaman and Nicobar Islands took a turning point during the Second World War and after. The occupation of Andamans and Nicobar Islands by the Japanese forces from March, 1942 to October 1945 had a very marked effect on them. During this period the islands were subjected to severe. economic, social and psychological disturbances. The sufferings of the people were lessened to some extent with the arrival of Lieutenant Colonel Lokanathan, Colonel Bhonsle and four officers of the Indian National Army in the islands in February, 1944. These officers evacuated the islands in July 1945. In October, 1945, these islands were again occupied by the British who brought with them supplies of food, medicine and cloth. Reflecting the factors that guided the British decision to relinquish the Raj in India, Clement Attlee the then British Prime Minister cited several reasons, the most important of which were the INA activities of Netaji Subhas Chandra Bose. This exhaustive exposition describes the role of Netaji, the Indian National Army and the events that unfolded in this regard.

Dr. Keka Dutta Roy
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Kolkata
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INTRODUCTION

The history of Andaman and Nicobar Islands took a turning point during the Second World War and after. The leadership of the Indian National Army (INA) was handed over to Netaji Subhas Chandra Bose. The INA started fighting shoulder to shoulder with the Japanese forces against the Allies. After establishing their hold over Southeast Asia, the Japanese constituted the Provisional Government of Free India at Singapore on October 21, 1943 with Bose as head of the State.

JAPANESE OCCUPATION OF THE ISLANDS

The Japanese forces reached Imphal and the surrounding track on the mainland and captured the Bay of Bengal Archipelago. They occupied south Andaman Islands in March 1942. Two weeks after their landing, they established a peace committee. This committee lasted for nearly eight months until the arrangements for a military administration was completed on 2 December, 1942. In this arrangement, the real power was in the hands of the Commandant of Japanese naval forces in these islands. From the very beginning, the Japanese faced acute shortage of food. Rice stocks for the local population were completely exhausted by the end of August, 1942. Due to the activities of the allied submarines the Japanese commander took drastic steps to meet the situation. He ruthlessly tried to eliminate old and infirm people and leave only those who could work for them. As a result of this policy, hundreds of people were shot dead, and many drowned in the seas. In 1943, the allies succeeded in landing a commando party by a submarine in the Andamans. The Japanese came to know about the presence of the party in the islands but were never able to capture them. In order to extort information about these spies of the British, the Japanese inflicted severe torture on many people particularly those who knew English. As a result of these tortures, a great number of unknown men, women and children died. About 1,300 persons were forced to evacuate the areas of Port Blair.

IMPACT OF JAPANESE OCCUPATION

The occupation of Andamans and Nicobar Islands by the Japanese forces from March, 1942 to October, 1945 had a very marked effect on them. During this period, the islands were subjected to severe economic, social and psychological disturbances. The Japanese did not spare the isolated tribe of the Jarawas. They bombed the areas of the tribes and thus made the task of reconciling them more difficult. The only good which they did to these islands was to promote agriculture."

In November 1943, Netaji accompanied by General Chatterjee and Bhosle left Singapore for Tokyo to attend the Greater East Asia Conference

The Andaman and Nicobar Islands formed an archipelago extending like stepping stones between Burma and Sumatra in the Bay of Bengal. Their total area of about 8,100 sq km was inhabited by about 33,000 people. The transfer, implemented a month later, made Netaji's government a sovereign entity over these islands.

NETAJI's EFFORTS FOR LIBERATION

The day after the conference closed, Netaji addressed a Japanese rally held in Tokyo, saying inter alia: "For Indians the return of the Andaman and Nicobar Islands represents the first territory to be liberated from the British yoke. By the acquisition of this territory, the Provisional Government has now become a national entity in fact as well as in name. The liberation of the Andamans has symbolic significance because the Andamans was always used by the British as a prison for political prisoners. Most of the political prisoners sentenced to penal servitude for conspiracies to overthrow the British Government and there have been hundreds of them were locked up in this island. Like the Bastille in Paris, which was liberated first in the French Revolution, setting free political prisoners, the Andamans where our patriots suffered is the first to be liberated in India's fight for independence. Part by part, Indian territory will be liberated, but it is always the first piece of territory that has the most significance - we have renamed Andamans as Shaheed in memory of the martyrs, and the Nicobars as Swaraj..."

"...we are now about to launch an armed struggle: I want to tell my comrades and my compatriots who are still groaning under the British yoke that we now have all the means needed for the liberation of our motherland. All that remains is to fight and win freedom. Instead of establishing the headquarters of the provisional Government of Free India on the Andaman or Nicobar Islands. I will move it along with the marching Indian National Army"

WHY JAPANESE WERE RELUCTANT IN RELINQUISHING CONTROL

Since these islands held a very strategic position as naval outposts, the Japanese were hesitant in handing over their direct control to the Subhas Government. In November 10, 1943 a liaison organization was established. Subhas asked Japan to hand over the Andaman and Nicobar islands to the Provisional Government, which also had to be in charge of liberated zones within India. He sought acknowledgement of his government's right to issue currency and exercise jurisdiction over abandoned Indian property all over Southeast Asia. Tojo yielded on the political and economic questions and promised to discuss the military matters with his commanders. Subhas accompanied by members of the Azad Hind Government and his staff arrived at Port Blair, Andaman, by a twin-engine bomber on the afternoon of 29 December 1943. He was received at the airport by the Japanese Admiral at Port Blair with all honours due to a Head of State, given a Guard of Honour by the Azad Hind Dal, and introduced to leading Indian civilians. From the airport he proceeded to the Japanese military headquarters (now the Deputy Commissioner's bungalow) and then met local Indian civilians at the bungalow which subsequently became the headquarters of Major General Loganathan of the provisional Government which is now occupied by the Chief Secretary. He then left for the Aberdeen jetty to take a speed boat to the Ross Island. From the Ross Island jetty, he drove up in a jeep to the former British Chief Commissioner's during his short visit to Andamans. On 30 December 1943 Subhas left Ross Island in the morning for Port Blair. From the Aberdeen jetty to the Gymkhana ground he was taken in a procession. In front of the Andaman Club at the Gymkhana ground Subhas hoisted the national tricolor to the accompaniment of the National Anthem and addressed a mass meeting of Indians for 90 minutes. Later in the morning he held discussions with the Japanese military officers at their headquarters. Subhas came to the Cellular Jail at 2.30 pm and spent two hours going round the Indian Bastille. He returned to Ross Island late in the afternoon and held a banquet there which was attended by Japanese officers and leading Indian residents. On 31 December 1943 Netaji left Ross Island early in the morning and visited the office of the Indian Independence League at Aberdeen Bazar (originally the club of the Local Born Association). He made a speech for about half an hour in the hall on the first floor. The hall has since been known to local residents as Netaji Hall. He left for the airport at about 9 am and flew back to Bangkok enroute to Rangoon.

The headquarters of the provincial Government was shifted to Rangoon in the first week of January 1944.

ARRIVAL OF INA OFFICERS

The sufferings of the people were lessened to some extent with the arrival of Lieutenant Colonel Loganathan, Colonel Bhonsle and four officers of the "Indian National Army" on these islands in February, 1944. These officers evacuated the islands in July 1945. Bose's Provisional Government extended its protective umbrella over Indians living in all these islands. It obtained de jure control over a piece of Indian territory when the Japanese handed over the Andaman and Nicobar Islands in late December 1943, though de facto military control was not relinquished by the Japanese admiralty. In October, 1945, these islands were again occupied by the British who brought with them supplies of food, medicine and cloth.

However, they could not help matters much, at least initially, as education, Civil Supplies, and Agriculture were placed under its charge and the overall control continued with the Japanese. Civil administration was in any case in dire straits. The blockade of the Islands by the Allied navy, which began as soon as the war began to turn in favour of the allies, successfully cut off supplies, creating severe shortages of food, clothes, medicines and other basic necessities. The Japanese bid to become self sufficient by encouraging agriculture and extending snails to supplement their protein intake, and even resorting to the extraction of salt might have, together with the large-scale killing of local domestic animals staved off starvation for the forces under siege, but by all accounts it only increased the privations of the Indians. The condition of the civilian population was sorry in the extreme."

Earlier Lt. Col. Loganathan had joined the Indian National Army following the fall of Singapore and joined the Azad Hind Government under Subhas Chandra Bose. Bad health and severe differences with the Japanese Forces of occupation ultimately led an enraged Loganathan to relinquish authority and return to Burma. Later, towards the end of the successful Allied Burma campaign, Major General Loganathan was appointed the G.O.C of the Indian National Army's Burma Command as the Azad Hind Government withdrew from Rangoon. Without a regular police force or security forces, his troops, (an INA Contingent of 6,000) formally surrendered as POWS".

OFFSHOOT OF INA TRIALS

The INA trials attracted attention in India. The release for INA prisoners and suspension of trials became a dominant political campaign in precedence over the campaign for freedom. The first INA trial saw a campaign that defied communal and political barriers. in support of the INA men and the spread of pro-INA sympathies within the troops of British Indian forces. Major General Loganathan was later repatriated to India and held at the Red Fort as preparations were made to try the men of the Indian national Army for treason. He returned to his family in Bangalore in 1946 after the completion of the trials. He declined a diplomatic assignment to New Zealand under the Nehru Government due to failing health.

During the INA trial, mutiny broke out in the RIN (Royal Indian Navy) incorporating ships and share establishments of the RIN throughout India from Karachi to Bombay and from Vishakhapatnam to Calcutta. The INA trials, the stories of Subhas Bose as well as the stories of INA's fight during the siege of Imphal and in Burma were seeping through the 'wireless' sets and the media fed discontent and ultimately inspired the sailors to strike. Bombay and Karachi were no doubt the main and the strong centres of the RIN uprising where the fierce and heroic struggles took place. There were many other centres in the country and abroad where demonstrations took place in sympathy and support of the uprising. At Andamans there were the following seven ships of the 37 mine sweeping Flotilla viz. "Rohilkhand', 'Deccan", "Bengal", "Carnatak", "Kistna" and

"Baluchistan".

On 20th February, they received the news of the uprising at Bombay and that the British troops had opened fire on the ratings at Bombay and Karachi. The news disturbed them and they heard the radio broadcast of the FOCRIN (Flag Officer in Command). This news had an adverse effect on the temper of the ships companies. They took it to mean that all the 5 ships of the RIN would be destroyed. On 23rd February most of the seamen and other ratings on all the ships refused the fall in for parade. They declared the strike. During the period of the strike, the ratings shouted slogans and at many places they hoisted the Tricolour flags in the yards and on the ships. The strike was peaceful and non-violent. Thus the strikes and demonstrations of all the ratings at this centre of the RIN took place in sympathy of the uprising. The total number of ships affected all over India and abroad was 78 and a number of Shore establishments was 20. For two days at least the strike was practically complete affecting over 20,000 ratings and a number of officers as well."

Y N SINGH'S REVELATIONS

Lt. Y.N.Singh who retired from Indian Navy as Commodore later wrote from Patna:

"I am an old mutineer"

"I was then in the Ship Kistna at Port Blair, Andamans which was the base for 34th Mine Sweeping Flotilla. Captain J.T.S Hall RIN (later Commander-in-chief of the RIN after India's Independence) was the MS 27. I was then a Lieutenant, RIN. The Flotilla consisted of about 10 ships. I recollect vaguely.

"The day the revolt broke out at Port Blair I was supposed to take over as O.O.D the National Flag was already at the Mast head. I refused to take over my duty at 08.00 and was placed under cabin arrest with Sentries outside my cabin. So began the glorious Day of my life-a day which proved to be full of revolutionary ardour. It was my plan to take command of the 37th M.S.Flotille in Kistna and proceed to Bombay to join my patriotic brethren and make a common cause with them. As the events proceeded, my plan did not materialize and next morning our Flag was brought down.

"The events of the day at Port Blair may or may not be known to you, at least the story I have to tell has not been told and may interest you."

WHY BRITISHERS RELINQUISHED CONTROL OVER THE ISLANDS

Reflecting the factors that guided the British decision to relinquish the Raj in India, Clement Attlee the then British Prime Minister cited several reasons, the most important of which were the INA activities of Netaji Subhas Chandra Bose which weakened the Indian Army the foundation of the British Empire in India and the RIN Mutiny that made the British realize that the Indian armed forces could no longer be trusted to prop up the Raj. Although Britain had made at the time of Cripps Mission in 1942, a commitment to grant dominion status to India, after the war, this suggests that contrary to the usual narrative of India's independence struggle, (focusing Congress and Mahatma Gandhi) the INA and the revolts of the R.I.N, mutinies and public resentment if germinated were important factors in the complete withdrawal of the Raj from India.

Earlier in January 1946, Field Marshal Viscount Wavell visited the Andamans and sent a report to Lord Pethick Lawrence, which is as follows:

"On the 28th we flew of the Andamans by a Sunderland Flying Boat and spent a busy afternoon in Port Blair. The Japs were guilty of some extremely unpleasant atrocities in the islands and I think the population were genuinely delighted to see us back. The Japs clearly intended to make the islands an important base and they constructed a great many fortifications during the early periods of their occupation. Later of course their communications broke down and they were told to live on the country. When we took over there was about 19,000 surrendered personnel in the islands, and of these about half have now left. The other half are expected to move during this month. The Japs have been useful since we reoccupied the islands. Their discipline has been excellent and they provide far better labour than the local population. The job of rehabilitation has been very well handled so far and some journalists whom I took with me, including the usually very unfriendly Congress journalist of the Hindustan Times, were clearly impressed. The convict settlement has of course to be closed down and this changes the whole economy of the islands". MA

Economics of Bose was as powerful as his Politics!

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Abstract

The year 2022 marks the 125th birth anniversary of this Indian revolutionary who had an indisputably major contribution towards attaining political freedom from the colonial rule of Great Britain. Netaji Subhas Chandra Bose did not consider going back to a bullock cart economy after independence and shook off his initial hesitance with machine based manufacturing for a modern India that would develop economic commissions for reconstruction. These were perhaps the first concept of short-run and long-run economic planning programmes in the same spirit as socialist countries would choose at the time. His vision for an independent India had without exception taken into account several economic issues which he felt were of supreme importance if India had to rise from the ashes.

Netaji Subhas Chandra Bose has left Indians mesmerized for close to a century with the aura of his life and the mystery surrounding his demise. The year 2022 marks the 125th birth anniversary of this Indian revolutionary who had an indisputably major contribution towards attaining political freedom from the colonial rule of Great Britain. Subhas Chandra Bose was born in Cuttack, then belonging to the Bengal Province of Orissa, in 1897. He went to the Baptist Mission's Protestant European School and later Ravenshaw Collegiate School in Cuttack. In 1913, he had entered the Presidency College, formerly Hindu College, for Bachelor of Arts in Philosophy but was expelled in 2016 for alleged confrontation with Mr. Oaten, professor of history in the college who had made derogatory remarks on Indian culture, earlier. He later completed his Bachelors securing first class, second position, in Calcutta University from Scottish Church College in 1918. He left for England in 1919 to appear in the Indian Civil Service examination and secured 4th position out of six vacancies, awaiting a final examination to complete his probationary state a year after. At that point he had also joined the University of

Cambridge while preparing for the ICS. But, it did not take him time to realize that he would not be able to serve the country in the way he imagined, if he were 'chained' to the civil services. He decided to return to India in 1921 and meet Mr. M K. Gandhi who had already launched the non-cooperation movement on behalf of the Indian National Congress in the previous year and was making the waves felt throughout the country. Bose had a meeting with Gandhi in Bombay, but was left unconvinced with both the non-violent approach and his 'unclear' vision about how the colonial rule would end for India [*Gordon, Leonard A. 2004. "Bose, Subhas Chandra (1897–1945)". Oxford Dictionary of National Biography, Oxford University Press*]. Soon, Bose met the Congress Leader C. R. Das in Kolkata and had found the political path that he was looking for. His illustrious political career spanned two decades through World War II, a rather dangerous living across continents creating alliances with Germany and Japan while trying to oust the British from India. His declaration of independence and hoisting of the Indian flag in the Andaman and Nicobar Islands with the help of Japanese troops and the Indian National Army (INA) is considered as the first claim of independent India in 1942. All of these had turned Bose to a supreme military leader that the country has ever seen - a legend who's political vision and relentless attacks on the colonial rule from outside of the country was undoubtedly a source of trouble that supplemented the freedom struggle from within.
It was clearly ascertained that freedom for India was not far. Indeed, these are known to almost every Indian, many of who continue to believe that the demise of Bose in the aircraft accident in Japanese Taiwan remains shrouded in mystery and that he continued to live after 1945, but perhaps in custody somewhere outside the country.

Bose had in his flamboyant style and deep intellectual bearings had shown the country, what political leadership would mean for masses. His vision for an independent India had without exception taken into account several economic issues which he felt were of supreme importance if India had to rise from the ashes. I would recount only one part in this short article, with a view to highlight his exceptional sense of causal implications and keen observations - important traits for economists that through decades of research have now become intrinsic for pursuing analysis and policy advocacy. It should nonetheless be mentioned that, Bose did not consider going back to a bullock cart economy after independence and shook off his initial hesitance with machine-based manufacturing for a modern India that would develop economic commissions for reconstruction. These were perhaps the first-concept of short-run and long-run economic planning programmes in the same spirit as socialist countries would choose at the time [*Subhas Chandra Bose: Pioneer of Indian Planning, New Delhi: Planning Commission, 1997*]. In fact, most developing countries, and half of Europe started off with five year plans at the end of World War II. Bose unequivocally stated in the presidential address of the Haripura Congress in 1938 that the country would launch production, educational and generally, development plans while being mindful of traditional cottage industries and comparative advantages of the rural economy - a blueprint that within a decade became serious subjects of research by economists none other than Jan Tinbergen, Sukhamoy Chakravarty, Jagdish Bhagwati, Padma Desai and others [viz. *Bhagwati, J. N., & Chakravarty, S. 1969. Contributions to Indian Economic Analysis: A Survey. American Economic Review, 59(4), 1–73*].

However, the first English language publication under Netaji's authorship was a book entitled "Boycott of British Goods" published in the beginning of 1929. The outcome of the said article would be adoption of retaliatory tariff or non-tariff measures, although with a time lag, to counter the use of restrictive measures chosen by British government in the early eighteenth century. In modern parlance, these suggested measures to be adopted by a defiant India still under the colonial rule and extraction would be a way to turn back the wheel of fortune.
On February 29, 1929, Subhas Chandra Bose writes for the preface of the book, "This book has been compiled from different sources, mostly from official statistical returns and also from a few other authoritative publications. I have tried to give a full bibliography, which I hope will be found sufficient for documenting every statement made in the book. Conclusions, which vary from popular notions, e.g., about the feasibility of boycott of British cotton goods, have been deduced entirely from official figures, which have no doubt been presented in a new way as explained in the book, but are in other respects just as they are to be found in official

returns." [*see, Netaji: Collected Works, Volume 5, Netaji Research Bureau, 1985; Kolkata, India*]. Bose mentions lectures by Dr. J. C. Sinha at Ducca University and his exposition in a book in 1927. The analysis covering aspects of production, consumption, trade, trade policy and welfare is overwhelming in view of its depth and coverage.

Referring to the British Acts of 1700 and 1720 by which the government imposed high import duties on import of silk, woolen garments and certain varieties of muslin from Bengal; but generally on other cloth materials from India, China, etc., Bose points out that following the Glorious Revolution in England in 1688 transferring power to the protestant queen, "a passion for coloured East Indian calicoes spread through all classes of the community." (p. 289). The import of silk manufactures from Bengal also increased at the same time with the establishment of English factories at Kashimbazar and Maldah. The rise in import from Bengal was met with resistance from native producers of silk and wool in England, such that, in 1700 the British Parliament enacted "that from and after the 29th day of September, 1701, all wrought silks, Bengals and stuffs mixed with silk or herba, of the manufacture of Persia, China or the East Indies, and all calicoes, painted, dyed, printed or stained there, which are or shall be imported into this kingdom shall not be worn or otherwise used in Great Britain and all goods imported after that day, shall be warehoused and exported again." Certain varieties of muslin were also prohibited at the same time. The other varieties and white calicoes were subjected to a duty of 15% ad valorem.

As printed calicoes were restricted, business houses started importing white calicoes from India and get them printed in England. Bose refers to the second Act of 1720 which was a reaction to this trick and prohibited use of printed calicoes in England. He admits that while these Acts were not the only reason why the cotton industry in India went into misery, but mentions that the restrictions allowed cotton producers in England to develop their trades with the help of innovations and modern techniques. It was later realized that ultimately the plan led to development of Manchester as the production centre for textiles. The ulterior motive even that early, it seems was to buy time. Import restriction is a well-known instrument for protecting the infant industries of a country.

This becomes amply clear from Bose's argument that it was quite strange that a small number of producers and equally small number of consumers operating in a limited market for silk in England could persuade the government to enact the restrictive measures. The free import of cotton goods affected only a few particular classes of cotton products in England. Bose writes, "But if the consumption was so small, why were special statutes necessary?" The restriction of printed calicoes was really the most significant step adopted, because in a cold country printed garments bought from India were preferred than white calicoes owing to difficulties in bleaching and drying. Since, the English public had grown accustomed to the use of the cotton goods of India towards the close of the seventeenth century, and when the import of these was restricted, the English cotton manufacturers found it profitable to extend their scale of production to satisfy the home demand. Bose shows that while the Acts were originally meant for the protection of wool and silk manufacturers of England, effectively protected the infant British cotton industry to become successful in later years. The protection continued till 1825. Bose, further points out that the prohibition against the wearing of certain classes of cotton goods were removed in 1774, if the goods were made in England. The boycott of British goods would therefore be retaliatory and over time might help to redistribute the gains from trade back to where it belonged. These trade-related injustice and possible compensations were never discussed in later economic forums at the end of WWII, although war reparations were paid to the winners. It would forever remain unknown if Bose, had he been in independent India would demand compensation for colonial extractions, which later have been estimated at no less than $45 trillion between 1765 and 1938. MA

ROLE OF CMAs TO SHAPE A MORE GLORIFIED FUTURE

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Abstract

"The future belongs to those who believe in the beauty of their dreams."- Eleanor Roosevelt. There is tremendous scope for CMAs to shape a more glorified future by exhibiting their intellectuality, talent and innovative mind setup.

INTRODUCTION

Following are some important areas where CMAs have either an exclusive authority or established their excellence in the professional career:

As employee or as Practicing Cost Accountants

1. Cost Audit / Internal Audit / Forensic Audit, 2. Cost & Management Accountant as well as Project Accountant, 3. Finance Professional with special skill in Project Financing, 4. Business Analyst, 5. Taxation Professional.
2. Besides the above areas, CMAs have a useful role to play in the following areas too: Insurance 2. Banking 3. Capital Market.

Whatever may be the area, a CMA has opted, he has always a tendency for a deep dive in to the area to find out the genesis of any issue. They do not confine themselves to the legal compliances of accounting frame work. A CMA highlights the root cause and comes out with suitable solutions whether it is a current event or forecast of the possible threats that may arise in future, by their inherent analytical skills. That makes a CMA a business accountant rather than a simple accountant. All the Cost Accounting Standards (CAS) are somehow linked to the technical aspects of a business. Due to the techno-commercial skills they possess CMAs can feel the pulses of a business in a better way and analyse each and every aspect of a business and the financial implications arising there from. This is important to sustain in the era of disruptive technology.

FUTURE STAND OF CMAs

In view of the inherent analytical mind set up of CMAs, their future role appears tobe more promising because of the following aspects:

1. Conservative mindset of managements is changing fast and managements place more emphasis on the reports of CMAs as these reports are more predictive rather than being a post-mortem analysis.
2. CMAs have inherent analytical skills due to better techno commercial understanding of business modules resulting to more value-added suggestions.
3. CMAs by virtue of their high-quality analytical skills and knowledge can produce best capital structure module of an organisation.
4. CMAs are very dynamic in their working and are able to synchronise easily with any type of business rather than creating hurdles in scaling up of a business and hence they are always in an advantageous position.
5. CMAs as a management accountants deal with the internal processes involved with accounting for business transactions whereas, a financial accountant focuses on the consolidation of data into financial statements. CMAs by using their knowledge of the business and interpretation of financial data are able to make informed strategic decisions.
6. CMAs as business analysts

are able to provide support to senior leadership teams, using their skills in financial modelling, risk management and business partnering.

INDIA'S FUTURE GROWTH SECTOR

India's future economic progress will be more focused on the following sectors:

a. Infrastructural Development
b. E-commerce & Retail Business
c. Data Science for Manufacturing / Banking sectors
d. Healthcare & Pharma
e. Energy – Solar
f. Automobiles Sector – Electric / Hydrogen

Brief potentials of the above sectors in the future are briefly outlined hereunder:

a. Future infrastructural growth in India will increase exponentially. India as on date is the fourth largest and probably the second-fastest growing economy in infrastructural development in the World.

b. In India over the past years, the retail sector has grabbed not only major cities but also tier II and tier III cities. The future growth potential in retail sector is unimaginable.

c. Data science in manufacturing process and finance/banking sectors will help in a big way to streamline its process by the application of artificial intelligence and predictive analysis.

d. After COVID Pandemic it is obvious that the healthcare and pharma is going to be a major sector that will stimulate economic growth in India.

e. The renewable-energy sector like solar is the most important sector as it is one of the determining factors in the existence of human civilisation in future.

f. The future potential growth of decarbonised - electric / hydrogen fuel automobiles is stupendous.

ROLE OF CMAs IN FUTURE ECONOMIC DEVELOPMENT

Role of CMAs in all of the above businesses will be enormous, since these industries will be prone to major fluctuations in project cost, dynamic pricing of the product and services in the market. A CMA by applying scientific and improvised costing methodology and techniques can minimize the risks of sustainability in the era of massive competition. Soon a CMA will transpose to a SMART Accountant, through his capability and quick response to changes.

The future role of a CMA will be a paradigm shift and could be summarized thus: -

a. In this era of disruptive technology strategic cost management module (SCM) which is dynamic in nature, will be the best way to solve the inexperienced evolving issues and shortcomings of the existing system. SCM which is a derivative of complex mathematical calculation and application of statistical data as parameters to give best suited solution to the business by eliminating shortcomings. SCM is the exclusive domain of CMAs.

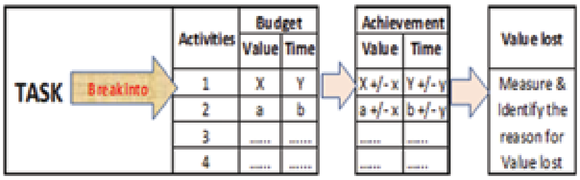
b. In the dynamic business environment, only the organisations that will adapt/ adopt changes in business decisions at par with the change in market trends can sustain in competition. A CMA is in an advantageous position to inform the management about the possible market changes (Time-based competition) and how to face those challenges with the best utilisation of the available resources.

c. Ease of doing business has resulted in bringing more young entrepreneurs as start-up with their high quality innovative technical concepts. At the same time young CMAs also will support the venture by giving their innovative costing techniques.

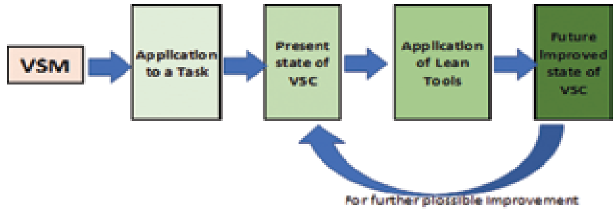
d. Maximising profits and consequently increasing the equity is the ultimate goal of any business organisation. CMAs are able to suggest most rational measures to reduce consumption of resources, since they have a complete knowledge how costs behave and the factors influencing the cost behaviour which ultimately support maximisation of profits.

SOME IMPROVISED COSTING TOOLS

1. **Time-Driven Activity-Based Costing (TDABC):** TDABC is one step ahead of activity based costing (ABC). TDABC metrics and key performance indicators highlight how much money a business organisation has spent on unproductive time (across all the departments of the organisation) which ultimately boils down to lost value. Under TDABC a time budget is also allocated simultaneously with each activity to complete a task. The reward or punishment will be measured by the task completion time (through time sheet) and value (through cost sheet) compared to budgeted time and value. Time is money and by using TDABC tool it is possible to calculate the cost of one unit of time for each activity in the business process.



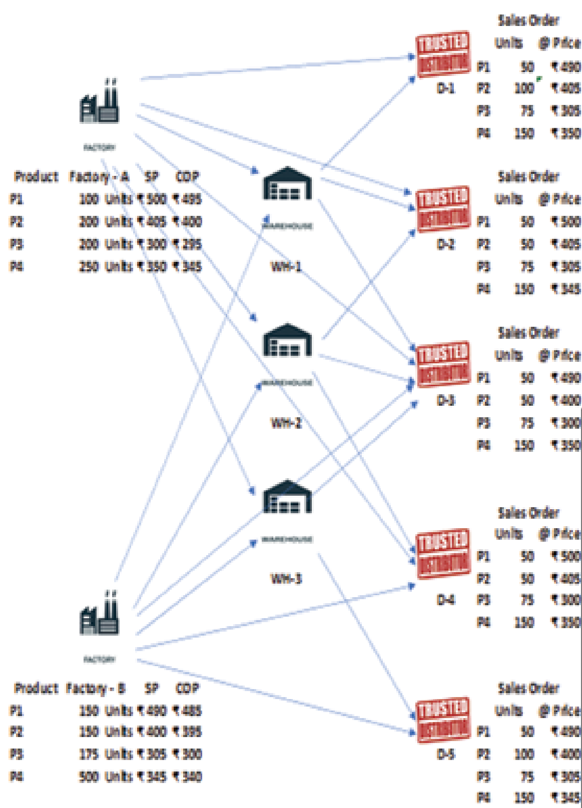
TDABC - Process flow of measuring value lost



VSC / VSM – Process Flow

2. **Value Stream Costing (VSC):** VSC is a technique of costing which is used for identifying and establishing cost for all process steps required to provide value to the customer. VSC is a function for mapping, tracking and quantification of all the steps in a task associated with the creation of customer value. Value stream mapping (VSM) is a key element of lean accounting. In order to map the value stream of a task, the Pareto 20/80 concept can be applied i.e., by improving 20 percent of the steps in a task one may achieve 80 per cent of the potential cost reduction. Identification of the key elements of 20 percent is the main challenge. VSM requires a team of technical and commercial personnels..

3. **Linear Programming and Cost Accounting (LP):** LP is a mathematical tool applied for solutions of complex cost accounting model having various economic parameters. The concept of LP can be applied for solution of following cost accounting model (if the parameters are much in number and dependency in more)
   i. Alignment of production task segmentation based on product mix of sales
   ii. Sequencing of machine line up in case of multi product manufacturing, requires common machinery for process
   iii. Determination of transfer pricing from one division to other for intermediate product
   iv. Determination of opportunity cost
   v. Vendor selection from availability of multiple vendors supplying multiple items in various stages of production / service situated in various locations



Product	A		Market Demand					Threshold	Opportunity
	AU	S P	D-1 U	D-2 U	D-3 U	D-4 U	D-5 U	Unit	Gain /(Loss)
P1	100	₹ 500		50		50		0	
P2	200	₹ 405	100	50		50		0	
P3	200	₹ 300			75	75		50	₹ 250
P4	250	₹ 350	150		150	150		-200	₹ -1,000

Product	B		Market Demand					Threshold	Opportunity
	AU	S P	D-1 U	D-2 U	D-3 U	D-4 U	D-5 U	Unit	Gain /(Loss)
P1	150	₹ 490	50		50		50	0	
P2	150	₹ 400			50		100	0	
P3	175	₹ 305	75	75			75	-50	₹ -250
P4	500	₹ 345		150			150	200	₹ 1,000

1. Opportunity Cost of
Factory-A ₹ -750
Factory-B ₹ 750

P3 Market demad of B is taken over by A
P4 Market demad of A is taken over by B
Due to non avilability of Finished Product

2. Overall Increase in Logistic cost
3. Unmatched Production scheduling w.r.t Market Demand
4. Factory wise varied COP for same Product
5. Poor scheduling of machine availbility is the reason for varied COP

Here A & B are Factories at two different places
U = Units
P = Price
AU = Available Units
S P = Sale Price
D-1, D-2, D-3, D-4 = 4 Different Distributors
COP = Cost Of Production
In each case (Product) SP - COP = ₹ 5

	Total Sales Units
P1	250
P2	350
P3	375
P4	750

A simple representation where application of LP required

5. **SMART Budgeting:** Budgeting should be a sacrosanct document. SMART budgeting is formulated by the data of best decision taken for an activity in the past. Only those data which are passed through proper measurement, robust analysis, and results in value addition for the organisation will be considered for budget formulation. Each and every task to be divided in to activities and compared with the best legacy data available. Consider those data after amending and testing the legacy data in present changed environment. It resembles ABC re-engineering and improvisation of internal bench marking. In this exercise the outdated processes may surface out, and it will reduce these unnecessary expenses. SMART budgeting is one of the best tools for cost control.

6. **Project Management:** A CMA has a very important role to play in project management. The role of a CMA in infrastructural project has been discussed briefly in as earlier article. [Refer https://icmai-**wirc**.in/bulletins/09-2021.pdf**.** (Page no. 9 to 15)

All the above costing tools are applicable to both manufacturing and service industries. Other costing tools Like Kaizen Costing, Cost of Poor Quality (COPQ), Balance Score Card, Data Analytics etc. are also very efficacious. A future CMA with the expertise in scientific and innovative costing techniques blended with good software understanding especially in ERP will be a much sought after professional whether as an employee or as a consultant.

CONCLUSION

Thanks to the Board of Advanced Studies & Research of The Institute of Cost Accountants of India which offers a tremendous value-added courses like (i) Forensic Audit, (ii) Data Analytics, (iii) SAP – FICO-Power user, (iv) DISSA, (v) Business Valuation which will make the CMAs indispensable in every business entity. CMAs should dream how their excellence will maximise the contribution to our society. CMAs have the full potential to lead the future development by their talent. "It always seems impossible until it is done." ~ Nelson Mandela. MA

A future CMA with the expertise in scientific and innovative costing techniques blended with good software understanding especially in ERP will be a much sought after professional whether as an employee or as a consultant

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REMINISCING THE EXPEDITION TOWARDS SWACHH BHARAT - A MISSION WITH A CONVICTION OF ALL 'SWACHHAGRAHIS'

Abstract

Before the program was launched, 60 percent of the global toiletless population defecating in the open were Indians. With a focused execution roadmap and a well-demarcated responsibility, the mission accomplished its macro and micro targets overwhelmingly. To maintain the feeling of cleaner India, the sense of ownership amongst fellow citizens is of pivotal importance, and to achieve it, unity with resilience is a must. The consolidated effort with a practicable conviction of the Swachhagrahis seems to make the program a benchmark for all the developing nations.

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INTRODUCTION

"Sanitation is more important than political freedom"- as accentuated by the father of the nation, the Government of India followed his pledge by introducing the Swachh Bharat Mission on October 2, 2014, intending to eradicate open defecation and proper disposal of waste. There are numerous socio-behavioral issues in India due to the vast population, and improper hygiene and sanitation are significant challenges. A pilot program *Nirmal Bharat Abhiyan* was introduced by the Government of India in 1999 to wipe out the practice of open defecation and provide clean toilets to the rural community by 2017. This was a humanist approach to facilitate the general population, including the families living below the poverty line, the *anganwadis*, and schools. Open defecation, unhygienic living conditions, improper disposal, and poor waste management are not limited to rural India. *Swachh Bharat Mission* (SBM) Grameen focused on building Gram Panchayats open-defecation free (ODF), whereas SBM Urban had similar targets for urban India along with scientific disposal of solid waste. *Nirmal Bharat Abhiyan* was a capacity-building program, whereas the urban population was to be included to make it a mass movement. Therefore, *Swacch Bharat Abhiyan* was introduced, with an end goal of inclusive 'Clean India' as the former mission appeared to have multi-level lacunae primarily due to deficient outlining and lack of appropriate campaigning at the bottom level. The objective of the first phase (2014-2019) was to build open-defecation-free India, weeding out manual scavenging practices and paradigm shift in the behavior of the people towards proper sanitation. The second phase (2021-2025) focused on the primary objective of open-defecation-free India and better solid waste handling.

A PRECURSOR TO THE SUSTAINABLE DEVELOPMENT GOALS (2015)

Swacch Bharat Mission can be identified as a precursor to the Sustainable Development Goals (SDG) enumerated by the United Nations General Assembly. 'Sustainable development' means an all-encompassing improvement of society today without causing any hazard to the environment and preserving natural resources for future generations. Target 6.2 of SDG number 6, aiming at "Clean water and sanitation for all", is a roadmap of an improved and sustainable future for all the member countries of the UN. "Leave no one behind" is the central proposition of the Sustainable Development Goals, the objective of which is altruistic, and nobody should be denied clean water, proper sanitation, and better hygiene. Phases of the SBM aims to eradicate open defecation, build toilets at every household, unify management of solid waste, proper treatment of liquid waste, and provide clean potable water to all. Every school in rural and urban areas must have separate toilets for boys and girls; this is one of the principles of SBM, which is quite a herald to the SDG. Further, the core pivots of SBM were percipient and can exceptionally add up in achieving the SDG, 2030.

SIMILAR INITIATIVES- A GLOBAL EXPOSITION

The United Nation's 2030 Agenda is to completely eradicate the practice of open defecation and provide access to clean drinking water to all and hence bridging the gap between the poor and rich. Open defecation and unsafe drinking water result in diseases like diarrhea, typhoid, hepatitis, polio, etc. India's SBM has encouraged nations like China, Myanmar, the Philippines, Pakistan, Ethiopia, Nigeria, and Ghana to bring measures to eradicate the same. However, it is uncertain for Ethiopia to reach the sustainable development goal 2030 as one family out of six practice open-defecation, which the

Ethiopian government aims to weed out completely. In Wa municipality in Ghana, a study shows that people are aware of open defecation's health and environmental hazards, whereas they refuse to avail toilets due to socio-cultural reasons. China brought a "toilet revolution" in 2015 to provide clean toilets in rural areas. According to a study by UNICEF, Nigeria is the second most open-defecation-prone country after India and failed to satisfy the WASH NORMS. Only 2 per cent of local Government regions are free from open defecation. "Clean Nigeria: Use The Toilet" campaign sponsored by multilateral bodies intended sought to put a full stop to open defecation. The UNICEF's 'Pakistan Approach to Total Sanitation' initiative has been targeted to make Pakistan open defecation free, where 40 million people defecate openly. Myanmar has shown a notable improvement by following well-organized community-led techniques to educate the masses and encourage them to use toilets; even the smallest communities learned the worth of clean toilets. National Sustainable Sanitation Plan shows that only one-third of the poorer community has access to toilets in the Philippines. Zero Open Defecation (ZOD) in the Philippines aims to make the nation open defecation free by overcoming the misunderstood notion that open defecation free is similar to defecate without any money. Nepal has also witnessed a growth trajectory in ODF by reaching an optimal 95 percent level from 10 percent in the early 90s. Pan American Health Organization (PAHO) in Latin America and the Caribbean aims to wipe out open defecation in the region and provide access to clean water.

WHERE DO WE STAND?

Before concluding what we have achieved and how much we could change the socio-behavioral inclination through a landmark movement, it is always better to assess where we started. Before the program was launched, 60 percent of the global toiletless population defecating in the open were Indians (Figure 1)[1]. *Swachh Bharat Mission-Grameen* (SBM-G) took off from an emaciated situation in 2014, where the condition of all-inclusive sanitation in the nation was horrifying, with a meager two-fifth of the families having access to toilets[2]. '*Only those who attempt the absurd can achieve*

[1] Swachh Bharat: Vision to Mission: India Sanitation Coalition & Sustainable Sanitation Alliance: April 2017

[2] Access to toilets and the safety, convenience and self-respect of women in rural India-Sambodhi Research and Communications

the impossible' as said once by the great Albert Einstein; the SBM scheme also targeted achieving something that appeared to be impracticable in the starting point. With a focused execution roadmap and a well-demarcated responsibility framework (Figure 2), the mission accomplished its macro and micro targets overwhelmingly.

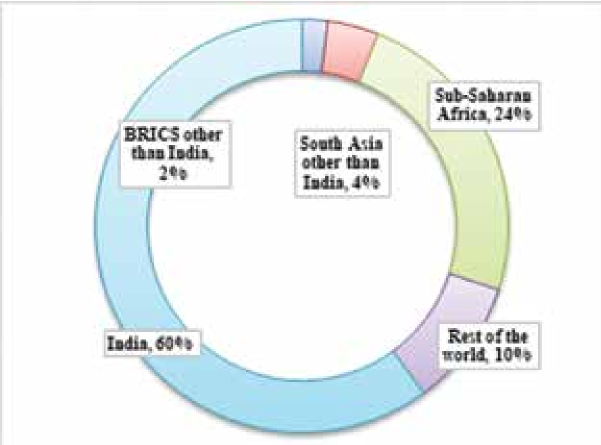

Fig 1: Global scenario- Open Defecation

Goals and Framework
Achieve an Open-Defecation Free (ODF) India by 2 October 2019
Construction of 100 million toilets in rural India
A projected cost of ₹1.96 lakh crore (US$28 billion)
Swachh Bharat Abhiyan (Gramin or rural)- Ministry of Drinking Water and Sanitation
Swachh Bharat Abhiyan (Urban)- Ministry of Housing and Urban Affairs
Introduction of Swachhagrahis, Ambassadors of cleanliness

Fig 2: SBM- Major Highlights

Figure 3 depicts the remarkable success story of the Grameen (Rural) scheme, where the household toilet coverage increased three-fold and reached a 100 percent figure before the deadline. The number of open defecation-free villages and districts too skyrocketed during the period. The success of the urban-mission talks loud with its achievement in terms of critical goal indicators, namely individual household latrines, community and public toilets, and open defecation free declared cities (Figure 4).

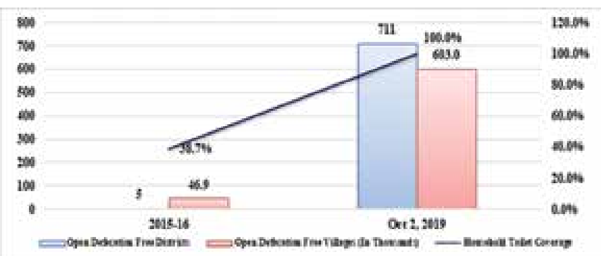

Fig 3: ODF and Household Toilet Coverage Comparison- Villages

When the nodal implementation agency, the Ministry of Drinking Water and Sanitation, requested UNICEF to evaluate the overt and quantifiable economic benefits of the Swachh Bharat (Rural), it reverted with applause. The survey was based on stratified sampling, emphasizing inclusiveness and non-omission. The yearly accrued mean household benefit in the open defecation free villages was approximately half a lakh rupees, whereas the presence of toilet witnessed per family wealth increase of roughly 20,000 rupees.

Sanitation is more important than political freedom

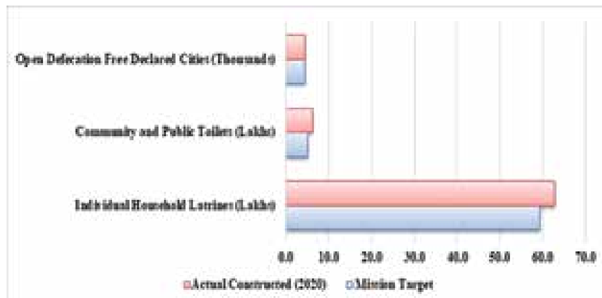

Fig 4: Targets and Achievements: SBM- Urban

Similarly, while ascertaining the depth and coverage of the mission, the homogeneity of the achievement across states has also been observed. When the five backward States were analyzed in terms of their achievement towards household toilet coverage, the success of the States during the first phase of the mission was noteworthy. Populous States like Bihar, Odisha, and Telangana achieved near-complete coverage from a sub-30 percent level by 2018-19 (Figure 5).

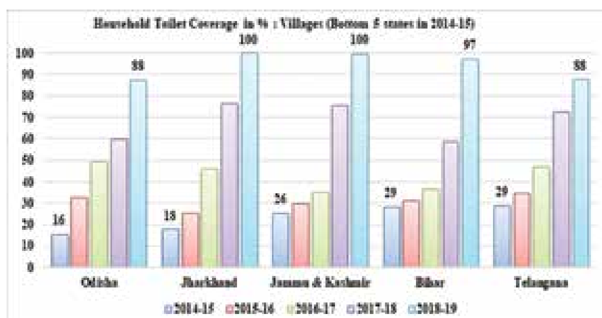

Fig 5: Household Toilet Coverage in %: Villages (Bottom 5 states in 2014-15)

These States had evidenced not only sustainable high growth rates in coverage but also spotted all-encompassing inclusiveness in implementing the mission. Figure 6 explicitly indicates the presence of States near the 100 percent level of household toilet coverage in 2018-19 from the anorexic condition in 2015-16. The available data fortifies the mission's success and enumerates the reasonableness of its all-embracing exploration towards making it one of the most successful in the history of landmark policy intervention.

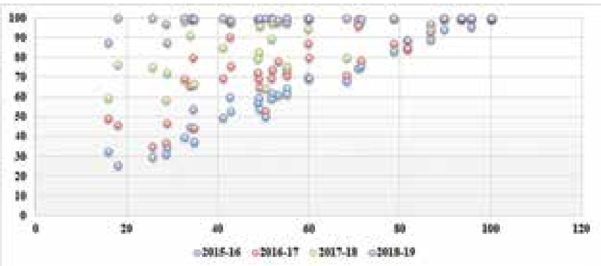

Fig 6: State-specific Toilet Coverage in % (2015-16 to 2018-19)

EVERY SINGLE INDIAN NEEDS TO BE A SWACHHAGRAHI

Swachh Bharat Mission (Rural) conceptualized 'Swachhagrahis', the executant of the mission, to enable the socio-behavioral changes regarding sanitation in rural India. The outcome shows that they addressed the humongous task with utmost care resulting in the achievement of the broad-based thematic objective of the mission- Suraksha (improved safety), Suvidha (convenience), and Swabhimaan (higher self-respect). To continue the best sanitation and waste management practices, the Government of India has put in place a plethora of technologically-enabled monitoring mechanisms and announced the sustainable continuation of the mission with next-level cleanliness targets. With an eye on making the cities 'garbage free', Urban Swachh Bharat Mission 2.0 has primarily focused on solid waste management, waste-water treatment, garbage management, handling usage of single-use plastics, and controlling infra-induced air pollution. To maintain the feeling of cleaner India, the sense of ownership amongst fellow citizens is of pivotal importance, and to achieve it, unity with resilience is a must. '*Sanitation should not be seen as a political tool, but should only be connected to patriotism (rashtrabhakti) and commitment to public health'*- as vowed by our honorable Prime Minister, the achievement is temporary, but the sustenance is scrupulously connected with nationalism and feeling of togetherness. Hence, all the 'Swachhagrahi' Indians can only make this mission a holistic success.

INVIGORATING PERORATION

Since time immemorial, the relevance and importance of good hygiene and cleanliness have been prioritized.

To maintain the feeling of cleaner India, the sense of ownership amongst fellow citizens is of pivotal importance, and to achieve it, unity with resilience is a must

The ancient texts, religious books, philosophical scriptures are also vocal on the significance of sanitation and waste management. While underlining the relevance of waste disposal through 'watercourse or gutter', Arthashstra talks about imposing a fine of 12 panas to the wrongdoers. Professor Ann Olga Koloski-Ostrow mentioned that a myriad of archeological proofs elaborate that finely developed sewer frameworks regarding waste management talk elaborately about the toilet hygiene of the Romans. The old thoughts desperately required a new operational ecosystem to effectively accomplish related strategic targets for a 'garbage-free' nation. Swachh Bharat Mission had not only set the right tone but also successfully made the world believe in national solidarity in accomplishing the area-specific goals. With extensive Open Defecation Free (ODF) Plus targets under Phase II of *Swachh Bharat Mission (Grameen)* for an equitable and more inclusive solid and liquid waste management, the future roadmap depends largely on further change in accepting and sustaining the newborn way of life. The homogeneous growth in achieving SBM targets across the States is a positive indication. Besides, the consolidated efforts with a practicable conviction of the *Swachhagrahis* it seems to be possible to make the program a benchmark for all the developing nations in the years to come. MA

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Note: 'Views expressed in the article are those of the authors alone and do not, in any way, represent the views of the institution they are employed with'.

ROLE OF GOOD CORPORATE GOVERNANCE IN ACHIEVING AATMA NIRBHAR BHARAT

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Abstract

Aatma Nirbhar Bharat is the strategy of the Central Government to make our Nation self-sustained by breaking all the turbulence and constraints caused by the Covid-19 pandemic. The vision of Aatma Nirbhar Bharat intends development from the grass root level ensuring flawless, stabilized and rapid growth. Corporate Governance has a far reaching impact not only in the ambit of any particular entity, but also for the nation at large. Professionals are recognized as the conscience keepers of the nation's progress and they have a predominant role in ensuring ethical and virtuous principles are abided in all the initiatives of the Government. Good Corporate Governance would enable the Government to detect growth opportunities and risk mitigating measures as a gap bridging mechanism to improve efficiency in the operations for achieving the objectives of Aatma Nirbhar Bharat.

INTRODUCTION

Aatma Nirbhar Bharat is the strategy and futuristic effort initiated by the Central Government to make our Nation self-sustained by breaking all the turbulence and constraints caused by the Covid-19 pandemic and its after effects. Accordingly, a vision for self-reliant India- "Aatma Nirbhar Bharat" was announced by the Honorable Prime Minister Narendra Modi to build new India by strengthening the core dimensions by implementing Government reforms and sectoral enablers. The scope of Aatma Nirbhar Bharat is not only to meet the Indian market demand but also is marching towards "Make for the World" and making the Indian entrepreneurs more competitive. The vision of Aatma Nirbhar Bharat is not only futuristic but also intends development to reach the grass root level assuring flawless, stabilized and rapid growth. The total financial package of the vision is 20 Lakh Crore viz: - 10 per cent of Nation's GDP which encompasses small businesses to structured Governance practices to integrate the Indian entrepreneurs with Global market, thereby making India as the most favored nation in global trade and investment.

ALIGNING CORPORATE GOVERNANCE AND ATMA NIRBHAR BHARAT

Corporate governance is a collective mechanism in which an entity upholds integrity and transparency in its activities to ensure ethical practices and disclosures for facilitating decision making to the shareholders as well as the stakeholders. It includes the processes and systems of an entity which are designed to attain its objectives and are pursued in the context of social, regulatory and market environment. The present corporate governance practices mandated by law are focused to align the interests of the entities and their stakeholders. Moreover, corporate governance has a far reaching impact not only in the ambit of any particular entity, but also for the nation at large and hence for a futuristic vision like Aatma Nirbhar Bharat, a well-placed governance practices are indispensable for timely and productive achievement of results in an effective and economical manner.

ROLE OF CORPORATE GOVERNANCE IN AATMA NIRBHAR BHARAT

Corporate Governance is an integrated effort to drive the entity to achieve its goals in an efficient and transparent manner and this practice of upholding ethics and accountability handholds the Government and its departments to reach the destination which the Atma Nirbhar Bharat is intended to. There have been many missions that Indian economy had witnessed and many of them have failed or been dropped in the midst due to lack of preparedness to meet future prospects/contingencies and absence of professional expertise and guidance. The mission of Aatma Nirbhar Bharat is to facelift the Indian economy in the Global market starting from the grass root level and hence the room for error is next to impossible. Accordingly, in the following ways, corporate governance eases the path for Aatma Nirbhar Bharat.

1. **Self-Governance**

   In a vision where there are many multifaceted and inter-connected processes with contingent scenarios, a system with self-correction mechanism has to be implemented. With the measures of corporate governance tools, it would enable the Government to detect growth opportunities and risk mitigating measures as a gap bridging mechanism to improve the efficiency in the operations.

2. **Sustenance amidst Turbulence**

   The mechanism relied by corporate governance is process driven rather than factor driven so as to mend issues before hand. It would facilitate avoidance of accidental discoveries of process gaps so that the process could handle contingencies at ease and implementation of many Plan Bs at ease.

3. **Mitigation of Fraud and Allied Risks**

   Corporate governance is a practice where accountability, disclosure, responsibility and transparency are being fixed at all levels to ensure ethical practices coupled with uninterrupted continuity plans. When there is clarity in the processes and status updation after each level of operation and the data availability is certain, the chance of fraud, corruption and allied risks gets mitigated and sometimes are nullified.

4. **Minimizes Wastes and Mismanagement**

   Good corporate governance practices with adequate monitoring system will always help the vision of attaining Aatma Nirbhar Bharat with minimum revenue leakage and protect it from mis-mangement. Since there is a self-correction mechanism at each level and data access is ensured, the chance for revenue leakage and mis-management is ruled out. For attaining the vision of Aatma Nirbhar Bharat involving around Rs. 20 Lakh Crore corporate governance principles must be applied since it involves public money and brand of Indian economy.

5. **Increases Public Confidence**

   One major merit of practicing corporate governance principles is the aspect of reliability and trust. When there is transparency and self-governance measure is applied in the processes of Aatma Nirbhar Bharat, and there is no room for error, the mission becomes the brand of Indian economy and enhances the public confidence of Government measures to achieve the intended objective.

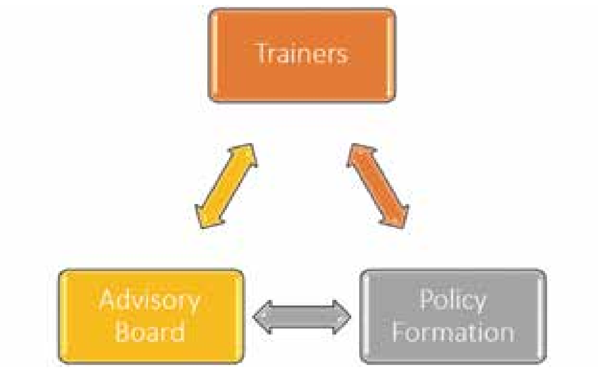
ROLE OF PROFESSIONALS

Professionals are recognized as the conscience keepers of the nation's progress and they have a predominant role in ensuring ethical and virtuous principles abided in all the initiatives of the Government. Aatma Nirbhar Bharat is ultimately focused to build new India by strengthening the five core dimensions viz; - economy, infrastructure, systems, demography & demand and introducing government reforms and sectoral enablers. This comprehensive vision is extended to the grass root level of the Indian economy assuring flawless stable and rapid growth. And it consists of a five phased package for MSME, migrants and poor, agriculture, growth horizons and government reforms encompassing small businesses to governance for ease of doing business to integrate the Indian entrepreneurs with

Corporate Governance is an integrated effort to drive the entity to achieve its goals in an efficient and transparent manner and this practice of upholding ethics and accountability handholds the Government and its departments to reach the destination which the Atma Nirbhar Bharat is intended to

global market. The vision would transform the Indian market as the most favourable nation in global trade and investment. The vision would also motivate the individuals to become entrepreneurs and they can be self-reliant with the support of the Government from the inception stage itself. The packages like *Pradhan Mantri Garib Kalyan*, increase in MNREGA wages, declaration of moratorium, reduction of cash reserve ratio by Reserve Bank of India etc have stabilized the trembled economy and is building a new, strong and innovative India.

Professionals being the torch bearers of the nation; can contribute in the following ways in achieving the objectives of Aatma Nirbhar Bharat.



1. **Imparting Training to the Budding Entrepreneurs**

   The financial support and exposure extended to the budding entrepreneurs through Aatma Nirbhar Bharat is huge and expected to meet the international standards. The incumbent investors often fail to endure the pressure and intense competition and used to quit in the midst. In order to motivate the incumbent investors and to confine them from unethical practices, the professionals can go hand in hand with the Government to groom and disseminate the entrepreneurs the virtue of adopting corporate governance principles.

2. **Supporting the Government in Policy Formulation**

   Aatma Nirbhar Bharat is a mission with a long term objective and hence it is indispensable to have accurate fundamentals and statistics. In this context, professionals with their varied skills and rich expertise can assist the Government in big data analysis and framing policies adhering to the corporate governance standards assuring accountability, disclosure and transparency.

3. **Member of the Advisory Board of Government**

   Professionals can definitely advice and guide the Government in implementing various operational strategies, valuation etc. Representatives from professional bodies can be inducted in various Advisory Boards of the Government to assure adherence to standards and futuristic requirements and preparations of the government system to meet the increasing demand and contingencies, for economical achievement of Aatma Nibhar Bharat vision.

SUMMARY

Aatma Nirbhar Bharat is an enormous mission and million-dollar dream which intends for an integrated and collective effort of all the sectors of society which requires continuous infusion of funds and monitoring. Concrete mechanism to evaluate the progress and corrective measures in case of deviations from standards are to be assured from the planning stage till the objectives are met. Hence good corporate governance practices and policies which upholds its principles in all the departments of Aatma Nirbhar Bharat would facilitate economical, effective, regulated and timely achievement of the objectives. MA

References: NA

OBITUARY

20–06–1956 – 06– 01–2022

The Institute and its Members deeply mourn the sad demise of CMA CS Hariharan (M/16757) who left for heavenly abode on 06th January 2022. He was the Vice Chairman of Palakkad Chapter from 2019 onwards. CMA CS Hariharan was a man of integrity, honesty, dedication and was the driving force behind the development of ICAI- Palakkad Chapter and the contributions made by him towards the development of CMA Profession will always be remembered.

May God bless the family and have the courage & strength to overcome the irreparable loss.

MANAGING RISKS, CHALLENGES AND OPPORTUNITIES IN MSMEs TO BUILD A SELF-RESILIENT INDIA

Abstract

MSME sector has come up as the major growth driver of the Indian economy, contributing nearly 40 percent of the nation's GDP and creating employment opportunities. The study encompasses understanding about the sector's functioning procedure, Government policies and recent developments, risks and challenges faced by the sector, major Government schemes initiated for the sector and opportunities ahead to enhance the MSME performance in India. However, the envisaged future growth in MSME sector requires adequate hassle-free financial support, induction of skilled work force, infrastructural assistance, ease of statutory compliance for faster processing of loans and credits and other amenities.

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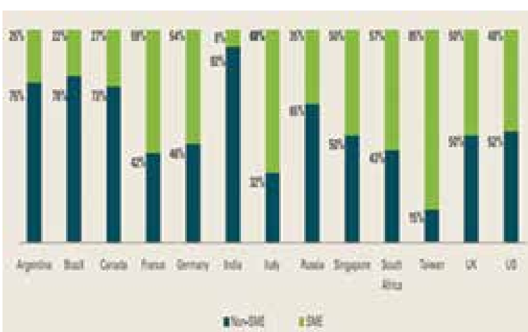
INTRODUCTION

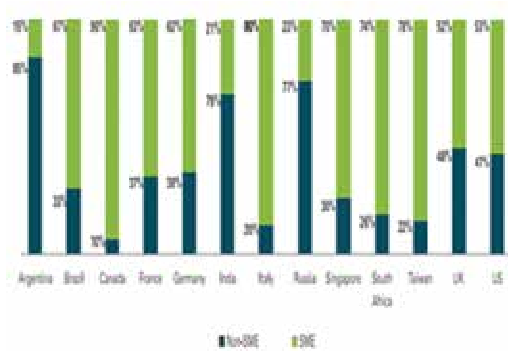
Medium, small and micro enterprises (MSMEs) are the emerging vibrant and dynamic part of Indian economy - a powerful source of employment generation, economic development and innovation management. MSME sector contributes 30 percent to the national GDP and is growing at a rate higher than projected GDP growth rate. Key statistics about MSME are tabulated below:

Global GDP contribution by MSMEs



Source: Country Specific MSME Reports, KPMG Data & Estimates

Employment generated by MSMEs as a percentage of overall employment globally



Source: Country Specific MSME Reports, KPMG Data & Estimates

The Government of India has enacted the MSME Development Act, 2006 to design policies, projects, schemes for the sector. As on 26th November, 2021 the Udyam registration portal has a registered population of 57.58 lacs of MSMEs out of which 54.41 lacs (94 percent) are micro, 2.93 lacs (5 percent) are small and 0.32 (1 percent) is medium enterprises. Classification of MSME enterprises is based on investment in plant and machinery / equipment as stipulated in section 7 of MSMED Act, 2006 as tabulated below:

Classification	Manufacturing enterprises (Investment in Plant, Machineries and Equipment)	Service enterprises (Investment in Equipment)
Micro	Upto Rs. 25 lacs	Upto Rs. 10 lacs
Small	Rs. 25 lacs to Rs. 5 Crs.	Rs. 10 lacs to Rs. 2 Crs.
Medium	Rs. 5 Crs. to Rs. 10 Crs.	Rs. 2 Crs. to Rs. 5 Crs.

OBJECTIVES OF THE STUDY

The fundamental objectives of the present study are to understand:

1. Functioning of the MSME sector
2. Government policies and recent developments in MSME sector
3. Risks and challenges in MSME sector
4. Major Government schemes initiated for MSMEs
5. Opportunities ahead to enhance MSME performance in India

1. Functioning of MSME Ministry of India

There are five statutory bodies under the MSME Ministry which are responsible for aiding MSMEs w.r.t Government schemes and policies. These are as under: like,

a. ***Khadi and Village Industries Commission (KVIC):*** The primary focus of KVIC is to create employment in rural areas, provide saleable articles and create self-reliance amongst people to build a strong rural community spirit. There are approximately 15431 khadi sales outlets out of which 7050 (46 percent) are owned by KVIC and spread across the country.

b. ***Coir Board of India (CBI):*** India is the largest producer of coir in the world employing approximately 8 lac persons and involving consumers in households, co-operatives, NGOs, manufacturers and exporters. Coir export grew by 92442 MT (35 percent) i.e. Rs. 45522 lacs (62 percent +) between Apr-June '20 and Apr-June'21 respectively.

c. ***National Small Industries Corporation Limited (NSIC):*** NSIC is an ISO9001-2015 certified Mini Ratna GOI enterprise responsible for expansion of MSME in India. Product profiles under NSIC are light engineering, agro and food processing, pharmaceuticals, chemical, auto component, knitwear and garments, plastic and rubber, leather and footwear and many others. PBT of NSIC grew by Rs.68.91 Crs. (109 percent) in 2019-20 over. 2018-19 whereas, dividend payout grew by Rs. 27.74 (437 percent) respectively.

d. ***National Institute for Micro, Small and Medium Enterprises(NI-MSME) :*** NI-MSME handles a wide range of activities with reference to MSMEs like training and consultancy, research and development, expansion and extension and information services. NSIC has conducted 16198 training programs including 6022 skill development programs with 548815 participants who were trained, handled 947 research and consultancy services and trained 176223 unemployed youths.

e. ***Mahatma Gandhi Institute for Rural Industrialization (MGIRI):*** MGIRI consists of 6 major divisions viz. khadi and textile industries, bio-processing and herbal, chemical, rural crafts and engineering, rural infrastructure and energy, management and systems respectively. The vision of MGIRI is to accelerate rural industrialization in line with Gandhian philosophy of sustainable and self-reliant village economy as well as support in product upgradation of rural industry to enable gain wider acceptability in both national and global markets.

The envisaged growth in MSME sector presupposes adequate hassle-free financial support, availability of skilled work force, infrastructural assistance, ease of statutory compliance for faster processing of loans and credits and other amenities to instill growth impact

2. Government of India (GOI) policies and Recent developments in MSME sector

Few policies of the Government of India to boost the MSME sector have been outlined hereunder:

a. GOI launched 'Special Credit Liked Capital Subsidy Scheme' in November 2021 for various technological requirements

b. SAMBHAV was launched by GOI in November 2021 to create awareness about the strengths of

MSMEs and augment economic growth

c. 'India Export Initiative' and 'India Xports 2021' portals were launched to achieve export target of Rs. 29 lac Crs. by 2022

d. KVIC established 'Silk Yarn Production Centre' in Orissa in September 2021 to augment local silk industry

e. GOI established the Rohtak Technology Centre in September 2021 to train nearly 10,000 MSME citizens annually

f. GOI also extended collateral free automatic loans of Rs. 3 lac Crs. to the sector

Some recent developments in the MSME sector have been outlined hereunder:

a. SIDBI and Google entered into a MOU to fund Rs. 1 Cr. at subsidized interest rate to reinvigorate the Indian MEME sector

b. 'CashInvoice' – a supply chain financing platform to infuse MSME sector with Rs. 10,000 Crs.

c. 'Freightwalla' - a digital inward and outward shipment tracking service for MSME exporters and importers is to improve on shipment delays

d. Aerospace Engineers Pvt. Ltd. (Tamilnadu based MSME) has obtained the contract from Boeing for supplying critical aviation equipments.

e. 'Walmart' and 'Flipkart' has trained more than 2500 MSME personnel under 'Vriddhi' – a supplier development programme

3. Risks and Challenges in MSME sectors

Key / major risks and challenges confronted by MSMEs are presented in the following Table:

Sr. No.	*Risks and Challenges areas*	*Risks and Challenges*	*Suggested Solutions*
i	Finance	• Lack of financial literacy – education deprived • Careless, impractical financial decisions adopted • MSMEs don't enjoy same credit worthiness and bank's confidence like large entities about loan repayment capabilities • Long loan related paperwork, and approval process derails real-time business opportunities • Absence of sufficient collaterals with MSMEs	• Moderate financial education for MSME owners to the extent of running business without financial crash landing • Bank loans / credits at low interest, flexible repayment policies, easy loan processing mechanism • MSME owner should construct a collateral fund well in advance for timely procurement of credit facilities
ii	Marketing / Managerial	• Lack of professional managerial and marketing skills to boost sales and acquire new customers • Improper product development, poor product promotion schemes, distribution and branding activities • Backdated sales and brand promotions	• Initiate measures for improving competitive edge • Obtain professional advisories to tune up marketing skills, pricing policies, branding and distribution network • Avail government schemes to promote domestic goods.
iii	Human resource	• Inconsistent availability of skilled human resource • Poor employee management and care • Lack of training and development • Rigid local labour markets and poor industrial relationship	• On-job training to boost productivity, skill and morale of employees • Government should simplify labour laws and compliances • Structured trade unions will help in safeguarding interest of human resources

iv	Technology	• Limited knowledge about technology is restricting the growth • Incapability of procuring expensive technological infrastructure both in mechanical and information technology fronts • Untrained work force to handle advanced technology • Lack of awareness about safety and security of technology may result in technological upheavals	• Enroll in government training centers on IT developments to upskill technological knowledge base of both entrepreneurs and work force • Get used to hands on knowledge about utilizing modern tech pertaining to the industry • GOI should open IT training and development centers with specific modules and courses for training MSME personnel.
v	Competition and Peer management	• MSMEs still follow traditional / conventional methods of market measuring instead of adopting innovative methods to collect market intelligences • Lack of ability to understand market trends, consumer behavior, market intelligence, identifying target markets / customers • Entry barriers due to stiff competition, rivalry among firms, threat of substitute	• Induce changes in market intelligence strategies in line with consumer feedback • Use versatile procedures to promote sales in MSMEs • Provide excellent customer service and high-quality products at affordable rates
vi	Legal and Compliance	• Complexities of legal compliances • Time spent on completing legal compliance	• Ease in legal compliances to make it simple and user friendly • Faster resolution of compliance related issues by authorities
vii	Insurance impediments	• Inadequate risk management strategies • Rapidly changing risk management needs • Lack of awareness of insurance • Insurers' lack of knowledge about MSMEs as potential target market • MSMEs are difficult to be reached by insurers • Insurance related regulatory barriers	• Instill a self-risk assessment and enterprise risk management mechanism • Educate the sector about requirement of risk to cover any untoward damages / casualties • Insurers should engage with the sector more deeply and closely to remove heterogeneous approach towards insurance • Ease out insurance regulatory barriers to the extent feasible for insurers

4. Major Government schemes for MSMEs

Key / major schemes for MSMEs initiated by Government of India are tabulated hereunder:

Sr. No.	*Government of India Scheme name*	*Funds allocated (2020-21)*	*Expenditure Incurred 2020-21 (till 31.12.20)*
a	Prime Minister's Employment Generation Programme (PMEGP)	Rs.1650.00 Crs.	Rs.1018.50 Crs.
b	Credit Linked Capital Subsidy Scheme (CLCSS)	Rs. 503.28 Crs.	Rs. 438.59 Crs.
c	Interest Subvention Scheme For Incremental Credit to MSMEs	Rs. 200.00 Crs.	Rs. 200.00 Crs.
d	Scheme for Promotion of Innovation, Rural Industry & Entrepreneurship (ASPIRE)	Rs. 30.00 Crs.	Rs. 5.88 Crs.

e	Entrepreneurship and Skill Development Programmes (ESDP)	Rs. 136.96 Crs.	Rs. 0.63 Crs.
f	Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	Rs.464.85 Crs.	Rs. 127.41 Crs.
g	Scheme for providing financial assistance to Khadi institutions under MPDA	Rs 150.00 Crs.	Rs. 191.56 Crs.

5. Opportunities ahead to enhance MSME performance in India

Few opportunities ahead for MSMEs to self-motivate its business objectives are the following -

a. GOI's vision of doubling growth of Indian economy to US$ 4 trillion in five years provides potential growth opportunity to MSMEs

b. MSME sector is an effective tool for balanced regional development catering to enhancing rural living standards

c. MSME sector is extensively supported by GOI through various supportive schemes / trade fairs / exhibitions etc. which they can make best use for its success

d. Globalisation has offered new channels of opportunities to expand business both vertically and horizontally

e. MSMEs need to make fruitful use of growth in both domestic as well as international trade.

f. MSMEs also need to explore and incubate new business channels by collaborating as ancillaries to green field large scale industries

g. Approximate potential surplus population in working age group is around 2100 mn which can be deployed at an affordable cost by MSMEs while exploring new business channels

CONCLUSION

MSMEs remain the growth engine with most vibrant force and agent of economic development as they cover vast canvass of industries. GOI also appears to be supportive through its various activities and schemes to enhance entrepreneurial courage and growth in the sector. However, the envisaged growth in MSME sector presupposes adequate hassle-free financial support, availability of skilled work force, infrastructural assistance, ease of statutory compliance for faster processing of loans and credits and other amenities to instill growth impact. MA

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ON THE PATH OF DECRIMINALISING THE MISDEMEANOURS: STRIDES TOWARDS EASE OF DOING BUSINESS – THE UNDERLYING PRINCIPLES AND ARGUMENTS

Abstract

To foster the entrepreneurial spirit, removing the fear of criminal prosecutions for minor omissions and commissions in the normal course of business is of paramount importance and hence the Ministry of Corporate Affairs (MCA) being the corporate regulator is currently on decriminalisation drive. The MCA facilitates the ease of doing business through decriminalisation of compoundable offences under the Companies Act, 2013 and the Limited Liability Partnership Act, 2008 to start with. This article is an attempt to focus on the need for decriminalising and outline the principles adopted for such a process along with arguments for and against it.

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1. INTRODUCTION AND NEED

"Today, India is undergoing a rapid change in mindsets as well as markets. It has embarked on a journey of deregulation and decriminalization of various offences under the Companies Act." – Shri Narendra Modi, Prime Minister of India *(MoIB GoI, 2021, p. 2)*. Although this statement of the Prime Minister has mentioned the Companies Act, 2013only, a dozen of compoundable offences under the Limited Liability Partnership Act, 2008 (hereinafter referred to as 'the LLP Act, 2008') also figure in the process of decriminalisation initiated by the Ministry of Corporate Affairs (MCA) towards ease of doing business *(MCA GoI, 2021)*.

India being a mixed economy treats its corporate entrepreneurs as nation builders because these corporates are capable of generating wealth and increases the scale of economic activities that foster greater employment opportunities; hence protecting the interests of those corporate entrepreneurs who operate ethically within the ambit of law is considered to be the duty of regulator. MCA being the regulator of corporates and limited liability partnerships (LLPs) has since decided to decriminalise the compoundable offences under the Companies Act, 2013 and the LLP Act, 2008.

2. REGULATOR's FIRST MOVE

To review the offences under the Companies Act, 2013 a ten-member Committee was constituted in July 2018. The Committee was chaired by the then-Secretary to the Ministry of Corporate Affairs *(MCA GoI, 2018)*.

The Committee was required to:

a. Review the nature of compoundable offences (offences punishable with fine only or punishable with fine or imprisonment or both) and recommend whether any of these can be re-categorised as civil wrong wherein officers in default and company are made liable for penalty.
b. Examine the possibility of re-categorising non-compoundable offences into compoundable offences.
c. Examine the current mechanism of levy penalties to identify the scope for improvement.
d. Lay down broad contours of an in-house adjudication mechanism to minimize the discretions.

On 27th August 2018, the Committee submitted its report. The recommendations included the re-categorisation of certain offences into civil wrongs and the initiative towards declogging the NCLT. Changes have been made to the Companies Act, 2013, after considering the recommendations made by said Committee; in the meantime Companies (Amendment) Act, 2019 was passed to decriminalise 16 sections.

In the first stride 'acts' constituting offences under Companies Act, 2013 only were reviewed; the LLP Act, 2008 still needed to be reviewed. Secondly, only 30 days were given to the Committee constituted in July 2018 for submission of the report and hence there was further scope to overhaul the adjudication and penalty provisions for offences under the Companies Act 2013 to touch those which remained untouched.

3. SECOND STRIDE - CONSTITUTION OF COMPANY LAW COMMITTEE

MCA vide its order dated 18th September 2019 constituted a Company Law Committee (CLC) for examining and making recommendations to the Government on various provisions of the Companies Act, 2013 and the LLP Act, 2008 to bring about greater ease for the corporate stakeholders *(MCA GoI, 2019 (1)*.

The terms of reference of the CLC included;

a. To analyse the nature of the offences and to recommend as to whether any of the offences could be re-categorized as a civil wrong
b. To examine the feasibility of introducing a settlement mechanism
c. To make suggestions to further de-clog as well as improve the functioning of the NCLT.

The CLC was asked to submit its recommendations

India placed among the top 10 performers for the last three years in a row and hence it can be observed that decriminalisation of offences results in improvement of ease of doing business ranking

subject-wise in a phased manner from time to time. It is worth noting that the ten-member CLC comprised of the same nine members of the earlier Committee constituted in July 2018.

4. CLC RECOMMENDED DECRIMINALISATION UNDER THE COMPANIES ACT 2013

The Company Law Committee submitted the first report on 18th November 2019, wherein it recommended the amendments to 46 penal provisions of the Companies Act, 2013 for further decriminalising the offences to facilitate ease of living in addition to ease of doing business apart from de-clogging the NCLT and special courts. *(MCA GoI, 2019 (2)*.

While examining the compoundable offences under the Companies Act 2018, the same were categoried into 8 different categories from A to H according to the gravity of the offence.

The Committee decided to adopt a principle-based approach to make recommendations and hence the following five principles were observed while making recommendations.

Principle	Description
First	In the case of 'Acts' involving compliance-related violation of less serious nature, where only objective determination is required the offences are decriminalised and proposed to be shifted to the in-house adjudication mechanism.
Second	Offences that are dealt with under other laws in a more appropriate manner, proposed to be omitted from the Companies Act, 2013.
Third	Offences, which did not fall under the first two principles, shall be dealt with an alternative mechanism of imposing sanctions.
Fourth	In the case of offences involving violation of less serious nature, where subjective determinations are required the punishment shall be limited to a fine only.
Five	In the case of offences involving violation of serious nature (substantive non-compliances), where detailed adjudication is required the status-quo shall be maintained.

Chapter 1 of the report includes the main recommendations which are summarized hereunder in accordance with the principles stated above (the section number of relevant provisions also quoted for easy reference);

Recommendation	Description
Re-categorisation of compoundable offences (Following first principle)	Out of the 66 compoundable offences (remaining after the first stride) under the Companies Act 2013, 23 offences shall be shifted to the in-house adjudication mechanism.
Provisions omitted (Following second principle)	7 compoundable offences omitted completely (Sections 48(5), 59(5), 66(11), 71(11), 342(6), 348(6), 348(7) of the Companies Act, 2013)
Alternate frameworks/ mechanisms (Following third principle)	5 offences to be dealt with under alternate framework/ mechanism (Sections 16(3), 284(2), 302(4), 356(2), and 441(5) of the Companies Act 2013)
Limiting punishment to fine only (Following fourth principle)	Punishment in case of 11 compoundable offences limited to fine only (by removing the provision for imprisonment) (Sections 8(11), 26(9), 40(5), 68(11), 128(6), 147(1), 167(2), 242(8), 243(2), 347(4), and 392 of the Companies Act 2013)
Retaining status-quo (Following fifth principle)	In the case of the 20 non-compoundable offences, the status quo shall be maintained. (Sections 74(3), 76A, 99, 129(7), 147(2), 148(8), 166(7), 185(4), 206(7), 221(2), 222(2), 249(2), 274(4), 344(2), 454(8), 447, 451(1), 452(1), 464(3), and 469(3) of the Companies Act 2013)
Reducing the quantum of penalties	Quantum of penalties shall be reduced in case of those offences which were shifted for in-house adjudication framework through Companies (Amendment) Act, 2019

To implement the recommendation regarding decriminalisation, the Companies (Amendment) Act 2020 was enacted on 28th September 2020 by further amending the Companies Act, 2013.

5. SNAPSHOT OF DECRIMINALISATION UNDER THE COMPANIES ACT 2013

Description of offence	Before	After two strides of decriminalisation
Compoundable offences	81	31
Non-compoundable offences	35	35
Defaults subject to civil liability*	18	58
Total penal provisions	**134**	**124**

*Dealt with under In-house Adjudication Mechanism

6. DECRIMINALIZATION UNDER THE LLP ACT, 2008

A rational decision can only be formed only if laid on the foundation of sound and valid principles. The underlying principle behind the MCA's decision to re-categorise or omit certain 'acts' which earlier constituted 'offences' under the LLP Act 2008 are as under;

Principle	Description
First	Acts involving compliance-related violation of a less serious nature, where only an objective determination is required, have been decriminalised and proposed to be shifted to the in-house adjudication mechanism.
Second	Status quo shall be maintained for those non-compoundable offences wherein an element of fraud, injury to the public interest, intention to deceive or non-compliance of the order of the statutory authorities are involved
Third	Offences that are dealt with under any other laws for the time being in force, in a more appropriate manner proposed to be omitted from the LLP Act, 2008

Considering the above principles it was decided to decriminalise twelve offences and shift the same to in-house adjudication mechanism thereby de-clogging the criminal courts from routine cases. In addition to this one provision entailing criminal liability (section 73 i.e. penalty on non-compliance of any order passed by Tribunal) was omitted. *(MCA GoI, 2021)*.

To give effect to these the LLP Act 2008 was amended, through the Limited Liability Partnership (Amendment) Act, 2021 on 13th August 2021.

7. ARGUMENTS FOR

Among the diverse benefits behind the move of decriminalisation, the major ones are dealt with in the ensuing paragraphs.

Ease of doing business: The primary rationale behind the decriminalisation of offences under the Companies Act, 2013 and the LLP Act, 2008 is to facilitate ease of doing business. The best available parameter to assess whether this objective was actually attained or not is the ease of doing business ranking from the World Bank. India placed among the top 10 performers for the last three years in a row and hence it can be observed that decriminalisation of offences results in improvement of ranking.

Year of ranking	India's rank in EODB ranking
2017	130th

2018	100th
2019	77th
2020	64th

(Table Source - https://www.doingbusiness.org/en/data/exploreeconomies/india)

Ease the burden from judiciary: In 2019 there were 3.53 crore pending cases in Indian courts, with 0.16 12.30 and 87.54 percent before the Supreme Court, High Courts and Subordinate courts respectively *(Economic Survey 2018-19, p. 99).* Since '*Justice delayed is justice denied'*, overhauling is required to de-clog the courts and decriminalization of offences is a way to achieve this.

The decriminalised 'acts' will be handled through an in-house adjudicating mechanism as civil wrongs wherein at first a penalty may be imposed by an adjudicating officer; only non-compliance of any order of such authority will be considered as an offence and would require trial by the court; hence it will ease the burden from courts (including special courts) and allow them to pay more attention to cases involving offences of serious nature.

The in-house adjudicating mechanism seems promising because more than 1,000 company law default cases have been disposed of during the last three financial years by the Adjudicating Officers (Registrars of Companies) in a summary manner. *(MoIB GoI, 2021, p.9)*

De-clog the NCLT; The number of pending cases at NCLT is also a matter of concern. As per a written reply to a question in Lok Shaba in Feb 2021, the Minister of Corporate Affair stated that as of 31.12.2020 as many as 21,259 cases are pending in NCLT and its Benches. But decriminalization reduces the burden of pendency before the NCLT and its Benches to some extent because now the companies and their officers in default would not be required to file applications for compounding post re-categorisation of the offences. *(MoIB GoI, 2021, p.10)*.

8. ARGUMENTS AGAINST

The important argument against decriminalization of offences under the Companies Act, 2013 and the LLP Act, 2008 is the poor enforcement of contracts and abuse of fiduciary relationships. In India '*pran jaye par vachan na jaye*' (from *Ramcharitmanas*) is considered to be the ideal behaviour. But in terms of enforcing the contracts, India stood stagnant at 163rd rank among 190 countries on the globe due to weak enforcement of contacts despite improvement in the overall ranking *(EODB Ranking 2020)*. Decriminalisation may further tend to reduce the seriousness among those charged with governance at corporates and hence may result in lesser commitment towards their fiduciary role and overall governance. MA

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DECRIMINALISATION OF CORPORATE OFFENCES IN INDIA LEADING TO EASE OF DOING BUSINESS IN THE BACKDROP OF AMRIT MAHOTSAV

Abstract

This article explores the impact of decriminalisation of certain offences brought about by the Companies (Amendment) Act, 2020. A total of 48 amendments have been made to decriminalise certain offences under the Companies Act, 2013. Since the maximum numbers of amendments have been in Chapter IV titled, 'Share Capital and Debenture', the Chapter has been selected as a special reference for the comparative analysis between the Act and its 2020 Amendments. It is observed that decriminalisation under this Chapter encompasses all the four major forms of decriminalisation. While decriminalisation is a welcome move to boost business sentiment in the backdrop of the Covid-19 global financial crisis, it may have varied impacts on different stakeholder communities. Such a move may also provoke unscrupulous companies to commit fraud in future.

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INTRODUCTION

The Government of India has taken an initiative to observe the dynamism and glorious history of Indian people at the juncture of 75 years of India's independence in the backdrop of 'Azadi ka Amrit Mahotsav'. The initiative is an embodiment of India's socio-cultural, political and economic growth. Promoting *Ease of Living* in the country by facilitating *Ease of Doing Business* to law-abiding companies has always been in the Government's agenda to ensure economic growth of the nation. However, a stringent punitive regime under both erstwhile Companies Act, 1956 and the subsequent Companies Act, 2013 for infringement and nonconformity with the applicable legal provisions had caused a lot of hindrances for the companies in terms of ease of doing business. Moreover, delays in criminal proceedings had also become unbearable for the officials of the company who would get transferred, retire or accept a new role in some other capacities (Nair and Sahni, *The Economic Times*, 2020). Naturally, replacement of criminal liability for corporate violations with civil liabilities had been sought by the companies and the stakeholder communities. Penalties which are not commensurate with the defaults may be counterproductive and may even lead to non-compliance. Hence, decriminalisation of minor legal and technical lapses while retaining strict criminal prosecution for serious corporate offences could perhaps be a game-changer for the Indian economy (Chitravanshi, 2020). The current discussion is an attempt to comparatively analyse the relevant sections in Companies Act, 2013 and Companies (Amendment) Act, 2020 relating to decriminalisation of offences in a select Chapter of the Companies Act, 2013.

WHY DECRIMINALISATION?

Decriminalisation might especially inspire the confidence of domestic as well as global players, enhancing foreign investments and boosting corporatisation of many small enterprises (Nair and Sahni, *The Economic Times*, 2020). To achieve this, the lawmakers had started considering the possibilities of decriminalising certain offences in the Companies Act, 2013 since 2019 (Kumar, 2020). Based on the recommendations of the 'Committee to Review Offenses under the Companies Act, 2013', 16 criminal violations were converted into civil violations by the Companies (Amendment) Act, 2019. The amendments also called for the setting up of in-house adjudicating mechanisms (IAM), where adjudicating officers appointed by the Central Government determined the nature of offences, which allowed the companies to promptly resolve defaults avoiding courtroom delays (Nair and Sahni, *The Indian Express*, 2020).

At the beginning of 2020, the Novel Covid-19 coronavirus pandemic (2019-nCov) and its resultant lockdown led to a huge economic turmoil in corporate operations (Ayittey et al, 2020). At this juncture, decriminalisation of offences in the Companies Act, 2013 came as an economic relief of the Government to instill confidence in the corporate players. To achieve that end, a committee officially known as the Company Law Committee (CLC) was constituted by the Ministry of Corporate Affairs (MCA), Government of India (vide Order No. 2/1/2018-CL-V dated 13.07.2018) to examine and recommend the government on various issues relating to the implementation of the Companies Act, 2013 and Limited Liability Partnership (LLP) Act, 2008 in line with Government's objective of promoting enhanced corporate compliance and also to address up-and-coming issues having an impact on the company operations. The CLC, chaired by the Secretary, MCA had members from the MCA, industry chambers, professional institutes and legal fraternity. The objectives of the CLC concerning Companies Act, 2013 was to: (a) analyse the compoundable and non-compoundable offences and recommend whether any such offences can be reclassified as 'civil wrongs'; (b) examine the possibility of introducing a settlement mechanism, deferred prosecution agreement under the aegis of Companies Act, 2013; (c) propose measures to improve the performances of National Company Law Tribunal (NCLT); (d) propose ways to eliminate bottlenecks in the operations of select statutory bodies, such as Serious Fraud Investigation Office (SFIO), Investor Education and Protection Fund Authority (IEPFA), National Financial Reporting Authority (NFRA), etc. under the Act; and (e) identify specific provisions in the Companies Act, 2013 that requires an amendment to bring about greater *Ease of Living* for corporate stakeholders. The CLC submitted its recommendation to the Minister of Corporate Affairs on 27th August, 2018 (MCA, 2019). Based on their report and erstwhile Companies (Amendment) Act, 2019, the Government introduced the Companies (Amendment) Bill, 2020, which incidentally was the fourth amendment to the Companies Act, 2013 since its implementation. The Bill was approved by the Cabinet and introduced in the Parliament on March 17, 2020 (Kumar, 2020). The Bill after being passed by the Parliament received the assent of the President on 28th September, 2020 (Ministry of Law and Justice, 2020) as the Companies (Amendment) Act, 2020.

DECRIMINALISATION OF OFFENCES: A SUMMARY

The Companies (Amendment) Act, 2020 has amended various provisions of the Companies Act, 2013 in order to decriminalise certain offences and in some cases re-classified them as civil wrongs. These amendments can be segregated under four categories (Kumar, 2020): (a) absolute decriminalisation (where all types of punishments have been completely omitted); (b) partial decriminalisation (where the punishment of imprisonment has been dropped but the punishment by way of monetary penalty has been retained); (c) reclassification to civil wrongs (where criminal punishments have been converted into civil penalties); and (d) penal modification (where the amount of penalty has been modified). Table 1 projects relevant sections of the applicable Chapters under the Companies Act, 2013 that have been amended to give effect to the decriminalisation of offences under these four categories. It is observed that the maximum number of amendments is concerning the reclassification of criminal punishments into civil wrongs (20) followed by partial decriminalisation (12). The Table also shows that a maximum number of amendments have been relating to Chapter IV: Share Capital and Debenture and Chapter VII: Management and Administration (7 each), followed by Chapter XX: Winding Up (6). It is observed that under Chapter IV and Chapter VII maximum numbers of sections have been amended. However, in

Decriminalisation has reduced the pressure on the judiciary to a great extent, since in many defaults penal provisions have been completely removed, or, reduced or reclassified as civil wrongs

Chapter VII, two amendments have been made in section 92. Hence, the number of sections that are amended in this Chapter comes down to 6. Keeping this in view, a comparative analysis of relevant sections between Companies Act, 2013 and Companies (Amendment) Act, 2020 is made to reflect the impact of amendments on relevant sections Chapter IV: Share Capital and Debenture which eventually also covers four specified types of decriminalisation.

Decriminalisation of Offences relating to Share Capital and Debenture

- A comparative analysis of relevant sections of Companies Act, 2013 and Companies (Amendment) Act, 2020 concerning 'Share Capital and Debenture' has been made in Table 2. It is evident that decriminalisation under this Chapter encompasses all the four categories mentioned above.
- Concerning defaults relating to variation in shareholders' rights, complying with the Tribunal order regarding rectification of member register, reduction in share capital, and redemption of debentures with interest accrued thereon, the Amendment Act has brought about absolute decriminalisation. This not only has resulted in ease of doing business for the companies but also reduced pressure on the judiciary. However, such amendments may result in a casual approach of the employees leading to impairment of interest of shareholders and debenture holders. It may also cause a loss to the Government exchequer since it ends up collecting no amounts as a penalty for the aforementioned defaults. However, it may reduce the costs to the companies for the same reason.
- In case of default relating to buy-back of shares, the Amendment Act has implemented partial decriminalisation, where imprisonment of the concerned employees has been dispensed with and the quantum of monetary fine has been substantially reduced. Such an amendment could boost employee morale in complying with the legal provisions. However, it may also impair the interest of the shareholders.
- The Amendment Act has reclassified the criminal proceedings concerning default in complying with the provision regarding transfer and transmission of securities into a civil wrong. It has resulted in avoidance of delay and criminal proceedings and paving the way for ease of doing business for the companies.
- In case of non-filing of notice with the Registrar at the time of alteration of share capital, the Amendment Act has reduced the amount of monetary penalty considerably leading to a loss to the Government exchequer and reducing expenses of the companies.

TABLE 1:
RELEVANT SECTIONS UNDER APPLICABLE CHAPTERS AMENDED

No.	Applicable Chapter	Absolute Decriminalisation (Applicable Sections)	Partial Decriminalisation (Applicable Sections)	Reclassification to Civil Wrongs (Applicable Sections)	Penal Modification (Applicable Sections)	Total
II	Incorporation of Company and matters incidental thereto	16,	8,			**2**
III	Prospectus and allotment of securities		26, 40			**2**
IV	**Share Capital and Debenture**	**48, 59, 66, 71,**	**68,**	**56,**	**64**	**7**
VI	Registration of Charges			86,		**1**
VII	**Management and Administration**			**88, 89, 90, 92, 105,**	**92, 117**	**7**
VIII	Declaration and Payment of Dividend			124		**1**

IX	Accounts of companies		128	134,	137	**3**
X	Audit and Auditors		147	143	140	**3**
XI	Appointment and Qualification of Directors		167	172	165	**3**
XII	Meetings of the Board and its Powers			178, 184, 187, 188		**4**
XIII	Appointment and Remuneration of Managerial Personnel			204		**1**
XV	Compromises, Arrangements and Amalgamations			232		**1**
XVI	Prevention and Oppression of Management		242, 243			**2**
XVII	Registered Valuers			247		**1**
XX	Winding Up	284, 302. 342, 348, 356	347,			**6**
XXII	Companies Incorporated Outside India		392			**1**
XXV	Companies to Furnish Information or Statistics			405		**1**
XXVII	Special Courts		441			**1**
XXIX	Miscellaneous			450		**1**
	Total	**10**	**12**	**20**	**6**	**48**

Source: Companies Act, 2013 and Companies (Amendment) Act, 2020

TABLE 2:

COMPARATIVE ANALYSIS OF APPLICABLE SECTIONS IN COMPANIES ACT, 2013 AND COMPANIES (AMENDMENT) ACT, 2020 ON'SHARE CAPITAL AND DEBENTURE'

Sl.	**Default**	**Companies Act, 2013**		**Nature of Decriminalisation**	**Companies (Amendment) Act, 2020**		**Impact on Stakeholders**
		Sec.	**Punishment (Company)/ Punishment (Official)/ Any other Person***		**Sec.**	**Punishment (Company)/ Punishment (Official)/ Any Other Person**	
1	Failure to comply with porovisions regarding variation of shareholders' rights	**48**	*Company*: Fine of Rs. 25000 - 5 lakhs *Official*: Imprisonment up to 6 months/ Fine of Rs. 25000 - 5 lakhs/ Both	Absolute Decriminalisation	8	NO PENALTY	(a) Ease of doing business regarding variation in shareholders' rights (b) Impairment of rights of different classes of shareholders (c) May cause loss to the Government exchequer (d) More protection for employees (e) Reduction in pressure on judiciary
2	Default in complying with provisions regarding transfer and transmission of securities	**56**	*Company*: Fine of Rs. 25000 – 5 lakhs *Official*: Fine of Rs. 10000 – 1 lakhs	Reclassification to Civil Wrongs	9	*Company and Official*: Penalty of Rs. 50000	(a) Ease of doing business regarding transfer and transmission of securities (b) Avoidance of delays in criminal proceedings

3	Failure to comply with the order of the Tribunal regarding rectification of members register	**59**	*Company*: Fine of Rs. 1-5 lakhs *Official*: Imprisonment up to 1 year/ Fine of Rs. 1-3 lakhs/ Both	Absolute Decriminalisation	10	NO PENALTY	(a) Lack of stringency concerning rectification in members register (b) Impairment of members' right (c) Casual approach of the employees (d) Loss to Government ex-chequer (e) Reduction in pressure on judiciary
4	Non-filing of notice with the Registrar after alteration of share capital	**64**	*Company and Official*: Lower of (a) penalty of Rs. 1000/ day during the default period; or (b) Rs. 5 lakhs	Penal Modification	12	*Company*: Penalty of Rs. 500/ day during default period subject to maximum of Rs. 5 lakhs *Official*: Penalty of Rs. 500/ day during default period subject to maximum of Rs. 1 lakh	(a) Loss to Government ex-chequer (b) Protection of the interest of the shareholders (c) Reduction in the pressure on the company and employees
5	Default in complying with Tribunal order regarding reduction of share capital	**66**	*Company:* Fine of Rs. 5- 25 lakhs	Absolute Decriminalisation	13	NO PENALTY	(a) Ease of doing business regarding reduction in share capital (b) Loss to Government exchequer (c) Reduction in pressure on judiciary (d) Possible reduction in the powers of the Tribunal (e) Impairment of shareholders' right
6	Default in complying with the provisions on buy-back of shares	**68**	*Company*: Fine of Rs. 1 – 3 lakhs *Official*: Imprisonment up to 3 years/ Fine of Rs. 1-3 lakhs/ Both	Partial Decriminalisation	14	*Company*: No change *Official*: Fine of Rs. 1-3 lakhs	(a) Reduction in pressure on judiciary (b) A favourable working environment for officials (c) Impairment of shareholders' interest to some extent
7	Default in complying with Tribunal order for redemption of debentures with interest due thereon	**71**	*Official*: Imprisonment up to 3 years/ Fine of Rs. 2 – 5 lakhs/ Both	Absolute Decriminalisation	15	NO PENALTY	(a) Loss to Government exchequer (b) Reduction in pressure on judiciary (c) Impairment of the interest of debenture holders (d) Possible reduction in powers of the Tribunal (e) Casual approach of the employees

Source: Companies Act, 2013 and Companies (Amendment) Act, 2020

CONCLUSION

Decriminalisation has reduced the pressure on the judiciary to a great extent, since in many defaults penal provisions have been completely removed, or, reduced or reclassified as civil wrongs. The companies or their concerned officials, who used to incur a severe monetary penalty for wrongdoing before the amendment, may not have to incur anything or at best reduced monetary liabilities by way of fine after the amendment. It Amendment Act has eventually reduced the costs to companies and created a favourable environment for every law-abiding company. However, unscrupulous companies may also use such amendments to their benefit. Decriminalisation may also lead to impairment of stakeholders' interest if crimes against the stakeholders are allowed to continue without any effective supervision. Moreover, it may also result in a reduction in Government's revenue since the Government exchequer will end up collecting fewer penalties due to corporate defaults. Truly speaking, criminal penalties including imprisonment for minor offences that are not necessarily fraudulent in nature and ensuing uncertainty in the legal process, may impact business sentiments hindering domestic and global investments. As a Covid-19 response strategy, decriminalisation has become all the more pertinent to revive economic growth and to declog the judiciary. Hence, it is believed to be a significant step towards achieving ease of doing business in fulfilling the Government's philosophy of 'Sabka Saath, Sabka Viaksh' at the advent of 'Azadi ka Amrit Mahotsav'. MA

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ATMANIRBHAR BHARAT - THE ADVENT OF 5G TECHNOLOGY IN ADVANCING A STEP TOWARDS INDIA'S DIGITAL INDIA MOVEMENT AND VOCAL FOR LOCAL

Abstract

5G technology is the current buzzword around almost all sectors of work. It is needless to say that the 5th generation mobile network is the most awaited one after 4G and will show the world its capacities. In this article an attempt has been made to analyze the impact on various sectors with the advent of 5G in India. Besides, Government is endorsing "Vocal for Local- Atmanirbhar Bharat" mission which will help to promote domestic products and create awareness among the people to opt for locally made similar products over the foreign brand products. The more we will purchase our locally made products, the more investment will come to these industries and as a result they can compete and survive in the competitive market. Current Covid-19 pandemic situation has created a global economic crisis where international trading has been obstructed unprecedentedly and this situation has shown the importance of the concept of the "Vocal for Local - Atmanirbhar Bharat" mission. The objective of this article are: (i)To find out the sectors which have the potential to become self-reliant in future; (ii)To understand the capabilities of domestic industries to contribute in self reliant mission and (iii) To understand how 5G technology will help the nation to proceed towards being Aatmanirbhar.

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1. INTRODUCTION

Atmanirbhar Bharat or "Vocal for Local" Mission is the vision of the Prime Minister of India to make India an important part of Global Economy and also a global supplier. The Indian Government has already identified 12 sectors like automobile, textiles, furniture, food processing, organic farming, chemicals, electronics, leather, shoes which have the potential to achieve self-reliance. These industries can produce domestically products at comparatively lower costs. The automobile industry is a significant factor of macro-economic growth in India. It contributes 7.1 percent to the Indian GDP. The agriculture industry in India contributes 17 percent of Indian GDP. Around 70 percent of Indian households are dependent on agriculture. It also provides raw materials to other industries. The MGNREGA is one of the most important rural employment programme which provides opportunities to the villagers to become self- reliant. The Government has allocated 40,000 Crore rupees for the MGNREGA under *Atmanirbhar* Bharat Mission. The Government's main aim is not only to increase the quantity but also quality of the commodity produced to divert people's demand for products made in China. The S&P Global Market Intelligence Report suggests that sixty-seven countries enjoy active 5G networks currently. Meanwhile, India has to wait at least till next year for the spectrum auction as well as for the commercial rollout of 5G services. The Department of Telecom has allocated a trial for the new age services to the telecom companies. Top telecom companies of the nations like Jio, Airtel, and Vi have begun their trials in Mumbai, Gurugram, and Pune respectively.

2. METHODOLOGY

The data for this study has been collected from secondary sources like journals and websites.

3. DATA ANALYSIS AND FINDINGS

- **Sectors Having Potential to Become Self Reliant In Future**

Automobile Industry

The "Vocal for Local" initiative has played an important role in elevating the country's economic position. The two-wheelers industry occupies around 80 percent % of automobile market share and the passenger vehicles comprise around 13 percent. India is the largest manufacturer of two wheelers, three wheelers and tractors in the world. By 2026, the production of passenger vehicles, two wheelers, three wheelers and tractors are expected to grow annually at 9.4 million units, 2 million units, 50.6 million units and 0.95 million units respectively. To make our country self-reliant the automobile industry should not wait for outsiders because along with manufacturing automobiles we also have component manufacturers, technology and service providers.

TABLE 1

EXPORT VOLUME OF AUTOMOBILES IN INDIA FROM FINANCIAL YEAR 2016 TO FINANCIAL YEAR 2021 *(in 1,000s)*

YEAR	TWO WHEELERS	THREE WHEELERS	COMMERCIAL VEHICLES	PASSENGER VEHICLES	TOTAL EXPORT	GROWTH RATE (%)
2021	3277.72	392.94	50330	400	54400.66	-16.4
2020	3520	502	60380	677	65079	-37.6
2019	3280	568	99930	676	104454	3.61
2018	2815	381	96870	748	100814	-9.77
2017	2339	372	108270	759	111740	4.96
2016	2281	404	103120	654	106459	-

Source: STATISTA 2021

The Covid-19 pandemic has had a swift and severe impact on the automobile industry in India. As a result the growth rate has declined in the year of 2020 as well as 2021. The Government plans incentives for automobile companies to boost exports. This move by Prime Minister to attract investment, generate employment and jobs, boost manufacturing and exports in the automobile sector is a part of India's effort to be self-reliant as a nation.

Findings: From the total exports and growth rate of automobile industry during 2016-2021, the forecasted export and growth rate (%) for the next two years 2022 and 2023 respectively using the Microsoft Excel Forecast Function has been made in this paper. According to the forecasted values it can be predicted that there will be increase in total export volume and growth rate in both the years 2022 and 2023 as per forecast compared to 2020 and 2021.

The major telecommunication companies which have implemented 5G technological services in their plans are AT&T, Verizon and T-Mobile

Future prediction of total export and growth rate in automobile industries for 2022 and 2023 from the past years and the trend lines using Microsoft Excel Forecast Function is presented in the following Table:

TABLE 2

FUTURE PREDICTION OF TOTAL EXPORT AND GROWTH RATE IN AUTOMOBILE INDUSTRIES FOR 2022 AND 2023

Year	*Total Export (In1000's)*	*Growth Rate (%)*
2016	106459	-
2017	111740	4.96
2018	100814	-9.77
2019	104454	3.61
2020	65079	-37.6
2021	54400.66	-16.4
2022	50827.64	-6.56
2023	39495.22	-22.29

Mahatma Gandhi National Rural Employment Guarantee Act

MGNREGA was enacted to increase the livelihood and economic security of people of rural India by providing a minimum of 100 days of employment in a financial year to all household whose adult members would volunteer to perform unskilled labor work. Apart from providing economic security and creating rural assets, MGNREGA also looks after the protection of environment, empowerment of local village women, reduction in rural to urban migration and to foster social equity among all.

TABLE 3
DATA OF EMPLOYMENT PROVIDED IN MGNREGA WEBSITE

Year	Household	Persons	Person-days
2016-17	48617666	72194459	2245055397
2017-18	49713409	74005707	2278084422
2018-19	50141720	73480397	2561828020
2019-20	53436512	77097216	2588672851
2020-21	61253477	88507155	2374183261

Growth Rate Calculation

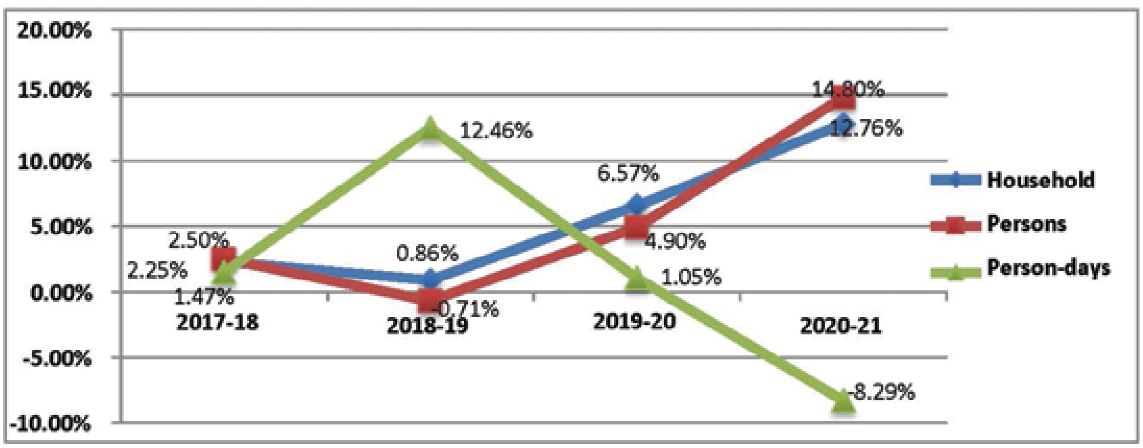
Percentage change in Growth Rate = [(Current Year Value – Previous Year Value)/ Previous Year Value]*100

TABLE 4:
GROWTH RATE OF EMPLOYMENT PROVIDED IN INDIA UNDER MGNREGA

Year	Household	Persons	Person-days
2017-18	2.25%	2.5%	1.47%
2018-19	0.86%	-0.71%	12.46%
2019-20	6.57%	4.9%	1.05%
2020-21	12.76%	14.8%	-8.29%

Graphical representation of the employment provided in India under MGNREGA is as under.

FIGURE 1:
YEAR-TO-YEAR PROGRESSION IN PERCENTAGE CHANGE IN GROWTH RATE OF HOUSEHOLD, PERSONS AND PERSON-DAYS



Findings

From the data on employment provided under MGNREGA and year-to-year growth rate from 2016-17 to 2020-21, we have forecasted the employment generation under MGNREGA for the next 2 years 2021-22 to 2022-23 using the *Time Series* calculation. According to the forecasted values (trend values) it can be predicted that there will be an increase in total employment generation under MGNREGA and growth rate in the coming years.

Using method of fitting mathematical curves the trend and future projections are determined as under:

TABLE 5:
TREND VALUES OF HOUSEHOLD DATA OF EMPLOYMENT PROVIDED IN INDIA UNDER MGNREGA

Year	Household Value (Y)	X	X^2	XY
2016-17	48617666	-2	4	-97235332

2017-18	49713409	-1	1	-49713409
2018-19	50141720	0	0	0
2019-20	53436512	1	1	53436512
2020-21	61253477	2	4	122506954
Total	263162784	0	10	28994725

For calculating Trend Values the following formulas are used:

Y = a + bX --- **(i)** is an equation of straight line trend with origin at the year 2018-19 and X unit = 1 year.

Also, $\Sigma Y = aN + b\Sigma X$ and $\Sigma XY = a\Sigma X + b\Sigma X^2$ ---**(ii)**

Here, N = 5. Now, substituting values in equation (ii) from the above table we get, a = 52632556.8 and b= 2899472.5 and putting these values in equation (i) get

Y = 52632556.8 +2899472.5X **--- (iii)**

In equation (iii), putting X=3 and X=4 we get the trend values of year 2021-22 and 2022-23. Trend value of year 2021-22 is 61330974.3 and of year 2022-23 is 64230446.8

TABLE 6:
TREND VALUES OF HOUSEHOLD

Year	Trend Values
2016-17	46833611.8
2017-18	49733084.3
2018-19	52632556.8
2019-20	55532029.3
2020-21	58431501.8
2021-22	61330974.3
2022-23	64230446.8

Similarly we can find the trend values of persons from the equation Y = 77056986.8 + 3571690.1X

TABLE 7:
TREND VALUES OF PERSONS

Year	Trend Values
2016-17	69913606.6
2017-18	73485296.7
2018-19	77056986.8
2019-20	80628676.9
2020-21	84200367.0
2021-22	87772057.1
2022-23	91343747.2

Equations Y = 52632556.8 + 2899472.5X and Y = 77056986.8 + 3571690.1X show that these are 'increasing trend', because the straight line trend equation has positive slope (i.e. Y increases as X increases).

Agriculture Industry

The agrarian culture and varied climate conditions of different parts of the country has contributed to the global food basket. India's agricultural produce is exported to more than 100 countries including the Middle East, Southeast Asia, the SAARC countries, the EU and US. The Agricultural and Processed Food Products Export Development Authority (APEDA) was established by the Government for the development and marketing of agricultural produce to be exported. International trade is important not only because of the share in national income but also the fact that it is a source of employment and also a market for foreign exchange.

TABLE 8

EXPORT VOLUME OF AGRICULTURAL PRODUCTS FROM FINANCIAL YEAR 2016 TO FINANCIAL YEAR 2021

Year	Values in USD $ Million	Growth Rate (%)
2020-21	2,91,105.77	**28.3**
2019-20	3,13,361.04	-13.81
2018-19	3,30,078.09	3.25
2017-18	3,03,526.16	13.90
2016-17	2,75,852.43	-2.71

Source: Ministry of Commerce and Industry, GOI,

According to the data, India has seen a fairly steady growth rate in the value of exported goods. However there was a slump in the growth rate in the value of exported goods for the year 2016-17, the reason mainly being low commodity price in the international market which has led to uncompetitive exports. The major fall in the export was witnessed in the year 2019-20 and the main reason behind the fall was the Covid pandemic.

Hon'ble Prime Minister Mr. Narendra Modi while inaugurating the Academic and Administrative building of Rani Lakshmi Bai Agriculture University in Jhansi to promote Atmanirbhar Bharat said: "It is a comprehensive plan to form clusters of industries planned near villages. A special fund of Rs.1 Lakh Crore has been created for these industries to get better infrastructure facilities". The motive of self sufficiency in agriculture is to make a farmer productive as well as an entrepreneur. He said it will not only create jobs but Jhansi and surrounding areas will also help India become self-reliant in the defense sector.

This bold move for an Atmanirbhar Bharat will not only help to revive the economy from the COVID-19 shock but also help secure India's food security and supply chain for the coming years.

Findings: From the total value of exported goods and growth rate of the agricultural sector from 2016-20, we have forecasted the export and growth rate (%) for the next 3 years 2021 to 2023 using the Microsoft Excel Forecast Function. According to the forecasted values there will be an increase in total value of exported agriculture product and growth rate in the coming years.

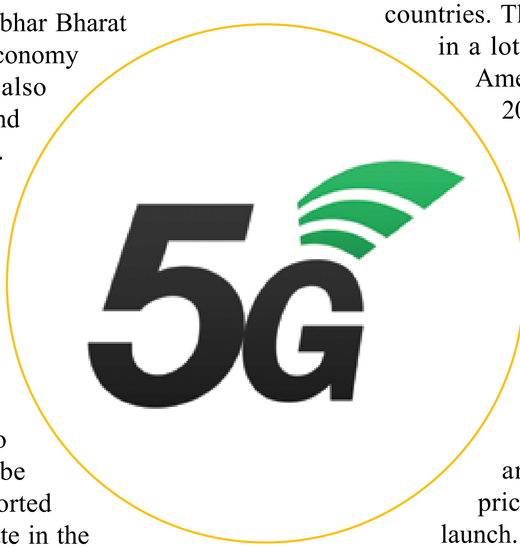


TABLE 9

FUTURE PREDICTION OF TOTAL EXPORT AND GROWTH RATE IN AGRICULTURE SECTORS USING MICROSOFT EXCEL FORECAST FUNCTION

YEARS	Values in USD $ Million	GROWTH RATE (%)
2016-17	2,75,852.43	-
2017-8	3,03,526.16	-1.22
2018-9	3,30,078.09	14.67
2019-20	3,13,361.04	0.74
2020-21	2,91,105.77	-13.89
2021-22	314887	8.16
2022-23	318921.322	1.28

How 5G technology will impact the *Aatmanirbhar*

The implementation of 5G technologies in India is still years far ahead. Till date the implementation of 5G technology has been carried out successfully and in large number of metropolitan cities in a number of other countries around the world. These countries include United States of America, China, Australia and other European countries. The integration of 5G connectivity in a lot of cities in the United States of America was carried out in December 2019. The leading telecommunication service providers of 5G connectivity in USA have seen a rise in their stock market prices drastically during the year 2019. The major telecommunication companies which have implemented 5G technological services in their plans are AT&T, Verizon and T-Mobile.

T-Mobile in particular has seen an explosive growth in its stock prices over the last year since its 5G launch. The lack of market data in Indian sector prevents any direct statistical analysis of the various aspects and results concerning the 5G revolution but the effects can be studied on an international telecommunication provider like T-Mobile through its stock market data. The weekly stock prices were collected at the end of every week with details of the highest and the lowest prices recorded. The data was collected for a year coming into the launching date of the 5G plans and corresponding weekly data was collected for the next year after the successful integration of the new plans and services. These data gave a paired series of weekly average stock price for the previous and following year of the company.

The weekly stock market data was collected for one year prior, leading up to the launch of 5G for T-Mobile. Similarly the weekly stock market data was collected for a year since the launch of 5G for T-Mobile. These stock market data were used to create a paired series for the corresponding weekly average stock prices and was used to perform a paired sample t-test analysis. IBM SPSS analysis tool was used to form the paired sample series and to perform the t-test analysis. The results obtained after running the test are tabulated hereunder:

TABLE 10

PAIRED SAMPLES STATISTICS

		Mean	N	Standard Deviation	Standard Error Mean
Pair 1	Weekly Average Stock Prices 1	73.277307	52	5.00288	0.6937340
	Weekly Average Stock Prices 2	104.648750	52	16.5628946	2.2968602

TABLE 11

PAIRED SAMPLE CORRELATION

		N	Correlation	Sig.
Pair 1	Weekly Prices 1 and Weekly Prices 2	52	.870	.000

TABLE 12:
PAIRED SAMPLE TEST

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Standard Deviation	Standard Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Weekly Prices 1 and Weekly Prices 2	-31.3714424	12.4577756	1.727586	-34.8397093	-27.9031755	-18.159	51	.000

Data Interpretation

- ***Paired Sample Statistics***

  Table 10 displays the descriptive statistics for the two conditions. Here the mean and the standard deviation are important. It can be seen from the two means that the weekly stock values post implementation of 5G (mean= 104.65) was higher than the stock values before (mean= 73.28). It can also be seen from the standard deviations that the stock market prices after the start of 5G was significantly more dispersed indicating a significant change.

- ***Paired Sample Test***

- Table 12 is the most important table, as it contains the inferential **t-test** statistics. This table will help us decide whether there is a statistically significant difference between the conditions.

- ***t- the t-test statistic:*** This is the t-value calculated by the repeated measures t-test. It is an expression of the difference between the stock values in the two data sets. The larger the value of **t,** the more pronounced the difference between the data sets, and the smaller the probability that this difference occurred by chance.

- **df:** This stands for degree of freedom. Its value directly impacts the significance of the t-statistic. In a repeated-measures **t-test** the value of **df.** will be one less than the number of pairs of data selected.

- ***Sig. (2-tailed):*** *Sig* stands for significance level. This column gives the probability that the results could have occurred by chance. The convention is that the value should be smaller than or equal to 0.05 for the value of **t** to be significant.

  Therefore we can conclude that **t** (51) = -18.159, **p** < 0.001. The negative value of't' suggests that a reversal in the directionality of the effect has occurred. The t value indicates that the second set of the paired data is significantly boosted indicating a higher growth pattern.

6. CONCLUSION

After the incredible transformation of lives brought in by 4G, people worldwide are quite hopeful and are looking forward for the implementation of 5G networks. India too is geared up for the same and is speedily working towards it. The major tech-giants have taken concrete steps towards developing technologies for 5G services. The Government is also analyzing the ill-effects of 5G technology in the environment or human life, if any. It can be concluded that users in India are eagerly waiting for the launch of 5G services. There are certain constrains regarding the change of service providers and gadgets which depends on the mindset of the individuals. Statistical analysis suggests that the weekly stock value of US based company T Mobile, saw significant rise after they launched their 5G services.5G services are already available in some countries. The above analysis predicts a leaping step towards the *Atmanirbhar* Bharat and Digital India movement with the adoption of 5G services. However, overcoming the limitations and following the recommendations would bridge the gap between expectations and reality of this aspect. As a part of *Vocal for Local - Atmanirbhar* Bharat mission, domestic markets are sought to be made more self-reliant and self-sustaining. From the analysis of recent few years' performance it can be observed that the sectors, which have been discussed here, have the potentiality to achieve the goal of self-reliance. At the very initial stage of this self reliant mission, the outcomes are very promising and optimistic. With the outbreak of Covid-19 pandemic the global market has been affected severely and the global economy has faced a huge setback. Indian market also had to undergo the same adversities. The production and export rate of many of the sectors has faced a huge challenge, leading to many problems like – shortage of daily needed products, increase in the product prices, job losses, companies closing down, etc across the globe. But this situation can be utilized as the opportunity for building a strong

India is taking a leaping step towards the Atmanirbhar Bharat and Digital India movement with the adoption of 5G services

domestic market and bring in more investment. With the onset of campaign “Vocal for Local– Atmanirbhar Bharat”, industries are shifting towards more domestic alternatives. As per the future projection, it can be expected that in the coming years the various sectors will have steady growth.

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MSMEs AS THE DRIVER FOR AATMANIRBHAR BHARAT

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Abstract

The purpose of this study is to understand and analyse the effect of the once in a century virus which has changed the dynamics of the world for once and all. It has taken a toll on daily living like never before and the world seems to be upside down to the bare eyes of commoners. The study focuses on the adverse effect of different sectors and the steep rise in sectors like pharmaceutical, chemical, etc. The study further focuses on the promotion of local markets and local players in the domestic market. It gives due importance to the role of government and its mechanisms to further push the case. At the same time, it will help to identify the potential market leaders in the domestic as well as international markets. The study will help in the process of accelerating the sparks of the local market across the globe while we fight the pandemic with our local products and services.

INTRODUCTION

Where are we in this new century? Two decades have gone by and we are still searching for our local market to flourish in front of the world. This sounds ridiculous to the bare ears of a youngster. Doesn't it millennials? The other day, someone whizzed past me saying that we are the largest democracy in the world and it is time to take a leap in the international market by promoting local products and services. As the young man passed by and dusk took over the grass laden path, I asked myself time and again after our short meeting, Are we really on the right path? Are we walking that extra mile to achieve our dreams as a nation? Do we really care about our local markets? Do we lack talent? Do we lack quality? Do we produce enough for ourselves and others? While questioning myself, I went back to my apartment to hear the speech delivered by our Prime Minister. As I was walking through his speech on 'Vocal for Local', I realized that many have deceived and bluffed me over the years by saying that it is unachievable.

WHAT IS ATMANIRBHAR BHARAT?

On 12th May 2020, Prime Minister Narendra Modi announced and raised the vision of a self-reliance India under the COVID crisis. He explained the significance of standing by the business of our own countrymen and encouraging them to do better by purchasing goods and services from the local markets. He also gave example of the *Khadi* industry that has achieved a global recognition due to its increasing demand in the national market. The prime minister also addressed the nation on the economic package of Rs 20 trillion to tide over the coronavirus crisis under the *Atmanirbhar* Bharat Abhiyan. He said that such an economic aid would help the labourers, farmers and cottage industry to become self-reliant and adapt the campaign more efficiently. According to the vision, self-reliance doesn't mean advancement towards a close economic system or shutting down the import business in the country; rather it advocates the fullest utilisation of public demand for 'Indian' or 'Made in India' goods.

Turning through the pages of history, although the concepts of 'Swadeshi' and 'Boycott' went hand in hand, in the modern independent India, the *Atmanirbhar Abhiyaan* focuses only upon the purchase and promotion of local goods and services which would help in balancing the economic depletion due to the pandemic situation.

Thus, containing the elements of Swadeshi movement, *Atmanirbhar Abhiyaan* paves the way towards owning the 21st century based on five pillars:

1. Economy
2. Infrastructure
3. Technology driven system
4. Vibrant demography
5. Demand

OBJECTIVES OF THE STUDY

- To help the local market flourish and to promote the MSMEs in these difficult times.
- To help the MSMEs in terms of higher productivity, finance, raw materials, legal agreements and labour contracts.
- To help the MSMEs in terms of entering the untrodden path of pharmaceutical industry and related markets.
- To identify the potential MSMEs which can be leaders in both domestic and international markets.
- To accelerate the Covid19 vaccination process by promoting the sparks of the local market across the globe.

CURRENT SITUATION AND KEY HIGHLIGHTS

The world will never be the same again. Accept it sooner than later. The year 2020, needless to say, has seen the collapse of various economies of the world. The pandemic brought one of the worst global recessions of recent times where nations were compelled to shut off their businesses for months. This lockdown for an indefinite time had led to a blurred future worsening the situation. MNCs and big companies have suffered heavily due to the poor consumer demands and forced legal restrictions. Large numbers of people have lost their job as the economy came to a complete stand-still. The fluctuations in supply and cancellation of projects have cost the manufacturing and tertiary sectors huge losses, further fueling up the unemployment levels. There has been a nationwide complete shut down in the educational institutions. 'online' or 'work from home' became the trending tag that ruled every social media platform. Along with increasing demand for masks and sanitizers, the demand for online meeting platform such as skype, zoom, googlemeet etc., have thus seen a considerable hike.

However, the year 2021 brought in hope for new opportunities in the form of COVID vaccine. India has confirmed the invention of two vaccines successfully namely the Covishield and Covaxin and the Government pledged to bring in an effective distribution. On 16th of January, India had successfully conducted the massive t vaccine drive and is on toes to help the neighbouring countries by exporting the vaccine. By uplifting India's generous nature it also brought in business opportunities and might prove to be a highlighted note is the income addition of the nation.

> **The idea of focusing on local market players has led to the rise in entrepreneurs and brands which are essential for the Indian market to rise like never before**

ESCAPE ROUTE

- Giving more importance to immunity by creating herd immunity in the process.
- Vaccination which will open the doors of the pharma industry to achieve the unachievable. Numbers will see a sharp rise in the near future. It will soon be the backbone of the domestic market.
- Physical distancing.
- Proper hygiene.
- Last but not the least, the importance of using local products and promoting the local markets.

POSITIVE OUTLOOK

- Growing pharma industry.
- Strict adherence to social distancing.
- Resort to protective measures and different chemicals to stop the spread.
- Growing use of local products and services.
- Increased value of local mandis and farmers.
- Street vendors becoming potential market leaders.
- The rise in customer satisfaction after using/ procuring raw materials and local products and services.
- Strong government intervention.
- Increase in demand for local products and services from foreign economies.
- A new potential supply chain management.
- Rise in the production of pharmaceutical accessories.
- Reopening of various sectors which will lead to the overall development of the economy.
- Growing sense of deduction of foreign goods.
- Push to start-up business and introduce innovative ideas.
- Awareness, interest and curiosity of youth to investigate and research more than ever before and be 'vocal', forming their own and individual opinions on everything that comes their way
- Betterment in bilateral ties.
- Growing pace of unification of the nation through mediums of internet and due to a common problem (COVID-19) for a year. This has increased the sympathetic and understanding side of every citizen and people are energetic to come together to liberate the nation from such distress at the soonest.
- Increased reputation in the world market.
- The development of the vaccine has created export demands Technology is the new driver of the economy.
- Increasing research and development activities.

AREAS OF IMPROVEMENT

- Pharma industry is growing in leaps and bounds.
- Promotion of rural markets.
- Digitalisation.
- Promotion of marketing strategies.

- Promotion of agricultural industry in foreign markets.
- Organic farming.
- Promotion of local vendors and markets.
- Khadi industry.
- Handloom and Cottage Industry.
- Chemical Industry.
- Automobile industry.
- Retail Industry and non food retail.
- Railways and transport.

IMPLEMENTATION

- Government intervention.
- Proper executive check on policy implementations.
- Core committees for innovation and skills.
- Committees for market regulators.
- Committees at rural and urban levels.
- New policies.
- Protection of local vendors.
- Promotion of local markets.
- Incubation cells.
- Promotion of start up culture at a rapid pace.
- Joining hands with business tycoons.
- Focusing on being more self dependent.
- Increasing the export orientated production.
- Increase in agricultural budget.
- Encouragement of building innovative technologies.
- Spreading educational awareness in order to discourage import demands
- Increase in the budget for MSMEs.
- Centralised wage payment for contractual labours.

CONCLUSION

Some people tend to think that the entire pitching of 'Vocal for local' is stepping backwards and cutting out the chances of globalisation. In the last couple of decades, India has made its presence felt like never before in many markets. The new process will help popularise different Indian brands. The Atmanirbhar concept focuses completely on promoting the local market, brands and services to different sections of the population. The idea of focusing on local market players has led to the rise in entrepreneurs and brands which are essential for the Indian market to rise like never before.

It's important to understand the significance of being "VOCAL", for. eg., the recent changes in the field of WhatsApp has been a hot-topic of conversation among the youth. The privacy policies have changed. The app has circulated its new policy that it would have an access to some of the user's questionable details such as contacts, IMEI number, transaction tracks etc. WhatsApp has suggested people to uninstall the application if they do not agree with its policies. However, it had provided time for the enforcement of the new terms from 8th February onwards but due the rising voice of the people flooding over internet, and people considering the switch to other alternatives such as 'Signal' and 'Telegram' has made the company take into consideration it's decision and extend its implication date till the month of May; a small but effective response from such a big company as Facebook. This underscores the importance of being vocal and voicing our views and demands no matter how small it may be , We must be large hearted in supporting the development schemes of our nation and help to make the concept of Atmanirbhar a reality. MA

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SUSTAINABLE CONSUMPTION PRACTICES – A LEVERAGING FACTOR OF ATMANIRBHAR BHARAT

Abstract

This study applies the theory of consumption value perceptions to adjudicate the influence of such values on sustainable consumption decisions which is gradually becoming an indispensable measure for creation of a sustainable economy. The study aims to ascertain the urgency of green consumerism towards deployment of green management practice, an indispensable tool to make Sustainable 'Atmanirbhar' India. The deleterious impact of unsustainable consumption on environment has been a matter of painstaking concern and to supersede such predicament the need to assess the impact of economic variables assessing the role of consumption on environment needs contemplation. The study thus tries to adopt a modelling framework to assess the impact of consumption value perceptions as major predictor variables on adoption of sustainable consumption practices which shall eventually lead to the transition of sustainable lifestyle practices in an emerging economy.

1. INTRODUCTION

The term 'Atmanirbhar' in its true meaning should transcend from just being self-sufficient or self-reliant to 'sustainable'. Sustainable development can be achieved through the conjoint efforts of sustainable production and sustainable consumption. Concerns on environmental deterioration have captured attention of the world community since 1980s. India as an emerging economy has been experiencing fast economic growth with rise in per capita income which is ameliorating consumption and leading to environmental predicament in the form of over and unsustainable consumption leaving a severe impact on the environment. Environmental deterioration is triggered by the economic breakneck, unsustainable consumption behaviour and unplanned resource exploitation. Enhanced awareness about the implications of global warming, harmful impact of pollutants etc. is instigating consumers, manufacturers and marketers to switch to environment friendly substitutes. Studies have shown that environmental impact is higher in the emerging economies struggling to raise their per capita GDP than in the developed economies. For an emerging economy like India with high rate of growth in population and consumer base and which is aiming to become self-sustained and self-reliant, adoption of sustainable consumption practices would be an indispensable leveraging factor in achieving its goal. Sustainable consumption practices include adoption of healthy lifestyle practices, green living practices, green consumption and more. Consumption of products which are produced without hazardous substances or are recyclable, reusable, bio-degradable and have low detrimental

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environmental impact at all stages of its life-cycle and engaging in lifestyle management practices such as optimum resource usage, waste recycling with the long term goal of preservation of the environment, can be defined as sustainable consumption practices. Researches on consumption behaviour have identified consumers' perceived value from product or service consumption, peer opinion, social pressure, influence of promotional act0ivities, product incentives and subsidies, evaluation of alternatives, want of knowledge, zeal to exhibit protective role towards the environment have substantial impact in prognosticating sustainable consumption practices (Biswas and Roy, 2015[a]; Biswas and Roy, 2015[b], Biswas, 2017). This paper tries to depict the consumption values governing sustainable consumption practices and their variation with regard to different product categories thrusting upon the need to switch to sustainable lifestyle practices for consumers of an emerging economy like India which is witnessing unprecedented growth in consumption and urbanisation. This paper also tries to assess the significance of sustainable consumption in making the Indian economy 'self reliant and self sufficient and sustainable'.

2. A THEORETICAL BACKGROUND

The theoretical framework of the study is based on the integrated model of the theory of consumption values that explains consumption behaviour as a function of multiple consumption values (Laroche et al., 2001; Lin & Huang, 2012; Biswas and Roy, 2015[a]; Biswas and Roy, 2015[b], Biswas, 2017). Different studies have assessed consumption behaviour from the perspective of different consumption values. Consumption value refers to the degree of net consumer gratification from consumption of a particular product or service after comparing the gains from consumption with the gives to avail the benefit of such consumption (Biswas and Roy, 2015[a]; Biswas and Roy, 2015[b], Biswas, 2017). Consumption values have been applied

Sustainable consumption practices include adoption of healthy lifestyle practices, green living practices, green consumption and more

to assess the gap in perceived and expected values. Variation in perceived consumption values with consumers' level of household income needs further contemplation in the context of the Indian economy which is having huge consumer base, high rate of urbanisation and which is witnessing a paradigm shift in its policy decisions. The significance of these values in leveraging sustainable consumption practices in the Indian economy and its subsequent role in making India achieve the '3S concept - Self reliant Self sufficient and Sustainable' has been the focus of this study.

2.1. Consumption value perceptions assessing sustainable consumption practices – four consumption value perspectives have been studied to assess their influence in leveraging sustainable consumption practices.

2.1.1. Operational value

Operational value is measured by consumers' perceived value about the product performance concerning its functionality, durability, permanence, efficacy, dependability, price and quality. It has been assessed as a major driver instigating green purchase decisions (Sheth et. al, 1991; Bei & Simpson, 1995; Biswas and Roy, 2015[a]).

2.1.2. Convivial value

Convivial value or social value encompassing social responsibility, peer pressure and subjective norm entails its influence in purchase decision (Lin & Huang, 2012).

2.1.3. Psychological value

Psychological value is characterized by consumers' conscience, intellect, want of knowledge, moral obligations and sense of responsibility (Lin & Huang, 2012; Biswas and Roy, 2015[a]; Biswas and Roy, 2015[b]).

2.1.4. Contingent value

'Contingent value' denotes utility derived in a specific situation affected by situational variables or circumstances which can either accentuate or understate specific consumption decisions (Lin & Huang, 2012; Biswas and Roy, 2015[a]).

From the above discussion the following hypotheses can be propounded:

H1: Perceived operational value has favourable impact on sustainable consumption practices.

H2: Perceived psychological value has favourable impact on sustainable consumption practices.

H3: Perceived contingent value has favourable impact on sustainable consumption practices.

H4: Perceived convivial value has favourable impact on sustainable consumption practices.

H5: The perceived consumption values differ with consumers' level of household income.

3. METHODOLOGY

3.1. Research Design

A set of structured questionnaires reflecting consumers' demographics, the four dimensions of consumption values, and sustainable consumption practices based on five product categories diverse in nature based on frequency of purchase, level of consumer involvement, product attributes and consumer risk perceptions were framed and distributed across selected samples.

The items of the four dimensional consumption values scales and sustainable consumption were adapted from Lin & Huang, 2012; Biswas and Roy, 2015[a]; Biswas and Roy, 2015[b]. The instrument was tested and validated. The responses were measured across Likert Scale.

One way ANOVA with Post-Hoc tests and multiple linear regression were applied for hypothesis testing and analysis.

4. RESULTS AND DISCUSSION

Table 1: Descriptive Statistics:

Variables	Mean	Standard Deviation
Operational value	3.62	0.73
Psychological value	3.64	0.49
Contingent value	4.15	0.79
Convivial value	3.90	0.46

4.2. Multiple regression

Multiple linear regression with sustainable consumption practice as the dependant variable and the four dimensions of consumption values as the predictor variables indicates that 58.7 per cent variance in the dependant variable has been explained by the independent variables. The F value of 97.026 indicates the significance of the suitability of the model for the collected data. The variance inflation factor is less than 5 (Table 2) for all the independent variables which indicates absence of multi-collinearity problem. Operational, psychological and convivial values have positive impacts on sustainable consumption practices (Table 2). Transcendence towards sustainable consumption by the Indian consumers is strongly influenced by the price, quality, durability, product-life and performance of the green products. They prefer products with enhanced disclosures, eco-labelling on products. Consumers' are guided by peer opinion, norms, word-of-mouth and associated group values while exhibiting their green preferences. On the contrary consumers' green product preference seems to be inversely related to contingent value. Thus contingent factors like discounts or subsidies have a strong inverse impact in framing consumers' green preferences.

TABLE 2:
RESULTS OF MULTIPLE LINEAR REGRESSION

Independent variables	Standardized Coefficients	T-value	p-value	VIF
Operational value	0.214	4.136	0.000***	1.749
Psychological value	0.284	5.667	0.000***	1.647
Contingent value	-.964	-18.503	0.000***	1.774
Convivial value	0.095	2.061	0.040**	1.395

***p<0.001, **p<0.01

4.3. ANOVA and Post-Hoc tests for consumer household income

A one-way analysis of variance (ANOVA) was performed with consumers' income level as explanatory variable and the four different dimensions of consumption values as dependent variables (Table 3) (Biswas and Roy, 2015[a]). Consumers were thus divided into three segments based on their income category. Consumers with high income are significantly less than the low or moderate income segment. Consumers with financial strength exhibit greater faith in green products regarding operational attributes and product disclosures than their less environmentally responsive counterparts. The impact of peer opinion and social pressure is highest on the moderate income segment. Thus they rely more on word of mouth regarding green purchase decisions. Discounts, promotions or subsidies generate similar excitement among those at the higher ends of the society; however the low income segments seemed to be indifferent or ignorant about offers on green products mostly due to their lack of concern about environment and society or too much engrossment in the day to day affairs. Thus based on income, consumption values differ substantially among different consumer segments.

Table 3: Consumption values over household income

Values	Low [N=[illegible]]	Moderate [N=[illegible]]	High [N=[illegible]]	Statistics F	Sig	Games-Howell Post Hoc Tests
Operational value	1.80	3.88	4.13	21.321	0.000	[illegible]
Psychological value	1.47	3.80	1.88	29.290	0.000	[illegible]
Contingent value	1.01	4.26	4.01	24.249	0.000	[illegible]
Convivial value	1.77	4.15	3.87	17.755	0.006	[illegible]

[illegible]

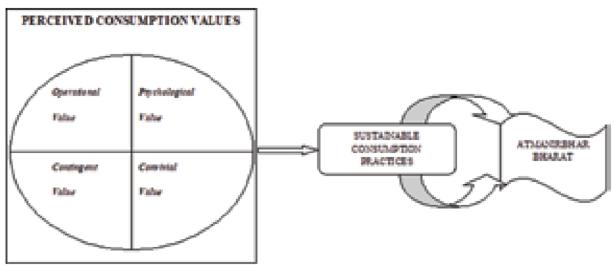
[LI]: Low Income; [MI] - Moderate Income; [HI]: High Income

Table 4 depicts the final results of all the proposed hypotheses.

Table 4: Results of hypotheses testing

Hypotheses	Supported/ Unsupported
H1	Supported
H2	Supported
H3	Unsupported
H4	Supported
H5	Supported

FIG 1. A DIAGRAMMATIC REPRESENTATION



5. CONCLUSION

The results substantiate the objectives of this study and aims to channelize the role of adoption of sustainable consumption practices and modelling a self-reliant and self-sufficient India through transition of consumption practices. The study shows that high price- sensitivity of the consumers' in a developing economy cannot be under-emphasized. Companies manufacturing green products should give more thrust on substantive operational measures to nullify the differential costs involved to gain environmental efficiency. The additional costs can be adjusted against savings in cost by resorting to product recycling or reverse logistics. Hence production of green products should form an integral part of "Make in India" endeavour.

As the operational, convivial and psychological values impact consumers' green product preferences, these values should be identified and targeted by the marketers for market positioning and segmenting. Sustainable consumption practices can further be propagated by active participation of Government and NGOs in undertaking environmental campaigns, advertisements highlighting products' environmental impact, eco-labelling and spread of knowledge through social media about environmental degradation. Tax incentives can be provided to companies undertaking green initiatives in production mechanism or supply chain. This will provide them with a competitive edge to undertake sustained promotional measures to enhance the market share which in turn will lead to sustainable consumption habits.

The impact of consumer-driven variables is often high on environmental impact and such strong adversarial impact will inevitably jeopardize the growth of any economy which signifies the urgency to adopt sustainable consumerism endeavor to prevent the environmental jeopardy. India's economy with policy initiatives such as make in India, import substitution and export promotion, advancement of traditional industries, upgradation of MSMEs, better industry-academia linkages, enhanced research and consultancy, memorandum of understanding with foreign industrial, professional and academic bodies, sharing of intellectual property, sustained innovation and invention in every aspect of human need and endeavor, improved financial markets, retail investments and more is expected to grow in future speeding up the growth rate in urbanization, affluence and per capita consumption expenditure and technology usage. The significant rise in per capita GDP, symbolizes

Contingent factors like discounts or subsidies have a strong inverse impact in framing consumers' green preferences

improvement in standard of living and consumption practices among households. The growing impact of change in lifestyle and consumption practices on environment can be managed by switching household consumption habits towards environment friendly alternatives such as products containing zero pollutants, generating low after-life waste, easy to recycle and emits low carbon or toxic effluents, thus resorting to sustainable consumption. Thus the dual objective of environmental protection and economic prosperity can be attained simultaneously though sustainable consumption. For the sustainable future of the Indian economy embracing sustainable consumption practices is gradually becoming indispensable. MA

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BENCH MARKING THE BUDGET DRIVERS FOR AMRITKAAL

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Abstract

The article makes an effort to adopt the fundamentals of Driver Based Budgeting for the purpose of recognising the key drivers of the Union Budget and ventures to evolve the bench marks for the years to come in Amritkaal.

The article considers the key drivers of Indian Budget as:

a. Growth Rate of Gross Domestic Product
b. Tax Revenue
c. Borrowings
d. Interest Payments
e. Revenue Expenditure (excluding Interest Payments)

The article visualises the behaviour and impact of these drivers by analysing their trend for the thirty-three-year period from 1990-91 to 2022-23. Thereafter, it suggests the bench marks for each of these key drivers.

The article puts forth that Key Driver Based Budget, thus, reoriented would certainly be helpful to usher in Atmanirbhar Prosperity

Warmup

The fast-moving impact from the COVID-19 pandemic is challenging traditional forecasting approaches. Key economic indicators are rapidly changing, and quarterly forecasts become outdated in weeks or even days. In such a scenario, driver-based forecasting provides visibility into the internal and external levers of a business that impact its performance. By flexing the drivers based on macro, micro and internal factors, forecasters can create projections that provide insights into how an organization can optimize the business under multiple scenarios. And hence, the relevance for concept of Driver-Based Budgeting.

Driver Based Budgeting (DBB)

Driver Based Budgeting (DBB) refers to the process of financial planning and management which focuses on identifying an organisation's key value drivers and then creates business plans and budgets based on these key drivers. DBB, thus, focuses on the key variables that impact business performance the most and ties budget numbers to the physical resources necessary to achieve targets for each of those variables. The goal of driver-based budgeting is to base the business plans on the factors that are most critical to driving success. Key business drivers do vary based on the industry and the company; but some typical examples include:

- Market size and growth
- Market share
- Number of customers
- Number of orders or shipments
- Sales volumes in units
- Average sales price per unit
- and etc, etc.

Driver-based planning can also be applied to more detailed financial budgeting for the upcoming fiscal year, as well as in creating rolling forecasts to update budget assumptions. Here, instead of having managers budgeting and forecasting every single line in their cost center budgets, the focus is on updating key metrics that drive other line items via calculations. Consequently, when analysing budget variances, one can understand the true drivers behind the variances.

Advantages of Driver-Based Budgeting include:

i. Driver-based plans allow organizations to assess the impact of internal or external changes very quickly. Budget holders can spend their time analysing the drivers of the business rather than arguing about the multitude of line items in their budget.

ii. Leveraging drivers for outcomes creates an environment for the finance team that is more aligned across the business and provides more consistency across the business functions.

iii. "What-if" scenario analysis is often conducted through the modification of drivers and the resulting financial impact. This agility supports necessary insights and executive decision-making. Visibility and transparency into drivers throughout the planning process allows organizations to understand, in a very effective way, the impact of those drivers and what even small adjustments can mean to the bottom line.

Key Drivers of Indian Budget

It is commendable that Union Budget 2022-2023 seeks to lay the foundation and give a blueprint to steer the economy over the 'AmritKaal' of the next 25 years – from India at 75 to India at 100. The budget sets the following three goals for the Amritkaal:

1. Complementing the macro-economic level growth focus with a micro-economic level all-inclusive welfare focus;
2. Promoting digital economy & fintech, technology enabled development, energy transition, and climate action; and
3. Relying on virtuous cycle starting from private investment with public capital investment helping to crowd-in private investment.

Given this background, here is an effort to adopt the fundamentals of DBB for the purpose of recognising the key drivers of the Union Budget and to venture evolving the bench marks for the years to come in Amritkaal. To begin with, table 1 provides the data relating to 'Budget at a Glance' for the five-year period from 2018-19 to 2022-23.

Table 1: Budget at a Glance

					Rs. Lakh Crore	
Serial	**Element**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
					RE	BE
A	GDP at CMP	190.10	201.98	194.82	232.15	258.00
B	Revenue Receipts					
1	Tax Revenue	13.17	13.57	14.26	17.65	19.35
	Percentage to Total	56.90	50.51	40.64	46.82	49.04
2	Non-Tax Revenue	2.36	3.27	2.08	3.14	2.70
	Percentage to Total	10.18	12.18	5.92	8.32	6.84
3	Sub Total	15.53	16.84	16.34	20.79	22.04
	Percentage to Total	67.08	62.69	46.55	55.14	55.88
C	Capital Receipts					
1	Borrowings	6.49	9.34	18.18	15.91	16.61
	Percentage to Total	28.05	34.76	51.81	42.20	42.11
2	Others	1.13	0.69	0.58	1.00	0.79
	Percentage to Total	4.87	2.55	1.64	2.65	2.01
3	Sub Total	7.62	10.02	18.76	16.91	17.40
	Percentage to Total	32.92	37.31	53.45	44.86	44.12
D	Total Receipts	23.15	26.86	35.10	37.70	39.45
	Percentage to Total	100.00	100.00	100.00	100.00	100.00
E	Revenue Expenditure					
1	Interest Payments	5.83	6.12	6.80	8.14	9.41
	Percentage to Total	25.17	22.78	19.37	21.59	23.84
2	Revenue Expenditure (excluding Interest Payments)	14.25	17.39	24.04	23.53	22.54

	Percentage to Total	61.54	64.72	68.48	62.43	57.14
3	Sub Total	20.07	23.51	30.84	31.67	31.95
	Percentage to Total	86.71	87.50	87.85	84.01	80.98
F	Capital Expenditure	3.08	3.36	4.26	6.03	7.50
	Percentage to Total	13.29	12.50	12.15	15.99	19.02
G	Total Expenditure	23.15	26.86	35.10	37.70	39.45
	Percentage to Total	100.00	100.00	100.00	100.00	100.00

Abbreviations: GDP = Gross Domestic Product; CMP = Current Market Prices

The following facts are evident from the data contained in table 1:

1. The GDP at CMP has moved up from Rs.190.10 lakh crore in 2018-19 to a projected Rs.258.00 lakh crore for 2022-23, thus depicting a growth of 35.72% for the five-year period.
2. Tax Revenue (49.04% of the total for 2022-23) and Borrowings (42.11% for 2022-23) turn out to be the primary sources of the inflow. These two elements, together, aggregate to 91.15% of the total receipts for 2022-23.
3. Interest Payments (23.84% of the total for 2022-23) and Revenue Expenditure - excluding Interest Payments (57.14% for 2022-23) happen to be the major sources of the outflow. These two elements, together, aggregate to 80.98% of the total expenditure for 2022-23.

The key drivers of Indian Budget may, therefore, be considered as:

a. Growth Rate of Gross Domestic Product
b. Tax Revenue
c. Borrowings
d. Interest Payments
e. Revenue Expenditure (excluding Interest Payments)

The behaviour and impact of these drivers is proposed to be visualised by analysing their trend for the thirty-three-year period from 1990-91 to 2022-23.

Trend and Behaviour of the Key Drivers

Growth Rate of Gross Domestic Product (GDP): 'Achieving Sustainable Growth' is the onerous objective of every government. It is a fact that GDP is perpetually construed as the macroeconomic outcome. However, in its impact on government cashflows GDP turns out to be a key driver which sets the tone for the other variables. The 'Year on Year' growth of Indian GDP for the period from 1990-91 to 2022-23 is depicted as Graph 1.

Graph 1: YoY Changes in GDP (%)

A diligent observation of the graph reveals that Indian GDP has been growing consistently, but for the Covid impacted 2020-21. The rate of growth has, however, been fluctuating from year to year and indicates a declining trend. This observation is corroborated by the linear equation "y = -0.1479x + 15.199" and "R^2 = 0.0892". Impliedly, successive governments have faced tremendous challenges in maintaining the growth rate. A valid medium-term objective, in this context, ought to be to change the long-term-trend of GDP growth from negative to positive.

Tax Revenue: Tax Revenue is the main source of revenue for every government. The trend of Tax Revenue, expressed as percentage to GDP, for the period under review is shown as Graph 2.

Graph 2: Percentage of Tax Revenue to GDP

The percentage of Tax Revenue to GDP is revealing a fluctuating, bur marginally upwards trend; the peak of 9.09% was in 2007-08; and the projection for 2022-23 being 7.50%. The observation on trend is revibrated by the linear equation "y = 0.021x + 6.7744" and "R^2 = 0.0917". In view of a gap of 1.59% points between the peak and the projection, there appears to be scope for generating higher tax revenue.

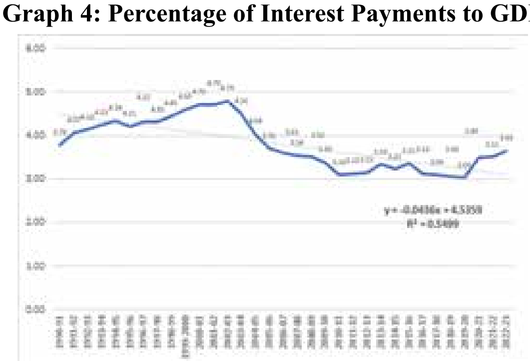
Borrowings: Borrowings is a handy tool for every finance minister to cover the fiscal deficit. The trend of borrowings, expressed as percentage to GDP, for the thirty-three-year period is portrayed as Graph 3.

Graph3: Percentage of Borrowings to GDP

The volatile and marginally-increasing trend of borrowings, over the years, is quite evident from the graph. The level was the highest at 9.33% of GDP for 2020-21, obviously, because of the pandemic. It is interesting to note that borrowings were the least at 2.62% of the GDP in 2007-08 wherein the tax revenue was the highest. The volatility of the trend is confirmed by the linear equation "y = 0.0066x + 4.9562" and "R^2 = 0.0022". It must always be remembered that borrowings during the current year lead to creation of recurring interest burden for the future years. Hence, the desirable goal should be to pin down the borrowings to an achievable level of 2.50% of GDP.

Interest Payments: Interest is a consequential effect of the borrowings. As such, it is a committed burden to the exchequer for years to come. The trend of interest payments, expressed as percentage to GDP, for the period under consideration is shown as Graph 4.

Graph 4: Percentage of Interest Payments to GDP

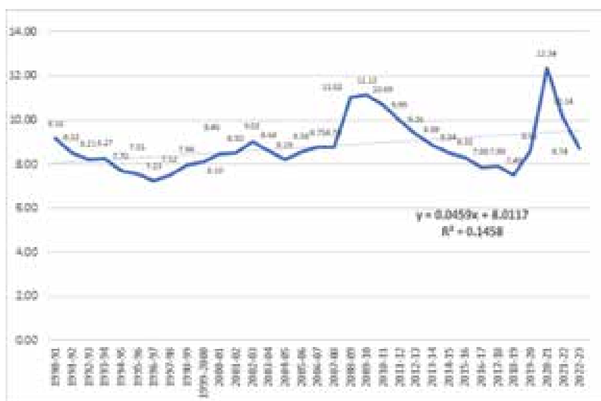


The graph displays a fluctuating and declining trend of interest payments. The trend is affirmed by the linear equation "y = -0.0436x + 4.5359" and "R^2 = 0.5499". The noteworthy point is that in-spite of an upward trend in borrowings, the quantum of interest payments has been coming down; the obvious reason being a gradual decline in the rates of interest. The year 2010-11 had witnessed the lowest level of interest at 3.10% of GDP.

Revenue Expenditure (excluding Interest Payments): Revenue Expenditure (excluding Interest Payments) represents the operating and other administrative expenses of the government including salaries and allowances. The nature of this element is partly fixed; partly discretionary; and partly need based.

Researchers estimate that the employee costs of the government for the year 2022-23 in the range of Rs. Six lakh crore per annum which computes to 26.62% of this element and remains a fixed cost to this extent. That part of the development costs with political considerations may be considered discretionary and all the rest including administrative costs as need based. The trend of Revenue Expenditure (excluding Interest Payments), expressed as percentage to GDP, for the period from 1990-91 to 2022-23 is presented as Graph 5.

Graph 5: Percentage of RE (excluding Interest) to GDP



The graph reveals an oscillating and upward trend. The trend is attested by the linear equation "y = 0.0459x + 8.0117" and "R^2 = 0.1458". It is a writing on the wall that in spite of vocal efforts, none of the governments are successful in arresting this trend. At the same time, it is heartening to note that near-minimum of 7.49% was achieved as recently as in 2018-19. The reading is that Revenue Expenditure could be contained and controlled with due determination.

Bench Marking

The efforts towards steering the economy in Amritkaal must arise by setting honest and worthy targets for Budget

Drivers. The suggested bench marks, evolved on the basis of historical evidence as discussed in the foregoing paragraphs, could be:

i. Ensuring positive trend of GDP growth over the medium term

ii. Achieving a Tax Revenue level of 9% of the GDP

iii. Reducing the level of Borrowings to 2.5% of the GDP

iv. Containing the Interest Burden to 50% of the level of Borrowings

v. Restraining the Revenue Expenditure (excluding interest payments) to a level wherein it equals or remains less than the Tax Revenue as reduced by Interest Payments {Revenue Expenditure (excluding interest payments) ≤ (Tax Revenue - Interest Payments)}.

Even at the existing level of GDP of Rs.258.00 lakh crore (as envisaged in the budget for 2022-23), "What if Analysis" for pegging the remaining four budget drivers to the bench mark levels, would reveal the impact as shown in table 2.

Table 2: What if Analysis of the Budget Drivers

Proposition	Existing Level	Changed Level	Impact	
	Rs. Lakh Crore			Nature
Achieving a Tax Revenue level of 9% of the GDP	19.35	23.22	+3.87	F
Reducing the level of Borrowings to 2.5% of the GDP	16.61	6.45	(-)10.16	F
Containing the Interest Burden to 50% of the level of Borrowings	9.41	3.23	(-)6.18	F
Restraining the Revenue Expenditure (excluding interest payments) to a level wherein it equals or remains less than the Tax Revenue as reduced by Interest Payments	22.54	19.99	(-) 2.55	F

Abbreviations: F = Favourable

The impact, that could be seen from the computations in the table, is self-explanatory and stupendous. The benchmarks are worth venturing by all means with immediate effect to achieve the desirable levels of the Budget Drivers over the first ten-year phase of Amritkaal.

Relevant to mention is that, it is a valid perception that Revenue Expenditure shapes the Indian Budgets. The first and foremost initiative in the direction of a virtuous cycle shall, perhaps, be to reorient the primary base of the budget from Revenue Expenditure to Tax Revenue. Key Driver Based Budget, thus, reoriented would certainly be helpful to usher in Atmanirbhar Prosperity.

Resources

1. *Budget Documents for various years*
2. *Computations by the author*

BUDGET HIGHLIGHTS 2022-2023

Key Features of Union Budget 2022-23

The Union Budget for the year 2022-23 is prepared aiming to attain certain vision and achieving certain goals marked by Azadi Ka Amrit Mahatsov and the Amrit Kaal the 25 year long lead up to India @100. This Budget seeks to lay the foundation and give a blueprint to steer the economy over the Amrit Kaal of the next 25 years – from India at 75 to India at 100. The goals of Amrit Kaal are:

- Focus on growth and all-inclusive welfare
- Promoting technology enabled development, energy transition and climate action
- Virtuous cycle starting from private investment, crowded in by public capital investment

Four priorities of this year budget are:

- PM GatiShakti
- Inclusive Development
- Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition, and Climate Action
- Financing of Investments

PM GatiShakti

- Formulation of Master Plan for expressways, completing 25000 km national highways in 2022-23
- Unified Logistics Interface Platform allowing data exchange among all mode operators
- Open Source Mobility Stack for seamless travel of passengers
- Four Multimodal Logistics parks through PPP to be awarded in 2022-23
- Integration of Postal and Railways Network facilitating parcel movement.
- One Station One Product
- Extending coverage under Kavach
- 400 new generation Vande Bharat Trains
- Multimodal connectivity between mass urban transport and railway stations
- National Ropeways Development Plan as sustainable alternative to conventional roads.
- Capacity building for infrastructure Projects

Inclusive Development

Agriculture

- Promoting chemical free natural farming starting with farmers' lands close to river Ganga
- Promoting post harvest value addition, consumption and branding of millet products
- Delivery of Digital and Hi-Tech services to farmers in PPP mode.
- Use of Kisan Drones to aid farmers.
- Launching fund with blended capital to finance agriculture start ups
- Implementation of Ken Betwa Link Project benefitting 9.1 lakh hectare farm land, providing drinking water to 62 lakh people and generating 130MW power.
- 5 more such projects under process of implementation.

Universalization of Quality Education

- A Digital University will be established with world class quality universal education
- High quality e-content will be delivered through Digital Teachers
- Virtual labs and skilling e-labs to promote critical thinking skills and stimulated learning environment
- One class One TV channel programme to be expanded to 200 TV channels

Skill Development

- Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal) will be launched to promote online training
- Startups will be promoted to facilitate Drone Shakti for Drone-As-A-Service

Health

- National Digital Health Ecosystem will be rolled out
- National Tele Mental Health Programme will be launched for quality counselling Integrated architecture
- Mission Shakti, Mission Vatsalya, Saksham Anganwadi, and Poshan 2.0 to be launched
- Two lakh Anganwadis to be upgraded to Saksham Anganwadis

Welfare Focus

- Har Ghar, Nal Se Jal
- PM Awas Yojana
- Digital Payments: Scheduled Commercial Banks to set up 75 Digital Banking Units in 75 districts
- Digital Banking by Post Offices: 100% of post offices to come on the core banking system
- Vibrant Villages Programme: Targeting development of villages on the Northern Border left out from the development gains

Productivity Enhancement & Investment

- Integration of central and state level systems through IT bridges
- Expanding scope of PARIVESH Portal
- Unique Land Parcel Identification Number for IT based management of land records.
- Establishing C-PACE to facilitate voluntary winding up of companies
- End to end online e-Bill System and utilising surety bonds in government procurement.
- AVCG promotion task force
- Support to 5G under PLI scheme
- Opening up defence R&D for industry, startups and academia
- Issuance of chip embedded ePassports
- Modernisation of building byelaws, implementing Town Planning Schemes and Transit Oriented Development
- Establishing Centres of Excellence in urban planning
- Providing a battery swapping policy as an alternative to setting up charging stations in urban areas

Financing of Investments

- Introduction of Digital Rupee by RBI starting 2022-23
- Public investment to continue to pump prime private investment and demand in 2022-23
- Green Bonds to mobilise resources for green infrastructure
- Infrastructure status for Data Centres and Energy Storage
- Measures to aid investment by Venture Capital and Private Equity Investment
- Blended Finance for sunrise sectors such as Climate Action, Deep-Tech, Digital Economy, Pharma and Agri-Tech
- Enhanced outlay to Scheme for Financial Assistance to States for Capital Investment

Tax Proposals

- Allowing taxpayers to file Updated Return within 2 years for correcting errors
- Tax relief to persons with disability
- Income from transfer of virtual assets to be taxed at 30%
- Increasing tax deduction limit on employer's contribution to NPS account of state government employees
- Extending period of incorporation of eligible startups for providing tax incentives
- Reducing Alternate Minimum Tax Rate and Surcharge for Cooperatives.
- Any Surcharge or Cess on Income and Profits not allowable as business expenditure
- Better litigation management to avoid repetitive appeals
- Customs administration to be fully IT driven in SEZs
- Phasing out concessional rates in capital goods and project imports gradually and apply a moderate tariff of 7.5%
- Review of customs exemptions and tariff simplification
- Customs duty rates are being calibrated to provide a graded rate structure to facilitate domestic electronics manufacturing
- Rationalisation of exemptions on implements and tools for agri sector manufactured in India
- Extension of customs duty exemption to steel scrap
- Reduction of duty on certain inputs required for shrimp aquaculture
- Unblended fuel shall attract additional differential excise duty

Source: indiabudget.gov.in

DIGITAL TRANSFORMATION OF INDIA BY AND WITH STARTUPS, SOONICORNS AND UNICORNS

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Introduction

In September and November 2016, the author in free wheel blogs wrote about his thoughts on startups, innovation, disruption, incubation, etc. Those days some wavy words were buzzing around connecting with startups, viz., hackathons, disruptions, FinTechs, transformational and foundational digital technologies and solutions, IoTs, Apps, etc. When wind blows all plants and trees undulates. Similarly, thoughts of many people were also being undulated by those words, at times turning into storms. The word 'Unicorn', which was coined by venture capitalist Aileen Lee in 2013, was hardly known in India. Unicorns are those startups whose valuation has crossed USD 1 billion and the word Soonicorn is its derivation to indicate startups which are expected to soon cross that threshold.

One of the popular and understood to be smart phrases even five years before used to be 'Startups burning cash' and questions among finance professionals used to be how come they are being funded by some investors. There were negative perceptions about startups and first-generation entrepreneurs for burning valuable resources and nine out of ten failing. In course of time the words startup and app have become a part of a common man's daily life making difference in many ways. But if each human being recalls childhood the realisation in hindsight would be that she/he was also a startup. It was a process of learning by making mistakes and from cautions sounded by parents and well-wishers around.

Indians lived with patience and encouraged young bright first generation entrepreneurs to make mistakes in the process of actualisation of their dreams and ideas throught sustainable value generating ventures. It was a must for India as her rank was much lower in the list of nations moving ahead with digital transformations with the help of startups creating new digital products and designing unique and complex digital solutions. Aspirations of those startupians gradually converted India into a nation of 'Innoventors' and digital leaders to the world from front. The author means thereby that India is emerging to be a nation of Innovators, Inventors and Creators of values.

Image Source: https://razorpay.com/learn/what-is-a-unicorn-startup/

Who can say that today's startups are not tomorrow's MNCs![1 and 2.] What were aspired for years is now a reality!

Objective

This is the thirtieth monthly article in a row under this column 'Digital Transformation' since September 2019. Many variants of eight deep digital technologies have been covered in previous articles along with related aspects of strategy interplays, solution designing, applications in isolation and/or combinations of technologies, risk management, business operations, ERP integrations for accounting reporting and auditing, ROI, humane dimensions, etc. from perspectives of various stakeholders. While covering these, the related status of developments in India have also been covered. This volume is, however, being dedicated for India's startups dealing with digital technologies and transformations.

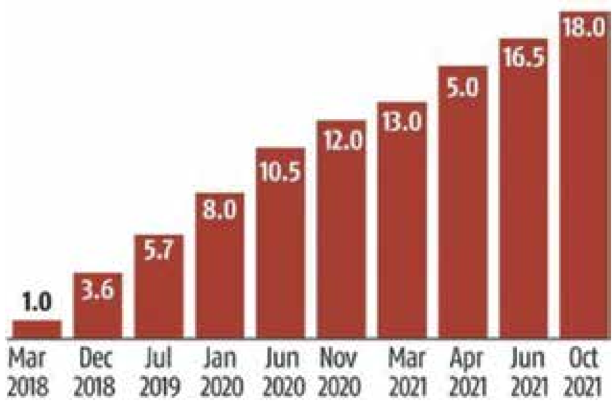
Indian startups richly deserve some dedicated pages under this column. Their contributions can collectively be considered as invaluable for rebuilding our nation in the present Industry 4.0. They are not only rendering wonderful services to the business ecosystem they have widely spread their wings across world and have made their presence intensely felt across industry sectors, governmental NGO organisations. They have profusely been lauded, commended, and rewarded by recipients of their services across the world. Behind very many successful digital transformations across the world there are contributions of Indian startups and digital scientists.

The Startup Journey Continues

In addition to thousands of standalone Indian startups designing and marketing their unique digitally developed and delivered products and services, innoventive 'startupians' are also contributing through many other modes. The author has earlier written about Indian corporates, banks, and other entities particularly in BFSI sector immensely being benefitted through participation in their hackathons by innovative first-generation entrepreneurs of startups. Digital solutions generated in those hackathons being integrated by organisations into their own main framework of digital transformation and building applications. As Andrew Gazdecki, a cerebral entrepreneur and authors says, *"Every billion dollar startup began with zero revenue, zero funding, zero press, zero customers. Keep going"*.

India is continuing to see thousands of such startups being born every year. Many of those are very successful and some of those have made India to be the proud third largest home for Unicorns leaving behind the UK. Many soonicorns are following their footsteps. Government of India has introduced a 7-Step startup registration process.[3] The Department for Promotion of Industry and Internal Trade (DPIIT) has recognised about 50,000 startups till around June 2021. The Economic Survey, presented by the Finance Minister of India on January 31, 2022, highlighted that during April 2019 to December 2021, about 5,000 startups were established in Delhi as compared to about 4,500 plus in Bengaluru. Maharashtra has the highest number of 11,308 startups.

It is amazing to note that despite the draconian ambuscade of Covid-19 Pandemic India has added forty-two Unicorns in 2021. By that India is now the land of eighty-three Unicorns with a total valuation of about USD 278 billion lead by the EdTech giant Byju's whose present valuation is about USD 16.5 billion. It will soon raise about USD 300 million through its Series F compulsorily convertible preferred quasi-equity instrument. This will take its valuation to USD 18 billion. The following graphic demonstrates the quantum leap in valuation of Byju's at an annualised CAGR of 124.2%. Byju's have spread its wing to provide EdTech services to other countries also.

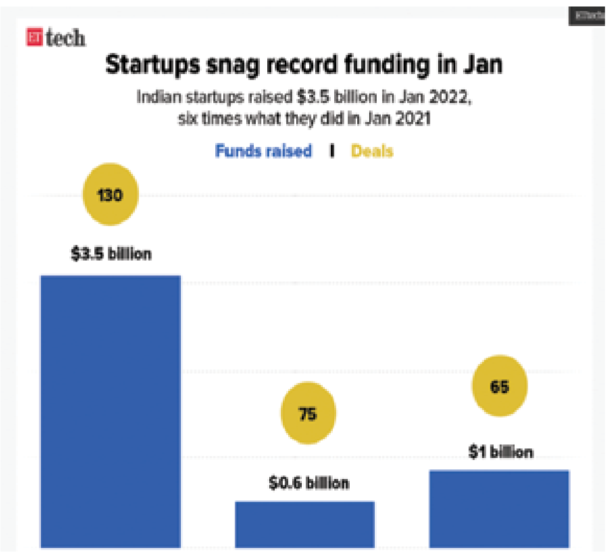


Source: https://www.business-standard.com/article/companies/edtech-giant-byju-s-is-raising-300-mn-valuation-may-touch-18-bn-121100400847_1.html#:~:text=In%20June%2C%20Byju's%20became%20India's,company%20Paytm's%20%2416%20billion%20valuation

The said economic survey has revealed that, *"This knowledge-based sector relies heavily on intellectual property, particularly trademarks. ..... The number of patents filed in India has gone up from 39,400 in 2010-11 to 45,444 in 2016-17 to 58,502 in 2020-21 and the patents granted in India has gone up from 7,509 to 9,847 to 28,391 during the same period,"*[4]. Thus, the cumulative average rate of growth (CAGR) in registered intellectual property rights (IPR) is 14.22% in last ten years as against 4.05%. The CAGR of registered IPRs is about 30.3% if considered from 216-17 to 2020-21.

Such a quantum leap in registered IPRs indicates the second dimension of India evolving as a knowledge-based economy with innovation and digital transformation as the drivers for inclusive value creation. One can hope for the best in matters of faster reduction in the digital divide between urban India and rural Bharat. This is because larger allocation of financial resources by Government of India for implementing its ambitious plan to swamp every village with data bandwidth and 5G facilities thereafter.

Information and communication technology, powered by eight deep digital technologies, is the predominant drivers of Indian startup ecosystem. They are primarily engaged in digital solution building, 'Software as a Services (SaaS), digitalisation of operating technologies, robotic process automation and so on. Their journey in search of excellence and inclusive growth has attracted attention of global investors. Economic times has reported on January 31, 2022[6] about *"The brisk pace, which has seen over four deals a day and over $115 million in daily inflows in disclosed deal value comes at a time when the private equity and venture capital industry was bracing for a slower 2022 based on global and domestic cues. The total disclosed deal value in January is six times higher than the same month last year, which saw 75 deals with disclosed value of $600 million while in January 2020, Indian startups sealed 65 deals with disclosed value of $1 billion."* The following is a graphical presentation of the same.



Source: https://economictimes.indiatimes.com/tech/startups/startup-inc-begins-2022-with-a-bang-snags-3-5-billion-in-jan/articleshow/89207698.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Two Unique Fronts for Indian Startups

Readers may refer the 15th Article of the author published in November 2020 under this column of The Management Accountant on Indian startup ecosystem[7] for more information about industry-wise registration of startups in India. Certain pervasive initiatives of the Government of India, as briefly outlined in that article, have started yielding results at an accelerated pace. Before this article gets into the analyses of what all those forty-four Unicorn startups are engaged and contributed for digital transformation, which have entered the Unicorn club in 2021, it would be worthwhile to write about two more new areas into which Indian startups are making inroads with lots of potentials and promises for success.

India's Own Operating System (OS)

It is a longstanding debate, particularly keeping in view 1.35 billion population and more and more netizens adopting smart phones, tabs and computers, whether India should have its own operating system (OS) at least for smart phones to start with. This debate on OS has assumed further critical importance due to India achieving another unique feat of becoming the second largest smart phone producer of the world, including for Apple. Such a debate is despite competition being very severe from ioS of Apple and Android developed by 'The Open Handset Alliance' and commercially sponsored by Google.

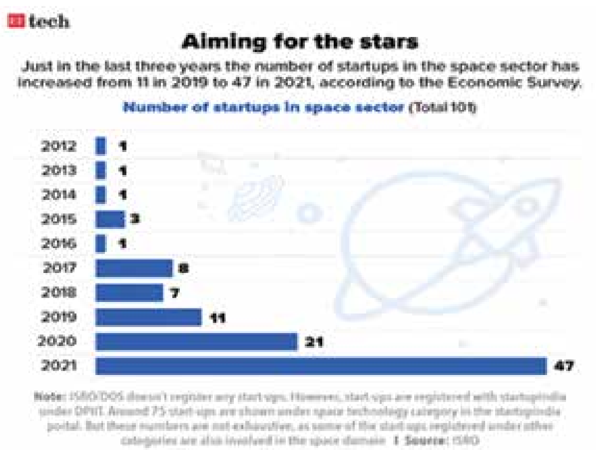
It is an established position that a group of engineers from the Indian Institutes of Technology have created in 2012 the Indian OS called the 'Indus OS'. The system is continuing to exist. This is neither mandated nor supported by government of India. The world acknowledges that hundreds of Indian talents have contributed for success of smart phones and thousands of Apps across the globe. One must not doubt their talent and capabilities. If that OS complies with provisions of GDPR and related code of standards of the USA and India, the author is of the view that there should not be any doubt about the success of Indus OS?

Kevin Colleran wrote in Tech Live[8] wrote that the firm of Indus OS *"In November 2021, the firm claimed that its app store, the Indus App Bazaar, had over 200 million users. There are other isolated examples too, like Paytm's mini app store, which was launched in September 2020."* Koo is already an alternative for Twitter for microblogging. UPI is the world's largest interface for common people to make payments through digital mode. Exemplary success of India in Aadhar for creating a unique digital national identity for every citizen and CoWIN software for tracking vaccination against Covid-19 have set scintillating example before the world. The maxim says good beginning is half done. However, Indus OS is required to be encouraged so that this OS is also developed further with more unique features and coupled with similar APPs, if not more versatile and powerful, which were earlier offered with the said OSs of Apple and Google.

Let us not cast aspersions that Government will take undue advantage of the users' personal data by its interference. This has been proved to be a non-issue as we have seen in cases of Aadhar, Arogya Setu and CoWIN. Such an anxiety is not relevant in today's world of democracy and transparency. Only exception could be for cases involving critical national security and safety matters. The author is strongly of the view that Indian ICT scientists must be encouraged to go ahead with Indus OS. The author is hopeful to see more success of it in near future. India should also start research-based work for 6G telecom technology.

Space Technology

Government of India has issued in recent years several national policies covering Blockchain Technology, Drone, Space, GIS, etc., simultaneously with opening of defence and space sector for private entrepreneurs. Economic times reported on January 31, 2022[9] that according to ISRO 75 startups have been reported in Startup India Portal for space technology category, which may not be comprehensive because product domains of certain other registered startups may be indirectly associated with space technology.



Source:https://economictimes.indiatimes.com/tech/startups/india-can-capture-a-larger-share-of-global-space-tech-pie-economic-survey/articleshow/89251049.cms

As a sequel to the same, the above graph represents that according to the Economic Survey, presented before the budget session of Indian Parliament on January 31, 2022, the number of registrations by startups for space sector has increased from 11 in 2019 to 47 in 2021 with total increasing to 101. Keeping in view stellar success of Indian startups in other sectors, the readers may agree with the author that India is certainly poised for claiming a larger share of global business in space technology sector, which was reported to be around USD 447 Billion in 2020.

Ever Growing Indian Netizens and Digital Network

Some digital enthusiasts prefer to say that *"It is raining Unicorns in India."* The statistics presented above about startups and Unicorns speaks volume and perhaps justifies this statement. If anyone attempts a conservative estimate by extrapolation of the growth in number of registered startups vis-a-vis growth in successful startups, there are more probability for him to conclude that Unicorns will continue to rain. This probability being converted reality can further be justified by the following statement published by the Office of Science and Innovation of 'Sweden-India Innovation Initiative' on October 2020[10]: "*Exciting research by the Progressive Policy Institute India shows that India is likely to overtake the US as world's largest developer population center by 2024. India currently boasts over 1.674 million app economy jobs, a growth of 39% from 1.208 million in 2016. By comparison, the US had 2.246 million similar jobs in 2019."*

The other side of the story also justifies that the above would in all probabilities happen. India is continuing to witness ever growing community of netizens who are the prospective users of all Apps and other digital solutions developed/to be developed by Indian startups. The Economic Times reported on October 26, 2021, quoting Mr. Ram Sewak Sharma, CEO of National Health Authority of India that, *"Today we have 1.18 billion mobile connections, 700 million Internet users, and 600 million smartphones, which are increasing 25 million per quarter. We have a strong connectivity base today. ……. India has the highest data consumption which is about 12 GB per person a month. Fortunately, in our country, in the last 6-7 years, we have seen immense progress in the connectivity side."*

India's New Unicorn Club Members of 2021

At this stage the author would like to briefly itemize and list the nature of engagements of those forty-two startups that have entered the Unicorn Club of India in 2021. Readers will be able to appreciate their innovative applications of technologies and interplays with business strategies for various sectors. One would be able to gage enormity of their contributions for India's digital transformation journey by ensuring cost optimisation, reduction of intermediation and minimisation of value destruction.

The following graphic has been borrowed from a report of Inc42.com, which is one of the most credible reporting organisations for Indian startups. The graphic captures in one frame all these forty-two startups. It aptly signifies the characteristics of these startups by making their brands to ride on the most powerful and fastest moving animal under the sun. Several information about these Unicorns have also been referenced from their publications in addition the authors own research. One of the objectives of the itemised listing, as enumerated below, is to provide readers with some senses of respective business models of these new Unicorns. Young first generation Indian entrepreneurs would certainly be inspired by their success stories .

Source: https://inc42.com/buzz/indian-startups-that-entered-the-unicorn-club-in-2021-in-india/

FinTech, Insurance and Financial Services

- **Zeta**: Neo-banking services to be rendered by this startup by wrapping traditional banking institutions with digital solutions for credit, debit, billing, and pre-paid products.
- **Digit Insurance**: It is a digital technology driven general insurance service provider with carefully crafted specific insurance policies befitting the need for customers' risks related to health, motor vehicles, travel, smartphones, commercial properties etc.
- **CRED**: Created a faster digital solution for payment of credit cards. It is also exploring possibilities for introducing a digital solution and awarding customers of eCommece players with reward coins.
- **Groww:** Developed a handheld device based digital solution for facilitating its customers' processes for investing financial securities.
- **Chargebee**: Its financial service product helps integrating payment gateways for automating remittance and collection of money, raising invoices, and sending intimations through system-generated mails for improved CRM.
- **BharatPe:** This startup has the credit of crafting India's first *"UPI interoperable QR code for merchants."* It is also trying to render several other financial services.
- **Coin DCX:** This is the first cryptocurrency exchange of India with a resolve for spreading awareness about private cryptocurrency in India.
- **CoinSwitch Kuber:** This is the second cryptocurrency exchange of India that has attained Unicorn status.
- **MobiKwik:** Provides solution for faster remittance of money and payment of bills. Equity shares of this Unicorn are in the process of being listed.
- **Slice:** Digitally crafted credit solution in collaboration with certain credit card companies and banks. It helps generating credit scores of customers and helps rewarding them.
- **ACKO:** Insurance related services are provided by this startup in areas of mobility, electronic equipment. It also provides services to about a million of gig workers with the aim to help creating a gig-economy

HealthTech and Healthcare

- **Innovacer**: This is the first HealthTech Unicorn of India. It has created solution for analyses of patients' health and treatment data for generating insights and helping to initiate actions for medical treatment.
- **PharmEasy**: Renders services for teleconsultation, medicine deliveries and gathering of samples for getting pathological tests done. It also provides Software as a Service (SaaS) for integrating medicine procurement and delivery.
- **Curefit**: Provides online and off-line services for fitness related to mental healt, physical body, nutrition, primary care, etc.
- **Pristyn Care**: Arranges for medical surgery services with the help of a network of about two hundred surgeons and is reported to have arranged for 20,0000 surgeries so far.

eCommerce and Supply Chain Management

- **InfraMarket**: This is a born profitable startup. It accumulates demands from small business entities and matches with supplies of materials at wholesale prices and reasonable terms for credit and/or financing arrangements.
- **Moglix**: Has created a eCommerce market place for industrial tool, spares and consumables with the mission for creating a USD 1 trillion manufacturing economy.
- **BlackBuck**: In surface transport sector this startup offers digitisation services for fleet with the aim to match vehicle demands for delivery of volume merchandise and ensures timely availability of vehicles from local transporters.
- **Droom:** This venture is an eCommerce marketplace for automobile companies in four categories, viz, B2B, B2C, C2C and C2B. It offers customers to choose from options for thousands of vehicles
- **OfBusiness:** This startup has created a B2B eCommerce marketplace for meeting requirements

of raw materials of MSME enterprises

- **ZetWerk:** Again, this is a B2B eCommerce marketplace for connecting vendors with buyers of customised products and industrial equipment, machine parts, etc.
- **Grofers:** This is a household name for online supplies of grocery products.
- **CarDekho:** Created a search engine and eCommerce platform for both old and new cars for motorists to buy from OEMs and sell used cars.
- **MyGlamm:** Like Nykaa this is also a direct to customer eCommerce platform for beauty, cosmetics, personal and skin care products.
- **Mensa Brands:** It is one of the fastest startups to enter the Unicorn club. It has created an eCommerce platform for women's wearing apparel, jewellery and ethnic wear items which are manufactured by reputed brands
- **Spinny:** It is an online platform for used cars and adding better technological facilities in cars so that motorists can derive improved driving experience.
- **GlobalBees:** Is engaged in acquiring seller businesses for large eCommerce players and acquiring direct to consumer (D2C) brands for reducing intermediation and cost reduction.
- **Meesho:** This startup is engaged in social commerce segment by providing individual entrepreneurs in micro and small business segment to explore business opportunities through social media for generating revenues.
- **Mamaearth:** It started as an eCommece platform for selling baby care products to mothers of new-borns and is gradually expanding to become a one stop shop for all personal care products.
- **NoBroker:** Thousands of migrating people looking for accommodation and house properties in new locations are being helped by this startup. They have created an online platform for the property owners and seekers to meet and strike deals.

Education Technology

- **UpGrad:** It is an online learning and knowledge management service provider in higher education space in coordination and collaboration with universities.
- **Eruditus:** This is also engaged in similar line of business like upGrad for providing online education in collaboration with several universities and business schools of international eminence.
- **Vedantu:** Renders online tutoring services to students by arranging live classes. Students have options to choose from various subjects according their need and interests.

Software as a Service (SaaS)

- **BrowserStack**: Startupians of this entity have created a platform for App developers who can test their newly created smart phone based Apps.
- **MindTickle:** Provides unique SaaS for creating online training and learning management facility aimed at enhancing knowledge and skills of employees engaged in customer relationship management.

Social Communication and Job Portal

- **ShareChat**: It has created a versatile communication and social media platform and content sharing tool for digital contents in serval vernaculars. Some users consider it as a substitute for TikTok.
- **Gupshup**: Provides communication services through a platform for messaging and conversation particularly connecting customers of banking, consumer products, hospitality, etc. companies.
- **Apna**: People with vocational skills like that of a carpenter, painter, plumber electrician, etc. can seek online help for getting information for employment opportunities. This platform also provides to employers facilities for conducting interviews.

Local Services

- **Urban Company**: It is gradually becoming a popular household name in major cities by providing various types of manpower based services in local areas for repairs and maintenance, personal care, grooming, etc.

Food Products

- **Licious**: A fast growing household name in Indian urban centres, this startup supplies gourmet meat, fish, eggs in raw and semi-processed conditions. The author uses their online platform for buying such products and the experience is worth to be recommended for.

- **Rebel Foods**: It is an online cooked food supplier from various reputed cookeries, gourmet shops and hotels.

Mobile Premier League

- **Mobile Premier League**: This is an online gaming platform.

Conclusion

Writing this article is one of the most amazing experiences of the author. His conviction is that readers would also enjoy it. It is a matter of great pride for every citizen that Indian startups, soonicorns and unicorns are rendering overwhelming services for not only digital transformation of India but also contributing to GDP. It is said that a rupee saved is a rupee earned. These startups are immensely contributing towards value generation not only by creating value but also by minimisation of value destruction. They are helping to ensure inclusive growth with inclusive smile and shared values for all people across the societal strata of India.

There seems to be no scope for any counter argument to the statement that these startups would spread their wings more widely right across the world and help improving lives of millions of citizens of other countries. The author takes this opportunity to convey best wishes to all startupians, their team members and upcoming first-generation entrepreneurs who are striving every nerve for actualising their dreams. MA

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MEASUREMENT OF PROFITABILITY OF SELECT IT COMPANIES IN INDIA: AN APPLICATION OF DEA

Abstract

Though a number of studies on the profitability of different service sectors like banking, insurance, airlines etc. have been conducted using the DEA during the last two decades, no significant study addressing similar issues by adopting the same analytical technique in the Indian IT sector has been carried out. In this backdrop, the present article r attempts to measure the profitability of fifteen selected IT companies in India during the period 2004-05 to 2018-19 applying the DEA technique.

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1. INTRODUCTION

The health of a company is largely dependent on its profitability status. The profitability or earning capability of a company not only indicates the level of its efficiency with which the available resources are managed but also reflects the effectiveness of the policies and strategies adopted by it. Without having adequate profitability, a company cannot survive in the long run and the company can enhance the size of its business or scale of operations only if its profitability curve soars upwards. Thus there is a high degree of positive association between the company's profitability and its financial well-being. Conventionally, ratio analysis is used in measuring the profitability of a company. The most commonly used profitability yardsticks in ratio analysis are gross profit ratio, net profit ratio, operating profit ratio, return on capital employed, return on owners' equity etc. Similarly, break-even analysis can also be applied in evaluating the company's earning capability. Due to some inherent limitations of ratio analysis and unrealistic assumptions underlying the break-even analysis, both these techniques cannot provide a true outcome. However, most of the studies on the profitability analysis of different sectors in India including Information Technology (IT) sector were carried out during the last few decades using these traditional techniques. No significant study on the profitability of IT companies was conducted in India applying the Data Envelopment Analysis (DEA) though in several studies this technique was used in analyzing the profitability of other service sectors like banking, insurance, airlines etc. Presently India has been recognized as one of the fastest-growing economies in the world and the Indian IT sector encompassing IT services, IT-enabled services, e-commerce, software products and hardware products has played a vital role in achieving this status. In fact, the IT companies in India have been fueling the growth of the country's economy during the last two decades. India has already proved itself in the global market as a preferred destination for IT companies. The contribution made by the IT sector to the India's GDP has been stepped up from 1.2 per cent in 1998 to 7.8 per cent in 2019 and it is expected that this contribution will reach 10 per cent by 2025. The Indian IT sector also plays a significant role in providing employment to IT-skilled persons. As of 2020, India's IT sector not only employs 4.36 million people directly but also provides indirect employment to 10 million. The IT sector in India has also been instrumental in transforming the country's governance landscape. This sector has made a notable contribution towards making the governance more efficient and responsive. Thus, the IT sector in India has proved its indispensability and established itself as an integral component of the technology-driven knowledge economy of the 21st century. In this backdrop, the present article r seeks to measure the profitability of the fifteen well-known companies in Indian IT sector during the period 2004-05 to 2018-19 applying the DEA technique.

2 DATA BASE AND METHODOLOGY

The study was based on a survey of fifteen reputed companies in Indian IT sector which were selected applying purposive sampling procedure. The data of the companies for the period 2004-05 to 2018-19 used in the study were taken from secondary sources, i.e. Capitaline Corporate Database published by Capital Market Publishers (I) Ltd., Mumbai. In this study, the main analysis applied for measuring the profitability status of each of the selected companies was the DEA Model. While applying the DEA, the selected companies were considered as the decision making units since the study was conducted in order to evaluate the profitability of these companies in terms of efficiency scores. In this analysis, direct costs and indirect costs were taken as the input variables while revenue and operating profit were considered as the output variables. Based on the data relating to the inputs and outputs, the DEA algorithm yields an ex-post measure of how efficient each observation was in converting inputs into outputs accomplished by the construction of an empirically based production frontier and by evaluating each observation against all the others included in the data set (Majumdar, 1996). The DEA maximizes the output variables and minimizes the input variables for comparing the relative performance of different business units. To benchmark the selected companies, each of them was considered as a homogenous unit and the DEA methodology was adopted in assessing the status of each company's efficiency in respect of earning capability. Applying the DEA methodology, an efficiency score for each of the fifteen selected companies for each of the years under study was ascertained on a scale of 0 to 1. The computed efficiency scores were analyzed through arithmetic mean (AM), consistency coefficient (CC which indicates the ratio of AM to standard deviation) and linear trend analysis. The slopes of the linear trend equations fitted to the efficiency scores series were tested by 't test'.

3 RESULTS AND DISCUSSION

In Table 1 it was attempted to analyze the profitability of the selected IT companies based on the efficiency scores as measured by applying the DEA technique in each of the years under study. This Table discloses that based on the AM values of the efficiency scores, TCS and Infosys jointly captured the top most position and they were followed by WIPRO, HCL, Tech Mahindra, Oracle, Info

IT companies in India have been fueling the growth of the country's economy during the last two decades

Edge, L&T Infotech, NIIT, Mphasis, Mind Tree, Birla Soft and Redington respectively in that order and both Hexaware and Persistent were placed in the last bench while on the basis of the CC values of the efficiency scores, Infosys occupied the highest rank, followed by TCS, WIPRO, HCL, Tech Mahindra, Info Edge, Mphasis, L&T Infotech, Oracle, NIIT, Mind Tree, Persistent, Birla Soft, Redington and Hexaware respectively in that order. Finally, on the basis of the combined score considering both the AM and CC values, Infosys secured the top most position and was followed by TCS, WIPRO, HCL, Tech Mahindra, Info Edge, Oracle, L&T Infotech, Mphasis, NIIT, Mind Tree, Birla Soft, Persistent, Redington and Hexaware respectively in that order. Table 1 also shows that the slopes of the trend lines fitted to the efficiency score-series were positive in eight companies, namely Info Edge, Oracle, WIPRO, L&T Infotech, TCS, Mind Tree, Infosys and Mphasis but the positive slopes were found to be statistically significant in Info Edge, Oracle and Mind Tree only whereas the slopes were negative in the remaining seven companies, namely Hexaware, Tech Mahindra, HCL, NIIT, Redington, Birla Softand and Persistent but the negative slopes were found to be statistically significant only in NIIT and Redington.

4. CONCLUDING REMARKS

- Based on the average profitability as indicated by the AM of the efficiency scores, both TCS and Infosys established themselves as the best performers and WIPRO, HCL, Tech Mahindra were considered as the other three companies in the top five category whereas both Hexaware and Persistent showed themselves as the poorest performers. Similarly, in respect of consistency of profitability as measured by the CC of the efficiency scores, Infosys, TCS, Wipro, HCL and Tech Mahindra were also able to consolidate themselves in the top five categories and Infosys alone captured the top most position whereas Hexaware alone was placed in the last bench. Based on the composite scores as ascertained by considering both the average and consistency aspects of the efficiency scores, Infosys and Hexaware proved themselves as the best and the poorest performers respectively in respect of profitability during the study period. Keeping both the average profitability and its consistency at higher levels, Infosys, TCS, Wipro, HCL and Tech Mahindra were placed in the top five category during the period under study.

- Out of the top five companies as revealed in the analysis of final profitability ranks of the selected IT companies in India, three companies, namely Infosys, TCS and WIPRO were able to follow rising trend in their profitability while the remaining two companies, namely HCL and Tech Mahindra adopted declining trend though these upward or downward trends were not at all noticeable. Redington, the penultimate rank holder as per the analysis of final ranks of the selected companies, followed a descending movement in its profitability which was notable during the study period. MA

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TABLE 1

ANALYSIS OF PROFITABILITY OF THE SELECT IT COMPANIES BASED ON EFFICIENCY SCORES

Year	Hexaware	Info Edge	Oracle	Wipro	Tech Mahindra	L&T Infotech	HCL	TCS	Mind Tree	NIIT	Infosys	Redington	Mphasis	Birla Soft	Persistent
2004-05	0.88	0.46	0.41	0.95	0.78	0.56	1	0.82	0.44	1	0.67	0.69	0.51	0.63	0.66
2005-06	0.62	0.54	0.45	0.87	0.85	0.52	0.94	0.89	0.52	0.91	0.82	0.85	0.6	0.52	0.67
2006-07	0.64	0.69	0.54	0.66	0.52	0.6	0.98	0.84	0.34	0.92	0.86	0.71	0.52	0.55	0.67
2007-08	0.79	0.72	0.61	0.63	0.64	0.67	0.71	0.99	0.47	0.75	0.87	0.95	0.59	0.58	0.39
2008-09	0.66	0.67	0.72	0.77	0.88	0.66	0.65	0.76	0.56	0.65	0.84	0.87	0.66	0.56	0.35
2009-10	0.31	0.65	0.85	0.69	0.77	0.67	0.71	0.77	0.71	0.67	0.88	0.78	0.8	0.75	0.41
2010-11	0.51	0.77	0.87	0.85	1	0.96	0.78	0.73	0.62	0.72	0.85	0.34	0.88	1	0.47
2011-12	0.42	1	0.82	0.79	0.97	0.85	0.67	0.71	0.51	0.7	0.82	0.54	0.96	0.97	0.58
2012-13	0.19	0.81	0.87	0.78	0.72	0.73	0.67	0.78	0.69	0.77	0.9	0.38	0.72	0.56	0.6
2013-14	0.28	0.89	0.94	0.73	0.69	0.95	0.61	0.74	0.88	0.77	0.82	0.55	0.85	0.79	0.95
2014-15	0.31	0.78	0.71	0.79	0.81	0.91	0.71	0.87	0.67	0.62	0.9	0.41	0.83	0.38	0.44
2015-16	0.32	0.81	0.79	0.81	0.86	0.52	0.82	0.86	1	0.67	0.95	0.42	0.73	0.49	0.45
2016-17	0.48	0.71	0.81	0.88	0.71	0.77	0.85	0.95	0.82	0.56	1	0.55	0.79	0.39	0.41
2017-18	0.64	0.82	1	0.73	0.65	0.71	0.79	1	0.75	0.75	0.87	0.52	0.67	0.58	0.35
2018-19	0.77	0.79	0.88	0.91	0.71	0.78	0.91	0.96	1	0.27	0.62	0.44	0.53	0.35	0.41
AM	**0.521**	**0.741**	**0.751**	**0.789**	**0.771**	**0.724**	**0.787**	**0.845**	**0.665**	**0.715**	**0.845**	**0.600**	**0.709**	**0.607**	**0.521**
Rank based on AM (A)	**14.5**	**7**	**6**	**3**	**5**	**8**	**4**	**1.5**	**11**	**9**	**1.5**	**13**	**10**	**12**	**14.5**
CC	**2.458**	**5.582**	**4.257**	**8.573**	**5.998**	**4.961**	**6.254**	**8.687**	**3.336**	**4.183**	**8.869**	**3.068**	**5.020**	**3.101**	**3.143**
Rank based on CC(B)	**15**	**6**	**9**	**3**	**5**	**8**	**4**	**2**	**11**	**10**	**1**	**14**	**7**	**13**	**12**
Sum of Ranks(A+B)	**29.5**	**13**	**15**	**6**	**10**	**16**	**8**	**3.5**	**22**	**19**	**2.5**	**27**	**17**	**25**	**26.5**
Final Profitability Rank	**15**	**6**	**7**	**3**	**5**	**8**	**4**	**2**	**11**	**10**	**1**	**14**	**9**	**12**	**13**
Slope of the linear trend	**-0.017**	**0.019**	**0.031**	**0.003**	**-0.002**	**0.014**	**-0.007**	**0.007**	**0.038**	**-0.029**	**0.004**	**-0.03**	**0.01**	**-0.013**	**-0.012**
t-value	**-1.384**	**2.987***	**4.761****	**0.486**	**-0.229**	**1.761**	**-0.881**	**1.247**	**5.712****	**-4.089****	**0.664**	**-3.437****	**1.261**	**-1.129**	**-1.19**

Source: Authors' own calculation. ***Significant at 5 per cent level. **Significant at 1 per cent level.**

OVERVIEW OF MONEY MARKET IN INDIA - An Empirical Analysis

Abstract

The purpose of this study is to examine the importance and functioning of money market in India. The economic reform affects the financial sectors and money market in India. This study uses secondary data in the form of financial reports BSESENSEX, NSESENSEX, Call Rate, 91 Days gilt, 1year gilt, 5 Year gilt and 10 Year gilt data. The results and analysis of the descriptive statistics shows that variation in BSESENSEX 4.022251749% and NSESENSEX 95.11545397% and among money market instruments fluctuation is 12.03829558% maximum for call rate and minimum 1.038118569% for 5 year gilt age bond.

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INTRODUCTION

Striving towards a vibrant economy, India is at the forefront of developing nations even with an agile economic situation imminent from the end of 2007. With the influx of new economic policy, money markets constitute an important imperative to short-term loan market in the Indian financial system. Money market is an instrument and quick device for ensuring, providing and rearing easy funding arrangement comprising treasury bill market (T-Bills), Central Government securities (Gilt-edged securities), call money market, commercial papers, certificate of deposit market, commercial bill market, interbank participation, term loan, interest rate swaps, money market mutual funds and re-purchase agreement market. With the organised money market and developed call money financing market, India veils herself into a matured and well-shaped structured economy over the globe. Indian money market exhale into an imponderable character of stock market consisting of apex regulatory body, organised banking system, existence of developed sub-markets, easy short-term funding, intangible location, developed capital market, transpiring state of economy and wholesale money market in the financial system. The basic objective of Indian money markets is to strengthen the overall financial system in providing steady source of funds in addition to deposits allowing alternative financing structures, healthy savings instrument and competition. Money market, as an aid to capital market, constitutes an important segment in the financial system *(Basu, A. 2015)*. Indian money market plays an omnipotent role in providing short-term funds and loans to trade, industry and commerce. Corporate sector and legal entities procure their required amount of finance, operating exchange and working capital from money market in an easy, affordable risk, volatile interest rate, steadily accessible and transpiring marketable manner.

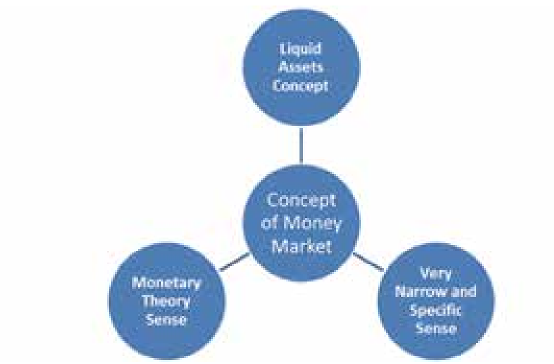
SIGNIFICANCE OF MONEY MARKET

The financial market of a country is composed of two markets; one is money market and the other is capital market. This is outlined in brief as follows.

1. Very Narrow and Specific Sense: The market is meant for trading of money on call with notice or without notice for short-term corporate funding where lenders are mainly commercial banks and borrowers are firms and money brokers.

2. Liquid Assets: The market is mainly for call money market and certificate of deposit market which deals with money trading for a period of overnight to several months notice in fulfilling short-term requirements of funds by commercial banks and money brokers that plays an important role both in supplying funds and borrowing money for very short periods for maintaining cash reserve ratios.

3. Monetary Theory Sense: This concept is used occasionally in monetary theory where it may refer only market of loanable funds.



CALL MONEY MARKET

The market for liquid money is called money market. It is the constituent part of Indian sub-money markets. Market in which brokers and dealers borrow money to satisfy their credit needs either to finance their own inventory of securities or to cover their customers' margin account is call money market. The call money rate depends on the following market forces.

1. Accessibility: A money market investment culminates in the return of the principal amount at maturity. This period can be set between one day and thirteen months, which makes them more accessible.

2. Market Risk Factor: The money markets are in continuous flux. Because risk is lower than investing in stock market shares, it makes use of a money market facility more predictable.

3. Return on Investment: Better interest rate returns can be obtained than keeping the money in a current account. The higher the amount invested, the higher the rate of return.

4. Withdrawal Facilities: Most money market investments offer the investor some degree of freedom to make withdrawals. Quite often the investor can make between two and five withdrawals during the period of the investment, depending on the length of the maturity period.

5. Market Liquidity: Liquidity is the ease with which an investment can be converted into cash.

FEATURES OF INDIAN MONEY MARKET

Structured and developed money market exhales into a filtered, matured and strengthened banking system invigorating economic development of a nation. Indian money markets have the following features.

1. Regulatory Authority: Indian financial system strongly demands creation of safety nets in intra-day monetary transactions.

2. Structured Banking System: Indian banking and financial system contributes to the domestic economic growth for the fourth consecutive year and is expected to show even stronger growth in 2015.

3. Developed Sub-Money Markets: Indian money market is the collection of eight sub-money markets which are (i) Call money market (ii) Treasury bill market (iii) Repo market (iv) Reverse Repo market (v) Commercial bill market (vi) Certificate of deposits market (vii) Commercial Paper market and (viii) Money Market Mutual Funds market (MMMF).

4. Transient Period Market Funds: The markets for money is called money market; mostly sluggish in nature on the movement of funds. The inter-bank call money market is the market for money at call and short notice.

5. Mechanism to Capital Market: With the onset of open economy on 24th July, 1991 money markets constitute an important segment in financial system and facilitates an invigorative vibrant financial instrument in the capital market.

6. Absence Trade Bill Market: The Indian money market presently does not contain any bill market; two important segments of the money market are acceptance market and commercial bill market.

7. New Money Market Instruments: With the advent of liberalised economy in India, the Central Government in collaboration with the Reserve Bank of India as apex central bank of the country issues some credit controlling, liquidity mitigating and interest rate swapping instruments such as Repo, Reverse Repo, Certificates of deposits, Commercial Papers, Treasury Bills and Government Gilt-age bonds to even out unnecessary volatility in liquidity and interest rate impulse.

8. Lack of Integration: Indian money market has several segments, institutions and sub-markets in money trading. The individual financial institutions and private banks act independently India.

DESCRIPTIVE STATISTICS OF MONEY MARKET YIELD RATE

DESCRIPTIVE STATISTICS TABLE

	BSESENSEX	NSESENSEX	Call Rate	91Daysgilt	1year gilt	5 Year gilt	10 Year gilt
Mean	30879.84	8101.206	5.325106	7.390000	7.466596	7.881277	7.771064
Median	26218.91	7948.950	5.700000	7.420000	7.450000	7.890000	7.760000

Maximum	227835.2	8657.590	5.840000	7.500000	7.610000	8.000000	8.810000
Minimum	24893.81	7558.800	3.500000	7.020000	7.190000	7.610000	7.510000
Std. Dev.	29371.50	325.8509	0.641052	0.115683	0.094115	0.081817	0.170590
COV(Mean)%	4.022251749	95.11545397	12.03829558	1.565399	1.2604806	1.038118569	1.26048068
COV(Median)%	4.099294875	112.0241078	11.24652632	1.55907	1.26328859	1.036970849	1.263288591
Skewness	6.622129	0.263412	-1.483124	-2.466413	-0.797225	-1.913965	4.771840
Kurtosis	44.91127	1.488139	3.826148	7.862742	4.148839	7.085302	30.83354
Jarque-Bera	3783.431	5.019728	18.56724	93.95893	7.563286	61.37954	1695.501
Probability	0.000000	0.081279	0.000093	0.000000	0.022785	0.000000	0.000000
Sum	1451352.	380756.7	250.2800	347.3300	350.9300	370.4200	365.2400
Sum Sq. Dev.	3.97E+10	4884226.	18.90357	0.615600	0.407455	0.307923	1.338647
Observations	47	47	47	47	47	47	47
SOURCE: RBI DAILY DATA BASE FROM 23.07.2015 (THURSDAY)—06.10.2015(MONDAY)							

ANALYSIS AND INTERPRETATION

1. Arithmetic Mean (Average): From the above descriptive statistics table, the average values of money market call rate for 47 days study period is 5.325106 per cent. Similarly, the central values of 91 days T Bill are 7.39 per cent. Again, the arithmetic mean of 1-year gilt rate is 7.466596 per cent and for 5-year gilt age rate is 7.881277 per cent and 10-year gilt rate is 7.771064 per cent. Lastly, the average index of BSE Sensex-30 is 30879.84 and that of NSE Sensex-50 is 8101.206.

2. Median Statistics: The median values of money market call rate are 5.7 per cent, 7.42 per cent for 91 days Treasury bills, 7.45 per cent for 1-year gilt-age bonds, 7.89 per cent for 5-year gilt-age bonds and 7.76 per cent for 10-year gilt-age bonds. Similarly, the average median index of BSE Sensex-30 is 26218.91 and that of NSE Sensex-50 is 7948.95.

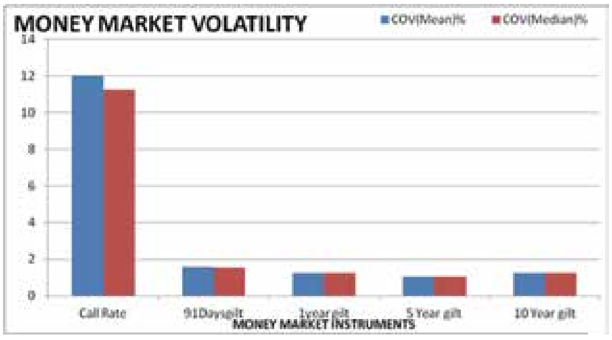
3. Standard Deviation (SD): The dispersion value of money market call rate is 0.641052 per cent; that of 91-days Treasury bill is 0.115683 per cent; 1-year gilt-age bond is 0.094115 per cent; for 5-year gilt-age bond is 0.081817 per cent and lastly for 10-year gilt age bond is 0.170590 per cent. Similarly, the deviation of BSE Sensex-30 from its average index is 29371.50 and that of NSE Sensex-50 is325.8509.

4. Mean Centred Money Market Volatility [Risk Factor (Regarding Mean)]: The call money market volatility strength is 12.03829 per cent for forty-seven days study period, variability of 91-days treasury bill is 1.565399 per cent, 1.260481 per cent for 1-year gilt-age bond, that of 5-year gilt-age bond is 1.0381185 per cent and lastly for 10-year gilt-age bond the volatility is 1.260481 per cent. The relative fluctuation of BSE Sensex-30 from its average index is 4.022251749 per cent during the forty-seven days study period and that of NSE Sensex-50 is 95.11545397 per cent.

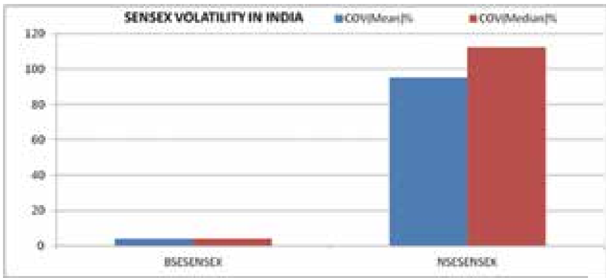
5. Median Centred Money Market Volatility [Risk Factor (Regarding Median)]: The call money market volatility strength is 11.24652632 per cent for forty-seven days study period, 91-days treasury bill is 1.55907 per cent, 1.26328859 per cent for 1-year gilt-age bond, that of 5-year gilt-age bond is 1.036970849 per cent and lastly 10-year gilt-age bond volatility is 1.2663288591 per cent. The relative volatility of BSE Sensex-30 from its median index value is 4.099294875 per cent during the forty-seven days study period and that of NSE Sensex-50 is 112.0241078 percent.

MONEY MARKET VOLATILITY AT A GLANCE

(FOR FORTY-SEVEN DAYS DAILY DATA)



SENSEX VOLATILITY IN INDIA
(FOR FORTY-SEVEN DAYS DAILY DATA)



SUGGESTIONS FOR FURTHER IMROVEMENTS IN INDIAN MONEY MARKET

Money market in India is now more vibrant and volatile in nature. It is now more advanced that what it 10 years ago. However, in order to improve the money market further and strengthen its structure and smoothening functions the following strategic steps are necessary:

1. Improvement in Bill Market: Bill markets have to be expanded with the direct linking and involvement of Reserve Bank of India. Rediscounting facilities are to be increased in a popularised manner giving concentration on the bill as an instrument of finance.

2. Money Market Product Diversification: The money market products have to be increased and more and more credit instruments should be introduced. In addition to that the number of participants in the call money market and short notice market have to be increased as it will improve the functioning of Discounting and Finance House of India Ltd. (DFHI).

3. Augmenting Money Market Participants: Presently non-banking financial institutions are participating less compared to other banking participants. To improve the money market trading system, participants' diversification is an urgent need of the hour through measures such as permitting hire-purchase and leasing companies as well as merchant banking companies to actively participate in the money market.

4. Restrictions on Call Money Trading: Commercial banks and primary dealers are to be confined within the purview of call money trading restrictions to improve the money market system and ultimately from stock market functioning as there exists a close relation between capital market and money market.

5. Concentration on Rural Banking: Rural India represent eighty per cent of Indian population and it lacks banking facilities. Hence banking services ought to be spread in rural areas along with reduction of banking transaction costs.

6. Non-Performing Assets: Banking over dues is serious concern in today. Non-performing assets of banks, particularly public sector banks have increased by leaps and bounds. It needs to be controlled. A robust, resilient and sustainable banking policy action has to be implemented.

7. Market Economy: Because of slump in global crude prices Indian counterpart is no exception and call money market and stocks are under pressure and RBI sought to play down the fears because market should not be scared of volatility as it would be transient in nature.

CONCLUSION AND recommendations

1. Policy Restructuring: India being a developing nation needs investment infusion either from Government or private sector which predisposes affordable investment environment to enhance capital market functioning, investment decisions and banking system.

2. Infrastructure Development: Infrastructure is a precondition and imperative to growth and development in financial system especially the money market and commodity market. While infrastructure improvement merits a close attention, one is not so sure if the extent of the reforms and the quantum of investment inflow are positively related.

3. Government Intervention: A continuous improvement in financial markets is the need of the hour. Innovation, integration, involvement and inclusive (four I model) growth initiatives are the need of the hour. Comparative experience seems to clearly favour such a policy stance on financial markets.

4. Market Expansion: As an expansionary monetary policy, if the Reserve Bank of India (RBI) cuts interest rates, it will automatically tend to increase the overall demand in economy in the form of cheap money to infuse investment and to augment consumer spending, reducing cost of mortgage repayments, reaping greater household disposable income and encouraging spending, reducing rupee value making exports cheaper and increasing the demand for exports .Ultimately these will enable the central bank to pursue a policy of quantitative easing and pave the way for market expansion.

EPILOGUE

In order to create an efficient financial system, money market environment policy makers' prime job is to stabilise the market by introducing new financial instruments and diversified products.

The study is subject to the following caveats. First, our sample period and accordingly the sample size are somewhat limited due to forty-seven days daily data. Secondly the, sample data was collected through BSE website which were grouped, compiled and computed for analysis and interpretation. Despite these potential limitations, the analysis and interpretation to some extent augment our understanding on the nature of movement of money market yield rate and its impulse on stock market in India with cross-country capital infusion and global technology transmission across economic regions invigorating growth and development in financial markets. With the interest rate cut there is no denying the fact that revival of financial market system may take a longer time and it needs stronger initiatives to emulate the peak growth achieved in the recent past. Further, it will be adaunting task to meet the twelfth plan target of financial sector growth. MA

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2. *Satistical Methods (2005)—S.P.Gupta.*
3. *Barry,C.B. and J.Brown (1984), Differential Information and the Small Firm Effect, Journal of Financial Economics, 13,283 (294).*

INSOLVENCY OF INDIVIDUAL CORPORATE GUARANTOR: A DISTANT DREAM TO REACH

Abstract

In order to execute the insolvency of individual corporate guarantors, the Ministry of Corporate Affairs notified and brought into force the laws of insolvency of personal guarantors of corporate debtors via notification dated November 15, 2019. This move has had huge repercussions on the status of individual corporate guarantors. On the one hand, it has brought a wave of joy to creditors and on the other hand, it has opened up an ocean of insecurity for promoters, directors and individuals etc., who fall into this category. The author's objective in this study is to examine the procedural flaws in the Insolvency Code handling of procedures against individual corporate guarantors. In addition, he has come out with tentative recommendations in such a case.

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INTRODUCTION

A country's economy is supported by its banks and financial institutions. The performance of the bank is determined by the performance of the borrowers. If borrowers work harder, they will be in a better position to repay the bank on time and the bank's performance will automatically improve. However, when over 90 borrowers cease paying their loans and interest, the assets become non-performing assets (NPA) for the bank. Between 2008 and 2013, Public sector banks' gross NPA in the year 2008 was 396 billion rupees which increased to 1,558.9 billion rupees till the end of year 2013. The same trend can be seen with private sector banks. Total NPAs rupees of all banks was rupees 556.95 billion which increased to 1,838.5 billion till the end of the year 2013 which was more than three times the gross NPAs of the year 2008. This was an alarming stage for the Government to pay immediate attention on the volume of NPA that was increasing at an alarming rate (Table 1).

TABLE 1:
BANK GROUP-WISE CLASSIFICATION OF LOAN ASSETS OF SCBS-2008 TO 2013

						As on March 31						(Rs in.Billion)
Bank Name	Year	Standard Advances	%age Share	Sub-Standard Advances	%age Share	Doubtful Advances	Percent Share	Loss Advances	Percent Share	Gross NPAs	Percent Share	Total Gross Advances
Public Sector Banks	2008	16,564.51	97.67	168.46	0.99	190.83	1.13	36.72	0.22	396.00	2.33	16,960.51
	2013	38,999.85	96.16	765.89	1.89	734.85	1.81	58.15	0.14	1,558.90	3.84	40,558.74

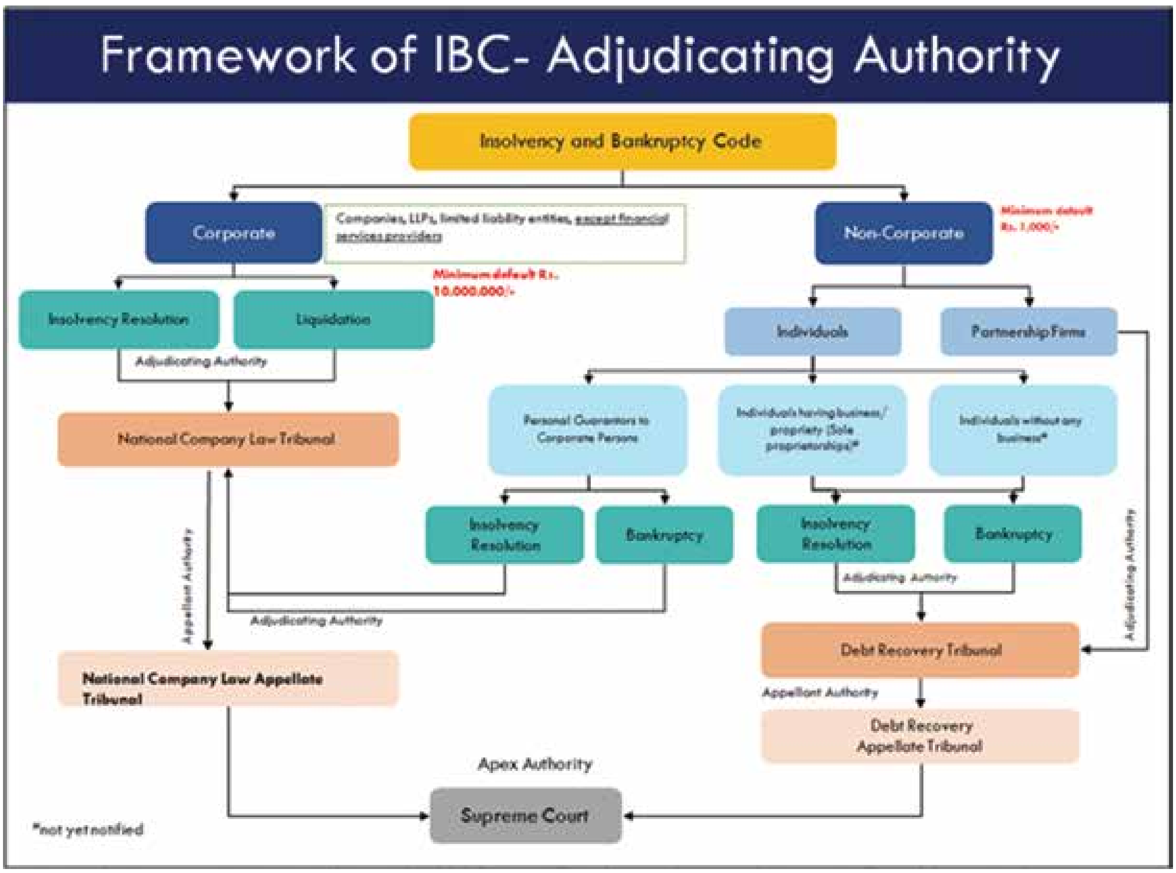
Private Sector Banks	2008	4,597.22	97.25	72.81	1.54	44.53	0.94	12.44	0.26	129.78	2.75	4,727.00
	2013	10,266.73	98.09	58.54	0.56	110.69	1.06	30.69	0.29	199.92	1.91	10,466.65
All Banks	2008	22,760.54	97.61	260.89	1.12	243.04	1.04	53.02	0.23	556.95	2.39	23,317.50
	2013	51,872.97	96.58	853.25	1.59	873.05	1.63	112.24	0.21	1,838.54	3.42	53,711.51
Source: Department of Banking Supervision, RBI, 2021												

As a result, the Central Government setup a committee named Bankruptcy Laws Reform Committee (BLRC) in 2014 chaired by Mr. T.L.Viswanathan, former Union Law Secretary to come up with ideas on how to replace the existing law and what that replacement should be. The Committee proposed the Insolvency and Bankruptcy Code, applicable to both corporate and non-corporate sector.

Insolvency and Bankruptcy Code draft was submitted in 2015 and the same was enacted as an Act in 2016. Chapter III of the Insolvency and Bankruptcy Code was recently notified by the Ministry of Corporate Affairs on December 1, 2021- insolvency proceeding against personal guarantor with concerned rules and regulations. The revised structure of the Insolvency and Bankruptcy Code 2016 is clearly depicted in the following Figure 1

FIGURE 1

FRAMEWORK OF INSOLVENCY AND BANKRUPTCY CODE[1]



According to the above figure Insolvency and Bankruptcy Code 2016 has notified the provisions relating to insolvency of corporate sector and under non-cooperate sector the insolvency proceeding against personal corporate guarantors. It is a welcome step at the end of MCA to safeguard the interests of the creditors and to maximize the value to the creditor.

[1]Vinod Kothari and Company. (2021). *Personal Guarantor under IBC 2019 New.* Retrieved from www.ICSI.edu: https://www.icsi.edu/media/filer_public/bf/f0/bff01d60-8d17-4a99-8513-777afd2848c2/personal_insolvency_and_bankruptcy_2019_new.pdf

WHY PRINCIPAL GUARANTOR

Under section 126 of the Indian Contract Act 1872,

"*A contact of guarantee is a contract to perform the promise, or discharge the liability of a third person in case of this default*".

Therefore, it is a contract between the surety and creditor where the surety is also liable to the creditor. Moreover, section 128 of the Indian Contract Act talks about the co-extensive liability of surety which means the surety becomes liable to make payment immediately on default of principal debtor. Hence according the Indian Contract Act, it is the responsibility of the surety to make good of loss to creditors. This is the obvious reason why personal guarantee is required when applying for a corporate loan from any bank or financial institution. This principle not only protects creditors' interests, but it also places greater responsibility and accountability on the shoulders of the personal guarantor. The view was supported by the decision of the apex court Bench of Justice L.N. Rao and Justice S.R. Bhat. In their eighty two pages judgment Justice Bhat mentioned this relationship as an "intimate" relationship and the position of guarantor as "separate species"[2]. He also said,

> *Approval of a resolution plan does not ipso facto discharge a personal guarantor (of a corporate debtor) of her or his liability under the contract of guarantee. As held by this court, the release of discharge of principal borrower from the debt owed by it to its creditors, by an involuntary process, i.e. by the operation of law, or due to liquidation and insolvency proceeding, does not absolve the surety/guarantor of his or her liability, which arise out of an independent contract"*[3].

PROCEDURAL SHORTCOMINGS

Initiating Insolvency Proceedings Against Personal Corporate Guarantor Under IBC

Setting a procedure is altogether different from observing the procedure. The challenges of procedure can only be visualized/experienced when it is actually followed. The Working Group[4] (Insolvency and Bankruptcy Board of India, 2017) chaired by Mr. P.K. Malhotra suggested a common forum for proceeding against both debtor and guarantor with a view to introduce other measures to coordinate parallel proceedings. Does it actually happen? It is still doubtful what steps have been introduced by the IBC or IBBI to coordinate the parallel proceedings.

As per report, K.R. Srivats challenged the legal validity of the Insolvency And Bankruptcy Code provision mentioning the expert views of Mr. Aditya Nayyar, Partner Ortis Law Office, stating that on default of the debtor the guarantor himself becomes a creditor and parallel proceeding against creditor would be wholly unconstitutional[5].

Looking at the cases of *Shiva Industries, Jet Airways,* and *Videocon* etc. one can easily understand how banks are playing with the rules and regulation. In the name of one-time settlement option, they are allowing above 90 per cent haircut on the cost of public saving.

Ms. Sucheta, has challenged the intention of the Government and the objectivity of IBC by saying : *"If the government is serious about making defaulters pay and retain the faith of taxpayers, it needs to change the resolution process which is already ridden with corruption"*[6].

All India Bank Employees' Association's General Secretary B. S. Rambabu said that, "*The heavy haircut decision by BJP-led NDA government in tune with the 'Insolvency and Bankruptcy Code-16' is making profit-making bank sick"*[7]

All difficulties discussed are based on legal doubts, misuse of Code, human corruption and favoritism, contradictory laws, and judgments. In addition to the aforementioned legal and other flaws, the author would like to point out a few procedural flaws that lead us to assume that corporate guarantor insolvency is a distant dream

1. **Guarantor's Personal Assets Tracing:** There is no provision in any law to maintain a record of guarantor's assets either at the end of principal debtor or the creditor. The change in assets position is obvious from the time the loan was granted and the time the loan was defaulted. In today's time when transfer and movement of assets are very easy and very fast, the gravity of challenge increases many fold. Millions of rupees can be transferred to any part of the globe on a single click. Locating assets in the world and in various judicial systems is challenging and securing a recovery claim on such assets is even more complex. Until or unless we are able to find out the solution for the said problem, insolvency of corporate guarantor is like a day dreaming.
2. **Unrealistic timelines**: IBC is socially appreciated for its time bound action. In the absence of any ready to use information, any experts' assistance, any support of law to access personal information and non-cooperation by guarantor concluding the proceeding of insolvency in 180 days is like a dream and far from reality.
3. **Non-cooperative attitude of Guarantor**: Expecting

[2] Rajagopal, K. (2021, May 22). Supreme Court stated that personal guarantors are liable for corporate debt. *The Hindu* .

[3] Mahapatra, d. (2021, May 22). Guarantors for loans liable under IBC proceedings: SC. *Times of India*

[4] Incolvency and Bankruptcy Board of India has constituted a Working Group for recommending the strategy and approach for implementation of provisions regarding gaurantors of corporate debtors and individuals.

[5] K.R.Srivats. (2020, September 24). Personal Guarantors: IBBI, Govt to defend legal validity of IBC provisions. *The Hindu* .

[6] Dalal, S. (2021, June 30). *Stop the Loot via Bankruptcy Code: Better Solutions Are Possible*. Retrieved from moneylife: moneylife.in/article/stop-the-loot-via-bankruptcy-code-better-solutions-are-possible/64378.html

[7] Patnaik, S. (2018, November 1). 'Heavy haircut' decision making PSU banks sick, says AIBEA. *The Hindu* .

cooperative behavior from a guarantor throughout the insolvency process is unusual. Furthermore, the Insolvency and Bankruptcy Code is silent on the consequences of a personal guarantor's refusal to participate. Similarly, the Tribunal has not yet enlisted any such procedures to deal with a scenario like this.

4. **Just and Equitable Plan:** The Insolvency and Bankruptcy Code paid no attention to the significance of the just and equitable plan test. In this regard the Code does not contain any provision. The repayment plan does not have to be tested for fairness, equity, or justice to all of the guarantor's creditors.
5. **Role of ED in IBC:** Recently according to mint report by Sneha (published by HT media) Rs. 9371.17 Crore worth assets were seized and transferred to public sector banks that suffered losses due to frauds committed by businessman Vijya Malya, Mehul Choksi and Nirav Modi. The total assets attached were worth Rs. 18,170.02 crores. The most popular means of channeling money (assets) to save it from moratorium is now to deposit it in an International Bank. This statement is supported by the most recent news by ET Prime about Finance Ministry:

   > *"India has sought information from Swiss authorities on deposits by its citizens in Swiss banks. Deposits by Indian Swiss banks rising to Rs 20,700 crore at the end of 2020, from Rs 6,625 crore at the end of 2019. The Swiss Authorities have been requested to provide the relevant facts along with their view on possible reasons for increase/decrease"*[8]

   The involvement of the ED not only restrains cross-border asset movement but will also help in bringing defaulters back to India and recovering assets from them.
6. **Mushroom growth of Assets Tracing Agencies:** Assets tracing is not an easy task. Multi specialized persons should work together to trace the assets. Specialized knowledge required may include:
   - Lawyers
   - Accountants
   - Data analysts
   - Auditors
   - Economists
   - Computer forensic practitioners
   - Corporate investigators
   - Anti-money laundering specialists
   - Certified fraud examiners

An IRP/RP cannot undertake all specialized work on his or her own. In such a circumstance, Asset Tracing Agencies (ATA) will be able to expand their demand among IPs and, as a result, the market allows such agencies to grow tremendously. This will increase not only the expense of insolvency, but also the reliance on third-party without accountability.

SUGGESTIONS

1. The IBC should use realistic and flexible timelines.
2. There should be a utility centre that keeps track of all personal guarantors' assets and updates it on a regular basis.
3. The IB Code should include mechanisms to deal with situations when the guarantor refuses to cooperate.
4. Repayment plan should be judged on its fairness and on a foundation that is just and equitable.
5. The IB Code should be revised so that there is no conflict between the contract Act and the code when it comes to guarantor's rights, such as the right of subrogation.
6. NCLT's contradictory decisions should be carefully scrutinised by the Supreme Court to avoid any uncertainty among IPs.
7. IBC, ED and Government agencies work together to restrict the individual corporate guarantor to mobilize their assets cross boarder

> **Incorporating a chronology into the judiciary system is difficult, especially when the procedure is entirely reliant on the information, knowledge and cooperation of someone**

CONCLUSION

It is suggested that, the existing IBC provisions are just a framework of initiating insolvency proceeding against individual corporate guarantors. Government should bestow its immediate and urgent attention on the identification of loopholes in the Code and take all necessary steps to overcome the practical shortcomings faced by IPs in handling such proceedings.

Incorporating a chronology into the judiciary system is difficult, especially when the procedure is entirely reliant on the information, knowledge and cooperation of someone who is unsure of what is going on against him. Other sources that can supply information to speed up and streamline the procedure are not recognised by the Code or any other Government entity.

Finally, in an era of globalisation where cross-border insolvency may be a reality, our IB Code has not specified a mechanism for dealing with cross-border insolvency and the Code is limiting itself to dealing with cross-border insolvency. MA

[8] Aulakh, G. (2021, June 20). Swiss authorities asked to provide info on deposits by Indians in Swiss banks: Fin Min. *ETPrime* .

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PREFERENCE TOWARDS MODES OF INVESTMENT: AN EMPIRICAL ANALYSIS

Abstract

Households do not spend all their income but save some for various purposes, one being investment. An investment refers to the commitment of funds at present, in anticipation to generate some positive return in future, with safety and security of the principal (assets) as well as interest (return) based on systematic analysis. This article analyses the modes of investment adopted by retail investors while investing their money based on demographic variables. Regular and haphazard (random) mode of investment has been considered for the study. The results show that male respondents prefer regular mode of investment than females; it is also observed that majority of the respondents belong to the age group of 60 years and above, follow random mode of investment because of uncertainty in income. Large portion of the respondents were self-employed and retired group who prefer haphazard mode of investment.

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1. INTRODUCTION

Investment refers to commitment of funds for predefined period of time with the expectation of positive return in future with a high degree of safety and security for the principal as well as return. The source of investment is saving; saving is defined as setting money aside that is not for spending at present; it is for use in emergency or for a future purposes. Savings are classified as private and public. There are two sources of private savings; one is house hold saving and the other one is corporate savings the former being significantly more than the latter. Savings are usually transformed into investment to achieve long-term goals. Regular and haphazard modes of investment are taken into consideration for the study. This study tries to analyse the preference towards modes of investment by retail investor in line with demographical variables such as gender, age, education, occupation and level of income.

2. OBJECTIVES OF THE STUDY:

The study is intended to justify the following objectives:

1. To identify the preference towards the modes of investment by retail investors.
2. To analyze the relationship between demographic variables and the preference towards the modes of investment.

3. RESEARCH HYPOTHESIS

Preference towards modes of investment is independent of demographical variables such as gender, age, level of education, occupation, and income of the respondents.

4. RESEARCH METHODOLOGY

This study is exploratory and empirical in nature; it focuses basically on exploring preference about the modes of investment on the basis of demographic variables in Solapur City. The study is based on primary data collected through pre-tested structured questionnaires covering a variety of interrelated aspects of demographic variables. Non-random convenient sampling was used as the sampling technique and sample size (n=250) has been determined based on Online Rao software belonging to various gender, age, education, occupation and income group. Respondents having surplus income have been considered as a sampling unit. According to the nature of data and interpretation required, appropriate statistical tools and techniques have been used to present and analyze the data. To test the dependency of preference towards modes of investment and demographic variables CHI-SQUARE test has been used.

5. DATA ANALYSIS AND DISCUSSION

5.1 Demographic Profile of Respondents

This section gives a brief summary of the data based on demographic variables collected through a survey. More than half of the respondents were male (62.80 per cent) while 37.207 per cent were female. As far as age profile is concerned, 14 per cent respondents belonged to 25 - 35 years age group, 22 per cent were35 to 45 years group and nearly two thirds of the respondents were above the age of 45 years. It can be seen that 39.20 per cent respondents were post graduates, 30. per cent were graduates and 14.80 per cent were educated up to HSC, 12.40 per cent have education up to SSC and only 3.60 per cent had professional qualifications. In case of occupation, 20. per cent were government employees, 30.80 per cent private employees, 24.40 per cent self-employed, 13.60 per cent were professionals and 11.20 per cent were retired. It is noteworthy that, 38.40 per cent respondents were from the income group of Rs.1-2.5 lakh, while 23.60 per cent were from the income group of Rs.5.5 lakh and above, and only 5.60 per cent respondent had income of up to Re.1 lakh.

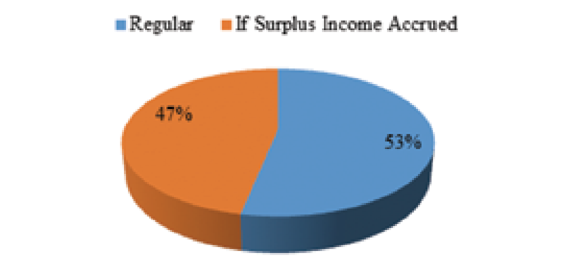
5.2. Modes of Investment

Modes of investment refer to the system of pledging surplus money into assets or properties either in regular or haphazard modes. Regular mode of investment means sustained or continuous investment, without a break for a long time. Haphazard investment refers to investment where a lump sum amount of money is invested in one go if surplus income accrued.

5.2.1. Overall Preference towards Modes of Investment

Preference towards modes of investment has been illustrated in Chart 1. It is observed from the chart that out of 250, 53.20 per cent respondents preferred to invest regularly and 46.80 per cent preferred to invest only when they have surplus income.

Chart: 1
Preference towards Modes of Investment



5.2.2. Preferred Modes of Investment on the Basis of Gender

Gender base modes of investment are presented in Table 1, which clearly shows that 59.24 per cent of male respondents preferred regular mode of investment and remaining 40.76 per cent preferred to invest only if they had surplus income. In case of female respondents 43.01 per cent followed regular mode of investment and 56.99 per cent invested only when they had surplus income. In short, a large number of male respondents prefer to follow regular mode of investment as compared to female respondents.

Table: 1

Gender Based Preference towards Modes of Investment

Sr. No.	*Gender*	*Regular*		*If Surplus Income Accrued*		*Total*	
		F	**%**	**F**	**%**	**F**	**%**
1	Male	93	59.24	64	40.76	157	100.00
2	Female	40	43.01	53	56.99	93	100.00
TOTAL		133	53.20	117	46.80	250	100.00

Source: Primary Data

5.2.3. Preferred Modes of Investment on the Basis of Age and Level of Education

Table 2 describes the preferred modes of investment on the basis of age and level of education. It is clear from the Table that, 65.71 per cent respondents from first age group (below 30 years) preferred regular mode of investment and 34.29 per cent desired to invest if they had surplus income. As far as the second age group (30 to 40 years) was concerned, 61.82 per cent respondents opted for regular mode of investment. As regards the s 40 to 50 years age group, 56.94 per cent preferred the haphazard mode of investment, because under this age respondents had to pay out large sum of money on children's education. In the case of the fourth age group ,58.62 per cent of the respondents invest regularly and 41.38 per cent invested only when they had surplus income. Among the respondents belonging to the age group of 60 years and above, 36.67 per cent investors preferred regular mode of investment while 63.33 per cent followed random mode of investment because of uncertainty in income.

Table 2, clearly illustrates that, 54.84 per cent of the respondents had regular mode of investment having among those with education up to SSC. 37.84 per cent followed regular mode of investment; from among the second group (HSC) 62.16 per cent invested whenever they had surplus income. From graduates group 49.33 per cent respondents chose regular mode of investment while 50.67 per cent followed irregular mode of investment. 61.22 per cent of post graduate respondents preferred regular mode of investment while 55.56 per cent of respondents from the other class preferred to opt for regular mode to invest. It can be concluded that respondents belonging to the highly educated group preferred to follow regular mode of investment as compared to those with lower level of education.

Table: 2

Preference towards Modes of Investment Based Age and Level of Education

Age Group	*Regular (%)*	*If Surplus Income Accrued (%)*	*Education*	*Regular (%)*	*If Surplus Income Accrued (%)*
Below 30 Years	65.71	34.29	SSC or Up to SSC	54.84	45.16
30 to 40 Years	61.82	38.18	HSC	37.84	62.16
40 to 50 Years	43.06	56.94	Graduate	49.33	50.67
50 to 60 Years	58.62	41.38	Post Graduate	61.22	38.78
Above 60 Years	36.67	63.33	Other	55.56	44.44
TOTAL	53.20	46.80	TOTAL	53.20	46.80

Source: Primary Data

5.2.4. Preferred Modes of Investment on the Basis of Occupation and Level of Income

Table 3, illustrates the preferred modes of investment on the basis of occupation and level of income. It is observed from the table that 78.00 per cent of government employees followed regular mode of investment, followed by private employee (58.44 per cent), and professionals (52.94 per cent). Approximately 65 per cent respondents from self-employed and retired class followed the haphazard mode of investment, because their source of income may not be regular and certain

Table 3, shows that respondents having the income up to one lakh rupees preferred to invest only when they had surplus income. 52.08 per cent of respondents preferred regular mode of investment from the second income group. 51.43 per cent of respondents from the third income group invested regularly and 48.57 per cent preferred the haphazard mode. As far as the fourth group is concerned, 58.70 per cent of respondents had regular pattern of investment and 41.30 per cent of respondents had random pattern of investment. From the fifth income group 64.41 per cent respondents invested regularly and the remaining 35.59 per cent of the respondents invested from their surplus income only. In short greater part of the respondents from low income group invested only when they had surplus income; on the other hand, majority of the respondents followed regular mode of investment from among the high income group.

Table: 3

Preference towards Modes of Investment Based Occupation and Level of Income

Occupation	*Regular (%)*	*If Surplus Income Accrued (%)*	*Income (Rs.)*	*Regular (%)*	*If Surplus Income Accrued (%)*
Government Emploees	78.00	22.00	Up to 01 lakh	0.00	100.00
Private Employees	58.44	41.56	01 lakh to 2.5 lakh	52.08	47.92
Self Employed	34.43	65.57	2.5 lakh to 04 lakh	51.43	48.57
Professionals	52.94	47.06	04 lakh to 5.5 lakh	58.70	41.30
Retired	35.71	64.29	5.5 lakh and above	64.41	35.59
TOTAL	53.20	46.80	TOTAL	53.20	46.80

Source: Primary Data

5.2.5. Chi-Square Statistic (x^2) Between Preference towards Modes of Investment and Demographic Variables of the Respondents. ($\alpha = 0.05$)

Chi-square statistic (x^2) has been computed to test the dependency between preference towards modes of investment and demographical variables of the respondents. Calculated Value x^2 is compared with table value at 0.05 level of significance for (c-1) *(r-1) degree of freedom, result and implications have been described in Table 4.

Table 4					
Ho: Preference towards Modes of Investment is independent of demographic variables such as gender, age, education, occupation and income of the respondents.					
Variable	*Gender*	*Age*	*Education*	*Occupation*	*Income*
X^2	6.18	10.79	6.54	25.27	19.54
Table Value	3.84	9.48	9.48	9.48	9.48
D.F.	1	4	4	4	4
Result	Rejected	Rejected	Accepted	Rejected	Rejected
Implications	Preference towards modes of investment is dependent of gender.	Preference towards modes of investment is dependent of age of the respondents.	Respondents' reference towards modes of investment is independent of level of education.	Preference towards modes of investment is dependent of occupation.	Preference towards modes of investment is dependent of income of the respondents.
Source: Primary Data					

Highly educated group preferred to follow regular mode of investment as compared to those with lower level of education

6. FINDINGS AND CONCLUSION

Overall it is found that regular mode of investment is preferred by the respondents. It is also observed that a large number of male respondents followed regular mode of investment compared to their female counterparts. In addition to that, majority of the respondents belonging to the age group of 60 years and above, followed the haphazard mode of investment because of uncertainty in income. It is found that the highly educated respondents largely preferred to follow the regular mode of investment as compared to those in the lower level of education group. Respondents belonging to occupation yielding regular source of income preferred the regular mode of investment. Most of the respondents from the low income group invested only when they had surplus income. It signified a positive relation between the level of income and the regular mode of investment. MA

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Down The Memory Lane

February 2012

Shri Mahesh Joshi, Member of Parliament, Jaipur Constituency inaugurating the foundation stone ceremony for 'Centre for Excellence' at Jaipur Chapter on 04.02.2012. Standing (LtoR) are Shri B.L. Jain, Chairman, NIRC; Shri Vijender Sharma, Secretary, NIRC; Shri H K Goel, Council Member; Shri Sanjay Jain, Secretary of the Chapter; Shri Rakesh Singh, Vice President & Dr. Ashok Kumar Jain, Chairman of the Chapter.

Smt. Aruna Soman, Council Member, offering bouquet to Dr. M. Veerappa Moily, hon'ble Minister, MCA, Govt. of India at the India Corporate & Investor meet held at Y.B. Chavan Centre, Mumbai on 22.02.2012.

Shri M. Gopalakrishnan, President and Mr. Siraj Hussain, CMD, Food Corporation of India (FCI) at the signing of the MOU at New Delhi on 28.02.2012

February 2002

S. Kumar Rajan, Chief Manager, Indian Bank, inaugurates the Computer Training Laboratory at Surat South Gujarat Chapter. Heena Oza, Secretary and Manubhai Desai, Chairman, look on.

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

Down The Memory Lane

S. Papa Rao, Chairman speaking at the Seminar on WTO at Vijayawada Chapter. Others seen from left: S. Ramanathan, CCM, Past President; VV Deodhar, President, ICWAI; B.V. Ramana Murty, CCM; K.Ch. A V S N Murthy, Vice-Chairman, SIRC and A. Chandrasekhar, SIRC, Member

February 1992

Seminar on "Fresh Dimensions to Working Capital Management under Current Fiscal Policies" on 17 February 1992 at Bhilai Hotel. Shri R. Jambunathan, Director (Finance), SAIL releasing the Souvenir at Bhilai. Others seen in the picture S/shri Subrata Ray, M.D., Bhilai Steel Plant; P.D. Phadke, President, ICWAI and DB Narula, Chairman, Bhilai Chapter.

Inaugural Session of the Seminar at Oberoi Grand. Sitting from left to right: S/shri S. Ramanathan, Central Council Member; Kunal Banerjee, Secretary & Treasurer of EIRC. P.D. Phadke, President, ICWAI and A.K. Das, Chairman of EIRC.

February 1982

The Kanpur Chapter organized a Seminar entitled "Energy Management its Cost Implications" on Sunday, 21st February'82 at Merchant Chamber Auditorium. The Energy Minister of Uttar Pradesh, Shri Sunil Shastri was the Guest of Honour.

The Tiruchirapally Chapter celebrated the foundation stone laying ceremony of the Chapter Building on Sunday, the 14th February, 1982. Shri A.V. Ramana Rao, President of the Institute unveiling the foundation stone by pressing the button.

www.icmai.in

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.*

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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

NEWS
FROM THE INSTITUTE

EASTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BHUBANESWAR CHAPTER

The Chapter organized a Career Counselling Programme cum Joint National Webinar held on 27.12.2021 in association with Dhenkanal Autonomous College, Dhenkanal, Odisha. The theme of the said National Webinar was "Goods and Services Tax - Moving Ahead". Prof. Ranjit Kumar Pradhan, Principal, Dhenkanal (A) College graced and addressed on the occasion as "Patron". CMA Niranjan Mishra, Council Member and Chairman, Committee on Cost Management for Public and Govt. Services as "Special Guest" and CMA Himoj Mishra, Chairman, ICAI-Bhubaneswar Chapter graced as "Invited Guest" and highlighted about the activities of the chapter, spoke about CMA course and its career prospects. CMA Shiba Prasad Padhi, Practicing Cost Accountant, Bhubaneswar delivered on "GST as game Changer for Govt., Taxpayers and the Economy", Dr. Rabindra Kumar Swain, P.G Department of Commerce, Utkal University, Bhubaneswar delivered on "One Nation –One Tax-GST" and Prof. Sukanta Kumar Baral, Indira Gandhi National Tribal University, Amarkanta, MP delivered on "Understanding Goods and Services Tax and its impact on Business Outcomes" and were the resource persons in the programme. Dr. Rajanikanta Khuntia, Head, P.G Department of Commerce, Dhenkanal Autonomous College introduced the guests and resource persons and extended formal vote of thanks. The chapter successfully conducted a WEBINT on the theme "Technical Aspects on Cost Audit and its relationship with Income Tax and GST" on 8th January, 2022 in Zoom Platform. CMA Navneet Kumar Jain, Practicing Cost Accountant and Insolvency Professional, New Delhi delivered in detail on the topic as "Resource Person". CMA Saktidhar Singh, Chairman, PD Committee & Past Chairman of the chapter gave brief introduction of guest and delivered keynote address. CMA Himoj Mishra, chairman of the chapter delivered welcome address and CMA Surya Narayan Tripathy, secretary of the chapter extended formal vote of thanks. To commemorate the SWAMI Vivekananda birthday, Bengaluru Chapter organised a WEBINAR on theme "Energetic Leadership –Swami Vivekananda" in association with Bhubaneswar Chapter on 12.01.2022. On the occasion, Swami Bichitranandaji Maharaj , Ramkrishna Math, Hyderabad graced and addressed as "Chief Guest". CMA Raju P Iyer, President, ICAI graced as "Guest of Honour", CMA Pradip Kumar Das, Chairman and Managing Director , Indian Renewable Energy Development Agency Ltd., New Delhi graced as " Keynote Speaker" . CMA G N Venkatraman, Past President, ICAI and Dr. P V S Jagmohan Rao, Past President, ICSI and SAFA graced the occasion as "Special Guest". Among other dignitaries, CMA Viswanath Bhat, RCM, ICAI-SIRC, CMA Kumar HN, Chairman, Bengaluru Chapter, CMA Himoj Mishra, Chairman, Bhubaneswar Chapter, CMA Satish R, Vice Chairman, Bengaluru Chapter, CMA Jayaram A.V, Secretary, Bengaluru Chapter and CMA Pranabandhu Dwibedy , Chairman- Practitioners Forum, Bengaluru Chapter also addressed on the occasion. The chapter conducted a condolence meeting on 22.01.2022 in virtual mode in the memory of Late CMA Prafulla Kumar Sahoo, Past Chairman of the Chapter and retired Senior G.M (Finance) and Company Secretary, OHPC Ltd., who left for heavenly abode on 20.01.2022 at the age of 67 years. CMA Himoj Mishra, Chairman of the Chapter highlighted about his contribution to Bhubaneswar Chapter, CMA Profession and to the society as a whole.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA GUWAHATI CHAPTER

The Chapter had organised a Members' Meet on 2nd January 2022 in Guwahati. The meet started with a welcome address by the Secretary of the chapter, CMA Rupom Sharma which was followed by an address to the members by the Chairman, CMA Rana Bose. The chairman dwelt upon the important issue about all round development of the profession and allied activities like Student Services etc. in the North Eastern region. CMA Mrityunjay Acharjee, who is a known face in the fraternity and recently joined Numaligarh Refinery Limited as General Manager (Finance) and posted at Guwahati, was felicitated in the meet. CMA Acharjee was requested to deliberate upon how can the profession and its members have more visibility and footprint in the NE region, particularly Assam. With his vast experience, he had elaborated nicely how can the profession achieve a strong branding and what could be the roadmap to achieve that. About 20 members attended the meet and most of them put forth their inputs and valuable suggestions about how the profession can grow and have a pervasive visibility in this region. Interactions, brain storming and active participation of the members made the meet and the evening a memorable one.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA SOUTH ODISHA CHAPTER

The Chapter organized a meeting on 24.12.2021 at its conference hall with the Directors/ Faculties of different private Coaching Centers / Institutes at Berhampur and nearby area by the Managing Committee of the chapter to boost up career counseling and create awareness to students and detailing about CMA Course, its establishment, course of studies, prospectus, opportunities, fees structure coaching, examinations etc to share among the students of their institutions for admission to the CMA Courses. The meeting had been chaired by CMA Ashwini Kumar Patro, chairman of the chapter to encourage the Directors / Faculties for conducting more & more career counseling at their institute level which had been appreciated by all other M C Members who were present. It was also assured to provide necessary assistance by the chapter for conducting such career counseling. CMA Lipu Panda, Treasurer, welcomed and introduced all the invitees and extended vote of thanks to their participants and gave valuable suggestions for development of CMA Profession.

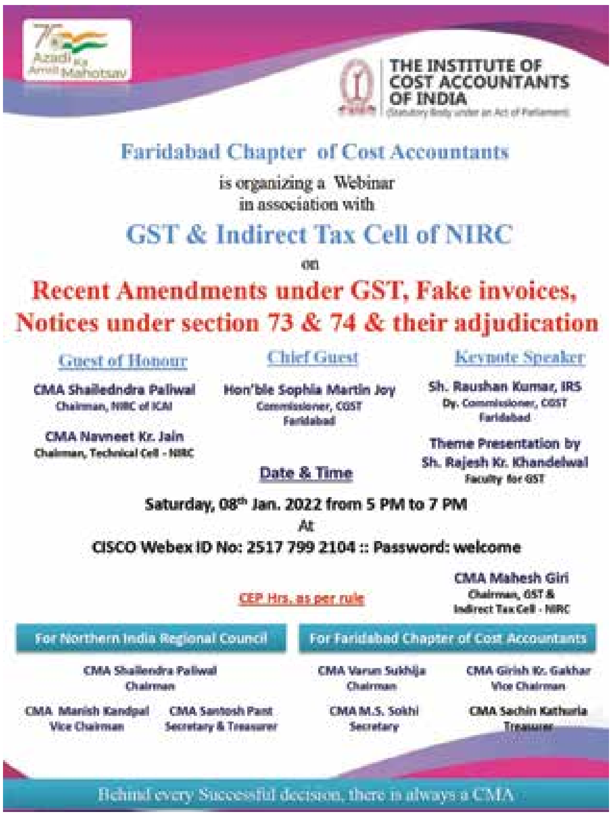
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA SERAMPORE CHAPTER

The Banking, Financial Services & Insurance Board (BFSIB) of the Institute in association with the chapter organized a seminar on 'Pension Plans - a Social Security

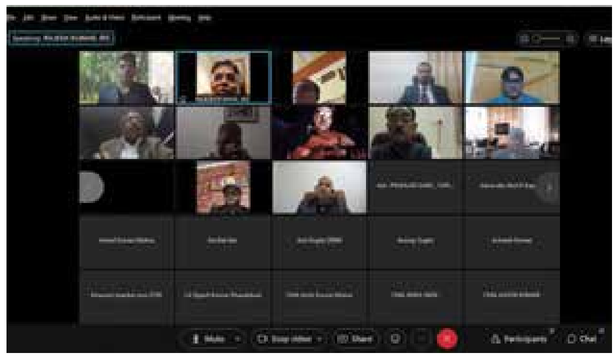
Coverage for our Large Work Force & Why India Needs a Vibrant Pension Market' on January 31, 2022 on observance of January 2022 as Pension Month. CMA Malhar Mazumder, Wealth Management Consultant and CMA Jitendra Panda, M.D, Yes Securities, were the speakers and CMA P. Raju Iyer, President, CMA Vijender Sharma, Vice President, CMA Chittaranjan Chattopadhyay, Chairman, BFSI Board CMA Biswarup Basu, Immediate Past President, CMA Santanu Mukhopadhyay, Chairman, CMA Bibhas Saha, Vice Chairman and CMA Prabir Dutta, Secretary of Serampore chapter of the Institute were also among the eminent dignitaries who attended the event. There was CEP credit of one hour and the event was highly interactive.

NORTHERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA FARIDABAD CHAPTER



On 08 January, 2022, the chapter in association with GST & Indirect Tax cell, NIRC successfully organised a programme on GST recent amendment, fake invoices & Notices under section 73 & 74 where key note speakers were from CGST department & practicing professional to address the webinar. The chapter was led by CMA Varun Sukhija who had taken such initiative to conduct the programme on GST topic in the month of January 2022 with the GST Department officials. This had been organized through virtual mode on CISCO Webex platform. Additional Commissioner, Shri Rajesh Kumar, IRS CGST Faridabad, the chief guest was present in the webinar on behalf of Commissioner, CGST Faridabad. Shri Raushan Kumar, IRS Deputy Commissioner, CGST Faridabad & Shri Rajesh Kr. Khandelwal, Faculty for GST the eminent speaker addressed the webinar to the participants. CMA Varun Sukhija on behalf of the chapter asked the questions from the CGST Department officials related to the current problems faced by the GST Taxpayers & answered by Deputy Commissioner, CGST Faridabad. Shri Raushan Kumar, IRS Deputy Commissioner, CGST Faridabad spoke on the Topic Recent Amendments under GST w.e.f 01 Jan, 2022 & Shri Rajesh Kr. Khandelwal spoke on fake invoices & Notices under section 73&74. CMA Varun Sukhija, chairman of the chapter, CMA Brijesh Upadhayay, Executive committee member, CMA Girish Gakhar, Vice Chairman, CMA Sachin Kathuria, Past chairman, CMA Shalinder Paliwal, Chairman, NIRC & CMA Navneet Kumar Jain, Chairman Technical Cell, NIRC,CMA Manish Kandpal, Vice Chairman, NIRC,CMA Mahesh Giri, Chairman, GST Cell,NIRC and CMA Sandeep Goel, RCM,NIRC were present in the webinar.

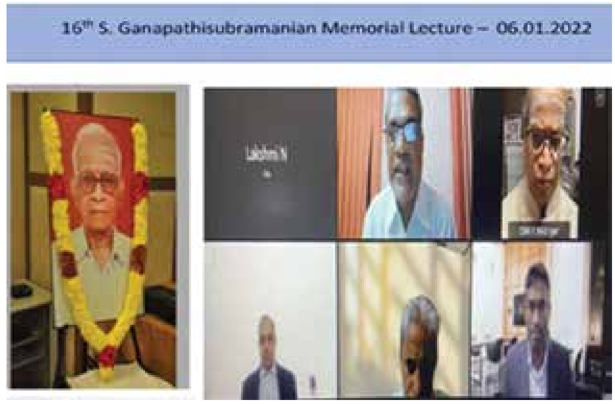


THE INSTITUTE OF COST ACCOUNTANTS OF INDIA HARDWAR RISHIKESH CHAPTER

Renovated and Refurbished Premise of the chapter was inaugurated by CMA Subodh Gupta, Director –(Finance), BHEL & Patron of the chapter on 02nd July 2021. Now chapter is equipped with latest facility such as Conference Hall with Projector/Training Room/Class Room etc. On this occasion, the Chairman of the Chapter, Sh. R.K. Dwivedi Addl. Gen Manager (Finance) BHEL emphasized the need of adopting latest technologies for professional advancement and better grooming of students. Secretary, CMA Vishnu Sharma and other executive member of the chapter were also present on occasion. The chapter organized a Career Counselling Session at Sarasvati Vidya Mandir School BHEL Sector-2 Hardwar, Uttrakhand on 23.12.2021. Executive members of chapter spread awareness about CMA course through interactive session. The occasion was graced by Shri VS Chauhan, Principal -SVM, Madam Neha Joshi –In charge Commerce wing & CMA Vishnu Sharma, Secretary of the chapter.

SOUTHERN INDIA REGIONAL COUNCIL

S. Ganapathisubramanian Memorial Fund Committee organized the 16th S. Ganapathisubramanian Memorial Lecture on "Digital Transformation – The Imperatives for Cost and Management Accountants During Uncertain Times" on 6.1.2022 through Cisco Webex Meet. CMA K. Rajagopal, Chairman, SIRC, ICAI rendered welcome address. CMA P. Raju Iyer, President, ICAI delivered special address. The guest speaker was Shri G. Balasubramanian, Senior Professor and Advisor – Finance IFMR, Chennai. CMA Vijay Kiran Agastya, Secretary, SIRC, proposed vote of thanks at the end. SIRC organized the PD Webinar on the topic "Discussion with a Special Focus on SME & Start-ups IPO Funding" held on 08.01.2022. Guest Speaker was Shri. Anand Chari, Dy General Manager, BSE SME & Startups. CMA K. Rajagopal, Chairman, SIRC, CMA Vijay Kiran Agastya, Secretary, SIRC and CMA Rajesh Sai Iyer, Treasurer, SIRC also attended the webinar. Celebrating the 73rd Republic Day Celebration, CMA H. Padmanabhan, Council Member & Chairman, CAT, International Affairs Committee, Public Relations Committee & AAT Board - ICAI along with CMA Rajesh Sai Iyer, Treasurer, SIRC - ICAI hoisted the National Flag at the premises of SIRC, Chennai on 26th January 2022 strictly adhering to protocols due to pandemic situation.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA HYDERABAD CHAPTER

On 16.12.2021, CMA P. Raju Iyer - President - ICAI, CMA Vijender Sharma - Vice President - ICAI, CMA Dr. K.Ch.A.V.S.N. Murthy - CCM - ICAI, CMA P. Chandra Sekhara Reddy - Chairman - HCCA, CMA K. Someswara Babu - Secretary - HCCA visited the office of Shri Parmod Kumar Arora, Member (Actuary), IRDAI as a part of courtesy visit on the occasion of President - ICAI and Vice President - ICAI's visit. At the Hyderabad Chapter's Press conference on 16th December, 2021 CMA P. Raju Iyer - President, CMA Vijender Sharma - Vice President, CMA Dr. K.Ch.A.V.S.N. Murthy - Central Council Member talked about diploma courses, MOUs etc. The chapter organized 'Members' meet with newly elected

President, Vice President and Central Council Members on 16th December, 2021 in Hotel Abode. The programme started with the welcome address by the Chairman, CMA P. Chanddra Sekhara Reddy after the lighting of the lamp. Dignitaries on the dais were CMA P. Raju Iyer - President, CMA Vijender Sharma - Vice President, CMA Dr K.Ch.A.V.S.N. Murthy - Central Council Member, CMA Vijay Kiran Agastya - Secretary - SIRC, CMA P. Chandra Sekhara Reddy - Chairman, CMA K. Someswara Babu - Vice Chairman. CMA P. Raju Iyer - President of ICAI, CMA P. Vijender Sharma - Vice President of ICAI, CMA Dr. K.Ch.A.V.S.N. Murthy - Central Council Member of ICAI, CMA Vijay Kiran Agastya - Secretary of SIRC were felicitated by CMA B. Ramana Murty - Past President of ICAI, CMA Dr P.V.S. Jagan Mohan Rao – Past President of SAFA & ICSI, CMA D.L.S. Sreshti - Past Chairman of SIRC, CMA Khaja Jalal Uddin – MC Member in the programme. The vote of thanks was given by CMA K. Someswara Babu, Secretary of HCCA. CMA P. Raju Iyer - President - ICAI, CMA Dr. K.Ch.A.V.S.N. Murthy - CCM - ICAI, CMA Vijay Kiran Agastya - Secretary of SIRC, CMA P. Chandra Sekhara Reddy - Chairman - HCCA, CMA K. Someswara Babu - Secretary - HCCA visited the office of Shri Navin Mittal, Commissioner, Collegiate education & Technical Education at Govt. of Telangana, on December 18, 2021 as a part of courtesy visit on the occasion of President - ICAI and Vice President - ICAI's visit. The chapter conducted a career counselling programme on December 23, 2021 at RG Kedia College of Commerce. CMA N.S.V. Krishna Rao, Practicing Cost Accountant counselled the students.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BENGALURU CHAPTER

Practitioners' Forum on "Energetic Leadership - Swami Vivekananda" was organized at the chapter on January 12, 2022 and Swami Bhitiharananda ji Maharaj, Ramakrishna Math, Hyderabad was the chief guest and CMA P Raju Iyer, President, CMA Vijender Sharma, Vice President were the guests of honour of the forum. CMA Pradip Kumar Das, Chairman & Managing Director, Indian Renewable Energy Development Agency Limited, CMA Kumar H N, Chairman BCCA, CMA Jayaram A V, Secretary and CMA G N Venkataraman, Past President ICAI were the speakers of the forum. Professional Development on "Energy Management in Industries" was organized at the chapter and CMA Jagadish Rao Kote, FCMA, M Tech.,Vice President –Technology, Matrix Energy Pvt. Ltd. and CMA Kumar H N, Chairman BCCA, CMA Jayarama A V Secretary BCCA , CMA Manjula B S, PD Chairperson BCCA, CMA Vishwanath Bhat, Vice Chairman SIRC, CMA G N Venkataraman, Past President ICAI were the speakers of the professional development programme. Career Counselling was organized at NMKRV College, Bangalore and CMA Anil B Shenoy was the speaker. The chapter organized a DPE Programme conducted through online for Public Sector Govt. Employees, "BIG DATA - USES AND ANALYSIS" on 05.01.2022 & 06.01.2022. CMA Guruprasad V, Management Consultant, CMA Subbarayudu T, Management Consultant, CMA CA Anjan Babu, Chartered Accountant were the speakers of the programme.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA COIMBATORE CHAPTER

As a part of improving the oral coaching, a faculty meeting was held at Hotel Rathna Residency on 11th December 2021. The meeting was presided over by Chairman, CMA Mathangopal. V and other MC members. Faculties handling Foundation, Intermediate and Final classes were present. On 29th December, 2021, two batches of orientation programme about CMA course were conducted by Chapter Chairman, CMA Mathanagopal. V & Treasurer, CMA Surya Prakash U at Rathinam, College of Arts & Science and Pollachi College of Arts & Science. Chairman made a detailed presentation about the Institute, Course Syllabus and Coimbatore Chapter. On 5th January, 2022, the MOU for opening of Satellite Centre at the said College for ICAI Foundation Course was signed. The deed was signed by our Chairman CMA Mathangopal.V and Principal of Kumaraguru College of Liberal Arts & Science. Dr.Vijila Kennedy. Chairman CMA Mathanagopal.V, Treasurer CMA Surya Prakash.U & MC member CMA Ravindran K participated in the oral coaching inaugural program held at Hindusthan College of Arts & Science, one of the Satellite Centers.

WESTERN INDIA REGIONAL COUNCIL

WIRC jointly with WIRC of ICSI had organized Cycle Expedition from Pune to WIRC, Mumbai (distance around 160 km) on 25th December 2021. CMA Harshad S Deshpande, Chairman P.D. Committee, WIRC had taken the lead for organising the event keeping in mind Health is Wealth! And especially in pandemic time. Good response from members received from Pune and Pimpri area and also acknowledging the support and hospitality given by Pimpri Chinchwad Akurdi and Navi Mumbai Chapter of Cost Accountants during the expedition. Mr. D.G. Vanjari, Sr. Officer and Mr. Tanmay More, Asstt. Admn, Officer alongwith the other staff members of WIRC welcomed all participants and congratulated them for completing the event and made arrangements for refreshments.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA KOLHAPUR SANGLI CHAPTER

The Chapter organized a CMA Career Counseling Programme on 30 Dec, 2021 at the Willingdon College, Sangli for graduate and postgraduate students of the college. It was conducted for two hours and almost 150 students attended the program. The programme was taken up by CMA P. T. Kumbhar, chairman of the chapter. He explained about CMA admissions process and the opportunities and avenues of practice areas available to CMA candidate. Principal of the college, Dr. Tamhankar and HOD Maths Dept., Dr. Bapat were present along with their associate professors.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA SURAT SOUTH GUJARAT CHAPTER

By taking all necessary safety precautions & following the Government & HQ guidelines, the chapter hosted Annual Prize Distribution Program for Foundation passed Students at the its campus, at Ritz Square, Ghod Dod Road, Surat, on 7th January 2022. CMA Nanty Shah, Chairman addressed the students. CMA Mahesh Bhalala, Secretary and CMA Kishor Vaghela, Treasurer, CMA Bharat Savani, Immediate Past Chairman along with the Chairman Sir awarded all the Foundation passed out students for June 2019, Dec 2019, June 2020, Dec 2020 and June 2021 term with trophy. By taking all necessary safety precautions & following the Government & HQ guidelines, the chapter conducted an Annual Prize Distribution for Intermediate and Final passed students and a CEP session. Chief Guest for the program was CMA Amit Apte, Former President of ICAI and the Guests of Honour were IP CMA Dr. Ashish Thatte, CCM and Chairman- Corporate Laws Committee of ICAI & CMA Neeraj Joshi, CCM, Chairman- Management Accounting Committee of ICAI and also CMA Manubhai Desai- Former Chairman as a Special Guest. Topics of the CEP were "Scope of CMAs under Corporate Law" by IP CMA Dr. Ashish Thatte, And "Use of Management Accounting Techniques in Corporates" by CMA Neeraj Joshi. The program began with the traditional lighting of the lamp by the Dignitaries and the Managing Committee Members of the

chapter. CMA Kishor Vaghela, Treasurer of the Chapter gave a formal welcome address to the dignitaries and the gathering, CMA Mahesh Bhalala, Secretary welcomed with a Sapling and also introduced CMA Neeraj Joshi, CCM to the gathering. CMA Nanty Shah- Chairman felicitated CMA Neeraj Joshi. CMA Keval Shah, Vice Chairman welcomed with a sapling and introduced CMA Amit Apte, Former President to the gathering. CMA Nanty Shah, chairman felicitated CMA Amit Apte. After the Chairman's address by CMA Nanty Shah, Chairman, CMA Neeraj Joshi and CMA Amit Apte addressed the students and members present. CMA Kishor Vaghela, Treasurer welcomed with a sapling and also introduced IP CMA Dr. Ashish Thatte, CCM. CMA Nanty Shah, Chairman felicitated IP CMA Dr. Ashish Thatte, CCM, CMA Amit Apte, CMA Neeraj Joshi and CMA Ashish Thatte felicitated CMA Manubhai Desai. CMA Brijesh Mali, Past Chairman proposed formal vote of thanks to the dignitaries and the gathering. After the lunch break, the CEP session started and the discussion was being carried on Use of Management

Accounting Techniques in Corporates by CMA Neeraj Joshi and the members and on Scope of CMAs under Corporate Law by CMA Ashish Thatte. CMA Nanty Shah, Chairman, proposed vote of thanks after the CEP session. By taking all necessary safety precautions & following the Government & HQ guidelines, the chapter hosted a Press Meet at its campus at Ritz Square, Surat on 18th January 2022. CMA Bhanwar Lal Gurjar, Vice Chairman, CMA Bharat Savani, Immediate Past Chairman joined the Meet.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA PUNE CHAPTER

The Chapter arranged a CEP webinar on the subject “Energy Transition / Electric Mobility / Hydrogen Economy” on 24th December 2021 through GOOGLEMEET video conferencing tool. CMA Chandrashekar Chincholkar was speaker for the webinar. CMA Rahul Chincholkar, Managing Committee Member of the chapter welcomed & introduced the speaker to the participants. CMA Chandrashekar Chincholkar discussed about various aspects like Need for Energy Transition, Power Generation & other alternative technologies & its impact on economy etc. CMA Shrikant Ippalpalli, Member of the chapter delivered vote of thanks. A MOU Agreement was signed on 04th January 2022 to extend academic co-operation between the chapter & St. Mira’s College for Girls specifically in the domain of Cost Accounting, Management Accounting, Financial Management, and other related areas and to stimulate and facilitate the development of collaborative and mutually beneficial programs, which will serve to enhance the intellectual level and cultural development in both organizations. CMA Prasad Joshi, chairman of the chapter signed the MOU Agreement with Dr. Jaya Rajagopalan, Principal, St. Mira’s College For Girls, Pune. CMA Neeraj Joshi, Central Council Member, ICAI, joined the meeting through online mode. CMA Chaitanya Mohrir, RCM, ICAI-WIRC,CMA Abhay Deodhar, Managing Committee Member, CMA Meena Vaidya, Advisor, CMA Nilesh Kekan, Treasurer, ICAI-Pune Chapter, Ms. Elizabeth Kanade, HOD, Dept. of Accountancy Dr.Dimple Buche, Faculty, Dept. of Accountancy were present at this occasion. A MOU agreement was signed on 05th January 2022 to extend academic co-operation between the chapter & MES Garware College of Commerce (Autonomous), Karve Road, Pune. CMA Prasad Joshi, Chairman, signed the MOU Agreement with Dr. Geeta Acharya Officiating, Principal, MES Garware College of Commerce (Autonomous), Karve Road, Pune. CMA Neeraj Joshi, Central Council Member, ICAI, CMA Chaitanya Mohrir, RCM, ICAI-WIRC, CMA Meena Vaidya, Advisor, CMA N K Nimkar, Advisor, ICAI-Pune Chapter, CMA Smita Kulkarni, Vice-Chairperson, CMA Abhay Deodhar, Managing Committee Member, CMA Nagesh Bhagane, Secretary,CMA Nilesh Kekan, Treasurer, ICAI-Pune Chapter were present at this occasion. CA Dr. Sudam Ghongate Patil,Vice-Principal, Dr. Ganesh Patare, Assistant Professor were present at this time. On 6th January 2022 to extend academic co-operation, Team of Kaveri College of Arts, Science & Commerce visited to CMA Bhawan, ICAI-Pune Chapter. Team of Dr.Deepa

Sathe, HOD, Commerce & Head of Kaveri skills development Placement Cell and Ms. Pooja Ambole , Asstt. Professor, Kaveri College of Arts, Science & Commerce. CMA Meena Vaidya, CMA N K Nimkar, Advisor, ICAI-Pune Chapter, CMA Abhay Deodhar, Managing Committee Member, ICAI-Pune Chapter, CMA Nagesh Bhagane, Secretary, CMA Nilesh Kekan, Treasurer, ICAI-Pune Chapter coordinated with Kaveri College Team. The chapter arranged a CEP Webinar on the subject “Classification of Goods under Customs and GST: detailed methodology” on 7th January 2022 through GOOGLEMEET video conferencing tool. CA Vinita Shah was the speaker for the webinar. CMA Nagesh Bhagane, Secretary of the Chapter, welcomed & introduced the speaker to the participants. CA Vinita Shah discussed on various rules regarding Classification of Goods under Customs and GST: detailed methodology. CMA Shrikant Ippalpalli, Member of the Chapter delivered vote of thanks. The chapter organized a “Guidance Session” for Foundation passed students on the Subject “Preparation for Intermediate examination, Syllabus of Intermediate and Future for CMA” on 22nd January 2022 on online mode through Google meet video conferencing tool. CMA Amit Shahane was speaker for the Guidance Session. CMA Nilesh Kekan, Treasurer & Chairman student’s coordination committee of the chapter congratulated the successful students in Foundation examination. He explained about formation & operation of ICAI in brief to participants. CMA Abhay Deodhar, Member of the chapter, explained the role of CMA in industry, budgetary system in companies, calculation of profit & loss etc. CMA Shrikant Ippalpalli,

Member of the chapter guided the participants about the scope to CMAs in practice, monthly review systems in companies etc. CMA Amit Shahane, speaker for the session gave information about Intermediate syllabus & preparation for exam. CMA Rahul Chincholkar, Member of the chapter explained the scope for CMAs in area of GST & importance of CMA Course. The session concluded with vote of thanks.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA PIMPRI CHINCHWAD AKURDI CHAPTER

The Chapter organized a webinar on "Extract-Transform-Load (ETL) & Advanced Techniques of Business Intelligence Software" on 1.1.2022. The chapter conducted a webinar jointly with WIRC on 'Extract-Transform-Load (ETL) & Advanced Techniques of Business Intelligence Software' on 1st January 2022 through Google Digital platform. CMA Dhananjay Kumar Vatsyayan, chairman of the chapter welcomed and introduced the speaker, Shri Suryakant More, Proprietor – Soft More Enterprises, Kolhapur. CMA Dinesh Kumar Birla, Chairman, WIRC, ICAI and CMA Harshad Deshpande, Chairman – P D Committee, WIRC addressed the participants. Shri. Suryakant More in his speech said ETL is the set of process that includes extraction, transformation and loading data. The webinar ended with vote of thanks. The chapter conducted webinar jointly with WIRC on 'Overview of Indian Economy' on 15th January 2022 through Google Digital platform. CMA Dhananjay Kumar Vatsyayan, chairman of the chapter welcomed and introduced the speaker, CA Ashish Choraria, CMA Hanif Shaikh, Senior Faculty gave the vote of thanks. The chapter conducted a webinar jointly with WIRC on 'IPO – The Talk of the Town' on 22nd January 2022 through Google Digital platform. CMA Pradeep Deshpande, Vice-Chairman of the chapter welcomed the participants & speaker. CMA Jayant Hampiholi, Past Chairman of PCA Chapter introduced the speaker CS CMA B. Renganathan, General Counsel, Emcure Pharmaceuticals Ltd. The session ended with the vote of thanks.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA NAVI MUMBAI CHAPTER

The Chapter conducted a webinar CEP programme on "NBFC Sector - Overview of New Regulations" on 23rd January 2022 via Google Meet app. The speaker for this event was CMA Vaidyanathan Iyer, PCMA & Chairman of the chapter. CMA Vivek Bhalerao, PD Committee chairman of the chapter welcomed the audience and introduced the speaker and spoke on the impact of new regulations in the NBFC Sector. The speaker then explained about various categories of NBFCs, current Regulations, Compliances, new regulations namely Scale Based Regulatory Framework, PCA Framework, Risk Based Internal Audit (RBIA) for NBFCs, ARCs and the transition methodology of the NBFC Sector from the existing set-up to the new regime. The lucid presentation & the interactive workshop came to an end with the vote of thanks proposed by CMA L Prakash, Past Chairman of the chapter.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA AHMEDABAD CHAPTER

The Chapter organized a "Power Point Presentation Competition" for the students of School/College of Ahmedabad on 01/01/2022. The chapter organized an online English speaking and communication skill development program during 04/01/2022 to 12/01/2022 for students and members. The Knowledge Series of English Speaking and Communication Skill Development were inaugurated by CMA Malhar Dalwadi, chairman of the Chapter. Large number of students and members participated in the various sessions of the program. During the month of Jan 2022, the chapter conducted promotional activities for CMA course. As part of Career counseling activity, Oral Coaching Committee Team met more than 75 principals of different schools, Colleges, universities and owner of Private classes. The chapter is glad to inform that Sterling Accuris - a diagnostics Centre has kindly agreed to offer a Special Discount to all Members, Students, Staff members and their Immediate Families of ICAI – CMA Ahmedabad Chapter. Effective Date of MOU is 1st Jan'2022 onwards. The objective of this MoU is to provide better and concessional rate medical laboratory testing facilities to CMA Fraternity and their immediate family member. Sterling Accuris Diagnostics Centre will collect the samples directly from patient for investigation and send to their laboratory. This MOU is covered all centers located at Gujarat, Jodhpur and Delhi.

DIGITAL OBJECT IDENTIFIER (DOI)

Issue: January - 2022 [Vol. 57 No. I]

Name of The Article	Name of Author/s	Volume	Issue	Issue No.	Page No.	DOI Numbers
IS IBC, 2016 A COST-EFFECTIVE RESOLUTION PROCESS FOR BANK NPAs?	CMA (Dr.) P. Siva Rama Prasad	57	Jan-22	1	34-40	10.33516/maj.v57i1.34-40p
E-PAYMENT TRENDS IN INDIA Amendments in the Income Tax Act for Cashless Economy	Dr. V. Krishnamohan CMA N. Srinivas	57	Jan-22	1	42-48	10.33516/maj.v57i1.42-48p
THE RISE & FALL OF YES BANKA CASE STUDY IN MANAGING BANKING OPERATION	Dr. Debashish Kundu	57	Jan-22	1	49-54	10.33516/maj.v57i1.49-54p
RBI RETAIL DIRECT INVESTMENT SCHEME: MECHANISM, PROS AND CONS	CMA (Dr.) Manpreet Kaur	57	Jan-22	1	55-57	10.33516/maj.v57i1.55-57p
IMPACT OF COVID-19 ON BANK'S GROWTH: A STUDY FROM THE PERSPECTIVE OF BANK EMPLOYEES	Dr. Amit Kumar Nag Neelakshi Arora	57	Jan-22	1	58-64	10.33516/maj.v57i1.58-64p
GREEN BANKING: VANTAGE POINTS AND WAYS & PRACTICES – CREATING A MODEL FRAMEWORK	Samuel S Mitra Rev. Fr. Peter Arockiam. A. (S.J.) Rev. Fr. Joseph Kulandai (S.J.)	57	Jan-22	1	65-67	10.33516/maj.v57i1.65-67p
A CLINICAL STUDY ON GREEN BANKING INITIATIVES IN INDIA WITH SPECIAL REFERENCE TO SELECT PUBLIC SECTOR BANKS	Souvik Ghosh Dr. Sarada Prasad Datta	57	Jan-22	1	68-71	10.33516/maj.v57i1.68-71p
BANKING SECTOR IN INDIA: PAST, PRESENT AND FUTURE MARCHING TOWARDS 'ATMA NIRBHAR BHARAT'	Dr. Tarun Mandal	57	Jan-22	1	72-76	10.33516/maj.v57i1.72-76p
BOOK REVIEW	CMA (Dr.) P. Siva Rama Prasad	57	Jan-22	1	78-79	10.33516/maj.v57i1.78-79p
DUE DILIGENCE FOR TRANSACTIONS WITH STARTUPS AND DIGITALLY TRANSFORMED ENTITIES WITH A LONG-TERM PERSPECTIVE	CMA (Dr.) Paritosh Basu	57	Jan-22	1	83-88	10.33516/maj.v57i1.83-88p
CREDIT DELIVERY SYSTEM TO TEA INDUSTRY	Dipankar Mukherjee	57	Jan-22	1	89-92	10.33516/maj.v57i1.89-92p
RISK APPETITE	Biplab Chakraborty	57	Jan-22	1	93-96	10.33516/maj.v57i1.93-96p
CASE STUDIES ON EFFECTIVE PRICE NEGOTIATION	CMA Padmanabhan Satyes Kumar	57	Jan-22	1	97-99	10.33516/maj.v57i1.97-99p

DIRECT & INDIRECT TAX UPDATES - JANUARY 2022

DIRECT TAXES

- **Notification No. 1/2022 dated 6th January 2022**: 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, 'Regional Air Connectivity Fund Trust (PAN AADTR1130P), a trust constituted by the Central Government, in respect of the following specified income arising to that trust, namely:- (a) Grant from Government; (b) Receipt of levy from Airlines; (c) Forfeiture of bank guarantee due to non-fulfilment of obligation by Airlines; and (d) Interest income earned on (a) to (c) above.

  This notification shall be effective subject to the conditions that Regional Air Connectivity Fund Trust,

  (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

  This notification shall be deemed to have been applied for the period from 01.06.2020 to 31.03.2021 for the financial year 2020-2021 and shall apply with respect to the financial years 2021-2022, 2022-2023, 2023-2024 and 2024-2025.

- **Notification No. 2/2022 dated 7th January 2022:** In the notification of the Government of India, Ministry of Finance, Department of Revenue (Central Board of Direct Taxes), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 5429(E), dated the 28th December, 2021, at page 18, in paragraph 10, the clause (i) shall be read as the following, namely, "the Commissioner of Income-tax (Appeals), in case of order passed under clause (x) of subparagraph (1) of paragraph 5 or under sub-paragraph (5) of paragraph 6 or under sub-paragraph (8) of paragraph 7, by affixing digital signature;"

- **Notification No. 3/2022 dated 11th January 2022:** 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, 'International Financial Services Centres Authority', Gandhinagar, Gujarat (PAN AAAGI0596L), an authority constituted under sub-sections (1) and (3) of section 4 of the International Financial Services Centres Authority, Act, 2019 (50 of 2019), in respect of the following specified income arising to that Authority, namely:- (a) Grant-in-aid received from Central Government; (b) Fees and charges received by International Financial Services Centres Authority Act, 2019; (c) Any other sums received by International Financial Services Centres Authority as decided by the Central Government; and (d) Interest income accrued (a) to (c) above.

  This notification shall be effective subject to the conditions that International Financial Services Centres Authority, Gandhinagar, Gujarat, (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.

- **Notification No. 4/2022 dated 13th January 2022:** In the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.142/2021 in F.No.300196/4/2021-ITA-I dated 31.12.2021, published in Subsection (ii), Section 3, Part-II, Extraordinary of the Gazette of India vide number S.O.1 (E)- (i) In paragraph 3: - For "Assessment" read "Financial".

- **Notification No. 5/2022 dated 13th January 2022:** 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 Electricity Regulatory Commission' (PAN:AAAJA1243K), constituted by the Government of Assam, in respect of the following specified income arising to that Commission, namely: (a) amount received in the form of government grants; (b) amount received as license fees, petition fees and fines; and (c) interest earned on government grants, license fees, petition fees and fines kept as deposits or Fixed deposits with banks.

  This notification shall be effective subject to the conditions that Assam Electricity Regulatory Commission (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 applicable for the financial years 2021-2022, 2022-2023, 2023-2024, 2024-2025 and 2025-2026.

- **Notification No. 6/2022 dated 14th January 2022:** In exercise of the powers conferred by clause (4D) of section 10 and sub-section (1B) of section 115AD, read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct taxes hereby makes the following rules further to amend the Income-tax Rules,1962, namely:

  (1) These rules may be called the Income tax (1 st Amendment), Rules, 2022. (2) They shall come into force from the 1st day of April, 2022.

  In the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), after rule 21AJ, the following rules shall be inserted, namely:"21AJA. Computation of exempt income of specified fund, attributable to the investment division of an offshore banking unit, for the purposes of clause (4D) of section 10 of the Act- (1) For the purposes of clause (4D) of section 10 of the Act, income of specified fund attributable to the investment division of an offshore banking unit shall be computed in accordance with the following formula, namely:

A+B+C+D where,

A = any income accrued or arisen to, or received by the eligible investment division as a result of transfer of a capital asset referred to in clause (viiab) of section 47 of the Act held by it, on a recognised stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in convertible foreign exchange;

B= any income accrued or arisen to, or received by the eligible investment division as a result of transfer of securities held by it (other than shares in a company resident in India)

C= any income accrued or arisen to, or received by the eligible investment division from securities held by it and issued by a non-resident (not being a permanent establishment of a non-resident in India) and where such income otherwise does not accrue or arise in India;

D = any income accrued or arisen to, or received by the eligible investment division from a securitisation trust which is chargeable under the head "profits and gains of business or profession".

21AJAA. Determination of income of a specified fund attributable to the investment division of an offshore banking unit under sub-section (1B) of section 115AD of the Act - (1) For the purposes of subsection (1B) of section 115AD of the Act, income of a specified fund, being the investment division of an offshore banking unit shall be computed in accordance with the following formula, namely: - A+B+C+D+E+F where,

A = income by way of long term capital gain referred to in clause (b) of sub-section (1) of section 115AD, accrued or arisen to, or received by the eligible investment division, as a result of transfer of a security referred to in section 112A of the Act and held by such investment division;

B = income by way of long term capital gain referred to in clause (b) of sub-section (1) of section 115AD, accrued or arisen to, or received by the eligible investment division as a result of transfer of a security, other than that referred to in section 112A of the Act, and held by such investment division;

C= income by way of short term capital gain referred to in clause (b) of sub-section (1) of section 115AD, accrued or arisen to, or received by the eligible investment division as a result of transfer of security referred to in section 111A of the Act and held by such investment division;

D= income by way of short term capital gain referred to in clause (b) of sub-section (1) of section 115AD, accrued or arisen to, or received by the eligible investment division as a result of transfer of a security, other than that referred to in section 111A of the Act, and held by such investment division;

E= income from securities referred to in clause (a) of sub-section (1) of section 115AD of the Act, being in the nature of interest referred to in section 194LD of the Act, held by the eligible investment division;

F= income from securities, held by the eligible investment division, as referred to in clause (a) of subsection (1) of section 115AD of the Act and not included in item E above.

- **Notification No. 7/2022 dated 18th January 2022:** In exercise of the powers conferred by sub-sections (9) and (10) of section 245R and subsections (2) and (3) of section 245W of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following Scheme, namely: This Scheme may be called the "e-advance rulings Scheme, 2022".

  This Scheme shall be applicable to applications of advance rulings, (a) made to the Board for Advance Rulings under sub-section (1) of section 245Q of the Act; or (b) transferred to Board for Advance Rulings under sub-section (4) of section 245Q of the Act.

- **Notification No. 8/2022 dated 18th January 2022:** In exercise of the powers conferred by sub-section (1B) of section 45, read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct taxes hereby makes the following rules further to amend the Income-tax Rules,1962:

  In the Income-tax Rules, 1962, after rule 8AC, the following rule shall be inserted, namely: "8AD Computation of capital gains for the purposes of sub-section (1B) of section 45-(1) Where any person receives at any time during any previous year any amount under a specified unit linked insurance policy, including the amount allocated by way of bonus on such policy"

- **Notification No. 9/2022 dated 18th January 2022:** In exercise of the powers conferred section 114 of the Finance (No. 2) Act, 2004, (23 of 2004), the Central Government hereby makes the following rules to amend the Securities Transaction Tax Rules, 2004:

  In the Securities Transaction Tax Rules, 2004 (hereinafter referred to as the principal rules), after rule 5, the following rule shall be inserted, namely: " 5A.Person responsible for collection and payment of securities transaction tax in case of Insurance Company.- In the case of an insurance company, the person responsible for collection and payment of securities transaction tax in accordance with sub-sections (2), (3) and (4) of section 100 of the Act, shall be the managing director or a whole-time director, as defined in clauses (54) and (94) of section 2 of the Companies Act, 2013 (18 of 2013), duly authorised by the Board of Directors of such company in this behalf."

  In the principal rules, for rule 6, the following rule shall be substituted, namely: - "6. Payment of securities transaction tax.- Every recognised stock exchange, or the trustee of every Mutual Fund or such other person managing the affairs of the mutual fund as may be duly authorised by the trustee in this behalf, or the managing director or a whole-time director, as defined in clauses (54) and (94) of section 2 of the Companies Act, 2013 (18 of 2013), duly authorised by the Board of Directors of an insurance company, who is required to collect and pay securities transaction tax under section 100 of the Act, shall pay the amount of such tax to the credit of the Central Government by remitting it into any branch of the Reserve Bank of India or of the State Bank of India or of any authorised bank accompanied by a securities transaction tax challan."

  In the principal rules, in rule 7, (i) in sub-rule (1), after clause (b), the following clause shall be inserted, namely: "(c) in the case of an insurance company, be in Form No. 2A and be verified in the manner indicated therein.";

(ii) for sub-rule (2), the following sub-rules shall be substituted, namely: "(2) The return in Form No. 1, Form No. 2 and Form No. 2A referred to in sub-rule (1) shall be furnished electronically either under digital signature or electronic verification code.

(iii) after sub-rule (3), the following sub-rule shall be inserted, namely: "(3A) In case of an insurance company, the return referred to in sub-rule (1) shall be furnished by the managing director or a whole-time director, as defined in clauses (54) and (94) of section 2 of the Companies Act, 2013 (18 of 2013), duly authorised by the Board of Directors of such company in this behalf."

In the principal rules, in rule 8, after clause (b) the following clause shall be inserted, namely: "(c) in the case of an insurance company by the managing director or a whole-time director as defined in clauses (54) and (94) of section 2 of the Companies Act, 2013 (18 of 2013) a duly authorised by the Board of Directors of such company in this behalf."

- **Notification No. 10/2022 dated 21st January 2022:** 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, National Skill Development Corporation, a body constituted by Central Government, in respect of the following specified income arising to that Corporation, namely:

  (a) Amount received in the form of Government grants. (b) Amount received in the form of grants for skill development other Government grants; (c) Long-term or short-term capital gain out of investment in an organisation for skill development; (d) Dividend and royalty from skill development venture supported or funded by National Skill Development Corporation; (e) Income from Accreditation Fees, Registration fees, fees from training partners and other cost recovery from its skill development activities; (f) Administrative & Mobilization fees from the scheme management; (g) Income from institutions outside India for skilling, Training & Employability; (h) Interest on loans to Institutions for skill development; (i) Miscellaneous income, like sale of scrap, Profit on sale of assets, RTI application fees, forfeiture of Bank Guarantee, interest on income tax refund, excess provision written back; and (j) Interest earned on (a) to (i) above.

  The provisions of this notification shall be effective subject to the conditions that National Skill Development Corporation, (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income remain unchanged throughout the financial years; and (c) shall file returns of income in accordance with the provision of clause (g) of sub-section (4C) section 139 of the Income-tax Act, 1961.

- **Notification No. 11/2022 dated 25th January 2022:** In exercise of powers conferred by sub-clause (vi) of clause (b) of the Explanation to clause (23FE) of section 10 of the Income-tax Act, 1961 (hereinafter referred to as the "Act") the Central Government hereby makes the following amendment in the notification of the Government of India, Ministry of Finance (Department of Revenue), Number 89 of 2020, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii), vide number S.O. 3952(E), dated the 2nd November, 2020, namely:

  In the said notification,

  (I) for clauses (vii), (viii), (ix), (x), (xi) and (xii), the following clauses shall be substituted, namely: -

  "(vii) the earnings of the assessee shall be credited either to the account of the Government of Abu Dhabi or to any other account designated by that Government so that no portion of the earnings inures to any private person barring any payment made to creditors or depositors for loan or borrowing [as defined in sub-clause (a) of clause (ii) of Explanation 2 to clause (23FE) of section 10 of the Act] taken for the purposes other than for making investment in India;

  (viii) the assessee shall not have any loans or borrowings [as defined in sub-clause(a) of clause (ii) of Explanation 2 to clause (23FE) of section 10 of the Act], directly or indirectly, for the purposes of making investment in India;

  (ix) the asset of the assessee shall vest in the Government of Abu Dhabi upon dissolution barring any payment made to creditors or depositors for loan or borrowing taken for the purposes other than for making investment in India;

  (x) the assessee shall not participate in the day to day operations of investee (as defined in clause (i) of Explanation 2 clause (23FE) of section 10 of the Act) but the monitoring mechanism to protect the investment with the investee including the right to appoint directors or executive director shall not be considered as participation in the day to day operations of the investee."

- **Notification No. 11/2022 dated 27th January 2022:** 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, 'West Bengal Electricity Regulatory Commission', Kolkata (PAN: AAAGW0011J), a Commission constituted by the State Government of West Bengal, in respect of the following specified income arising to that Commission, namely:

  (a) Income from the fund maintained in accordance with the provisions of the West Bengal Electricity Regulatory Commission (Manner of application of Fund) Rules, 2006; and (b) Income from the fees collected in accordance with the provisions of the West Bengal Electricity (fees for application for grant of license) Rules, 2005, notified by the Government of West Bengal.

  This notification shall be effective subject to the conditions that West Bengal Electricity Regulatory Commission, Kolkata - (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.

- **Circular No. 01/2022 dated 11th January 2022:** Extension of timelines for filing of Income-tax returns and various reports of audit for the Assessment Year 2021-22.

1. The due date of furnishing of Report of Audit under any provision of the Act for the Previous Year 2020-21, which was 30th September 2021, in the case of assessees referred in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act, as extended to 31 st October 2021 and 15 th January 2022 by Circular No.9/2021 dated 20.05.2021 and Circular No.17/2021 dated 09.09.2021 respectively, is hereby further extended to 15th February, 2022;

2. The due date of furnishing of Report of Audit under any provision of the Act for the Previous Year 2020-21, which was 31st October, 2021, in the case of assessees referred in clause (aa) of Explanation 2 to sub-section (1) of section 139 of the Act, is hereby extended to 15th February, 2022;

3. The due date of furnishing of Report from an Accountant by persons entering into international transaction or specified domestic transaction under section 92E of the Act for the Previous Year 2020-21, which was 31 st October 2021, as extended to 30th November 2021 and 31st January 2022 by Circular No.9/2021 dated 20.05.2021 and Circular No.17/2021 dated 09.09.2021 respectively, is hereby further extended to 15th February, 2022;

4. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which was 31 st October 2021 under sub-section (1) of section 139 of the Act, as extended to 30th November 2021 and 15th February 2022 by Circular No.9/2021 dated 20.05.2021 and Circular No.17/2021 dated 09.09.2021 respectively, is hereby further extended to 15th March, 2022;

5. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which was 30 th November 2021 under sub-section (1) of section 139 of the Act, as extended to 31st December 2021 and 28th February 2022 by Circular No.9/2021 dated 20.05.2021 and Circular No.17/2021 dated 09.09.2021 respectively, is hereby further extended to 15th March, 2022.

- **Circular No. 02/2022 dated 19th January 2022:** Guidelines under clause (10D) section 10 of the Income-tax Act, 1961.

INDIRECT TAXES

CUSTOMS

- **Notification No.1/2022-Customs dated 18th January 2022**: In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (2) of the Table below and falling under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), when imported into India by All India Football Federation for the purpose of organising the AFC Women's Asian Cup India, 2022, from the whole of the duty of customs leviable thereon which is specified in the said First Schedule and from the whole of the integrated tax leviable thereon under sub-section (7) of section 3 of the said Customs Tariff Act, subject to the conditions specified in the corresponding entry in column (3) of the said Table

Sl No	Items	Conditions
1.	The following goods: i. Kelme Referee kits, ball boy uniform and match-day bibs ii. Competitions goods shipped using Aramex iii. Molten official match balls iv. Kelme AFC delegations / volunteers attire v. Country Flags vi. Sleeves Badges vii. WAC mini Trophy	a) The importer, at the time of clearance of the goods, produces a certificate to the Assistant Commissioner of Customs or Deputy Commissioner of Customs as the case may be, from the Director or Deputy Secretary (Sports), Department of Sports, the Ministry of Youth Affairs and Sports, Government of India, indicating that the said goods are required in relation to the AFC Women's Asian Cup India, 2022. b) The importer, at the time of clearance of the goods, furnishes an undertaking that, - i. all such goods, excluding gift items, souvenirs, mementoes shall be re-exported within three months from the date of conclusion of AFC Women's Asian Cup India, 2022. ii. a utilisation certificate for the goods consumed shall be furnished from the Director or Deputy Secretary (Sports), the Department of Sports, the Ministry of Youth Affairs and Sports, Government of India, within three months from the date of conclusion of AFC Women's Asian Cup India, 2022.

- **Circular No.01/2022-Customs dated 18th January 2022**: Retention of ISO Containers to meet future requirements. In respect of ISO Containers imported on lease by availing IGST exemption under serial number 557B of Notification No.50/2017-Customs dated 30.06.2017, it is hereby clarified that as long as ISO containers are in India under a valid lease and the IGST amount is paid on such lease amount under CGST law, the IGST is not required to be paid on the value of the ISO containers, and in such a situation the need for re-export would not arise.

- **Circular No. 02/2022- Customs dated 19th January 2022**: Alignment of AEO Circular No. 33/2016 dated 22.07.2016 and 54/2020 dated 15.12.2020 with CAROTAR, 2020 implemented vide dated 21.09.2020. Reference is drawn to Circular No. 33/2016–Customs dated 22.07.2016 as amended, including by Circular No. 54/2020- Customs dated 15.12.2020, vide which relaxation in furnishing of Bank Guarantee was extended to various categories of AEO/AEO (MSME), but would not be applicable in cases where the Competent Authority orders furnishing of Bank Guarantee for provisional release of goods under section 18 of Customs Act, 1962. It is clarified that with the insertion of Section 28 DA of Customs Act, 1962 relating to procedure regarding claim of preferential rate of duty, and the issuance of CAROTAR, 2020 (Customs Administration of Rules of Origin Under Trade Agreements Rules, 2020) vide Notification No. 81/2020-Customs dated 21.08.2020 (effective 21.09.2020), these provisions prevail over dispensation extended vide para 1.5.1. (v), 1.5.2.(ix), 1.5.3.(iv) of Circular No. 33/2016- Customs dated 22.07.2016 and para 3(vii) of Circular No. 54/2020-Customs dated 15.12.2020 and the latter stand suitably aligned to the former.

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

The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

www.icmai.in

Advisory for Renewal of Certificate of Practice For 2022-23

The members of the Institute holding Certificate of Practice (CoP) having validity up to 31st March, 2022 are requested to comply with the following guidelines for renewal of their Certificate of Practice:

1. The following changes consequent to amendment of the Cost and Works Accountants Regulations, 1959 vide Notification dated 4th February, 2011 published in the Gazette of India may be noted:

    a. The validity of a Certificate of Practice (CoP) is for the period 1st April to 31st March every year unless it is cancelled under the provisions of the Cost and Works Accountants Act and Regulations, 1959 as amended.

    b. The Certificate of Practice issued shall automatically be renewed subject to submission of prescribed Form M-3 (duly filled in) and payment of renewal fee* and annual membership fee*.

    c. From the year 2011-12 onwards, letter for renewal Certificate of Practice is not being issued. However, the members concerned may download the renewal status from the Institute's website www.icmai.in.

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

2. It may please be noted that under Section 6 of the Cost and Works Accountants Act, 1959, **both the Annual Membership Fee* and Fee for Renewal of Certificate of Practice*** falls due on 1st April each year.

3. Special attention is invited to the fact that the validity of a Certificate of Practice expires on **31st March** each year unless it is renewed on or before the date of expiry in terms of the amended Regulation 10 of the Cost and Works Accountants Regulations, 1959. Hence, a member shall be required to renew his certificate of Practice within **31st March** every year.

4. **If the Certificate of Practice of a member is not renewed within 31st March, 2022, his/her status of CoP from 1st April 2022 till the date of renewal would be "Not Active".**

5. Subject to what has been mentioned in Sl. No. 3 & 4 above, a member can get his/her Certificate of Practice for 2022-23 renewed within **30th June, 2022.** If application for renewal of Certificate of Practice is made after 30th June, 2022, the member's Certificate of Practice for 2022-23 will not be renewed but will be considered as a case of restoration of Certificate of Practice till 31/03/2023. This restoration is applicable only to the CoP holders whose CoP is valid till 31/03/2022. For restoration of Certificate of Practice, he/she has to pay Rs.500/-* as restoration fee in addition to the **prescribed fees * along with duly filled in form 'M-3'.**

6. It may please be noted that mere payment of fees * alone will not be sufficient for renewal of Certificate of Practice. Application in prescribed Form M-3 is to be used for Renewal of Certificate of Practice duly filled in and signed is **mandatory.** The soft copy of prescribed Form M-3 for Renewal of Certificate of Practice can be downloaded from Institute's website www.icmai.in.

    Link: https://eicmai.in/external/PublicPages/WebsiteDisplay/PractitionersForms.aspx

7. The Institute has introduced a scheme of Continuing Education Programme (CEP) and the same is mandatory in accordance with provision to sub-regulation (1) of Regulation 10 of the Cost and Works Accountants Regulations, 1959, as amended, whereby no Certificate of Practice and renewal thereof shall be issued unless a member has undergone minimum number of hours of such training. The detailed guidelines in this connection are available on Institute's website www.icmai.in. Link: https://eicmai.in/external/PublicPages/WebsiteDisplay/docs/CEP_Guidelines_280520.pdf

8. For renewal and application of new CoP issued on and from 1st February, 2019, please refer to Notification **F. No. CWA/21/2019 dated 1st February, 2019 and subsequent corrigendum dated 8th March, 2019.**

   Link: https://icmai.in/icmai/news/5435.php). Accordingly new CoP holders on and from 1st February, 2019 are required to comply with Mandatory Capacity Building Training (MCBT) requirement for renewal of CoP for the FY 2022-23.

9. Other relevant issues for Renewal of Certificate of Practice are as follows:

   a. Application for renewal of Certificate of Practice upto 31st March, 2023 has to be made in prescribed Form M-3 which may be filled online or through hard Copy of form duly filled in and signed on both sides together with Renewal Certificate of Practice fee of Rs.2,000/-* and all other dues to the Institute on account of annual membership fees * and entrance fees *.

   b. The annual membership fee for Associate and Fellow members are Rs.1,000/-* and Rs.1,500/-* respectively. The entrance fee * for Associate and Fellow members is Rs. 1,000/-* each payable at a time at the time of application for admission to Associateship or advancement to Fellowship, as the case may be.

   c. The fees * may be paid online or by Demand Draft/at par cheque payable at Kolkata if remitted by post to the Headquarters of the Institute.

   d. Members should note that the **renewal of Certificate of Practice can be effected only after receipt of the prescribed fees * along with duly filled in form at the Headquarters of the Institute and on meeting the stipulated CEP credit hours.** Mere submission of the same at the Regional Councils or Chapters will not be sufficient. Members are advised to make payment directly to the Headquarters or use the online facility of submission of application and payment to avoid any delay.

All practising members are advised to send their application for renewal of Certificate of Practice for the year 2022-23 along with other requirements as indicated above immediately so as to reach the Institute's Office at Kolkata well in advance to enable the Institute to issue the renewal of Certificate by 31st March, 2022.

Renewal of Part-time Certificate of Practice

1. For renewal of part-time Certificate of Practice, it is also essential to furnish a certificate from the employer in the following form or in a form as near thereto as possible if the practising member has undertaken any employment or there has been a change in employment:

   "Shri/Smt ………………………………………………….. is employed as designation) …………………….. and (name of Organisation) …………………. ………………… he/she is permitted, notwithstanding anything contained in the terms of his/her employment, to engage himself/herself in the practice of profession of Cost Accountancy in his/her spare time in addition to his/her regular salaried employment with us.

   Signature of Employers with seal of Organisation"

2. It may be noted that members holding Part-time Certificate of Practice (CoP) are not eligible to undertake statutory assignments like Cost Audit, Central Excise Audit, etc.

*GST is applicable against payment

Benevolent Fund

FOR THE MEMBERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

CMA Bhawan, 12 Sudder Street, Kolkata - 700016

OBJECTIVE

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

LIFE MEMBERSHIP FEE

Onetime payment of ₹7500/-

BENEFITS

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

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

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

To apply for life membership or for further details please visit
https://eicmai.in/External/Home.aspx#

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