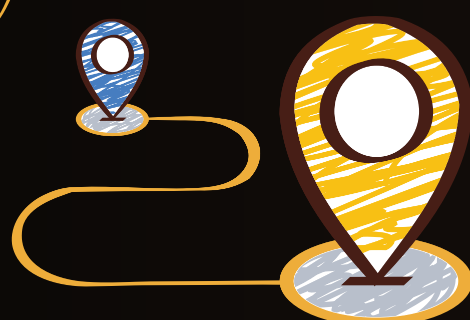
THE MANAGEMENT ACCOUNTANT

ISSN 0972-3528

April 2024 | VOL 59 | NO. 04 | Pages - 124 | ₹ 100

INSOLVENCY AND BANKRUPTCY CODE

its Journey so far!!!



Journal of

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament) www.icmai.in

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

Printed and Published by

CMA Kaushik Banerjee on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, P. S. New Market, Dist: Kolkata, West Bengal - 700 016 and **printed at –** Spenta Multimedia Pvt. Ltd., Plot 15, 16 & 21/1 Village – Chikhloli, Morivali, MIDC, Ambernath (West), Dist: Thane – 421505 and **published at** – The Institute of Cost Accountants of India, 12, Sudder Street, P. S. New Market, Dist: Kolkata, West Bengal - 700 016.

Editor – CMA Sucharita Chakraborty on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, P. S. New Market, Dist: Kolkata, West Bengal - 700 016.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory body under an Act of Parliament

www.icmai.in

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

VISION STATEMENT

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

MISSION STATEMENT

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

IDEALS THE INSTITUTE STANDS FOR

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

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

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

Printed and Published by
CMA Kaushik Banerjee on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, P. S. New Market, Dist: Kolkata, West Bengal - 700 016 and **printed at** – Spenta Multimedia Pvt. Ltd., Plot 15, 16 & 21/1 Village – Chikhloli, Morivali, MIDC, Ambernath (West), Dist: Thane – 421505 and **published at** – The Institute of Cost Accountants of India, 12, Sudder Street, P. S. New Market, Dist: Kolkata, West Bengal - 700 016.

Editor – CMA Sucharita Chakraborty on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, P. S. New Market, Dist: Kolkata, West Bengal - 700 016.

Chairman, Journal & Publications Committee -
CMA (Dr.) K Ch A V S N Murthy

ENQUIRY

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

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

The Management Accountant technical data

Periodicity : Monthly
Language : English

Overall Size: - 26.5 cm x 19.6 cm

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

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

The Management Accountant Journal is Enlisted in:
'UGC-CARE REFERENCE LIST OF QUALITY JOURNALS'

The Management Accountant Journal is Indexed and Listed at:
- Index Copernicus and J-gate
- Global Impact and Quality factor (2015):0.563

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.

Headquarters
CMA Bhawan, 12 Sudder Street
Kolkata - 700016

Institute Motto

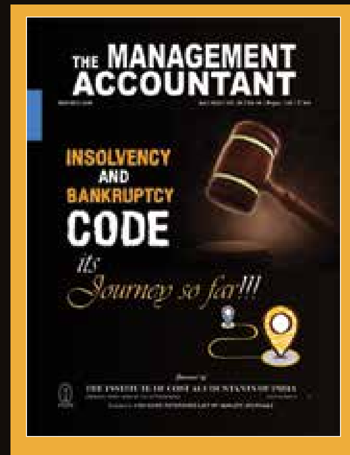
असतोमा सद्गमय
तमसोमा ज्योतिर् गमय
मृत्योर्मामृतं गमय
ॐ शान्ति शान्ति शान्तिः

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

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

CONTENTS

INSIDE
APRIL 2024



APRIL VOL 59 NO.04 ₹100

COVER STORY

SUSTAINABILITY LEAF

DIGITAL TRANSFORMATION

PRINTED AT -
Spenta Multimedia Pvt Ltd.
Plot No. 15,16 & 21/1, Morivali
MIDC, Chikhloli Village
Ambernath (West) - 421505, India
on behalf of The Institute of Cost Accountants of India, 12, Sudder Street, Kolkata - 700 016, P. S. New Market, West Bengal

Cover image source:
https://web.toppersnotes.com/current-affairs/blog/what-is-the-insolvency-and-bankruptcy-code-SFHi

From the Editor's Desk

The Insolvency and Bankruptcy Code, 2016 (IBC) stands as a crucial landmark in the Indian financial landscape, revolutionizing the resolution framework for insolvent entities.

The IBC came into effect in 2016 to achieve several objectives, including maximizing the value of debtor's assets, promoting entrepreneurship, ensuring timely resolution of cases and balancing the interests of the stakeholders. The IBC provides for a comprehensive legal framework to address financial distress and promote timely resolution of stressed assets. It emphasizes a creditor-driven insolvency resolution process, facilitating a transparent and time-bound mechanism for distressed businesses. Over the years, the IBC has earned its place as one of the most significant pieces of legislation in recent times. As the IBC continues to evolve, it becomes imperative to delve deeper into its intricacies, exploring novel perspectives and insights through rigorous research.

IBC has thus been a transformative tool in resolving stressed assets and improving the credit culture in India.

The Insolvency and Bankruptcy Board of India (IBBI) was established under the Insolvency and Bankruptcy Code, 2016. It is a statutory body, responsible for making and implementing rules and regulations for insolvency and bankruptcy resolution of corporate persons, partnership firms, and individuals in India.

The IBBI has been making constant amendments to the IBBI Regulations for striking a balance between the ground realities of the corporate insolvency resolution process and the mandate of IBC. Overall, the amendments reflect an ongoing effort to refine and improve the insolvency resolution process to achieve its objectives of transparency, maximization of value and fair treatment of stakeholders.

This issue of the Management Accountant carries six articles on *Insolvency and Bankruptcy Code - its Journey so far!!!*

Mediation, in simple terms, is a process by which a neutral third party facilitates a dialogue between disputing parties in the right environment to come to a mutually agreeable ground for settling the dispute, thereby maintaining cordial relationships through co-operation. *Scope for Mediation in Indian Insolvency - A Close look* explores the practicality of mediation practices under the IBC regime. This Article concludes that when modern avenues of dispute resolution mechanism move from litigation to non-adversarial practices like mediation, CMAs can excel in this field.

The Mediation Act, 2023 and Its Impact on India's Dispute Resolution Landscape: Shifting Paradigms confirms that the Mediation Act of 2023 is a step in India's conflict resolution efforts, in reducing the time and costs related to insolvency and bankruptcy cases. It highlights how the Act improves the system, making justice more accessible and boosting productivity.

Pre-Packaged Insolvency Resolution Process (Why Slow Progress?) acknowledges PPIRP, a relatively recent addition to the Insolvency and Bankruptcy Code of 2016, that allows for the resolution of MSMEs' disputes through a mutually agreed base resolution plan between the debtor and the creditor. In contrast, the CIRP is a well-established procedure involving the appointment of insolvency professional to oversee the debtor's operations and devise a resolution plan endorsed by the creditors. The factors contributing to the lower success rate of PPIRP vis-à-vis CIRP are somewhat apparent, yet efforts are underway to address them by the Regulator.

Examining The Efficacy of The Insolvency and Bankruptcy Code: A Performance Analysis discusses about the persistence of significant concerns regarding delays in proceedings, absence of clear regulations for cross-border insolvency and shortage of tribunals.

Personal Guarantors to Corporate Debtor concludes parallel conduct of the insolvency process for corporate debtor and the personal guarantors of the corporate debtor are consistent with the statutory purpose of the Insolvency and Bankruptcy Code, 2016. This approach not only facilitates a more holistic resolution strategy but also corresponds with the Code's objectives of prompt resolutions and maximizing the value of the corporate debtor.

The Committee of Creditors (CoC) has been authorized under the IBC, similar to the Board of Directors, to make decisions concerning the corporate debtor, throughout the Corporate Insolvency Resolution Process (CIRP). *CoC DHARMA (Role of Committee of Creditors-IBC, 2016)* concludes that it plays a crucial role in determining the future of the company and its stakeholders. It serves as the guardian of public trust throughout the resolution process.

Apart from these thematic articles, this issue contains articles on various other contemporary matters. We look forward to constructive feedback from our readers Please send your emails to *editor@icmai.in.* We thank all the authors who contributed to this issue. It is hoped that Members and other readers would find the contents to be of practical utility and enjoy the articles.

THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

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

Month		Theme		Subtopics
May 2024	Theme	Social Impact assessment: An empowering approach towards achieving India's Social Welfare Objectives	Subtopics	⦿ Reimagining Social Impact assessment to promote Social welfare, Transparency and Accountability ⦿ Social Impact assessment: An approach towards betterment of rural development programs across Nation ⦿ Relevance and Benefits of Social Impact assessment in CSR context ⦿ Social Impact assessment: Ensuring greenpath for Sustainable and Inclusive Growth ⦿ Social Impact Funds and Social Impact assessment ⦿ Social Impact assessment: An effective tool for Corporate Governance ⦿ Assessing success of Social Impact assessment concerning MGNREGA and PM POSHAN schemes ⦿ Social Impact assessment: Innovative Practices and Way Forward ⦿ Leveraging Social Impact assessment for improving outcomes of Social Projects ⦿ Logic Model - A framework for Social Impact assessment ⦿ Social Stock Exchange : A game changer for inclusive growth
June 2024	Theme	Insurance for all by 2047	Subtopics	⦿ Role of Insurance to strengthen healthcare ecosystem ⦿ Government initiative for policy support (PMFBY, AB PMJAY) ⦿ Digital Transformation and Artificial Intelligence in Insurance Sector ⦿ IPO journey of LIC of India ⦿ Diversification of insurance business to include multiple sectors ⦿ Insuretech, Regtech, a new paradigm of Insurance Sector ⦿ "Bancasurance" - its acceptability & future in India market ⦿ Insurance Underwriting the new way of Insurance World
July 2024	Theme	Goods and Service Tax - A Gateway to rationalise indirect tax ecosystem	Subtopics	⦿ GST on Digital Services ⦿ GST exemption on RERA - its impact on real estate ⦿ Retro effect of GST as proposed in Finance Bill 2023 ⦿ ITC restriction on CSR spend - A potential challenge to business ⦿ Inverted Duty Structure and refund of ITC ⦿ Impact of new GST regime ⦿ Formation of GST Appellate Tribunal - the need of the hour ⦿ GST Valuation: understanding role and provisions
August 2024	Theme	Management Accounting Practices – Holistic Integrated Thinking	Subtopics	⦿ Navigate Management Accounting Principles to Model Environmental, Social and Governance Ecosystems ⦿ Management Accounting and Business Model – an Intertwined Relationship ⦿ Management Accountants – An approach to diversity – Transform 'information' through 'insight' to 'influence' ⦿ Management Accounting Tools – an imperative to promote Organizational Vision and Strategy ⦿ Automation and AI adoption – Catalyst to compliment / profess Management Accounting Principles ⦿ CMA's – a crusader to partner Global Business Leader in Growth Trajectory ⦿ Cyber security – a threat subsumed opportunity to CMA's, - Effectuate Strategic Planning and Risk Assessment ⦿ Global Disruptions and Management Accounting Principles – a pathway and environmental driver

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

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

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

PRESIDENT'S COMMUNIQUÉ

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

"Be persistent and resilient in the face of challenges, for they are the building blocks of success."

-- Ratan Tata

My Dear Professional Colleague,

Wishing you a Happy and Prosperous FY 2024-25.

As we step into a new financial year, I extend my warmest greetings and encourage each of you to approach this new financial year with a renewed sense of commitment and dedication. Let us continue to uphold the highest standards of professionalism and integrity in our practices. Let us strive for innovation and continuous improvement in our respective field, adapting to the evolving landscape of business, finance, and cost and management accountancy.

Visit of Secretary, MCA at CMA Bhawan, New Delhi

I am glad to inform you that Dr. Manoj Govil, IAS, Secretary, Ministry of Corporate Affairs, Government of India visited CMA Bhawan, New Delhi on 28th March 2024 and addressed the Council of the Institute. Shri Inder Deep Singh Dhariwal, Joint Secretary, MCA and Government Nominee, ICMAI and Shri Jyoti Prakash Gadia, Government Nominee, ICMAI also joined the meeting and graced the occasion. During the meeting, the Secretary, MCA released the 2nd Enlarged Revised Edition of ***"Aide Memoire on Infrastructure Financing"*** published by BFSIB of ICMAI.

61st National Cost Convention (NCC) 2024

I am thrilled to announce the eagerly anticipated 61st National Cost Convention (NCC) 2024 of ICMAI, scheduled to take place on 28th & 29th June, 2024, at the Statue of Unity – SOU, Kevadia, Gujarat. The theme of this year's convention is "***Viksit Bharat 2047: Synergizing Catalysts for Sankalp to Siddhi.***" You are warmly invited to participate in this prestigious event, where CMA professionals, students, and industry stakeholders will converge to shape ICMAI's vision towards a developed India by 2047.

The primary objective of this convention is to foster dialogue, exchange ideas, and chart a course towards our collective vision. We aim to discuss emerging trends, challenges, and opportunities across various sectors relevant to the government, corporate entities, and trade and industry.

I urge you to save the dates and join us for a rewarding and insightful experience at the 61st NCC 2024. Stay tuned for further updates on the Institute's website.

National Seminar on Management Accounting

You are aware that 6th May marks the celebration of ***International Management Accounting Day***, a significant occasion globally. ICMAI, as a prominent authority in Cost & Management Accounting, commemorates this day by organizing a National Seminar on Management Accounting.

I am delighted to share that the Management Accounting Committee (MAC) of ICMAI will host a full-day seminar on the theme ***"Navigating the New Frontier: Management Accounting in the era of real-time Insights, Sustainable Growth, and Cybersecurity"*** on 6th May, 2024, at the Yashvantrao Chavan Centre in Mumbai.

This event presents an exceptional opportunity to delve into the latest advancements in Management Accounting, explore real-time insights, sustainable growth practices, and cybersecurity measures. Moreover, it offers a platform to connect, learn, and network with fellow CMAs. Your active participation will contribute to making this seminar a resounding success.

Manthan on *Viksit Bharat 2047 - Sankalp To Siddhi*

As Council Members of the Institute, we stand firm in our belief of "Sab ka Saath, Sab ka Vikas" (Together with all, Development for all). In line with this ethos, I wholeheartedly urge all Chapters and Regions to organize at least one Manthan program on "Viksit Bharat 2047 - Sankalp To Siddhi". This initiative aims to facilitate the exchange of innovative and disruptive ideas of members that can align our profession of Management Accountancy with the vision of a developed India.

I encourage you to actively participate in these programs, share your insights, and contribute to shaping our collective vision. Your valuable inputs will be instrumental in crafting our vision document for the future. Let us come together to pave the way for a prosperous and inclusive India.

Renewal of Membership and Certificate of Practice (CoP)

Esteemed members are kindly aware that membership fees for the year 2024-25 have fallen due from 1^{st} April 2024 and also as mentioned in my earlier communique as in the case of practicing members, their Certificate of Practice (CoP) for 2023-24 was valid up to 31^{st} March 2024 and for renewal of such CoP, members in practice needs to pay CoP renewal fees in addition to the annual membership fee. I call upon all members to avail the Institute's online facilities for such renewal and all such payment of fees from the comfort of their place of convenience.

Revision in CPE requirements for the Members in Practice & Industry

Keeping in view the continuous improvement and adapting to the changing circumstances, I am pleased to announce the revised CPE requirements for the members in practice & industry. For details refer to the CPE Guidelines 2024 applicable w.e.f. 1^{st} April 2024 available at: https://icmai.in/upload/Institute/Updates/CPE_March_24_Rev.pdf

CFO Leadership Summit

The Members in Industry Committee of the Institute, in collaboration with the Bengaluru Chapter, successfully organized the inaugural CFO Leadership Summit in Bengaluru on 23^{rd} March, 2024.

I had the privilege of attending the summit through VC alongside CMA TCA Srinivasa Prasad, Chairman of the MII Committee, CMA MK Anand, Council Member, CMA Suresh R Gunjali, Council Member and CMA Harshad Shamkant Deshpande, Council Member and CMA (Dr.) DP Nandy, Secretary of the MII Committee and Senior Director of the Institute.

Notable speakers, including CMA GN Venkataraman, Former President, CMA M Gopalakrishnan, Former President, and CMA P Thiruvengadam, Mentor & Assessor, CII-TCM, shared profound insights on the evolving landscape of the profession, collaborative ventures with industry bodies, and the significance of total cost management.

The summit comprised a series of engaging keynote sessions and interactive discussions, delving into a diverse range of topics such as financial risk management and the transformative impact of emerging technologies on the future of finance. Renowned experts and industry veterans spearheaded these sessions, offering invaluable perspectives and actionable insights to all participants. The event garnered significant interest, drawing esteemed CFOs from leading corporates alongside distinguished finance professionals.

Regional Cost Convention 2024 of WIRC-ICMAI

I am happy to inform you that the Western India Regional Council (WIRC) of ICMAI conducted Regional Cost Convention 2024 (RCC) on the theme ***"CMAs Boosting Efficiency, Control and Sustainability through Technology and Social Equilibrium"*** on 15^{th} & 16^{th} March 2024 at Indore, Madhya Pradesh.

The Convention was inaugurated by Shri Shankar Lalwani - Member of Parliament Indore. Function was led by CMA (Dr.) Dhananjay V Joshi - Former President ICMAI along with ICMAI, CMA Chaitanya Mohrir - Chairman ICMAI-WIRC, CMA Rahul Jain, Chairman - ICMAI Indore-Dewas Chapter & Co-Convener of RCC along with central Council and WIRC members. The event had five technical sessions and around 250 Professionals from the Industry as well as the Practicing CMAs attended the Convention. I congratulate WIRC of ICMAI on the successful conduct of the Convention.

On the sideline of this RCC, a National Chapters' Meet was held. The meet provided an opportunity to discuss various issues of Chapters and members with the representatives.

I wish prosperity and happiness to members, students and their families on the occasion of Vaisakhi, Ram Navami, Mahavir Jayanti & Id-ul-Fitr, and pray for success in all of their endeavours.

With warm regards,

CMA Ashwin G. Dalwadi

April 04, 2024

BRIEF SUMMARY OF THE ACTIVITIES OF VARIOUS DEPARTMENTS/ COMMITTEES/ BOARDS OF THE INSTITUTE DURING THE MONTH OF MARCH 2024

COOPERATIVE DEVELOPMENT BOARD

The Cooperative Development Board of the Institute organized One Day "**Uttarakhand Cooperative Conclave**" on the theme "**Sahakar se Samriddhi: Empowering Cooperatives for Sustainable Growth**" on 2nd March 2024 at the Auditorium of the Uttarakhand Cooperative Federation, Dehradun.

Dr. Dhan Singh Rawat, Hon'ble Minister of Co-operative and Higher Education, Uttarakhand was the Chief Guest for the Conclave. Other key dignitaries present during the event included Shri Alok Kumar Pandey, IAS, Registrar, Cooperative Societies Uttarakhand; Shri Anand A. D. Shukla and Smt. Ira Upreti, Additional Registrar(s), Cooperative Societies, Uttarakhand; Joint Registrars of the Cooperative Societies of the State- Shri Neeraj Belwal and Shri Mangla Prasad Tripathi; Shri Umesh Tripathi, Director, IFFCO; Sushri Ramindri Mundrawal, Managing Director, Uttarakhand Cooperative Federation; Shri Sumer Chand, DGM, NABARD and many more.

There was a representation from the senior management of leading credit and non-credit cooperative societies and federations of the State, academicians and researchers in the field of cooperative movement and varied stakeholders in the sector.

During the three technical sessions at the event, there were focused deliberations on the pertinent role of CMAs in the field of audit and cost and management accountancy practices in the Cooperative sector. The Registrar, Cooperative Societies mentioned that they believe that cost accountants shall play a pivotal role in making the activities of cooperative societies sustainable and resourceful.

The Chairman, CDB handed over the Representation for inclusion of Cost Accountants for Conduct of Audit and Certifications of various documents in The Uttarakhand Co-Operative Societies Act, 2003 to the Minister and assured him of absolute zestful and value-added support from CMA professionals.

The Minister, the Registrar and their team assured the Institute of thoughtful evaluation of the representation. Dr. R. Gopalasamy, Director (Finance), NCCT affirmed the significance of the role of Cost Accountants in the management of cooperative sector and strongly supported for deeper penetration of CMAs in the cooperative movement of the country for its optimal growth.

As stakeholders from different realms of the Cooperative sector were present during the event, there was an environment of enthusiastic learning during the entire event.

A Knowledge Pack complied by the CDB containing research articles from renowned authors and practitioners was also released by the Minister during the event and the same was also appreciated by all key dignitaries.

The CDB is glad that this initiative could bring the Institute in close liaison with the key functional bodies and personalities in the Cooperative Sector of the State and is hopeful that CMAs shall get due recognition in the field of audit and other financial and accounting services in the Cooperative sector of the State.

BANKING, FINANCIAL SERVICES AND INSURANCE BOARD

The Banking, Financial Services & Insurance Board of the Institute and the BFSI department continued its various activities and initiatives in March 2024, a synopsis of which is presented herein under -

A. Representation letters for inclusion of CMAs

The BFSIB continues its efforts for further development of the profession in the BFSI sector with representations to authorities and employers for inclusion of CMAs in the sector. CMAs are now eligible to apply for various posts in Indian Bank.

B. Certificate Courses on Banking

The admission for the 10th batch of the Certificate Course on Concurrent Audit of Banks, 8th Batch of the Certificate Course on Treasury and International Banking and 10th Batch of the Certificate Course on Credit Management of Banks has started and we request the members to enroll for the courses for professional development and capacity building.

The link for admission is stated as follows:

https://eicmai.in/OCMAC/BFSI/DelegatesApplicationForm-BFSI.aspx

C. Certificate Courses on Investment Management in collaboration with NSE Academy

The BFSI Board in association with the NSE Academy for the Certificate Course on Investment Management for the Level-2 titled Mutual Funds and Market Analysis with Fundamentals will commence from 6th April, 2024 and the admission for the Financial Derivatives & it's application (Level-3) is presently going on. The admission window is stated as follows:

https://eicmai.in/OCMAC/BFSI/DelegatesApplicationForm-BFSI.aspx

D. Investment Month

The BFSI Board, ICMAI in collaboration with the Indian Chambers of Commerce observed the Investment Month by organizing the 15th ICC MUTUAL FUND Summit 2024 at The Lalit Great Eastern, Kolkata on 9th March, 2024. The doyens of the Mutual Fund Industry graced the occasion and the thought provoking discussion with threadbare analysis was done in various technical sessions. The members of the Institute joined in large numbers.

E. Release of the 16th issue of the BFSI Chronicle

The BFSI in its 14th Board Meeting released the 16th issue of the BFSI Chronicle on 22nd March, 2024. It comprises of various articles in Banking, Financial Services and Insurance Sector. It also includes the activities of the BFSI Department and it can be viewed as per the following link:

https://icmai.in/Banking_Insurance/

F. Release of the Aide Memoire on Infrastructure Financing (2nd Revised and Enlarged Edition)

The publication on Aide Memoire on Infrastructure Financing (2nd Revised and Enlarged Edition) was released on 28th March, 2024 at New Delhi by Dr. Manoj Govil, IAS, Secretary, Ministry of Corporate Affairs, in the presence of Shri Inder Singh Dhariwal, Joint Secretary , MCA and Government Nominee of the Council, all the Council Members and Secretary of the Institute.

CAT DIRECTORATE

⦿ E-learning Classes for CAT Students

The e-learning classes for students pursuing the CAT Course Part I have started from 6th March, 2024. These classes are being conducted by expert resource persons. Students are requested to grab this opportunity, attend the classes regularly and complete this course to match their capabilities with the demands of the market for a promising career as entry level Accountants.

⦿ CAT Course under DGR

The CAT Directorate has successfully concluding the CAT Course for retiring/retired JCOs/OR & their equivalent in association with Directorate General of Resettlement (DGR), Ministry of Defence, Government of India at four locations: Bhubaneswar, Indore, Jaipur and Lucknow Chapters of the Institute. The course was concluded with the valedictory programmes held at these locations, which were graced by the senior officials of respective zones of Directorate Resettlement Zone, Directorate General Resettlement, where they interacted with the course participants, took feedback of the course, and extended best wishes to all of them in their future endeavours.

DIRECTORATE OF STUDIES

The Training & Educational Facilities Committee in association with the Career Counseling & Placement Committee conducted a Virtual Orientation Program for Newly Qualified CMAs & Final Level Students on 29th & 30th March, 2024. The program covered key topics including "An Introduction to Power BI," "Overview of SAP S/4HANA" and "Advanced Excel for Finance Professionals." Each session was attended by over 500 enthusiastic participants, making it a highly engaging and successful event.

PROFESSIONAL DEVELOPMENT & CONTINUING EDUCATION PROGRAMME (PD & CEP) COMMITTEE

The Indo-U.S. Science and Technology Forum (IUSSTF) considered Cost Accountants (CMAs) in the recruitment notice to the post of Head (Finance & Administration). Further, Karnataka Urban Infrastructure Development & Finance Corporation (KUIDFC) considered Cost Accountants Firms for appointment as Consultants for Providing Consultancy Services for getting pending Income Tax refunds.

Please visit the PD Portal for Tenders/EOIs during the month of March 2024 where services of the Cost Accountants are required.

The 10th batch of Online Mandatory Capacity Building Training (e-MCBT) was concluded on 15th March 2024. The deliberations in the technical sessions and interactive sessions by the eminent speakers across the country were highly appreciated.

Please note that the Mandatory Capacity Building Training (MCBT) for CoP holders who have taken CoP on and after 1st February 2019 will be conducted in physical mode from April, 2024. Please refer to the website for enrollment.

The Professional Development & CEP Committee conducted 3rd Webinar discussion with practitioners on "Challenges related to CMA Practice" on 6th March 2024, webinar on "Viksit Bharat - Sankalp & Journey for 2047" and on the occasion of International Women's Day 2024 conducted webinar on "Inspire Inclusion of Women in Viksit Bharat: Challenge Stereotypes, Discrimination and Beyond". There were overwhelming response and active participation in the discussion by the Members.

Professional Development & CEP Committee in association with National Foundation for Corporate Governance (NFCG) conducted seminar on "Viksit Bharat - Role of Corporate Governance" on 14th March 2024 at The Leela Palace, New Delhi.

SUSTAINABILITY STANDARDS BOARD

The Sustainability Standards Board of ICMAI organized International Women's Day Special Session on Sustainability and Succession on 8th March, 2024. Ms. Lekha Ashok, SVJS & Associates, Bengaluru and Mr. Jayan K, SVJS & Associates, Kochi were the speakers for the webinar.

The Fifth Webinar of *Vasudhaiva Kutumbakam* Series on the topic 'Indian Perspective to ESG' was held on 22nd March, 2024. Dr. Sudheendra Putty, Associate Vice President, Cyient Limited, Hyderabad was the resource person for the session. Both the webinars received an overwhelming response from the participants.

TAX RESEARCH DEPARTMENT

The Tax Research Department conducted GST Course for college and university students at two locations during the month of March, 2024, one has been at Providence College for Women, Kozhikode and the other at Surana Evening College, Bangalore. This course has been widely accepted by students of colleges and universities all across the country. It helps students to find a link between the practical filing and the theory which they learn academically.

The department organized two important webinars in March. The first one was on 14th March, 2024 on the topic 'ICDS II: Valuation of Inventories and Section 142(2A) of Income Tax Act, 1961'. The faculties for the session were CMA Navneet Kumar Jain, Council Member, ICMAI and CMA Ravi Kumar Sahni, Practising Cost Accountant.

On 28th March, 2024 another important webinar was conducted on Direct Taxes on the Topic 'Tax Audit Report under section 44AB under Income Tax Act 1961'. The faculty for this session has been CMA Vishwanath Bhat, Practising Cost Accountant.

Both the webinars have been widely successful with huge participation from members. The webinars have also been appreciated by senior members of the industry.

The classes are being continued for all the 7 taxation courses named below:

i. Certificate Course on GST (Batch – 15)
ii. Advanced Certificate Course on GST (Batch – 11)
iii. Advanced Course on GST Audit and Assessment Procedure (Batch – 8)
iv. Certificate Course on International Trade (Batch – 5)
v. Certificate Course on TDS (Batch – 11)
vi. Certificate Course on Filing of Returns (Batch – 11) and
vii. Advanced Course on Income Tax Assessment & Appeals (Batch – 8)

The quiz on indirect taxes is conducted on every Friday pan India basis. The Taxation Portal is being updated regularly with the circulars, notifications and press releases. Tax Bulletin has also been published and circulated to the Government and corporates.

INSOLVENCY PROFESSIONAL AGENCY (IPA) OF THE INSTITUTE

The Insolvency Professional Agency of Institute of Cost Accountants of India, in its endeavor to promote professional development and sharpen the skills of the professionals, has constantly been conducting various professional & orientation programs across the country and publishing various publications for the benefit of stakeholders at large. IPA ICMAI has undertaken several initiatives, as enumerated below, during the month of March, 2024.

- A "Workshop on Compliances to be made by IPs under IBC, 2016" was conducted on 3rd March 2024, with content like, Compliances of allied laws to be done by Insolvency Professionals under IBC, 2016, Compliances to be done by Insolvency Professionals to IBBI, Compliances to be done by Insolvency Professionals to IPA.
- A "Workshop on Judicial Pronouncements under IBC 2016." was conducted on 10th March 2024 which received an overwhelming response from participants who benefitted from the knowledge sharing workshop.
- A "Residential Program "A Nature's Retreat" Delving into Insolvency and Bankruptcy" was organized," from 14th – 17th March, 2024, at the Bonjour Bonheur Ocean Spray Resort in Pondicherry. The program featured a blend of 4 technical sessions, yoga sessions, and spiritual sessions, and interaction with representatives of the stakeholders of the IBC ecosystem, with enthusiastic participation from Insolvency Professionals, Registered Valuers, CMAs, and eminent personalities from large companies' sectors like construction, power, etc. The program considered all the factors for individual well-being, peace of mind, relaxation, personal & professional development. This program brings together all stakeholders on a single platform such as regulators, adjudicators, bankers, Insolvency professionals, valuers, domain experts from industry segments and officials from other stakeholders of IBC eco system.

  Shri Prasanna Kumar Motupalli, Chairman & Managing Director, NLC India Limited was the Chief Guest, and Ms. Selvi Arumugam, Joint Commissioner-Income Tax was the Guest of Honour. Their presence illuminated the room with a sense of gravitas and inspiration. Their words resonated deeply with the audience, reminding everyone of the importance of perseverance, innovation, and collaboration in achieving success.
- A three days "Master Class on "Mastering the Art of Liquidation", was conducted on 29th -31st March 2024 included content such as The Concept of Liquidation, Initiation and Appointment of Liquidator, Collection and Verification of Claims of all creditors, Mode of Sale & Valuation of Assets intended to be sold, Reporting by IPs under Liquidation, Consultations with Stakeholders Distribution of Proceeds, Voluntary Liquidation, Practical aspects & Case laws.
- In its endeavour to promote the profession, knowledge sharing and sensitisation of the environment, IPA ICAI published Au-Courant (Daily Newsletter), a weekly IBC Dossier, and a monthly e- Journal which are hosted on its website.

ICMAI REGISTERED VALUERS ORGANIZATION (RVO)

ICMAI RVO has successfully organized five "50 Hour's training programs" for Securities or Financial Assets, Land and Building asset and Plant and Machinery classes and also organized 30"Professional Development Programs" in the month of March, 2024. In its efforts to bring out relevant publications for development of the valuation profession, the company also released its monthly Journal – The Valuation Professional.

ICMAI SOCIAL AUDITORS ORGANIZATION (SAO)

ICMAI SAO organized one Preparatory course for preparing candidates for the Social Auditors exam conducted by NISM and organized 8 Professional Development programs during March, 2024. The Company also released its monthly Journal – The Social Auditor.

ICMAI INTERNATIONAL ADR CHAMBER

The Institute has promoted a section 8 company to create awareness, develop competency and establish a Centre for Arbitration and Mediation. Four Professional Development Programs were organized during the month of March 2024 on various aspects of Mediation and Arbitration.

National Chapters Meet, 2024

The Regional Council & Chapter Coordination Committee had organised the National Chapters Meet at Essentia Luxury Hotel, Indore, Madhya Pradesh on 16th March 2024. The motto behind conducting the Meet is to interact with the Regional Council & Chapter's representatives, resolve the issues being faced by them & to implement the implementable ideas shared by them. CMA Ashwinkumar G. Dalwadi, President, ICMAI along with dignitaries from Council of the Institute, Regional Council, Chapters & the Institute Officials attended the Meet.

Glimpses of the Meet:

The Inauguration Ceremony of National Chapters' Meet, 2024 held at Indore on 16th March 2024.

CMA Vinayaranjan P. (Chairman, Regional Council & Chapters Co ordination Committee and Council Member) addressing the delegates at the National Chapters' Meet, 2024.

From left to right - CMA Dr. V. Murali, Council Member, CMA Ashwin G. Dalwadi, President, CMA T.C.A. Srinivasa Prasad, Council Member and CMA Manoj Kumar Anand, Council Member.

CMA Ashwin G. Dalwadi, President, ICMAI addressing the delegates at the National Chapters' Meet, 2024 at Indore on 16th March 2024.

From left to right - CMA T.C.A. Srinivasa Prasad, Council Member, CMA Vinayaranjan P., Council Member and Chairman, Regional Council & Chapter Co ordination Committee, CMA Dr. V. Murali, Council Member, CMA Manoj Kumar Anand, Council Member and CMA Dr. Ashish P. Thatte, Council Member.

Members of all four Regional Council & Forty-Six Chapters of ICMAI in attendance at the National Chapters' Meet held at Indore on 16th March 2024.

Photograph taken during Institute's Anthem.

CFO Leadership Summit – CFO Speaks: Insights and Action Points

Organized by:

Members in Industry Committee *in association with*
Bengaluru Chapter of Cost Accountants

Bengaluru, March 23, 2024

The Members in Industry Committee of the Institute in association with the Bengaluru Chapter, proudly convened the first-ever CFO Leadership Summit at Bengaluru. The event witnessed a remarkable turnout with esteemed CFOs (many from our profession) from leading corporates and distinguished finance professionals gracing the occasion.

The CFO Leadership Summit served as a premier platform for industry thought leaders to exchange insights, strategies and best practices crucial for navigating the dynamic financial landscape. With a focus on fostering collaboration and innovation, the summit aimed to empower finance leaders with the knowledge and tools necessary to drive sustainable growth and success in their respective organizations in the light of effective cost management. It served as a testament to the commitment of Members in Industry Committee of the Institute to support the professional development and advancement of members in the industry working as finance professionals across the region.

The event featured a series of insightful keynote sessions and interactive sessions, covering a wide array of topics ranging from financial risk management to emerging technologies shaping the future of finance. Renowned experts and industry stalwarts led these discussions, offering invaluable perspectives and actionable insights to the attendees.

- **Welcome Address**: The summit commenced with a warm welcome by CMA TCA Srinivasa Prasad, Chairman of the MII Committee, setting the stage for discussions on contemporary financial leadership.
- **Institute Overview**: CMA (Dr.) DP Nandy, Secretary of the MII Committee and Senior Director of the Institute provided an overview of the Institute, emphasizing its evolving role in the academic and corporate landscape.
- **Presidential Address**: CMA Ashwin G Dalwadi, President of the Institute discussed about the key areas of CFO Summit and extended an invitation to the forthcoming National Cost Convention (NCC) at Gujarat and highlighted the positive changes that the Institute is inculcating.
- **Insights from the Mentors and Industry Leaders**: Distinguished speakers including CMA GN Venkataraman, Former President, CMA M Gopalakrishnan, Former President, CMA MK Anand, Council Member and CMA P Thiruvengadam, Mentor & Assessor, CII-TCM shared insights on progressive changes in the profession, collaborative initiatives with industry bodies and the importance of total cost management.
- **Industry Perspectives**: Representatives from diverse sectors such as Aeronautical, IT, Manufacturing, Infrastructure and Services shared their perspectives on skill development, technological advancements and the evolving role of finance professionals in driving business strategy.
- **Call for Action:** Participants emphasized the need for continuous skill enhancement and alignment with organizational goals and closer collaboration between ICMAI and industry to bridge the skill gaps and enhance industry relevance.
  - Industrial trainings aiming to enhance the value addition of individuals for both top and bottom lines, emphasizing the importance of training in various aspects of business.
  - The role of CMAs to be seen as business enablers aligned with organizational goals, especially in understanding emerging technologies like AI and ML for finance functions.
  - Call for upskilling students and modifying curriculums to include relevant subjects.
  - Importance of CMAs becoming business partners rather than just accountants and suggests strategies for improving the quality and visibility of CMAs in the industry, including enhancing branding efforts and engaging with the Institute and industry stakeholders.
  - More robust industrial training and a focus

on grooming students for emerging areas like data analytics, AI, SAP etc.

- Flexibility in curriculum and exams is advocated for a long time with a sense of urgency to adapt to changing business landscapes and move away from mundane reporting towards driving business initiatives.
- Cost auditors to venture into management consulting, indicating a broader role for CMAs in industry consulting.

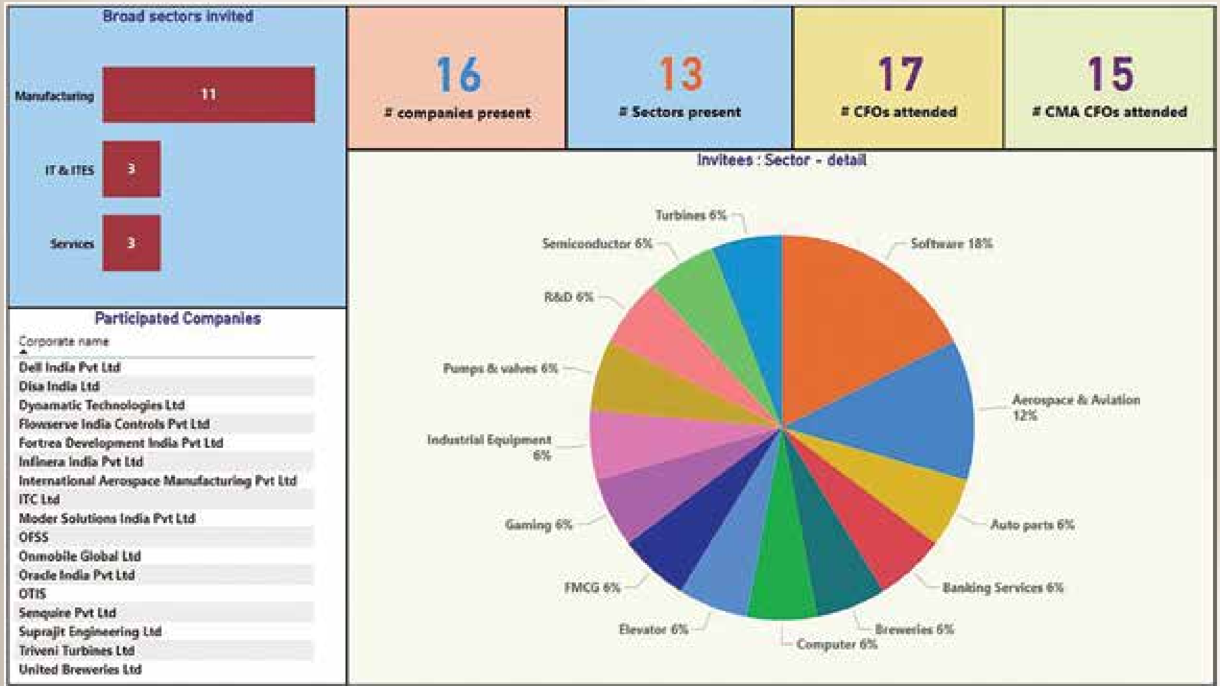
- **Closing Remarks:** The event concluded with a summary by CMA Harshad Shamkant Deshpande, Council Member highlighting key takeaways and assuring necessary actions on the discussed points. The Chairman of the MII Committee, CMA TCA Srinivasa Prasad expressed gratitude to all participants and the Bengaluru Chapter Team lead by CMA. Devarajulu B for their relentless support. He specially thanked CMA. Nagaraju Ramaskanda and CMA Gopala Ramanan for their technical support. He requested the participants to have continued engagement with the institute and also contribute to the Institute and members in the form of articles in the Journal, Speakers and Resource Persons
- **Vote of Thanks**: The Secretary of the Bengaluru Chapter of the Institute, CMA Abhijeet S Jain extended gratitude to all attendees and encouraged further contributions from participants in shaping the future of the profession.

The event was attended by CMA Suresh R Gunjali, Council Member. The CFO Leadership Summit served as a platform for knowledge exchange, collaboration and actionable insights, reinforcing the importance of continuous learning and industry-academia partnership in driving financial leadership excellence. Plans are already underway for the next edition of the summit, promising even greater insights and collaboration for the members in industry across the sectors.

CMA Ashwin G Dalwadi, President, ICMAI and CMA Manoj Kumar Anand, Council Member, ICMAI welcome delegates in the CFO Leadership Summit through virtual mode

Participants of CFO Leadership Summit organized by Members in Industry Committee in association with Bengaluru Chapter on 23rd March 2024 at Bengaluru

CFO Lesdership Summit Analytics



Dr. Dhan Singh Rawat, Hon'ble Minister of Co-operative and Higher Education, Uttarakhand being honoured by Chairman CDB at the Conclave


Annual Karnataka CMA Summit (KCMA) 2024 on the theme: 'Viksit Bharat - Going Global' organised by Bengaluru Chapter in association with Mysore and Mangalore Chapters of ICMAI on 23rd & 24th February, 2024 at Bengaluru

Release of 2nd Enlarged Revised Edition of 'Aide Memoire on Infrastructure Financing' published by BFSIB of ICMAI at the hands of Dr. Manoj Govil, IAS, Secretary, Ministry of Corporate Affairs, Government of India on 28th March, 2024

Dr. Manoj Govil, IAS, Secretary, Ministry of Corporate Affairs, Government of India visited CMA Bhawan, New Delhi on 28th March, 2024 to address the Council

Annual Function of Vapi-Daman-Silvassa Chapter held on 3rd March, 2024 at Vapi.

CMA Chittaranjan Chattopadhyay, Chairman, BFSIB, ICMAI and CMA Neeraj D. Joshi, Chairman, Cost Accounting Standards Board and Management Accounting Committee, ICMAI met Shri Rohit Rishi, Executive Director, Bank of Maharashtra at Pune on 2nd April, 2024

CMA Navneet Kr. Jain, CMA Chittaranjan Chattopadhyay, Council Members, Shri Alok Pandey, (Registrar, Coop Societies), Shri R. Gopalasamy, DF (NCCT), CMA S.N. Mittal & Smt Ira Upreti (Addl Registrar, Coop Societies)

CMA Navneet Kr. Jain, Council Member & Chairman (CDB) honouring Shri Alok Pandey, IAS, Registrar, Cooperative Societies of Uttarakhand with other dignitaries at the Dehradun Cooperative Conclave

CMA Navneet Kumar Jain, Council Member & Public Relations HOD, Dr. Ketharaj Giri met with Dr. Neelam Gulatin and Dr. Babita and discussed about the role of CMAs in assisting the masses in Agri Sector/ FPOs and SHGs.

Valedictory of CAT Course batch under Directorate General Resettlement, Ministry of Defence, Govt. of India at Bhubaneswar Chapter of Cost Accountants

Valedictory of CAT Course batch under Directorate General Resettlement, Ministry of Defence, Govt. of India at Jaipur Chapter of Cost Accountants

Valedictory of CAT Course batch under Directorate General Resettlement, Ministry of Defence, Govt. of India at Lucknow Chapter of Cost Accountants

Valedictory of CAT Course batch under Directorate General Resettlement, Ministry of Defence, Govt. of India at Indore Chapter of Cost Accountants

The delegation from Nagaland University, a Central University, visited the headquarters in Kolkata on 21st March, 2024

MOU between The Institute of Cost Accountants of India and Sri Ramachandra Institute of Higher Education and Research (Deemed to be University)

on 25th March 2024 at University Campus

Memorandum of Understanding (Extension) was exchanged between The Institute of Cost Accountants of India and Sri Ramachandra Institute of Higher Education and Research (Deemed to be University). The MOU was signed by the President, CMA Ashwinkumar G Dalwadi and Vice Chancellor, Dr.Uma Sekar. MoU Exchange was rendered by CMA TCA Srinivasa Prasad on behalf of the President on 25th March 2024 at the University Campus, Chennai, along with Shri TA Srinivasen, GM-Legal, SRIHER, Dr. Selvam Jesiah, Principal, Sriramachandra Faculty of Management Sciences, Dr. A.S. Poornima, Faculty Member and CMA Rakesh Shankar Ravisankar.

The MoU is aimed at Conducting Certificate / Diploma in Healthcare Finance by SRIHER and ICMAI and also, Management Development Programmes, Workshops, Seminars in Healthcare are planned for implementation.

SCOPE FOR MEDIATION IN INDIAN INSOLVENCY - A CLOSE LOOK

Abstract

Mediation, in simple terms, is a process by which a neutral third party facilitates a dialogue between disputing parties in the right environment to come to a mutually agreeable ground for settling the dispute, thereby maintaining cordial relationships through co-operation. The nature of this mechanism is adaptive enough for application to different scenarios and can evolve as a complementary process for litigation, thereby reducing judicial stress and overload. This article explores the practicality of mediation practices under the IBC regime.

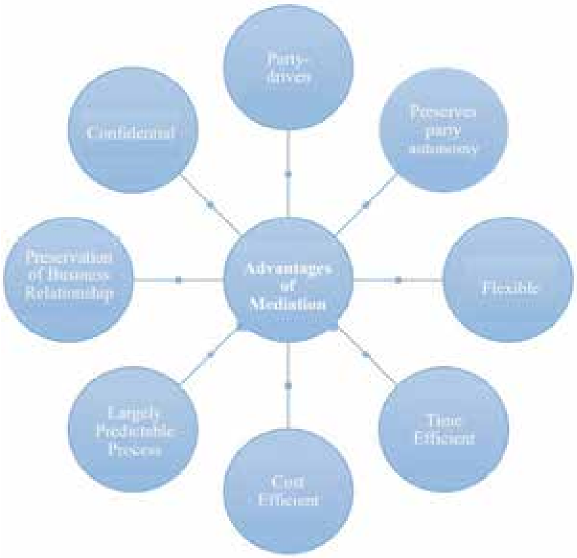
CMA Puzhankara Sivakumar
Director
SEP Learning and Corporate Solutions Private Limited
Kochi
sivarkn@sepmail.in

Dr. Ranjith Krishnan
Sustainability Consultant
Thane
ranjithk.iyer@gmail.com

CS Anju Panicker
Director
SEP Learning and Corporate Solutions Private Limited
Kochi
anju@sepmail.in

As opposed to the well-established system of litigation or even arbitration, mediation is a relatively unexplored concept which can be moulded into a unique and dependable system for contract enforcement and commercial dispute resolution. As the nature of mediation is highly adaptive to different kinds of disputes and can have different meanings in different contexts, there is no unified definition for the term in the sense of dispute resolution. Historically, this method has been used in many informal setups to find a middle ground in issues ranging from local politics and administration to family laws and labour-related disputes.

The uniqueness of mediation comes from its inherent nature of facilitating a conducive environment between parties to a dispute by encouraging discussions and negotiations among themselves, which could culminate into a settlement. This is a non-adversarial method of dispute resolution, which helps the parties to arrive at a settlement on a voluntary and consensual basis.



Source: *Expert Committee Report on Framework of Use of Mediation under IBC, 2016*

As initiation of mediation can only be voluntary due to its inherent nature, a formal legislation is capable of assuring the people that out of court settlement is an effective method of dispute resolution. The introduction of Mediation Act, 2023 is a welcome move in this regard, as it will compile all the scattered legislations on mediation under the various laws under a single umbrella. A well-mapped legislation will enhance the confidence and trust of the public in willingly resorting to such mechanisms at the face of a dilemma. This is crucial in the current Indian judicial context, for people who believe in justice system of India while at the same time recognize the constraints of the over-burdened litigation system.

THE MEDIATION ACT, 2023

The 2023 Act was published in the Official Gazette on 15th September, 2023 and partly notified in October, 2023. The Central Government is yet to prescribe Rules there under, without which the legislation does not offer the final picture. However, provisions of the 2023 Act look promising with recommendations for a pre-litigation mediation, subject matters to be determined through mediation, insistence of a qualified person as mediator, clear description of roles of a mediator, time bound process, Mediated Settlement Agreement (MSA) and its enforceability and the restriction of grounds for challenging MSAs to fraud, corruption, misrepresentation and matters not suited for mediation. The Act also facilitates online mediation, encouraging reachability to the process across the country and establishment of Mediation Council of India responsible for the overall administration of mediation mechanism.

MEDIATION AND INSOLVENCY

IBC is a transformative legislation which was capable of bringing in an 'insolvency resolution culture' to its stakeholders, improving India's position as an investment destination and instilling trust in the justice delivery system for revival of stressed assets and insolvency resolution process. IBC has also incorporated the element of time bound results to its processes with strict consequences for crossing the timelines laid-down, but considerable delay has creeped into the system, mainly in the form of interlocutory applications at each stage by parties involved. It was estimated that in the F.Y 2022-23, the average time taken by NCLT for approval of resolution plan from the date of commencement of corporate insolvency resolution process (CIRP) was 682 days for 180 cases excluding excluded time, the statutory timeline for completion of CIRP being 270 days. This led to the authorities considering the involvement of mediation as an out-of-court settlement, which would positively impact the loss of enterprise and its asset value as well as minimum disruption on the affairs of the corporate debtor.

Stage of Disposal	Total No. of Cases	Amount Involved (₹ Crore)
Settled Before Admission	23,608	7,21,282
Settled After Admission / Sec. 12A	1052	24,601
Resolution Plan Approved	565	3,03,381
TOTAL	25,225	10,49,264*

Source: *Disposal data under IBC on NCLT website https://nclt.gov.in/ as available of 05th March, 2024*

As seen above, over 23000 applications were filed where Rupees 7.21 lakh crore of debt was settled before the matter even reached the admission stage before NCLT. The rate of dispute resolution through settlement prior to admission before NCLT was 68.74 percent of the total disposal, meaning such pre-admission settlement rate was larger than at any other stages. These cases are mostly instigated for fear of losing control of the creditor over the corporate debtor. The corporate debtor also makes successful attempts at resolving distress at the early stages when the default is imminent or on receipt of payment notice, after filing of application but before admission before NCLT, and even post-admission by NCLT. It was identified that such instinctual actions by the creditors and responsive action by debtors can be successfully redirected outside NCTL realm by incorporating a controlled mediation procedure into IBC.

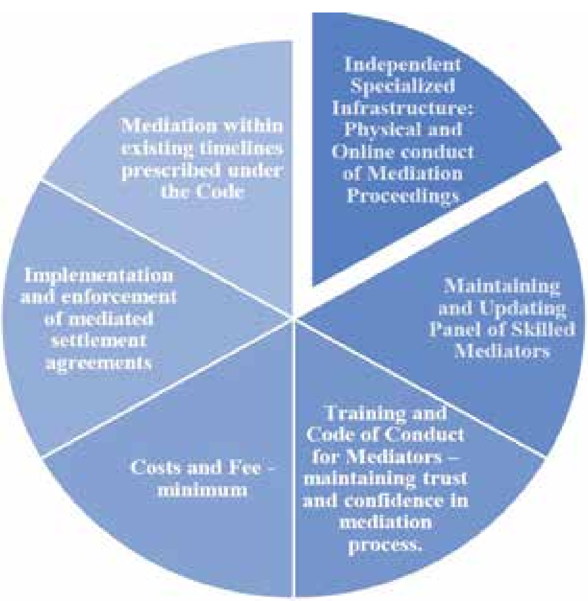
The IBC, being a special legislation with an independent, self-contained and all-encompassing nature, does not have any inherent provisions that specifically provide for mediation in insolvency matters. In order to examine the scope of mediation in respect of processes under IBC, IBBI constituted an Expert Committee on 06th March, 2023. The Committee submitted its report on 31st January, 2024, and as 2023 Act was passed during the tenure of this Committee, it has suitably considered the provisions of the same in its recommendations.

As most of the financial stakes involved in an insolvency proceedings and distressed assets are the resources of a public sector bank, the matter of public interest comes into play. Also, considering the very nature of insolvency proceeding and its robust legislation, the Committee recommended a voluntary and gradual introduction of mediation proceedings into the insolvency regime. The Committee also rightly identified that the shift in some of the processes to mediation will facilitate a quick and cost-effective way of dispute resolution, while also encouraging parties to comply with the voluntary settlement they agreed to and free-up NCTL to concentrate on business rescue and revival.

There are instances where parties have utilised mediation in insolvency matters earlier in India. In one such instance, the promoters of the corporate debtor filed an appeal against the NCLT admission order, stating that they are willing to settle the claims of their financial creditors. The case was mediated with the consent of all parties and a report was placed before NCLAT. The mediated agreement was incorporated into the NCLAT Order setting aside the NCLT Order admitting CIRP [*VK Parvinder Singh v. Intec Capital Limited & Anr.*; Company Appeal (AT) (Insolvency) No. 968 of 2019]. However, such instances are comparatively few considering the application-load before NCLT and it has been rightly observed in the Committee Report that in other jurisdictions, court-driven mechanisms like CIRP are resorted to after exhausting all other alternatives like negotiation, mediation, neutral evaluation etc.

As the 2023 Act is more in the nature of one-size-fits-all and will not suit for direct application to IBC, the Committee recommends explicit exclusion of IBC from its scope and formulation of customised regulations for mediation by Central Government/IBBI in a way that it is integrated into IBC for improving its operability and agility while maintaining the prescribed timelines, as well as developing a 'rescue culture' between the corporate debtors and creditors.

KEY FACTORS FOR SUCCESSFUL OPERATIONAL IMPLEMENTATION OF INSOLVENCY MEDIATION FRAMEWORK



Source: *Expert Committee Report on Framework of Use of Mediation under IBC, 2016*

RECOMMENDATIONS MADE BY THE COMMITTEE

The major recommendations made by the Committee for introducing mediation under IBC is summarised hereunder.

1. **Voluntary Mediation**

   Reference to mediation under the insolvency framework is to be voluntary. This respects autonomy of parties and is likely to result in successful mediation as the parties have willingly opted for the same. They would still have the option to opt-out on demonstration that mediation is not suitable to their specific circumstances. The Committee also recommends that the onus should be on the parties to approach the NCLT/NCLAT/Supreme Court, as applicable, to inform their intent to settle the dispute via mediation.

2. **Timelines**

   The timelines prescribed under IBC are sacrosanct by the very nature and intention of the legislation. While incorporating a mediation framework, the Committee recommends two alternatives:

   i. ***Alteration of timelines under IBC to accommodate mediation -*** This would require careful consideration of the stages of insolvency proceedings and issues sought to be referred to mediation. This would require a series of amendments to IBC to align the mediation process with its objectives.

   ii. ***Mediation framework to run parallel with timelines under IBC –*** While these timelines are not being adhered to in practice and are directory in nature, recognising the importance of strict timelines in insolvency regime, the Committee is more inclined towards developing a mediation framework that runs parallel to IBC and CIRP proceedings.

3. **Stages under IBC fit for mediation**

   The Committee identifies the following stages to be fit for mediation, either for the entire process for a corporate debtor/applicant or for specific conflicts that arise during CIRP:

   i. ***CIRP initiated by FCs, OCs and the CD in a tailored manner respectively***

   These can be further divided into

pre-commencement stage, post-commencement/ admission of CIRP, approval of resolution plan, implementation of resolution plan and liquidation stage. As there is considerable delay at present in the admission stage, the Committee recommends using the gap between occurrence of default and pre-application for ironing out differences through mediation. This is specifically helpful for operational creditors, as financial creditors have several avenues for settlement which are usually attempted by them before reaching out under IBC.

Mediation can assist in restructuring negotiations involving complex financial arrangements considering the interest of all stakeholders at the pre-commencement stage itself, where the matter-at-hand would be only a private dispute between debtor and creditor, thereby potentially preventing the need for a formal insolvency proceeding which have multiple benefits for the parties in terms of value, costs, reputation etc. Mediation in this stage can however be made part of the 2023 Act, as the Committee seeks to structure the scope of the mediation framework in IBC to include post-admission of CIRP application. Also, it was recommended to include selective reference to mediation in IBC for MSMEs, where the default is of smaller quantum, say INR 5-10 Crores. The Committee deferred its recommendation on mediation involving financial creditors to the second phase of the framework. With respect to CIRP initiated by operational creditors, voluntary mediation may be permitted considering their limited prior options for settlement, however without any concessions on NCLT timelines and with an automatic termination of mediators' mandate within the prescribed timelines. MSAs from such mediations should be permitted only if no other CIRP proceeding exists against that corporate debtor as on the date of approval of MSA by NCLT.

Post commencement of CIRP, i.e., at the admission stage, the proceedings take the nature of involvement of all creditors of the corporate debtor and their interest come into play, making this stage unsuitable for mediation. There are also issues of confidentiality. The Committee decided to exclude post-admission stage from mediation realm in the first phase of the framework.

On deliberating whether mediation should be resorted to for specific disputes/conflicts during the CIRP process, which may be relating to delay in handover of information, books etc. of the corporate debtor to the resolution professional, collation of claims submitted in response to the public announcement and resultant applications by third parties on account of dissatisfaction on treatment of their claims, settlement of inter-creditor disputes at the Committee of Creditors level for achieving a majority, disputes regarding ownership of assets taken possession of by the resolution professional, or many other interlocutory applications filed at various stages, the Committee is of the opinion that reference of such matters to mediation would reduce the strain on the NCLT to settle the same.

On approval stage of resolution plan, significant delay is caused on account of pending litigations, challenging of bid rejections or approval of resolution plans by creditors, unsuccessful resolution applicants etc., with such delay trickling down to implementation as well as the consecutive stages. The Committee is of the view that since there are multiple stakeholders involved at this stage, it would be cumbersome and futile to insist on mediation, but an option may be given to the parties to settle the differences through mediation.

For addressing any dispute or conflict that may arise during the implementation stage of the approved resolution plan by the successful resolution applicant, the Committee recommends a mediation clause with prescribed timelines to be included in the resolution plan itself if deemed appropriate. At this stage, ironing out the differences would not be much troublesome as at other stages, as all the concerned parties have a common objective in mind - to implement the resolution plan and avoid litigation.

The Committee was of the view that there would be no mediatable dispute at the liquidation stage, and hence does not recommend provisioning for mediation therein.

ii. In the matter of pre-packaged insolvency resolution process, individual insolvencies, group insolvencies and cross-border insolvencies, the Committee has suitably recognised practicality of a customised mediation mechanism inspired by global practices depending on the complexity and other grounds.

4. **Enforcement mechanism for mediation outcomes**

The Committee recommends amendment to IBC enabling enforcement of successful MSAs, which can be confirmed by NCLT/NCLAT through direct approach by parties without initiating separate legal proceedings. Also, stricter and limited grounds should be made for challenging a confirmed MSA.

5. **Ensuring Cost-effectiveness**

A fair, transparent and pre-determined fee structure for the mediation process ensures accessibility and affordability. The Committee recommends equal sharing of mediation expenses and also liberty for the parties to determine how the cost ought to be allocated.

6. **Qualification for Mediators**

A panel of mediators supporting NCTL's insolvency docket is recommended, consisting of retired members of the NCLT/NCLAT; advocates with advocacy experience in more than ten successful insolvency proceedings; ex-senior officials of financial-sector regulators or scheduled commercial banks; insolvency professionals with more than ten years of experience; legal practitioners with at least ten years of experience in insolvency disputes; persons with experience as mediators or in mediation advocacy in commercial disputes for at least ten years; and persons with technical expertise in insolvency/accounting/valuation/sectoral/industry operations possessing experience of at least ten years.

Mediation can assist in restructuring negotiations involving complex financial arrangements considering the interest of all stakeholders at the pre-commencement stage

Apart from the above recommendations, the Committee has also commented on adequate infrastructure for facilitating the mediation framework, along with inducing technology into the system through online dispute resolution (ODR), e-meetings and hybrid sessions.

Finally the Committee recommends a tribunal-attached secretariat for administering insolvency mediation, which can be evolved into specialised mediation centers based on implementational experience.

SCOPE FOR CMAs

When modern avenues of dispute resolution mechanism move from litigation to non-adversarial practices like mediation, CMAs can excel in this field as their skillset is a blend of all elements of a dispute – to analyse and assimilate the nature of the issue, accurately measure the financial aspects, understand and track complex issues, interact at Board level, understand and negotiate agreement terms. If the right opportunities are seized, CMAs will have a better standing in ADR techniques than Advocates as the element of non-legal factors have almost equal importance in these mechanisms. MA

REFERENCES

1. *Mediation Training Manual of India by the Mediation and Conciliation Project Committee, Supreme Court of India*

2. *Report of the Expert Committee on Framework for Use of Mediation under the Insolvency and Bankruptcy Code, 2016 dated 31st January, 2024*

THE MEDIATION ACT, 2023 AND ITS IMPACT ON INDIA'S DISPUTE RESOLUTION LANDSCAPE: SHIFTING PARADIGMS

Abstract

The transformative Mediation Act, 2023 was designed to streamline a variety of disputes especially that could prove particularly useful to insolvency and bankruptcy disputes. Employing a hybrid of qualitative insights and quantitative data, the author examines exactly how much more efficient and cost-effective the Act has made dispute resolution and how these benefits have been viewed by stakeholders across India's legal spectrum.

CMA Soumendra Roy
H.O.D. (Academics)
Brij Mohan Institute of Management & Technology
Jhajjhar
soumendra.roy@gmail.com

INTRODUCTION

The Progression of Conflict Resolution, in India: An Overview

India's shift from alternative dispute resolution to adjudication reflects the trend towards a distinctive collaborative approach to resolving disputes. By transcending the constraints of litigation and embracing adaptable methods for resolving conflicts, the evolution from community-based conciliation to the incorporation of mediation, conciliation and arbitration can be realized.

The Global and Indian Context of Mediation

It is not only in India, where mediation has become the pillar of the legal framework but is a global phenomenon where we can foster amicable settlement rather than going to the court. Mediation in India is preferable in many cases because it has the power to control outcomes by preserving relationships, ensuring confidentiality and empowering the parties.

Mediation Act of 2023: Goals and Important Sections

The Mediation Act of 2023 establishes mediation as a method for resolving disputes aiming to make the process more economical and speedier. To achieve this, it sets up rules for mediator's mandates mediation sessions, in situations before legal action is taken and ensures that mediation agreements are upheld.

Investigation and Hypothesis Development

Driven by the inquiry, into how the Mediation Act of 2023 affects the efficiency of resolving disputes in insolvency and bankruptcy cases in India this study reveals that the Act notably reduces both the time and expenses associated with conflicts. The objective of the study is to provide insights into the impact of the Act adding to discussions on mediation, within India's framework.

The research hypothesis suggests the following:

H_{1}: The Mediation Act of 2023 is believed to expedite the resolution of insolvency and bankruptcy disputes compared to court procedures.

H_2: The enforcement of this law is linked to a reduction in expenses associated with settling disputes encompassing costs, administrative fees, and other incidental expenses.

H_3: Individuals engaged in these disagreements have reportedly shown satisfaction levels and are more likely to accept the outcomes when adhering to mediation protocols outlined in the Mediation Act of 2023 rather than resorting to traditional litigation methods.

LITERATURE REVIEW

- **Delving into the Terrain: India's Evolution, in Resolving Conflicts**

  The evolution of conflict resolution in India has moved from panchayat systems to methods like arbitration and mediation. This shift from confrontations to inclusive harmonious settlements demonstrates an adaptation to changes in society and the economy. The enactment of the Mediation Act in 2023 marks a step, towards effective and collaborative conflict resolution laying the foundation for examination of the increasing acceptance of alternative dispute resolution methods.

- **Global Perspectives: Mediation Laws Beyond Borders**

  The realm of mediation laws, around the world is as diverse as the nations creating them spanning from the established frameworks in the US to the recent legal incorporations in Singapore. This international journey showcases a variety of mediation methods. The goal is to uncover insights that could enhance India's mediation scene in light of the Mediation Act of 2023.

- **Mediation in the Crucible: Insolvency and Bankruptcy Proceedings**

  Mediation shines as a ray of optimism amid insolvency and bankruptcy challenges. This segment explores how mediation does not address these disputes, from a legal standpoint, but also offers economic efficiency. By studying local cases we uncover how mediation can lead to creative solutions that benefit all parties involved during financial crises. This highlights its ability to change the dynamics of processes.

METHODOLOGY

- **Delving into the Compass**

  Navigating the realms of qualitative and quantitative analysis, this study, on the Mediation Act of 2023 employs an approach to understand its impact. By combining these two methods we can explore not the outcomes but the nuanced changes, as to how the Act influences conflict resolution practices throughout India.

- **Exploring Approaches: Ways to Collect Data**

  In our efforts to understand better the author uses three methods to gather data.

  Examining Legal Documents: Study the documents to explain how the law shapes the research, on mediation providing a basis.

  Reviewing Case Studies: By looking at real life examples of financial difficulties and bankruptcy it shows how mediation is put into practice highlighting both the hurdles and successes.

  Conducting Surveys with Legal Professionals: By asking a group of experts for their opinions it seeks to provide insights into how effective is the potential of the law for change.

- **Selecting the Cast: Sample Selection**

  The present research involves a mix of individuals including experts familiar with the intricacies of the new Act, mediators shaping agreements and individuals actively engaging in the mediation process. This heterogeneous group offers a diverse outlook, on how the Mediation Act influences India's dispute resolution scene in terms.

DATA ANALYSIS

- **Exploring the Past and Present**

  By making an analysis through real life examples the author explores the evolution of mediation techniques after the introduction of the Mediation Act, in 2023 through detailed case studies. This study offers insights into how the Act has influenced the cost effectiveness and stakeholder satisfaction in conflict resolution procedures. It sheds light on both successes and areas that could be improved.

- **Exploring the Impact with Numbers**

  Continuing the examination of cases, the author analyzes the feedback gathered from experts through surveys. This method helps to assess how the Act influence factors such as time and cost effectiveness by relying on data to support the conclusions and provide insights into the progress of mediation.

RESULTS

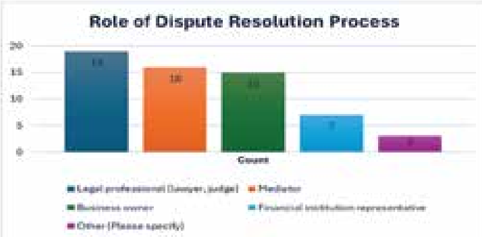
- **Illuminating Change: Findings from Case Study**

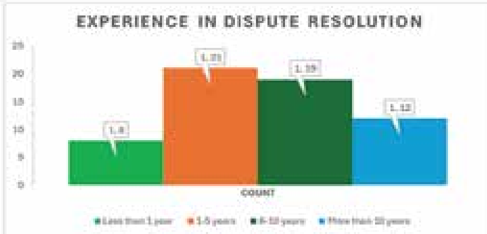
  Upon evaluating the Mediation Act of 2023 using case studies we uncover a transition towards more harmonious conflict resolutions following its implementation departing from the protracted and expensive legal processes. This shift does not enhance the effectiveness. Also it indicates a societal move, towards collaborative dispute resolution.

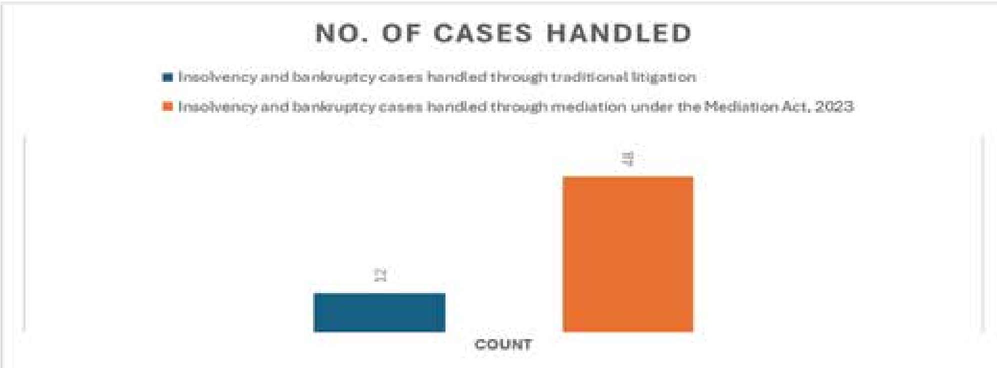
- **Statistical Analysis: Quantifying the Impact**

  Analyzing the survey data back up the study results reveal a decrease, in both resolution time and expenses as indicated by a large majority. Tests such as paired samples **t** tests show that these enhancements are substantial and directly tied to the enactment of the legislation.

SECTION 1: RESPONDENT'S BACKGROUND INFORMATION

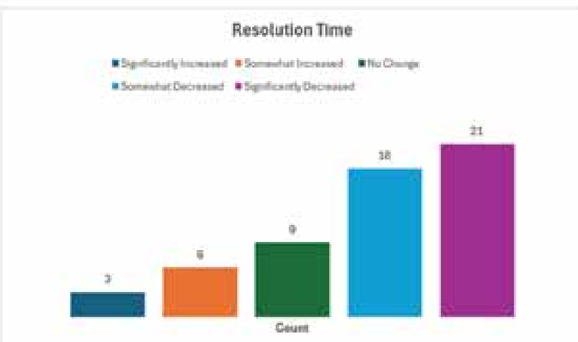






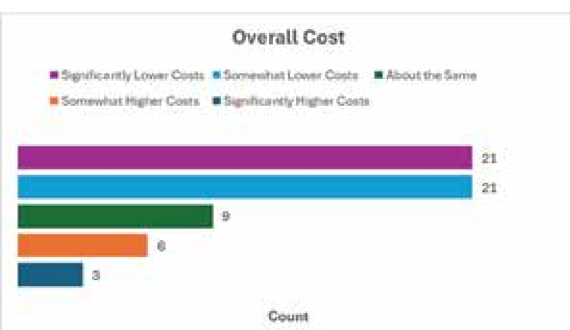
Based on the bar graphs mediators and legal experts appear to be the participants, in conflict resolution. Majority of the survey participants have, between 1 and 5 years of experience. Mediation governed by the Mediation Act of 2023 seems to handle a volume of cases compared to litigation.

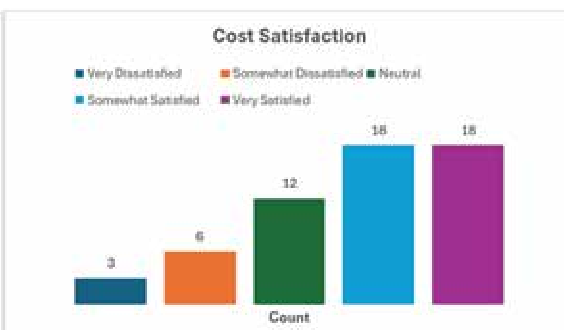
SECTION 2: EFFICIENCY IMPROVEMENT (SUPPORTING H_1)



Most people involved have noticed a reduction, in the time taken to resolve issues and close cases indicating that recent modifications have had an effect, on the effectiveness of resolving the disputes.

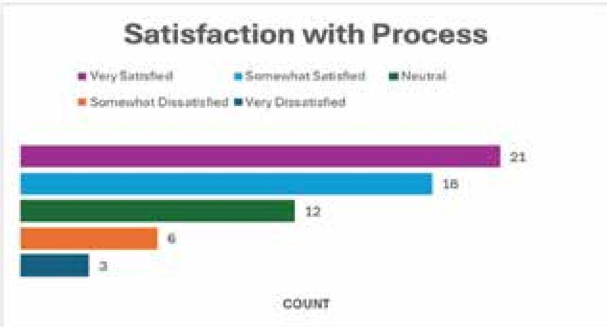
SECTION 3: COST-EFFECTIVENESS (SUPPORTING H_2)

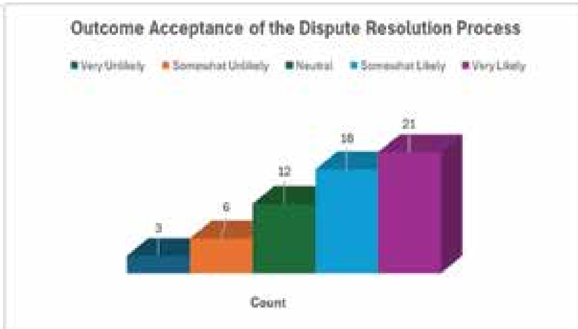


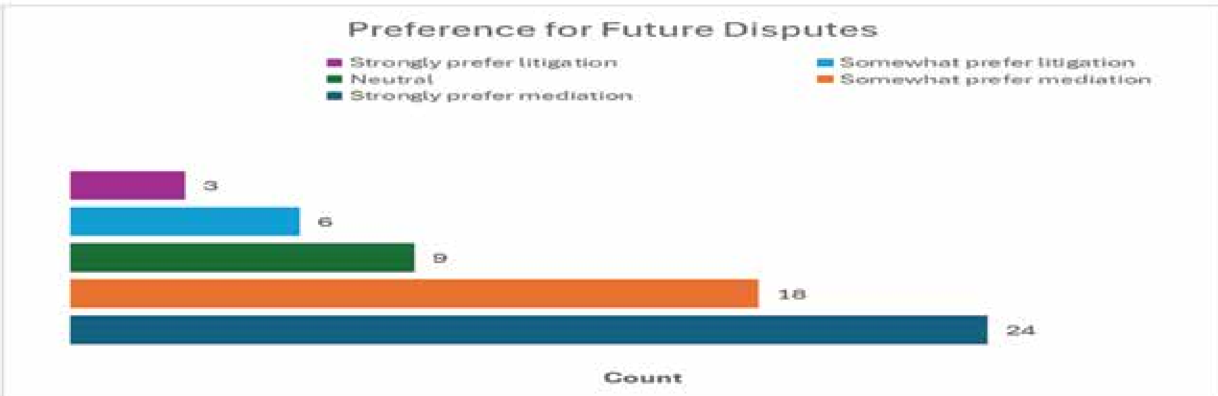


Participants are split evenly between reduced reporting and reduced overall expenses, indicating favorable cost outcomes. Likewise, satisfaction levels regarding costs are generally high, with an equal number expressing somewhat satisfied sentiments.

SECTION 4: SATISFACTION AND OUTCOME ACCEPTANCE (SUPPORTING H_3)

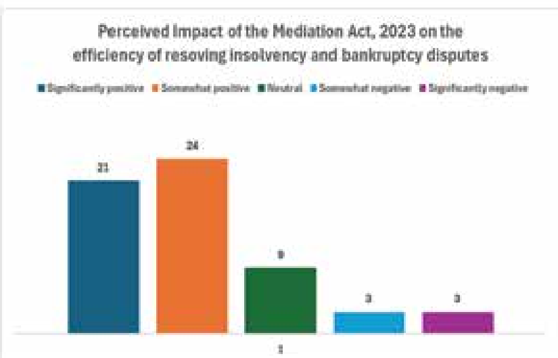


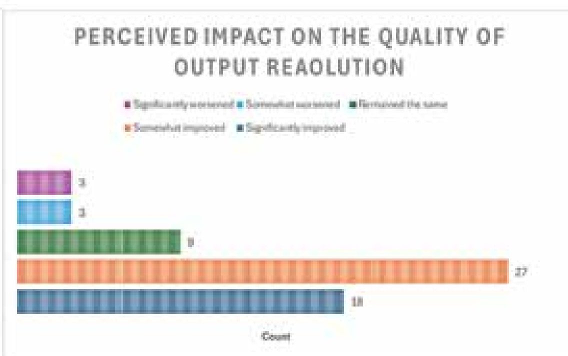




Majority of people are happy with the way how disagreements are resolved; they tend to favor mediation results and seem likely to opt for mediation instead of going to court in upcoming disputes. This suggests that people generally view mediation methods positively.

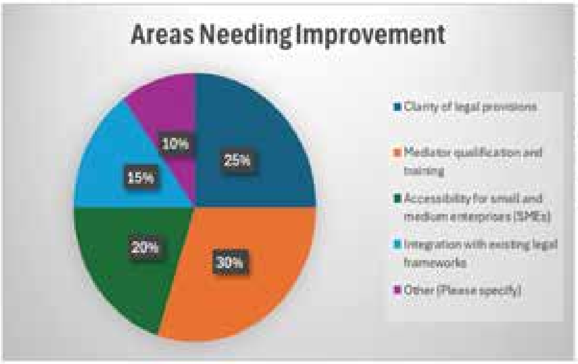
SECTION 5: EXPERIENCES AND OBSERVATIONS

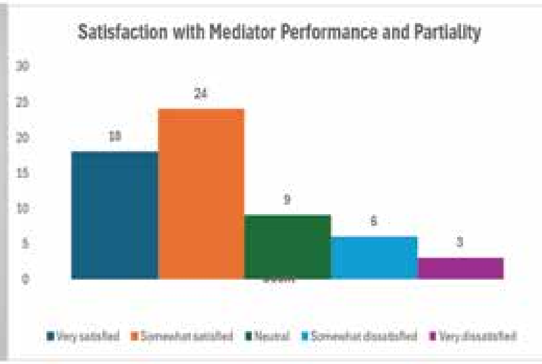


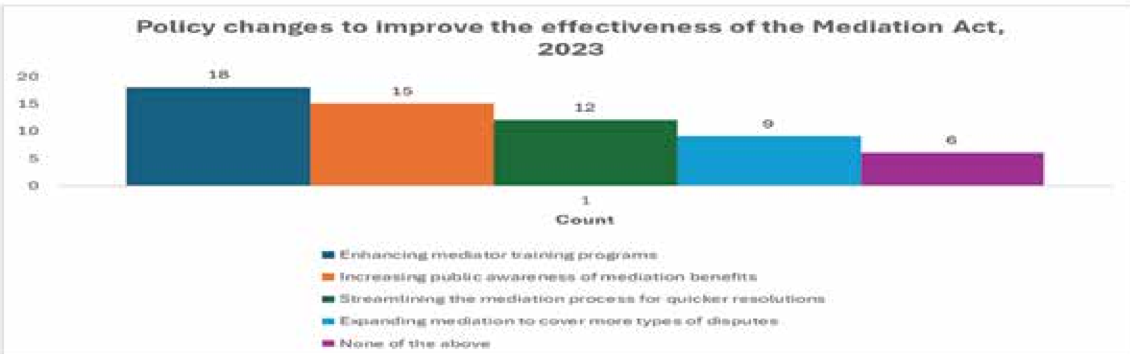


Most people view the Mediation Act of 2023 favorably, noting enhancements, in both the speed of settling disagreements and the quality of dispute resolution results.

SECTION 6: SUGGESTIONS FOR IMPROVEMENT







Most people believe that improving mediator training and raising awareness are aspects to enhance the effectiveness of the Mediation Act. Participants generally express satisfaction levels with mediators with a majority feeling fully or somewhat satisfied.

Evaluating the hypothesis

Hypothesis (H_1): The Mediation Act of 2023 is believed to expedite the resolution of insolvency and bankruptcy disputes compared to court procedures.

t - test

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means							
						Significance				95% Confidence Interval of the Difference	
		F	Sig.	t	df	One-Sided p	Two-Sided p	Mean Difference	Std. Error Difference	Lower	Upper
Resolution_Time	Equal variances assumed	1.160	.286	-10.362	58	<.001	<.001	-2.37500	.22920	-2.83379	-1.91621
	Equal variances not assumed			-10.058	16.357	<.001	<.001	-2.37500	.23614	-2.87470	-1.87530

Mann Whitney U - Test

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.^{a,b}	Decision
1	The distribution of Resolution_Time is the same across categories of Number_of_Cases_Handled.	Independent-Samples Mann-Whitney U Test	<.001	Reject the null hypothesis.

a. The significance level is .050.

b. Asymptotic significance is displayed.

The statistical analyses provide backing for Hypothesis 1 (H1). The data suggests that the time taken to resolve cases under the Mediation Act of 2023 are notably shorter compared to court proceedings. As such it can be inferred from the data that the Mediation Act of 2023 seems to enhance the effectiveness of settling insolvency and bankruptcy disagreements. This supports the idea behind the hypothesis that mediation offers an option, than going through judicial proceedings.

Hypothesis (H_2): The enforcement of this law is linked to a reduction in expenses associated with settling disputes encompassing costs, administrative fees, and other incidental expenses.

t - test

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means							
						Significance				95% Confidence Interval of the Difference	
		F	Sig	t	df	One-Sided p	Two-Sided p	Mean Difference	Std. Error Difference	Lower	Upper
Cost_Comparison	Equal variances assumed	.723	.399	-10.255	58	<.001	<.001	-2.31250	.22550	-2.76388	-1.86112
	Equal variances not assumed			-9.830	16.129	<.001	<.001	-2.31250	.23525	-2.81089	-1.81411

Mann Whitney U – Test

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.[a,b]	Decision
1	The distribution of Cost_Comparison is the same across categories of Number_of_Cases_Handled.	Independent-Samples Mann-Whitney U Test	<.001	Reject the null hypothesis.

a. The significance level is .050.

b. Asymptotic significance is displayed.

Parties who deal with cases tend to express satisfaction and acceptance of outcomes when compared to those handling more cases as indicated by the notable results of the t test and Mann Whitney U test. This implies that one's level of experience can impact his or her perspectives on resolving disputes.

Hypothesis (H_3): Individuals engaged in these disagreements have reportedly shown satisfaction levels; they are more likely to accept the outcomes when adhering to mediation protocols outlined in the Mediation Act of 2023 rather than resorting to traditional litigation methods.

Chi – Square Tests

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	45.938[a]	4	<.001
Likelihood Ratio	46.552	4	<.001
Linear-by-Linear Association	35.140	1	<.001
N of Valid Cases	60		

a. 7 cells (70.0%) have expected count less than 5. The minimum expected count is .60.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	45.938[a]	4	<.001
Likelihood Ratio	46.552	4	<.001
Linear-by-Linear Association	35.140	1	<.001
N of Valid Cases	60		

a. 7 cells (70.0%) have expected count less than 5. The minimum expected count is .60.

Mann Whitney U Test

Ranks

	Number_of_Cases_Handled	N	Mean Rank	Sum of Ranks
Satisfaction_with_Process	Insolvency and bankruptcy cases handled through traditional litigation	12	7.63	91.50
	Insolvency and bankruptcy cases handled through mediation under the Mediation Act, 2023	48	36.22	1738.50
	Total	60		
Outcome_Acceptance	Insolvency and bankruptcy cases handled through traditional litigation	12	7.63	91.50
	Insolvency and bankruptcy cases handled through mediation under the Mediation Act, 2023	48	36.22	1738.50
	Total	60		

The findings, from the Mann Whitney U and Chi Square tests support Hypothesis 3 indicating that parties show a preference for mediation under the Mediation Act of 2023 due, to its flexibility resulting in satisfaction and acceptance of outcomes compared to litigation.

After assessing the hypothesis, it is evident, from both quantitative data that the Mediation Act of 2023 has indeed led to a substantial reduction in the time and expenses involved in resolving insolvency and bankruptcy disputes. The compelling evidence strongly indicates that the Act has effectively enhanced the efficiency and cost effectiveness of dispute resolution underscoring the impact of mediation, within India's sphere.

DISCUSSION

⊙ Interpreting the Impact: Beyond the Numbers

The research indicates that the implementation of the Mediation Act of 2023, in India has notably improved the efficiency of resolving conflicts signaling a change as to how disputes are approached. This reflects an increased emphasis on making legal processes more accessible.

⊙ Practical Implications: Navigating the New Landscape

The Act transforms how disputes are resolved by encouraging experts and mediators to work more collaboratively. It opens avenues for growth. Requires changes as to how legal education and practices are approached.

⊙ Limitations and Charting Future Research

Recognizing constraints such as bias in self-reported data the author proposes conducting additional research to delve into the long-term impacts of the Act and tackle discrepancies across regions enhancing its overall relevance and efficiency.

CONCLUSION

⊙ Key Findings and Their Resonance

The present study confirms that the Mediation Act of 2023 is a step, in India's conflict resolution efforts, in reducing the time and costs related to insolvency and bankruptcy cases. It highlights how the Act improves the system, making justice more accessible and boosting productivity.

⊙ The Transformative Potential of the Mediation Act, 2023

The Mediation Act of 2023 is a tool for development for India as it embraces approaches to addressing conflicts. We can resolve disputes in such a manner that aligns with requirements. This Act maps a road for the advancement of India towards a bright future where justice encompasses more, than prevailing in legal disputes but also encompasses reaching equitable and harmonious solutions collaboratively. MA

REFERENCE:

1. *Ministry of Law and Justice, Government of India. (2023). The Mediation Act of 2023. Gazette of India.*
2. *Sharma, A., & Gupta, R. (2023). Assessing the Effectiveness of Mediation in the Indian Legal System Post 2023 Legislation. Journal of Indian Legal Reforms, 15(2), 234-256.*
3. *Kumar, L. (2024). Mediation Practices in India: Changes and Obstacles. Oxford University Press.*
4. *Patel, S., & Mehra, P. (2023). Influence of Mediation on Insolvency Proceedings: An Analytical Comparison. International Review of Law and Economics, 41, 102-119.*
5. *Global Mediation Forum. (2022). Annual Report on the Status of Mediation Worldwide.*

PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS (WHY SLOW PROGRESS?)

CMA (Dr.) P. Siva Rama Prasad
Insolvency Professional
Former Asst. General Manager
State Bank of India
Hyderabad
cma.psrprasad@gmail.com

Abstract

The Indian Government has introduced a significant economic and legislative reform known as the Pre-Packaged Insolvency Resolution Process (PPIRP) to bolster corporate MSMEs, which plays a vital role in the Indian economy. This particular process offers a comprehensive framework for the revival and resolution of MSMEs, yet unfortunately, its significance has not been widely recognized. Consequently, the implementation of this process has faced challenges in its current phase. Micro, small, and medium enterprises (MSME) are governed by the MSMED Act. Sections 15 to 23 of the Act outline a specialized mechanism for resolving disputes and enforcing specific business and contractual terms.

The Amendment Ordinance of 2021 to the Insolvency and Bankruptcy Code introduced the novel concept of "Pre-Packaged Insolvency Resolution Process" within the framework of the Insolvency and Bankruptcy Code of 2016. The primary aim of PPIRP is to offer an alternative resolution mechanism for MSMEs, ensuring expeditious, cost-effective, and value-optimizing results for all stakeholders. Nevertheless, the utilization of the PPIRP procedure is hindered by inadequate dissemination and comprehension within the industry in comparison to the Corporate Insolvency Resolution Process (CIRP).

In India, there was no comprehensive legislation addressing corporate insolvency prior to the enactment of the IBC. The Code has subsequently undergone refinements and adjustments based on market requirements and suggestions. The regulatory provisions of the Code have also been periodically revised to enhance its user-friendliness. Nonetheless, the implementation of IBC has encountered challenges due to numerous alterations in its regulatory framework. Initially, IBC exclusively pertained to corporate insolvency and liquidation, with provisions concerning individual insolvency and bankruptcy remaining unnotified, apart from those concerning personal guarantors to a corporate debtor.

The inclusion of MSMEs under the ambit of IBC, 2016 occurred through the incorporation of section 240A via the Second Amendment Act of 2018 dated 17.08.2018, effective from 06.06.2018. While numerous modifications have been made to IBC over the years, a pivotal amendment is the introduction of the "Pre-Packaged Insolvency Resolution Process" (PPIRP) concept through the notification of the Amendment Act of 2021 on 11.08.2021, effective from 04.04.2021. A specialized IBC framework known as Pre-Packaged Insolvency Resolution Process has been initiated by the Government for MSME corporates (Companies and LLPs).

The principal objective behind implementing this process is to safeguard the promoters of these MSMEs by granting them an opportunity to rectify their defaults while concurrently overseeing the corporate debtor as a viable entity under their supervision. Through the adoption of the PPIRP Scheme, the notion of "debtor-in-control" is predominantly emphasized, signifying that the management will persist with the necessary oversight mechanisms. Consequently, Prepackaged Insolvency entails a financial strategy where the restructuring is pre-determined and mutually agreed upon by creditors and other stakeholders before a corporate debtor declares insolvency.

Pre-Packaged Insolvency Resolution Process being an integral part of the existing IBC framework for over two years since its inception, there have been merely approximately 6Cases admitted under this insolvency scheme compared to 22,385 Cases admitted under the CIRP Process.

PPIRP PROCESS TIMELINES:

Acceptance of Application

The initiation of the PPIRP commences upon the acceptance of the application by the Adjudicating Authority (AA), lasting for duration of 120 days.

Total Period

This timeframe encompasses a 90-day period for the submission of the resolution plan to the AA, along with an additional 30 days for the AA to either approve or decline the plan, with no provision for extension beyond this stipulated period.

Management: Upon initiation of the PPIRP, the existing management of the company remains under the control of the promoters or Board of Directors, who continue to oversee its operations.

Role of RP

In contrast, under the CIRP process, the entire management and authority of the company are transferred to the Resolution Professional (RP) once the application is admitted under the Insolvency and Bankruptcy Code of 2016. However, in the context of PPIRP, the RP merely supervises and monitors the activities carried out by the promoters or Board of Directors.

Decision Making

The Committee of Creditors (COC) of the corporate debtor may prefer the management of the company to be entrusted to the RP instead of the defaulting promoter or Board of Directors, as is customary under CIRP. In the case of PPIRP, a decision must be made by the COC through a majority vote of at least 66 per cent as to whether the management of the corporate debtor should be under the purview of the RP, particularly in instances of fraudulent or improper conduct.

REASONS FOR SLOW PROGRESS OF PPIRP

Reluctance

A primary factor contributing to the lack of success in PPIRP implementation is the reluctance of promoters of micro, small, and medium enterprises (MSMEs) to engage in commencing the Pre-Packaged Insolvency Resolution Process, instead choosing to remain passive even in cases of default occurrence.

Lack of Awareness

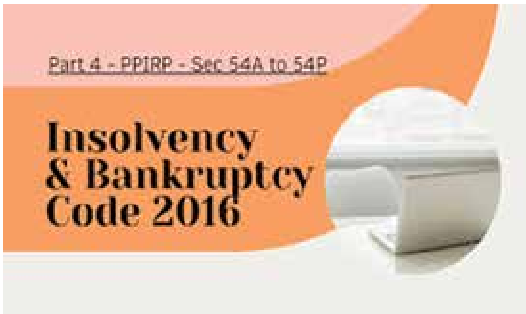
Many promoters within the MSME sector are uninformed about the existence of the PPIRP under the Insolvency and Bankruptcy Code (IBC) of 2016, in addition to the Corporate Insolvency Resolution Process (CIRP) designed for the recovery and restructuring of financially distressed companies.

Lack of Knowledge

While most promoters of MSMEs are aware of their ability to submit a resolution plan within the CIRP framework, they may lack knowledge about the PPIRP alternative, which offers increased flexibility during the bidding process owing to the relaxations provided under section 29A of the Insolvency and Bankruptcy Code of 2016.

Concurrence of Lenders

The challenge faced by MSMEs is that they frequently deal with limited loans from one or two lenders, as opposed to a consortium of lenders.



Time Taking Process
Initiating legal proceedings for debt recovery can prove to be a lengthy process, leading these creditors to hesitate in entering into agreements until the possibility of substantial recovery arises, apprehensive of incurring significant losses.

Asset Quality Deterioration:

The creditor entities operate on a modest scale and encounter various obstacles, with permitting promoters to evade payments posing asset quality concerns for the creditors. Presently, most minor financial creditors await the decision of major creditors to commence proceedings, yet this anticipation remains unfulfilled.

Challenges for Creditors

The PPIRP facilitates the acquisition of a debtor's business by connected parties. Nonetheless, this practice can result in a lack of transparency and create a misleading picture of the restructuring process. Conversely, the CIRP prohibits connected parties from seeking to purchase the debtor's business. A connected party proceed with acquiring the debtor's business, the debtor's disassociation from the company may not occur, potentially posing challenges for creditors in the future due to procedural delays within the court.

PREFERENCE OF FINANCIAL CREDITORS

SARFAESI, 2002

The implementation of the PPIRP within the framework of the Insolvency and Bankruptcy Code, 2016, has provided an additional avenue for MSME enterprises experiencing difficulties in meeting their obligations to secured creditors. The PPIRP facilitates the resolution and restructuring of debts by these enterprises without causing disruption to their activities and ongoing viability. The tendency among banks and financial Institutions (FIs) to prioritize the utilization of SARFAESI Act provisions for the recovery of outstanding loans extended to MSME entities. This inclination has resulted in the closure of MSME firms that are unable to fulfil their obligations to these secured creditors, who invoke section 13 of the SARFAESI Act for the purpose of debt recovery. Despite the availability of the PPIRP specifically designed for MSME entities, secured creditors continue to favour the SARFAESI Act for the enforcement and retrieval of dues secured by the interests created in their favour. This preference stems from the creditors' primary focus on recuperating the amounts they have lent, rather than on the operational significance or economic role played by the MSME entities.

One Time Settlement

Lenders may exhibit a preference for one time settlement (OTS) owing to its ability to expedite the repayment process. PPIRP is recognized for its substantial costs, typically imposing an additional financial burden of ₹ 10 to ₹ 15 Lakhs by way of legal and other expenses. The apprehension of losing control over the company in the event of a "haircut" (debt reduction) occurs, especially if another entity competes within the restructuring scheme, instils fear of potential loss among promoters.

Lenders who have provided loans to these MSME enterprises often seek a one time settlement agreement or resort to the SARFAESI Act procedures to reclaim their dues, viewing it as the most straightforward method to address non-performing assets (NPAs) on their records.

The new framework of the PPIRP under the Insolvency and Bankruptcy Code entails the acceptance of a base resolution plan or a resolution plan submitted for consideration by the Committee of Creditors (CoC). Within the

PPIRP framework, secured creditors are required to share their security interests with other lenders and may face reductions in the amounts owed. Furthermore, they must assess the ongoing viability of the enterprises and the feasibility of their operations.

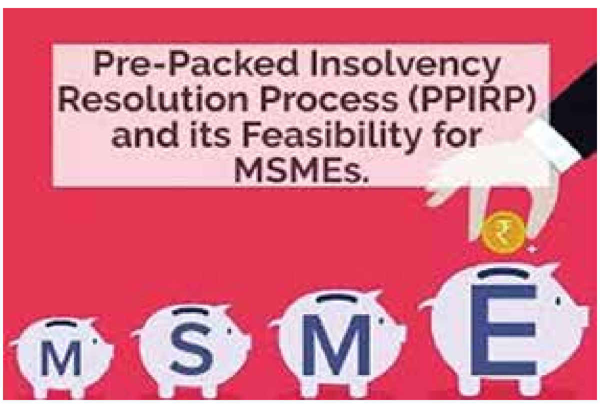
In contrast, the OTS or SARFAESI Act procedures afford secured creditors the advantage of full benefit without the need to engage with other lenders or claimants. These procedures do not involve judicial intervention or entail additional administrative expenses. To expedite the recovery of these funds, lenders have opted for the SARFAESI Act or OTS mechanism as a comprehensive approach, forgoing other processes perceived as obstructive to their recovery and financial reconciliation efforts. Consequently, it is argued that banks and financial institutions should consider the SARFAESI Act or OTS over PPIRP, which has been identified as counterproductive, as previously mentioned.

SUGGESTIONS

a. **Awareness Programme** Most of the entities falling within the classification of micro, small and medium enterprises (MSMEs) are subject to the jurisdiction of the Ministry of Micro, Small and Medium Enterprises. The primary objective of said Ministry is to facilitate the advancement and enhancement of MSMEs. The Ministry, in association with the Insolvency and Bankruptcy Board of India (IBBI), intends to educate MSMEs regarding PPIRP made available by the Insolvency and Bankruptcy Code, 2016.

b. **Opportunity**: This initiative is designed to offer struggling MSMEs the opportunity to restructure their financial obligations and address their challenges. It is imperative for the Ministry, in collaboration with IBBI, to highlight that the objective of the PPIRP process is to assist organizations in overcoming their financial hardships rather than seizing control from their promoters.

c. **Creditors**: Despite MSMEs typically having a limited number of creditors, they should acknowledge the restructuring proposal put forth by the promoter and deliberate on the underlying resolution strategy provided by them. While legal proceedings can be protracted, without their intervention, it would be difficult to enforce such schemes effectively.

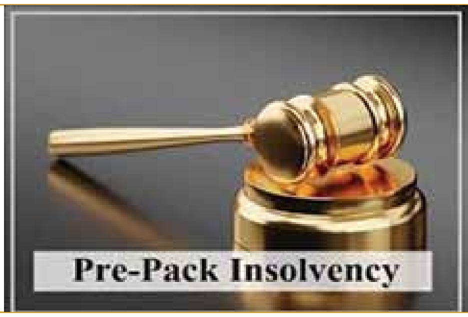


d) **Temporary Liquidity Problem**: Many MSMEs encounter temporary financial troubles, which can be alleviated by allowing a grace period for recovery alongside minor concessions agreed upon by the creditors. Consequently, major creditors should be willing to endorse such concessions to enable MSMEs to operate effortlessly for the collective good of the economy.

e. **Modest Size**: MSMEs are characterized by their comparatively modest size in contrast to larger corporations. Owing to their scale, there exist intricate particulars exclusively known to the company's promoter that are typically delegated to managers in larger establishments. In the context of MSMEs, the active involvement of the promoter in the day-to-day functions is crucial to sustain the entity. Consequently, delegating the management of these entities to a Resolution Professional is not a prudent or feasible choice for preserving the PPIRP entailing the continuation of operations under the supervision of the promoter, it is imperative for creditors to consider opting for this approach. They must comprehend that they are the most suitable individuals to oversee such entities in a sustainable manner.

f. **Suitability**: The distinctive feature of PPIRP lies in permitting the promoter or related party to present a foundational resolution plan, subject to evaluation by the financial creditor during the pre-commencement phase. This diverges from the CIRP, where affiliated parties are barred from proposing a resolution plan according to section 29A of the Insolvency and Bankruptcy Code, 2016. Nevertheless, creditors have raised apprehensions regarding this procedural aspect, apprehensive of potential issues in the future. It is important to change this viewpoint, particularly concerning MSMEs, as no one is better suited to manage the company than its promoter or related parties.

To conclude, it is imperative to acknowledge that the PPIRP, a relatively recent addition to the Insolvency and Bankruptcy Code of 2016, allows for the resolution of MSMEs' disputes through a mutually agreed base resolution plan between the debtor and the creditor. In contrast, the CIRP is a well-established procedure involving the appointment of insolvency professional to oversee the debtor's operations and devise a resolution plan endorsed by the creditors. The factors contributing to the lower success rate of PPIRP vis-à-vis CIRP are somewhat apparent, yet efforts are underway to address them by the regulator.



- ✓ One such effort involves raising awareness about the availability and advantages of the PPIRP.
- ✓ Furthermore, the voluntary nature of the PPIRP, necessitating the promoter's consent, is another aspect to consider.

In times to come the PPIRP is expected to become a firmly entrenched mechanism, offering a promising approach to expediting the resolution of MSMEs in a cost-effective and adaptable manner. Consequently, the advocacy for PPIRP is essential, and the adjudicating authorities should expedite their decision-making processes in this regard. As the PPIRP has not gained traction as anticipated since its inception, it is advisable to postpone extending the pre-pack resolution to larger corporations at its current developmental stage. MA

REFERENCES:

1. *IBBI Regulations on PPIRP*
2. *IBBI Rules on PPIRP*

NOTES FOR AUTHORS

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

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

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

EXAMINING THE EFFICACY OF THE INSOLVENCY AND BANKRUPTCY CODE: A PERFORMANCE ANALYSIS

Abstract

The Insolvency and Bankruptcy Code, 2016 (IBC) is a comprehensive Indian law aimed at consolidating insolvency resolution regulations across various entities including individuals, limited liability partnerships, and corporates. Its enactment has yielded favourable outcomes such as enhancing Non-performing assets recovery rates and improving the ranking in resolving insolvency cases. However, significant concerns persist, including delays in proceedings, absence of clear regulations for cross-border insolvency, and a shortage of tribunals. Addressing these issues is imperative for the effective functioning of the IBC.

Shrihari Karanth
Senior Research Fellow
Department of Studies in Commerce
Davangere University, Davangere
shriharikaranth@gmail.com

CA Rajath Prabu
Consultant
Ernst & Young, Bengaluru
rajathrprabhu@gmail.com

INTRODUCTION

In recent years, the Indian banking sector has been hit hard by a growing problem of non-performing assets (NPA), also known as bad loans. According to the Reserve Bank of India (RBI), a loan is classified as NPA if there has been no payment of interest or principal amount for at least 90 days. Initially, NPA problem affect individual banks' performance but eventually started to have serious consequences for the entire financial system and the economy *(Gaur & Mohapatra,* 2020). The rise in NPA occurred during a period of robust economic growth in the country; a large portion of rise in NAP is attributed to factors other than economic conditions such as willful default, bad corporate governance, fund diversion etc. This problem prompted the Indian Government to bolster corporate insolvency laws, resulting in the passing of the Insolvency and Bankruptcy Code, 2016 (IBC).

The Bankruptcy Law Reforms Committee (BLRC) proposed changes that led to the creation of the Insolvency and Bankruptcy Code. This code, introduced in the Lok Sabha in December 2015 and passed in May 2016, aims to streamline the insolvency and bankruptcy laws into a single framework. It received Presidential approval on May 28, 2016, and became effective in December 2016. The goal of the IBC is to modernize and strengthen the insolvency process. It replaced several old laws, including the Presidency Towns Insolvency Act, 1909, the Provincial Insolvency Act, 1920, and the Sick Industrial Companies (Special Provisions) Repeal Act, 2003. Additionally, amendments were made to other laws such as the Indian Partnership Act, 1932, the Central Excise Act, 1944, the Customs Act, 1962, the Finance Act, 1994, and the Companies Act, 2013 to complement the IBC.

LITERATURE STUDY

Banks in India are grappling with the challenge of non-performing assets (NPAs), for which a viable solution is yet to be discovered. The gross NPA surged by 23 per cent from 2005 to 2016. Both the Reserve Bank of India, the country's central bank, and the Government of India are exploring alternative strategies to alleviate the NPA levels (*Bhatt & Panda,* 2017). Before the implementation of the IBC, there was disorder in the legal system, leading to lengthy and ineffective insolvency procedures. Different laws and regulations tackled different aspects of insolvency, resulting in confusion, overlap, and occasional conflicts. With no comprehensive law in place, the RBI introduced various schemes like Corporate Debt Restructuring (CDR), Strategic Debt Restructuring (SDR), and Scheme for Sustainable Structuring of Stressed Assets (S4A) to bridge the gap. The IBC was introduced to address this legal gap, providing a unified and time-bound resolution process as its key features (Swaminathan, 2024).

In 2016, the Insolvency and Bankruptcy Code, 2016 (IBC), a comprehensive bankruptcy code, was enacted and notified. The Code aims for timely resolution of borrower defaults through collective decision-making by creditors. It is designed to be both process-oriented and time-oriented (*Vishwanathan,* 2018). The Code plays a crucial role in reallocating capital from struggling firms to more productive ventures, benefiting the broader public interest. This law encourages entrepreneurship and enables borrowers in financial distress to renegotiate their debts with creditors. Additionally, it empowers the creditors to assert their rights over borrowers who fail to meet their obligations (Das, 2024).

The implementation of the IBC demonstrated a clear intention from regulators to de-stress the banking system. The IBC was anticipated to enhance the credit and compliance culture on a broader scale within the economy. Preceding the IBC, creditors were burdened with intricate and cumbersome procedures, resulting in significant costs in terms of both time and money. With the IBC in place, defaulting borrowers are now held accountable, and procedures for creditors have been streamlined (*Singh, R., & Thakkar, H.* 2021).

From the above literature it is clear that implementation of the IBC is a positive step taken by the Government to address corporate insolvency issues. However, it has been seven years since the implementation of the IBC, and it is the perfect time to study the actual impact of implementation IBC on corporate insolvency and NPA recovery.

PERFORMANCE STUDY OF IBC

The persistent rise in non-performing assets is the biggest challenge for Indian banking system. Despite concerted efforts by the Government and RBI to implement various policies aimed at mitigating NPAs, the majority have proven ineffective in stemming NPA problem. The Table below shows the Gross NPA status of scheduled commercial banks.

TABLE 1

GROSS NPAS AS PER CENT OF GROSS ADVANCES

Year	Gross Advances	Gross NPA	Gross NPAs (in %)
2021-22	1,27,50,006	7,43,653	5.8
2020-21	1,13,99,608	8,35,138	7.3
2019-20	1,09,18,918	8,99,803	8.2
2018-19	1,02,94,463	9,36,474	9.1
2017-18	92,66,210	10,39,679	11.2
2016-17	84,92,565	7,91,791	9.3
2015-16	81,73,121	6,11,947	7.5

Source: Reserve Bank of India

The analysis of above table reveals a mixed trend. Gross NPAs rose significantly from 2015-16 to 2017-18 but have since declined as a percentage of Gross Advances, reaching 5.8 per cent in 2021-22 from a peak of 11.2 per cent in 2017-18, possibly due to the implementation of the IBC. While this indicates some success in managing NPAs compared to total advances, the absolute value of Gross NPAs hasn't consistently dropped, signaling ongoing challenges in reducing NPAs.

TABLE 2

PERFORMANCE OF IBC

Year	No of Cases Registered	Amount Involved	Amount Recovered	Percentage
2016-17	37	-	-	-
2017-18	704	9,929	4,926	49.6
2018-19	1,152	1,45,457	66,440	45.7
2019-20	1,986	2,24,935	1,04,117	46.3
2020-21	536	1,35,319	27,311	20.2
2021-22	891	1,97,959	47,409	23.9
2022-23	1,261	1,33,930	53,968	40.3

Source: Reserve Bank of India

The above table is exhibiting the data related to NPA recovery through the IBC from the year 2016-17 to 2022-23. In the initial years of IBC introduction i.e., 2016-17, the cases referred to the IBC were 37. In the next year i.e., 2017-18 the registered cases were 704. It is observed that, the number of cases registered increased from YoY except 2020-21 because of the hold imposed by Supreme Court on insolvency resolution due to Covid-19 and change in ceiling limit from Rs.1 lakh to 1 crore to admit the cases under IBC for NPA recovery. Coming to the recovery rate, the IBC consistently achieved a recovery rate of well over 40 per cent, with the exception of two challenging years during the COVID-19 pandemic.

TABLE 3

PERCENTAGE OF NPA RECOVERY THROUGH RECOVERY CHANNELS

Year	Lok Adalats	DRTs	SARFAESI Act	IBC	Total Recovery (%)
2022-23	2.0	9.2	27.6	40.3	15
2021-22	2.3	17.5	22.5	23.9	17.6
2020-21	4	3.6	41	20.2	14
2019-20	6.2	4.9	17.4	46.3	22
2018-19	5.1	3.9	15	45.7	16.3
2017-18	4.0	5.4	32.2	49.6	14.9
2016-17	6.3	10.2	18.3	-	13.8
2015-16	4.4	9.2	16.5	-	10.3
2014-15	3.2	6	16.34	-	12.4
203-14	6.03	9.58	26.55	-	18

Source: Reserve Bank of India

The data shows the percentage of NPA recovery through various recovery channels in Indian banks from 2013-14 to 2022-23. The recovery channels are Lok Adalats, DRTs, SARFAESI Act, and IBC. The data reveals the following trends:

The total recovery percentage is below 20 except one year, which indicated banks are struggling to recover NPAs.

- The IBC, which was introduced in 2016, has emerged as the most effective recovery channel, averaging more than 40% of the recovery.
- The SARFAESI Act, which empowers banks to seize and sell the assets of defaulters without court intervention, has also been a significant recovery channel, especially in 2020-21, when it contributed 41 per cent of the total recovery.
- The DRTs, which are special courts for adjudicating debt recovery cases, have seen a decline in their recovery percentage over the years, except for a spike in 2021-22, when they recovered 17.5 per cent of the total NPA.
- The Lok Adalat, which is alternative dispute resolution forums for settling cases through conciliation, has been the least effective recovery channel, with their recovery percentage never exceeding 6.2 per cent.

The IBC has performed reasonably well in recovering NPAs. India has made significant progress in its Resolving Insolvency Ranking, with the time taken to resolve insolvency cases reducing significantly from 4.3 years in 2016 to 1.6 years in 2020 (World Bank, 2020), but it still takes longer than the prescribed timeline to recover loans. The IBC sets a deadline of 180 days for completing the Corporate Insolvency Resolution Process (CIRP), with a one-time extension of 90 days in exceptional cases. However, data from the IBBI reveals troubling trends. As of September 2023, 67 per cent of ongoing CIRP cases have exceeded the total timeline of 270 days, including the extension period. Even more concerning is the significant increase in the average time taken for case admission, reaching 468 days in FY 2020-21 and 650 days in FY 2021-22. These delays risk devaluing assets and are attributed to various factors such as evolving legal interpretations, strategic litigation by debtors, poor creditor coordination, and judicial infrastructure bottlenecks.

SUGGESTIONS TO IMPROVE THE PERFORMANCE OF IBC

- The number of cases referred to the IBC is increasing year on year, and hence it is necessary to adequately staff the NCLT and NCLAT to handle the increased caseload.
- The success of IBC depends on skilled resolution professionals who must have expertise in law, finance, negotiation, and management. Adequate training needs to be given to resolution professionals
- Creditors' Committee-Led Out-of-Court Restructuring for Distressed Assets needs to be encouraged to speedy redressal of case.

CONCLUSION

Enactment of the IBC has been a landmark reform in the economic history of India, because IBC framework is

The implementation of the IBC demonstrated a clear intention from regulators to de-stress the banking system

closely linked to the ease of doing business, supporting the business environment in various ways. IBC is strengthening creditors and prevents capital erosion, offers distressed businesses an amicable way out, and also boosts investor confidence in the economy. The implementation IBC in 2016 changed the credit culture in India and improved NPA recovery. The RBI and Government are continuously working to strengthen the IBC. However, there is still much to be done, especially in making the resolution process expeditious. MA

REFERENCES

1. *Bhatt, M., & Panda, R. (2017). Managing NPAs of Indian Banks: recent developments. FIIB Business Review, 6(4), 10–19. https://doi.org/10.1177/2455265820170402*
2. *Das, S. (2024). Insolvency & Bankruptcy Code – Towards Achieving Full Potential: Keynote Address by Shri Shaktikanta Das, Governor, Reserve Bank of India. In Conference on Resolution of Stressed Assets and Insolvency and Bankruptcy Code (IBC) – organized by CAFRAL, Mumbai.*
3. *Gaur, D., & Mohapatra, D. R. (2020). The nexus of economic growth, priority sector lending and non-performing assets: case of Indian banking sector. South Asian Journal of Business Studies, 10(1), 70–90. https://doi.org/10.1108/sajbs-01-2020-0010*
4. *Singh, R., & Thakkar, H. (2021). Settlements and resolutions under the Insolvency and Bankruptcy Code: Assessing the Impact of COVID-19. The Indian Economic Journal, 69(3), 568–583. https://doi.org/10.1177/00194662211013218*
5. *Swaminathan, J. (2024). Resolution of Stressed Assets and IBC – the Future Road Map [Speech]. Conference on Resolution of Stressed Assets and IBC, organized by CAFRAL, Mumbai.*
6. *Vishwanathan, N. S. (2018, April 18). It is not business as usual for lenders and borrowers [Speech]. National Institute of Bank Management, Pune.*
7. *World Bank Group. (2020). Economy profile India: Doing Business 2020. World Bank. https://www.doingbusiness.org/content/dam/doingBusiness/country/i/india/IND.pdf.*

PERSONAL GUARANTORS TO CORPORATE DEBTOR

Abstract

Given the interrelated nature of the insolvency process involving personal guarantors of the corporate debtor due to shared debts, the Central Government, in November of 2019, introduced the provisions related to "Insolvency Resolution and the Bankruptcy Process of Personal Guarantors to the Corporate Debtors". This legislative action provided creditors with the flexibility to commence proceedings against both personal guarantors of corporate debtors and corporate debtor (CIRP) simultaneously and thereby it improves the chances of recovery to the stakeholders of the corporate debtor and encouragement of cohesive approach in resolving insolvency issues. A notable ruling by the Appellate Authority in the case of SBI vs. Athena Energy Ventures (P) Ltd further confirmed that the IBC, 2016 permits the simultaneous initiation of the Corporate Insolvency Resolution Process (CIRP) against the primary borrower and its guarantors of the principal borrower, when guaranteed by the individuals.

CMA Manmohan Sahu
MSME Consultant & Financial Advisor
Hyderabad
sahu_manmohan@yahoo.co.in

The Government of India in the year 2019 came up with the Regulations for commencing insolvency proceedings process against personal guarantors of the corporate debtor, who has given guarantee to the corporate debtor as a 'separate category' and it is distinct from the individuals defined under the Code.

This action was taken in concurrence of the Notification issued under Part III of the Insolvency and Bankruptcy Code-2016 (IBC, 2016) pertaining to "Insolvency Proceedings Process against Personal Guarantors of the Corporate Debtor". In the case of Mr. *Lalit Kumar Jain Vs. M/s Union of India,* the Supreme Court validated the Notification dated 15th November, 2019. The court recognized that the personal guarantors though are a part of the broader spectrum of the individuals, warrant distinct treatment due to their inherent association with the corporate debtors.

Furthermore, the judiciary decreed the approval of a resolution plan" and release of the borrower from the debt through involuntary methods, such as statutory provisions in the insolvency proceedings, and did not exempt the personal guarantors of the corporate debtor from their commitments under the guarantee agreement given by the guarantor.

Notwithstanding the anticipations of a substantial surge in "personal guarantor of corporate debtor" insolvencies subsequent to the Supreme Court's clarification on the Notification, progress has been lackluster. This can be attributed to several uncertainties in the nascent realm of personal guarantor insolvency process under the IBC, 2016. Concerning the discharge of corporate debt, personal guarantors are frequently striving to evade accountability by asserting that the underlying debt has been settled via the "resolution plan of the corporate debtor" through CIRP.

In the recent decision of the in the matter of M/s *State Bank of India vs Prashant Ruia*, the Debt Recovery Tribunal dismissed a plea seeking debt recovery of the bank and financial institutions from the personal guarantor of the corporate debtor on the ground that the principal debt of the borrower had been entirely settled under the 'resolution plan'.

While the settlement of debt through statutory provisions does not preclude the creditor from pursuing the personal guarantee, there may be hazards in pursuing the guarantee if the transfer of debt under 'resolution plan' besides subsequent transactions result in the repayment of principal debt to the assignee in "monetary or non-monetary" form (such as through capitalization).

RIGHTS OF PERSONAL GUARANTORS:

On 9th November, 2023, a Three Member Panel Chaired by Chief Justice D.Y. Chandrachud, along with Justice J.B. Pardiwala and Justice Manoj Misra, affirmed the constitutionality of sections 95, 96, 97, 99, and 100 of the Insolvency and Bankruptcy Code of 2016. These sections enable loan creditors (banks and financial creditors) to commence insolvency proceedings against individuals and partnership firm debtors.

SUPREME COURT OF INDIA JUDGEMENT

On 11thJuly, 2022, Mr. Anil Ambani, the Chairman of M/s Reliance ADA Group, contested various aspects of Insolvency and Bankruptcy Code of 2016 (IBC, 2016) related to "personal guarantors given to a corporate debtor".

In the year 2016, Mr. Ambani provided the personal guarantee for two loans availed by M/s Reliance Communications Limited (RCom) and M/s Reliance Infratel Limited (**RITL**) totalling to ₹ 1,200 Crores from M/s State Bank of India (SBI).

A personal guarantee denotes that a "commitment to settle a debt" borrowed by the debtor (borrower) from the creditor (lender) in case the borrower defaults the repayment.

On August 26, 2016, the loans availed by the corporate debtor were categorized as non-performing assets (NPAs) by the Bank. The definition of a NPA signifies that a loan for which payments towards the "principal sum amount or interest there on have been overdue for an extended duration". In the instant case since a corporate debtor is incapable of repaying the bank loan, the financial creditor i.e., bank / FIs can initiate the Corporate Insolvency Resolution Process (CIRP) to recover the loan amount from personal guarantor of the corporate debtor under section 95.

Once the CIRP is invoked the assets of the corporate debtor and personal guarantor who has given the guarantee are subjected to a temporary moratorium under Section 96. The corporate debtor and/or the personal guarantor forfeit the control of the assets given to the loan during the moratorium period. They are restricted from transferring or disposing of any of the assets, and other debtors are barred from initiating legal actions against them regarding loans and the related assets.

The Resolution Professional is designated in accordance with the Section 97of the IBC to devise there solution plan for repaying the debts. M/s State Bank of India, the financial creditor of Reliance, initiated the insolvency process against Mr. Anil Ambani in early 2020 under Section 95 of the IBC.

On 20thAugust, 2020, the National Company Law Tribunal (Adjudicating Authority), Mumbai admitted the case and appointed the interim Resolution Professional to recover the debts. The NCLT further ruled that measures could be taken against the personal guarantor i.e., Mr. Ambani, even before the finalisation of resolution plan. This brought Mr. Ambani's assets under a temporary moratorium.

On 11thJuly, 2022, Mr. Ambani contested the following stipulations of the Code:

- Section 95: Application for the Initiation of the insolvency process.
- Section 96: Interim Moratorium.
- Section 97: Appointment of a Resolution Profession.

- Section 99: Submission of the Resolution Professional's Report.
- Section 100**:** Admission or Rejection of an Application.

Mr. Ambani asserted that the provisions of IBC, 2016 are:

- Arbitrary.
- Unconstitutional, and
- Infringing.

upon the Fundamental Rights.

Section 96 of IBC enforces a temporary halt on all debts related to the personal guarantor immediately upon the submission of an insolvency petition by the financial creditor under section 95, without affording them an opportunity to present their case.

According to section 99 of the IBC, the corporate debtor and personal guarantor of the corporate debtor are not furnished with the copy of report from Resolution Professional (RP), thus denying them the right to understand the rationale behind the acceptance or rejection of an insolvency petition. The further contention was that the legislation confers unrestricted authority upon the Resolution Professionals to act as the arbiter in their own matters and that the Resolution Professional is not held accountable to any entity while imposing a moratorium on the assets of the corporate debtor or personal guarantor of the corporate debtor.

One of the hindrances in this domain pertains to the question of jurisdiction.

Section 60(1) of the IBC, 2016 confers upon the National Company Law Tribunal (Adjudicating Authority) the jurisdiction to serve as the Adjudicating Authority for the insolvency resolution process and liquidation process of the corporate debtors and personal guarantors of the corporate debtor.

Section 60(2) of the IBC, 2016permits the filing of an application for insolvency resolution of a personal guarantor of the corporate debtor before the NCLT only if the corporate insolvency resolution process (CIRP) or liquidation process of the corporate debtor is already in progress.

Certain personal guarantors have contested the jurisdiction of the NCLT to oversee insolvency resolution for personal guarantors in cases where the corporate insolvency resolution process of the corporate debtor or liquidation process has not yet commenced or resolved.

The resolution of the challenge concerning the appropriate adjudicating authority to initiate insolvency proceedings against personal guarantors was settled by National Company Law Appellate Tribunal in the case of M/s *State Bank of India)* ***vs.*** *Mr. Mahendra Kumar Jajodia*, a ruling that was affirmed by the Supreme Court. The NCLAT determined that the NCLT was the appropriate forum to embark on such proceedings, even in scenarios where there was no ongoing insolvency process against the corporate debtor.

The realm of insolvency cases involving personal guarantors, the existing structure within the IBC lacks mechanisms for recovering assets in fraudulent transactions or avoidance, despite their existence for corporate debtors and individual bankruptcy cases. There are apprehensions regarding the potential transfer of assets before they come under the control of the Resolution Professional. The absence of a recovery mechanism could result in a diminishment of the personal guarantor's estate due to these asset diversions or appropriations.

To tackle these concerns, it is imperative for creditors to incorporate suitable protective measures in the insolvency Resolution Process for Corporate Debtors, ensuring that the outstanding debt remains unpaid until the finalization of the personal guarantor's insolvency process.

The settlement of debt through statutory provisions does not preclude the creditor from pursuing the personal guarantee

Initiating insolvency proceedings simultaneously against the corporate debtor and the personal guarantor would enhance the efficiency and optimize asset value. It is essential to contemplate necessary modifications to the IBC, 2016 that would facilitate the retrieval of diverted assets.

CONCLUSION

Parallel conduct of the insolvency process for corporate debtor (CD) and the personal guarantors of the corporate debtor are consistent with the statutory purpose of the Insolvency and Bankruptcy Code, 2016. This approach not only facilitates a more holistic resolution strategy but also corresponds with the Code's objectives of prompt resolutions and maximizing the value of the corporate debtor. Creditors should embrace this significant development and submit applications to commence the proceedings against personal guarantors, in order to realize the potential benefits for resolution and further optimize their recovery through PG to CD processes. MA

REFERENCES:

1. *IBBI Regulations on PGs to CD.*
2. *IBBI Rules on PGs to CD.*
3. *Supreme Court of India Case on PGs to CD.*

CoC DHARMA (Role of Committee of Creditors- IBC, 2016)

Abstract

The Committee of Creditors (CoC) has been authorized under the IBC, similar to the Board of Directors, to make decisions concerning the corporate debtor, throughout the Corporate Insolvency Resolution Process (CIRP).

As an integral part of this authorizing Code, the Adjudicating Authority, when initiating the CIRP for a company, designates a Resolution Professional, who oversees and implements all decision-making processes during the CIRP and thus administers the CIRP of the company.

Within this authority, a significant aspect is the power of the CoC to review and subsequently approve a resolution plan pertaining to a company (As per sections 30 and 31 of the Code). This authorization is contingent upon the ultimate approval of the resolution plan by the respective Adjudicating Authority (Section 31 of the Code).

During the Code's implementation, the Adjudicating Authority, followed by the National Company Law Appellate Tribunal and the Supreme Court of India, have consistently emphasized the "commercial wisdom" of the CoC in determining the subsequent steps for the corporate debtor thereby facilitating the resolution of the corporate debtor.

Sunil Dasari
Senior Manager
Bank of Maharashtra
Pune
sunildasari755@gmail.com

The inability of a company to meet its debt obligations, usually referred to as insolvency, is a consequence of market dynamics. The Insolvency and Bankruptcy Code of 2016 was designed with the intention of promoting market-driven approaches to tackle insolvency issues. It provides avenues for resolving the situation through "resolution" when feasible, or through liquidation, when necessary, of the company. The Code suggests that a company constitutes a contractual agreement between equity and debt. In the event the debt obligations are fulfilled, equity, overseen by a Board of Directors, exercises full authority over the company. Equally, when the company defaults on its debt, control changes to creditors, managed by a Committee of Creditors (CoC), tasked with insolvency resolution.

This process typically involves restructuring the business and its financial obligations to ensure continuity. Operational creditors (OCs) generally lack the capacity and willingness to participate in resolution efforts. In cases involving OCs, the CoC might decide on liquidation to recover available assets. Financial creditors (FCs), however, possess the capability to restructure debts and make strategic decisions necessary for resolution.

Consequently, the CoC is principally composed of FCs to facilitate the resolution processes. The Bankruptcy Law Reforms Committee, the architect of the Code, incorporated the following two key design principles:

- The obligation to 'settle liabilities of all creditors', including those not directly involved,
- The principle of 'equal treatment' of all creditors' rights.

Based on the provisions stipulated in the Corporate Insolvency Resolution Process (CIRP) mentioned in the code, the Committee of Creditors (CoC) is entrusted with numerous distinct 'Roles and Obligations' that necessitate fulfilment. Some of the principal duties of CoC are:

- Every significant decision is ultimately strengthened subsequent to receiving the requisite authorization from the creditors constituting the CoC.
- The CoC bears the responsibility of judging on the potential restoration of the corporate debtor through the acceptance of the proposed resolution strategy.
- Regular 'convening of meetings' is done by the committee, during which deliberations pertaining to the operational guidelines for the Interim Resolution Professionals / Resolution Professionals are considered upon, ultimately impacting the destiny of the corporate debtor.
- The valued CoC operates on the administrative resolutions set forth by the Resolution Professional.
- They are tasked with the duty of 'scrutinizing and authorizing' the 'Resolution Plan' in addition to any necessary modifications.

Upon achieving a sense of opinion in the practicality and feasibility of the proposed resolution strategy, the CoC may ratify it with a mandate exceeding 66 per cent of the vote.

VALUE MAXIMATION OF THE ENTITY

If a company has defaulted on its debt obligations, it is likely that it is underperforming. In such cases, the Insolvency Code aims to restructure the company in such a way that enhances its performance and optimizes the value of its assets. Fundamental to this process is the 'revival of the company', which safeguards its ability to operate successfully in the future. The Code does not "prioritize debt recovery" as it can erode the company's value. Pursuing debt recovery from the company's assets can deplete its resources, leaving it insolvent.

Moreover, creditors who act promptly tend to recover more compared to those who delay their actions. Hence, the Code prohibits debt recovery during the 'Resolution Process' to protect the company's value. Liquidation is also not favoured as it disrupts the company's operations and diminishes its 'asset value' until they are redistributed. The Code considers the rights of different stakeholders based on a hierarchy to ensure a fair distribution of any remaining assets. Liquidation is considered only when all attempts at resolution have been exhausted.

Resolution aims to maintain the company's value, while liquidation undermines it. The Committee overseeing the resolution process should prioritize solutions that preserve the company's value over immediate liquidation. It is crucial for the committee to distinguish between the fair value and the value proposed by potential investors for the company's resolution.

The Code does not support actions that devalue creditors' interests or involve mere re-shuffling of stakeholders. The involvement of the Insolvency Code is essential when resolution of a company involves various aspects like-

- Financial
- Operational Changes
- Asset Transactions
- Management Adjustments.

Each resolution proposal offers a unique solution to address insolvency issues and ensure the company's long-term viability. Therefore, the Code emphasizes the need for informed decisions by experienced financial experts to select the most suitable resolution plan.

Functioning as an authoritative entity, the Committee of Creditors is significantly immersed in the decision-making process and is also vested with the authority to describe the course of action, proceedings, and the role of creditors.

The following are the conferred powers in accordance with the regulatory framework:

- The CoC possesses the authority to determine the routine operations of the corporate debtor and can make crucial decisions in favour of the company.
- In cases where suspicions arise regarding any malfeasance, they have the capacity to approach the Adjudicating Authority, particularly the National Company Law Tribunal.
- They retain the option to progress with the liquidation process of the corporate debtor even in the absence of approval for any resolution plan.
- Empowered to exercise their commercial judgement, they are entrusted with the power to make decisions on behalf of the corporate debtor.
- This Authority is vested in the CoC owing to their deep understanding of the subject matter and their competence in addressing the critical circumstances faced by a distressed company.

FAIRNESS IN CIRP PROCESS

The ownership of assets within a firm by the CoC or its members is not permissible. Instead, they act as trustees for the benefit of all stakeholders involved.

Therefore, any outcome, positive or negative, arising from the resolution process must be distributed equitably among the stakeholders.

- It is crucial that the CoC does not favour financial creditors (FCs) over operational creditors (OCs) in terms of gains or losses.
- Priority should be given to OCs in terms of payment before FCs is settled, as mandated by the Code. When a firm obtains credit from both FCs and OCs, neither form of credit is adequate on its own, and there is no valid reason for the State to promote one over the other.
- If OCs, for instance, are not treated fairly, they may refrain from extending goods and services on credit, leading to their downfall and hindering the overall objective of facilitating credit availability.
- This principle also extends to different categories of OCs; hence, the CoC should avoid any form of discrimination among creditors. The Code stipulates that the Resolution Process can be initiated upon default of a specified amount.

Early initiation may enable the firm to settle all debts to creditors and sustain its operations. In such instances, any resolution plan approved by the CoC should not unduly restrict the rights of shareholders. If such restrictions are deemed necessary, they should be justifiable and minimal, ensuring that shareholders receive at least the liquidation value.

FULFILLING STATUTORY OBLIGATIONS

The CoC plays a mandated role in the Code. It carries out a public function and has the authority to waive debts owed by involved parties. As a result, it is imperative for the CoC to adhere to the utmost standards of care. This entails not only following due procedures, but also ensuring fairness and transparency in executing its obligations.

The CoC is tasked with formulating an evaluation system that promotes resolution plans accommodating the concerns of all stakeholders equitably, while maximizing the firm's asset value.

The CoC should comprise competent and authorized representatives from financial creditors (FCs). These representatives are expected to actively participate in meetings, deliberate on issues, and make decisions in alignment with the regulatory Code. Additionally, the presence of former Board members of the corporate debtor and OCs in CoC meetings can expedite the resolution process and prevent value erosion.

The Insolvency Code aims to restructure the company in such a way that enhances its performance and optimizes the value of its assets

CHECKS AND BALANCES ON THE POWER

The provision found in section 30(4) mandates the CoC) to evaluate the feasibility and viability of the resolution plan. The Code specifies the process for evaluating the resolution plan, known as the 'evaluation matrix'. The Adjudicating Authority must ensure that the approved resolution plan complies with the requirements outlined in section 30(2) of the Code and includes provisions for effective implementation:

It should also outline the repayment of operational creditors' debts in a manner specified by the Board, ensuring it is not less than what would be paid in case of liquidation under section 53.

Furthermore, the plan should detail the management of the corporate debtor's affairs post-approval, along with the execution and oversight of the resolution plan, while also adhering to all current legal provisions and any additional requirements set by the Board.

CONCLUSION

A company represents the interests of various stakeholders. The CoC plays a crucial role in determining the future of the company and its stakeholders. It serves as the guardian of public trust throughout the resolution process. The primary objective is to seek resolution while steering clear of recovery, liquidation, or the sale of the company. In the process of seeking resolution, the focus should be on maximizing the company's value for the collective benefit of all stakeholders. It is imperative for the company to step up to the challenge in order to uphold its reputation and the authority bestowed upon it by the regulatory Code. MA

REFERENCES

1. *IBBI Regulations on CIRP.*
2. *IBC, 2016.*
3. *Judicial Pronouncements.*
4. *IBBI Quarterly Bulletin.*

IFSC AND IFSCA

Abstract

The IFSCA, is India's newest regulator. It is the regulator for securities, banking, insurance, finance including sustainable finance, pension and other ancillary services for IFSCs in India. This article, part of a series, is a brief introduction to the IFSCA.

Pradeep Ramakrishnan
Executive Director
International Financial Services Centres Authority (IFSCA)
GIFT City
Gandhinagar
pradeep.ramakrishnan@ifsca.gov.in

What is an IFSC?

The world economy is increasingly getting globalized - and in such aglobalized world, international funds – represented through capital as well as borrowings - act as an important driver of economic growth and development. An international financial services centre caters to customers outside the jurisdiction of domestic economy, dealing with flows of finance, financial products and services across borders.

London, New York and Singapore are some of the oldest financial centres in the world and they have performed effectively as global financial centres.There are other new international financial centres in the world like Shanghai, Dubai, Abu Dhabi etc. which are also becoming serious players who aspire to have a global role.

History – India's IFSC

In India, an expert panel headed by former World Bank economist Percy Mistry submitted a report on making Mumbai an international financial centre in 2007. Unfortunately, this coincided with the global financial crisis that broke out in 2008 as it made global economies cautious about rapidly opening up their financial sectors, including India.

A considerable amount of time has passed since then and now India has galloped in GDP and per capital income and has become an economy the world is increasingly interested in. Hence it was thought fit that the setting up of the IFSC in India will help in tapping global capital flows to meet India's development needs and simultaneously provide international issuers a globally competitive financial platform for the full range of international financial services.An Indian IFSC was thus born.

IFSC and a SEZ

In India, the IFSC can be set up in a Special Economic Zone (SEZ) - The SEZ Act 2005 allows setting up an IFSC in an SEZ or as an SEZ after approval from the central government. Setting up the IFSC in a SEZ enables the Government to carve out exemptions and other benefits – including, mainly, tax - for entities only in that zone, thus enabling a 'sandbox' like environment and a testing ground for certain activities before they can be extended to the entire country and, by that, the world. This is why they serve as breeding grounds for innovation and new approaches to finance.

The Gujarat International Fin-Tec City (GIFT City) is the first - and so far, the only such - SEZ set up so far in India.

What is the IFSCA?

The IFSCA is the unified authority for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre (IFSC) in India. At present, the GIFT (Gujarat International Fin-Tec City)IFSC is the maiden international financial services centre in India. Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, SEBI, PFRDA and IRDAI regulated the business in IFSC for a short period.

The IFSCA website[1] says:

"As the dynamic nature of business in the IFSCs

[1] *https://www.ifsca.gov.in/Pages/Contents/AboutIFSCA*

requires a high degree of inter-regulatory coordination within the financial sector, the IFSCA has been established as a unified regulator with a holistic vision in order to promote ease of doing business in IFSC and provide world class regulatory environment. The main objective of the IFSCA is to develop a strong global connect and focus on the needs of the Indian economy as well as to serve as an international financial platform for the entire region and the global economy as a whole."

At present, the GIFT IFSC is the maiden international financial services centre in India. Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, SEBI, PFRDA and IRDAI regulated the business in IFSC.

As the dynamic nature of business in the IFSCs requires a high degree of inter-regulatory coordination within the financial sector, the IFSCA has been established as a unified regulator with a holistic vision in order to promote ease of doing business in IFSC and provide world class regulatory environment. The main objective of the IFSCA is to develop a strong global connect and focus on the needs of the Indian economy as well as to serve as an international financial platform for the entire region and the global economy as a whole.

Legal enablers

Section 23 (3) of the Companies Act, 2013 has been notified on September 28, 2020, enabling listing of equity shares of public Indian companies in permissible foreign jurisdictions, including IFSC. Prior to the establishment of the IFSCA, the listing of equity in IFSC by companies incorporated in India and foreign jurisdictions was regulated by:

- The Companies Act, 2013*
- the SEBI (IFSC) Guidelines, 2015,
- the SEBI (Issue of Capital and Disclosure requirements) Regulations, 2018,
- the Foreign currency depository receipt scheme read with allied circulars.

**The MCA issued a notification on August 05, 2021, under section 393A of the Companies Act, 2013 exempting foreign companies/ companies incorporated outside India from the provisions of sections 387 to 392 of the Companies Act, 2013 in so far as they relate to the offering for subscription in the securities, requirements related to the prospectus, and all matters incidental thereto in the IFSCs. Thus, the said notification facilitated listing of Foreign Companies.*

Timeline of events

The following is a timeline of important events relating to IFSC/ IFSCA:

Month and date	Event
December 2015	First International Financial Services Centre (IFSC) in India was set up in Gujarat International Finance Tec-City (GIFT City)
2019	The Government of India enacted an Act of Parliament called the International Financial Services Centres Authority Act, ('IFSCA Act') 2019.
April 2020	The IFSCA was established as a statutory body under the International Financial Services Centres Authority Act, 2019. On April 27, 2020, the Finance Ministerinaugurated the IFSCA.
May 2020	The IFSCA released its first set of regulations, namely the IFSCA (Banking) Regulations, 2020.
June 2020	The IFSCA signed an MoU with the Monetary Authority of Singapore (MAS) to strengthen cooperation in financial services between India and Singapore
July 2020	The IFSCA announced the launch of its regulatory sandbox framework for testing innovative financial products, services, and business models
September 2020	The IFSCA issued the IFSCA (Insurance) Regulations, 2020, for regulating the insurance sector

December 2020	IFSCA signed an MoU with the Abu Dhabi Global Market (ADGM) to promote and develop the financial services industry in their respective jurisdictions
February 2021	IFSCA issued the IFSCA (Capital Market Intermediaries) Regulations, 2021, for regulating capital market intermediaries
March 2021	IFSCA issued the IFSCA (Investment Advisors) Regulations, 2021, for regulating investment advisors
July 2021	IFSCA issues the IFSCA (Issue and Listing of Securities) Regulations, 2021 containing the stipulations for Indian and foreign entities to issue securities – equity and debt – on the stock exchanges in the IFSC as well as continuous listing requirements for such entities once they list securities.
April 2022	IFSCA introduced the IFSCA (Fund Management) Regulations, 2021 for regulating the business of fund management services including alternate investment funds, portfolio management, mutual funds, accredited investors etc.

IFSCA – Scope

The IFSCA, which promotes, regulates and develops financial services in the International Financial Services Centres (IFSCs) located in India, has the following key functions and responsibilities[2]:

- *regulating financial services and products, including banking, pension, securities markets, insurance and other financial products and services.*
- *granting approvals and permissions to entities operating in the IFSCs, including financial institutions, intermediaries, and other service providers.*
- *entering into memoranda of understanding with other regulatory bodies, financial institutions, and governments of foreign countries to promote financial services leading to international co-operation;*
- *framing regulations and rules for the conduct of financial services and products;*
- *making recommendations to the Central Government on matters related to the regulation and development of IFSCs;*
- *regulating capital markets / banking service / insurance services / pension services including issue of regulations, guidelines, and directions for entities operating in these markets*
- *resolving disputes arising out of financial transactions in the IFSCs, including between parties located in the IFSCs and parties located outside the IFSCs – towards this, the IFSCA is making efforts to turn the GIFT IFSC into an international arbitration centre.*

Conclusion

An IFSC has tremendous scope in '*onshoring the offshore'*, by making it a viable option for low cost borrowing and capital raising, provide opportunities for cross border banking and insurance services as well as treasury and tax management, mergers and amalgamations, thereby contributing to a nation's as well as the world economy. The IFSCA aims to make the IFSCs in India vibrant and a viable place that contributes to the world economy. The GIFT is just the beginning.

This article is the first in a series of articles about the IFSCA and its activities. MA

[2] **Source: IFSCA website** www.ifsca.gov.in

DIGITAL TRANSFORMATION OF SYNCHRONOUS AND ASYNCHRONOUS KNOWLEDGE TRANSFER AND LEARNING WITH EdTech

CMA (Dr.) Paritosh Basu
Senior Director (Services)
Stragility Consulting Pvt. Ltd., Mumbai
paritosh13286@outlook.com

Synopsis

Technology formally entered academia around 1450s AD when the printing press started being used for making books available to learners. Long after about seven centuries, gradual adoption of information, communication, and digital technologies brought overwhelming changes for speedier, more effective, and impactful teaching, learning, training, and evaluation. These rendered both synchronous and asynchronous modes much smarter and more exciting particularly for generations Y and Z. The advent and evolution of Web1 to Web3 has made globally accessible distance learning an indispensable part of contemporary education management development systems. Efforts have been made to narrate certain major dimensions and the collective effects of all these technologies culminating in EdTech. It has also deleneated the taxonomies behind and the impacts of AI and Generative AI on EdTech.

Image Source: *https://er.educause.edu/articles/2022/9/digital-transformation-in-higher-education-7-areas-for-enhancing-digital-learning*

Introduction - Teaching and Learning Processes

The ancient form of education spread possibly through synchronous mode. The process was through teachers' deliberations, writing on the stone plate, explanations, clarifications, and answers to questions of students. Oxford Dictionary defines the term 'education' using many synonymous words, viz., teaching, schooling, tuition, instruction, indoctrination, enlightenment, inculcation, development, improvement, and so on. Therefore, any technology that can speed up one or more of these processes, and/or obviate the physical presence of a teacher can be called technology-based help, platform, media, and/or tools. All these can collectively be called EdTech.

Imparting and attainment of knowledge, schooling, and learning can take place in three different modes, viz., synchronous, asynchronous, and hybrid. Synchronous mode is a situation when the teacher and the students are physically present in one place while participating in the process of imparting and gathering knowledge. Asynchronous mode is when the student is alone and is learning from books, teaching notes, or any other learning resources. That is why it is popularly said that the pinnacle point of achievement by an author is when a student feels while learning asynchronously that the writer of the book is invisibly present with her/him and helping to learn.

The hybrid model started with the advent of high-speed ICT. It happens when a student learns by watching a video, with or without other students joining in one place. She/he can feel that the teacher is virtually present with her but cannot interact, ask questions, and get answers. At best those can be conveyed by writing in a chat box and the teacher can reply instantly or later. An improved version of this is teaching through video conferencing platforms like Zoom, MS Teams, etc. These facilities provide a virtual classroom and were extensively used during the COVID-19 pandemic. The author, having personally used it during that period is of the view that emotional connection, one of the most important requirements for teaching, remains missing, besides control over students.

Objective

The sole objective of this paper is to develop a simple understanding of EdTech platforms and solutions. It has made efforts to narrate how the efforts of teachers, researchers, knowledge integrators, computer and communication technologists, and digital scientists have culminated into a digital platform that is gradually becoming an essential part of a learner's life across all ages and academic disciplines. This paper also examines the taxonomies that are followed in building learning and training solutions coupled with facilities for continuous self-evaluation. Multivarious impacts from the adoption and applications of AI tools have also been delineated in the paper.

Genesis, Definition, and Evolution of EdTech

The genesis of education is as old as human civilisation. There was no formal medium for documentation at the beginning. In ancient India, the media of learning and knowledge transfer were *Shruti* (hearing) and *Smriti* (remembering). *Vedic Rishis* used to pass on knowledge through word of mouth to disciples assembled at *Gurukul,* the seat of learning. Writing of scripts for learning started on dried long tree leaves. Moving fast forward, with the introduction of the printing press, being the first technology for spreading knowledge and education, came the written media for mass usage. Computing technology provided the electronic medium for learning and knowledge delivery from around the late 1960s.

EdTech can simply be defined as systems and applications of technology-based education, delivered through the internet or by robots. The process is organised by leveraging computing software, digital, communication, and mechatronic technologies, and hardware to offer platforms/media for learning, self-evaluation, and enhancing effectiveness of learning. It can be asynchronous and virtually synchronous. With the advent of the internet and Web1, riding on wireless communication technology, one-way knowledge transfer in digital form started for mass use. Wikis came in 1989 and Wikipedia was launched on January 15, 2001, as a resource for information and learning. Some schools of digital evangelists call it the first formal version of web based EdTech. E

Readers would, therefore, agree that there is no single source to which one can attribute the credit as the genesis of EdTech. Many technologies culminated in EdTech to evolve and cater to the needs of students from the kindergarten level to those of researchers over the past several decades. The new addition to all these is the Generative AI. Therefore, it would not be right to conclude that the genesis of EdTech lies in ICT and digital technology only. This can further be justified by bringing in the definition of technology as *"The application of scientific knowledge for practical purposes."* By this definition in the era of 1440 AD invention of the printing press was also a technology that evolved further to enable the mass production of printed pages bound as a book as a medium for learning and gaining knowledge.

Categories EdTech Solutions and Platforms

Educational Technologies can be classified from the perspective of their usage and circumstantial and environmental positioning. Predominantly those classified groups are for 'Engagement of Classroom', Asynchronous Learning, Self-evaluation, Conducting Examination and Evaluation using Digital Platforms, etc.

EdTech Companies and solution designers adopt different approaches and target different groups and levels of prospective learners and trainees as well as institutional/corporate customers while designing their facilities. Some of them specialise only for academic purposes with target customers being only different levels of academic institutions like schools, colleges, and universities. Many of their platforms can also be simultaneously subscribed to by institutions for bulk deliveries and by individual customers for distance learning and skill enhancement. The best example of this dual customer groups model is Coursera. There are many EdTech startups and Unicorns in India. The following is a logo-centric list of the major twelve Indian EdTechs organisations:

Source of Images: https://iimskills.com/ed-tech-companies-in-india/

Readers may please refer to the afore-quoted website to gather details about the above and many more such EdTech Companies in India. Besides the above Indian EdTech entities, several other giant entities are also servicing from overseas locations through the Internet like Coursera, Oda Class, Amazon Academy, Snapsolve, etc. From the perspective of the types of their platforms and delivery EdTech facilities can be divided into the following categories:

EdTech for Synchronous Teaching and Learning

One may believe that EdTech solutions, created by applications of ICT and digital technologies, are not required in synchronous classroom teaching processes and those are meant for distance learning only. The teaching community and students will agree that even a Smart Board, a 'many in one' kind of digitalised large TV screen-based solution, has immensely contributed to and upgraded the method of synchronous teaching. Teachers are equipped with, inter alia, quick access to the internet and repository of knowledge, digital board writing that can be saved and shared, and split board facility for simultaneous presentation of the theory and solving problems among many other such facilities.

EdTech for Asynchronous Teaching and Learning

EdTechs have advanced many more versions/steps ahead, in addition to asynchronous learning. Students can now directly subscribe and access learning materials to read and learn, e.g., the platform offered by Coursera.

Such platforms provide the entire learning management solution (LMS) for an entire course/subject, including self-evaluation of application proficiency.

Students can also evaluate the extent of attaining error-free knowledge and learning, their ability to solve mathematical or accounting problems, etc. by invoking the Test facility. The solution will put questions on the computer screen from MCQ-type quizzes to stiffer and stiffer questions/problems with facilities for students to answer. Post this EdTech solution will promptly reveal the grade/marks of the student or take her/him through another tour of questions from the preliminary level to the hardest level. If need be, students can again go back to learning materials. The system will not permit the learner to take up the next chapter or level of learning until the previous level/chapter is cleared through such a process of evaluation. The globally famous EdTech firm Coursera provides such asynchronous facilities among many others.

EdTech for Virtually Synchronous and Hybrid Learning and Training

With the World Wide Web (www) evolving to Web2 the process of imparting digital technology platform-based education and training facilities became virtually interactive and video enabled. Adoption technologies for AR, VR, and MR, Gamification, and Metaverse upgraded the virtual learning environment manifold. These rendered the platforms virtually synchronous with options for hybrid deliveries. The present Web3 technology further advanced these processes and made visualisation. Web3 enabled the introduction of 'Distance Laboratory Work' for experimentation required for subjects like physics, engineering, etc. This process is called Decentralised Science or DeSci.

The video conferencing service providers joined the bandwagon of EdTech entities in a big way during the COVID-19 pandemic period. They rendered invaluable services to teachers and learners across the world to continue with the process of learning and knowledge transfers. All stakeholders for institutionalised education systems across all academic levels became dependent on such virtual classrooms participating from anywhere through the internet. This mode of EdTech has now become a co-existent medium for teaching, training, learning, and evaluation.

Infusion of AI and ML into EdTech

The infusion of AI and ML into EdTech upgraded the process for evaluation and grading learners with a step-by-step assessment of the extent and effectiveness of learning. For this purpose, gradually stiffer questions are put forward from the question bank with the student progressively answering harder questions and vice versa. AI helped automate the evaluation of written content by using OCR technology. Adoption of AI, ML, and BDA also helped enhance the assessment of efficacy and purposeful analyses from the perspective of the rightfulness of immersive content, and virtual pedagogy. A combined analysis of results from both evaluations brings out the need to improve those immersive contents.

Various cognitive technologies have also provided system designers, teachers, and learners with many other facilities. AI helped immediate assessment of the extent of absorption and learning by assessing the:

- Impacts and pattern of changes reflected on a learner's face and body language,
- Pattern of verbal interactions, questions raised by the learners, and/or failure to answer questions when the teacher adopts the Socratic method of teaching,
- The nature of notes typed by her/him on the digital notepad for subsequent self-paced study,
- Errors committed while answering questions for self-evaluation at the end of a chapter, etc

Based on such assessments the system can prompt the student to relearn certain specified parts of the content to fill of gaps and/or rectify errors. AI can also automatically change the pattern for visual/immersive content for ease of learning.

8allocate.[1] reports that *"Knewton, an adaptive learning company, has helped increase student test scores by 62% in participating institutions with the help of AI-driven personalized learning. AI models can take over multiple mundane admin tasks such as student orientation, transcript reviews, and prospect outreach."* AI thus augments the effectiveness and efficiency of the EdTech platfomrs by the following:

- Automated KYC and registration of learners,
- Profiling of Learners through initial questions and answers,
- Intelligent Tutoring System,
- Self-paced Learning Facilities,
- Adaptive Classroom Teaching,
- Automated Testing and Assessment,
- Performance Analytics of Learners, including the impacts of demographic attributes,

- Listing Requirements for Modification, Upgradation, etc. for the EdTech solution designers based on analyses of feedback from learners and emerging pattern of their performance.

Howard Gardner's Theory of Multiple Intelligence and EdTech

The popular belief is that a person can learn in three ways, by seeing and observing or visual learning, by listening or auditory learning, and by manipulating, touching, and feeling objects or kinaesthetic learning. However many other theories have proved that human beings learn and acquire knowledge by applying other kinds of intelligence and making other objects the medium of learning. The most popular of them is the 'Theory of Multiple Intelligence'2 ideated by Prof. Howard Gardner3 and his co-researchers at Harvard University School of Education. They have established that a human being has the following nine different intelligences which help them to learn.

1. *Verbal-linguistic,*
2. *Logical-mathematical,*
3. *Spatial-visual,*
4. *Bodily-kinaesthetic,*
5. *Musical,*
6. *Interpersonal,*
7. *Intrapersonal,*
8. *Natural (by observing nature) and*
9. *Existential or from day to day living of self*

Source of the graphic: https://www.simplypsychology.org/multiple-intelligences.html

Gardner has defined Intelligence as a *"Biopsychological potential to process information that can be activated in a cultural setting to solve problems or create products that are of value in a culture" (Gardner, 2000, p.28)."*

Teachers, researchers, and knowledge integrators in collaboration with innovative solution designers have made the best use of the above nine intelligence with the help of digital technologies and robotic process automation (RPA). Their innovative graphical and immersive presentations, visualisation of knowledge, and smart and digitally enabled pedagogical expositions made EdTech an attractive platform for learning. The learner or trainee has to follow simple processes in a computing device or smart phone. They have affirmatively aroused and exploited all these nine different intelligences of mankind. Many times, conventional asynchronous classroom teaching methods may not be able to achieve such beneficial exploitation of the said nine different intelligences of human beings.

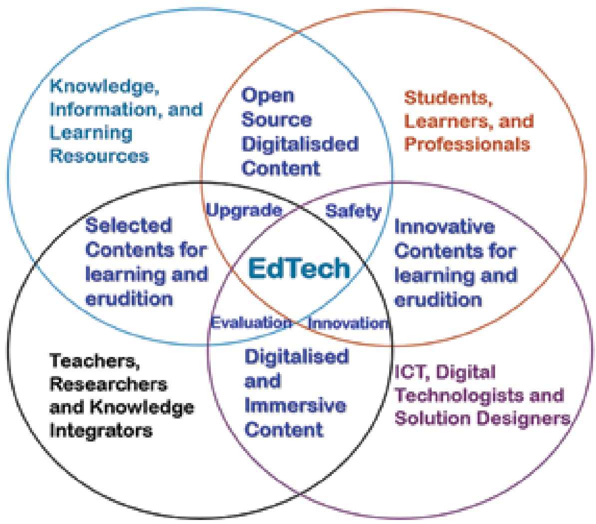
Nature and Taxonomy of EdTech

Adoption, application, and integration of digital technologies for creating digital platforms or Apps for academic education, training and application-oriented skillset development purposes, using any type of computing devices, or large smart board type devices, is a learner-centric product. It should aim at virtually holding hands of users and taking them forward in their journey to learning and attaining skills. The learner can be a student of any specified academic level, or a professional from any industry. It should advance and/ or diversify her/his knowledge and help attain new skill sets. The user can even be a teacher who prefers to refresh and complete the journey through an EdTech platform before suggesting to his target learners.

EdTech is essentially an 'Instructional Technology'. The Association of Educational and Communication Technology (AECT)3 has defined it as *"The theory and practice of design, development, utilization, management, and evaluation of processes and resources for learning"..... instructional technology involves the application of theory from different fields, developing learning materials and using it, and evaluating the outcome from the point of learner and professional teachers. Here the focus of technology is to enhance or facilitate learning*".

Therefore, any EdTech product must be purposeful for its target users and comprehensive for the segment of knowledge and learning, or any specific academic course it aims to impart and then assess the learning impact. It is, therefore, important for readers to understand and appreciate the Taxonomy of EdTech.

A Schematic View of Taxonomy for EdTech



Source: Created by the author

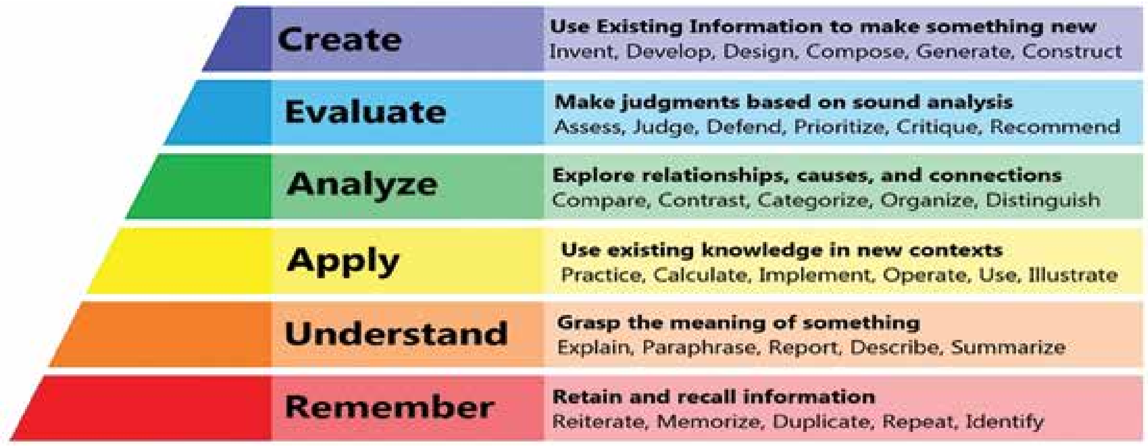
Taxonomy is a biological term. According to the World Taxonomy Initiative, It is defined as ".... *the science of naming, describing and classifying organisms and includes all plants, animals, and microorganisms of the world.*" In that light, the above graphic depicts the four major components of EdTech Universe. The first level intersections of those four major circles generate another four components and the second level intersections four more. Thus, twelve major and common components have been included in the above graphic, albeit there can be more specific to any EdTech solution. Due to the limitation of space, those are not being explained.

There can be several more sub-components and drivers underlying each one of the above 12 elements. For example, for 'Upgrade' the EdTech solution will provide facilities for generating feedback from learners and retain performance-related statistical data on the efficacy of application-oriented learning reflected through each learner's score in evaluation. Through the application of AI-based tools the 'Teachers and Knowledge Integrators' must provide insights by data analyses and suggest more inputs to the solution designer to modify/upgrade the content and questions for evaluation. This would help subsequent developments and upgrade the system to in turn improve the overall performance of learners and thus the EdTech App itself. Hence the new taxonomical component is the AI-based 'Feedback', 'Evaluation Score Sheet ', and the AI-based 'Cognitive Tools' for drawing insights.

Bloom's Taxonomy for Pedagogy and Post-learning Evaluation

In addition to Howard Gardner's 'Theory of Multiple Intelligence' the knowledge integrators and solution designers for EdTech should adopt the six levels of 'Bloom's Taxonomy'. The objective should be to make the process of learning multilateral/multimodal and enable users to gradually scale the higher levels of knowledge and creative skills. Those also help design systems and processes to assess the efficacy of learning and application skills of the learners.

Therefore, while designing the back-end EdTech platform, the front-end APP, the 'Digitalised Immersive Content' and 'Virtualised Pedagogy' knowledge integrators and solution designers should keep in mind those six levels. This is because through the EdTech solution, they must facilitate the users to gather knowledge, visualise the entire content for learning at ease, and attain application-oriented skills to ensure that a learner also achieves the following six levels of capabilities as suggested by Bloom's Taxonomy:



Source: https://courses.dcs.wisc.edu/design-teaching/PlanDesign_Fall2016/2-Online-Course-Design/2_Learning-Objectives-Alignment/6_objectives_blooms-taxonomy.html

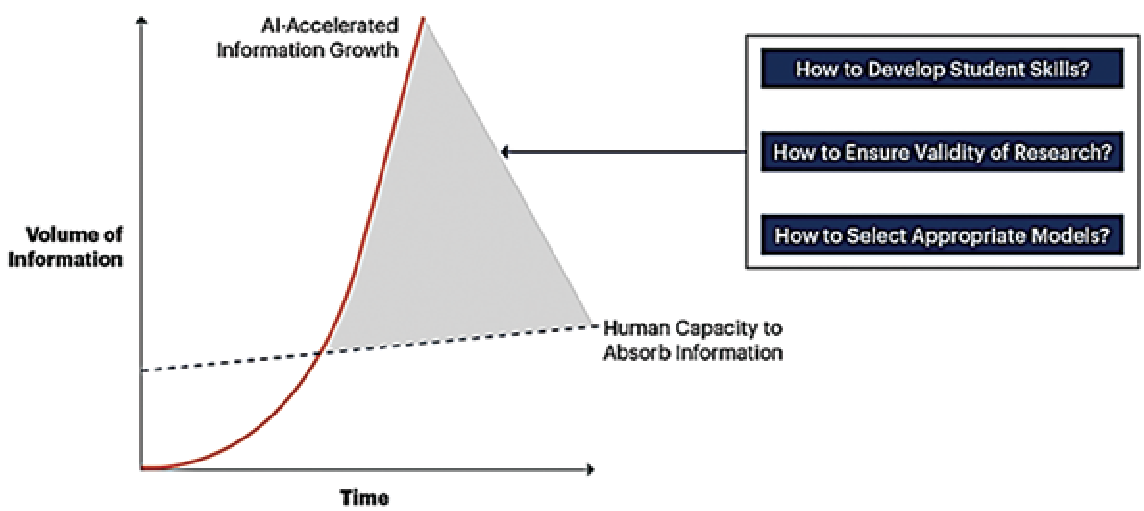
Bloom's Taxonomy, therefore, in one sense represents the aspirations of the learners. It prompts the solution designers that a learner will use the EdTech product only if it provides the right kind of knowledge and skills by holding the hands of learners. It must help users to be equipped with the right capabilities from the bottom level of learning and understanding to scale up for creating something new. In the process, the EdTech platform must help them assimilate, apply, and analyze the immersive knowledge and learning content in the repository of the platform, i.e. the levels as revealed by the above pyramid of Bloom's Taxonomy. In the ultimate analyses thus the EdTech will help the learner to upgrade to creative category at the pinnacle.

It is worth noting here that during the early 1990s Chip Bruce, an information scientist of the USA, created a taxonomy for the use of information technology from the perspective of impulsive actions of children on matters of advancement of knowledge and evaluation thereof. Those four taxonomical elements were coined considering the American Philosopher John Dewey's4, *'four impulses of the child': inquiry, construction, communication, and expression*." According to James a Levin3 these four have guided teachers, knowledge integrators, and EdTech solution designers *".... in the uses of technologies for education to better understand the range of uses and it has also helped spur the development of new uses*". These are equally worth adopting while designing EdTech solutions.

Surge of Academic Contents

The latest development in the field of AI in the form of Generative AI has unfolded and heightened the expectations from EdTech. According to a publication of Gartner containing EdTech related predictions for 2024, *"Education CIOs are evaluating generative AI's potential and managing its risks. This challenge, along with the continued need for operational efficiency, student experience and competitiveness, creates a complex landscape that education CIOs must plan to navigate. …… GenAI-created content – Teaching, Research, offers potential for both students and faculty to accelerate the production of engaging content, and enable assets to flex to different global contexts and be delivered in multiple languages.*" Without quoting any number Gartner has included the following graphic for all stakeholders of EdTech to appreciate the order of magnitude in terms of rate of growth over a given time frame in Generative AI driven contents for EdTech vis-à-vis mankind's ability to absorb those. Gartner has also raised three questions to be pondered over for if humanity has to find answers to match the speed.

AI-Driven Rush in Growth of Contents Vs. Human Absorption Capacity



Source: Please see at serial number 5 of Webliography

With extensive use of Generative AI enabled Large Language Models (LLMS) and high speed cognitive tools for language conversion, EdTech solution designers will be able include in their platforms application based wide range of case studies as learning contents. All these will most certainly improve effectiveness and popularity and of EdTech platforms. However, everyone in the EdTecch solution builder community must be cautious about and protect from all the evils of Generative AI that have been experienced so far including plagiarism and stale/ misinformation.

Benefits of EdTech

From the above discourse, the readers by now must have observed and realised the benefits of EdTech platforms. Given the shortage of space those are not being re-articulated. Readers might have understood that EdTech platforms are set to render commendable services to the learner, teaching, and re-learner community, including for management development. By many counts the EdTech systems provide flexibility and convenience of learning at an affordable cost. As the number of users increases year over year costs also will decrease. EdTech solutions are dynamic and first adopters of knowledge rather than books.

EdTech service providers are gradually developing a global academic economy. According to a publication of the World Economic Forum6, *"The next 10 years will see 800 million K-12 graduates and 350 million post-secondary-school graduates globally, and expenditure on education around the world is set to hit $10 trillion by 2030. In that growing global education ecosystem, Edtech is set to play a critical role."*

Conclusion

The author feels that he should write its second volume to make it more comprehensive from the several other perspectives not covered in this paper. Leaving those aside, orthodox group of people can say that there is no substitute of classroom teaching. EdTech platforms deprive students from experiencing the love, affection, strict discipline, and emotional bonding with the teacher. It also deprives students of the benefits of body language, anecdotes, emotional intelligence, and pearls of wisdom of the teacher. But despite all these, given at its present state of affairs, EdTech has shown all promises and potentials to co-exist with classroom teaching and grow. MA

Bibliography and Webliography

All the quoted websites have been accessed during February and March and April 2024.

1. *https://8allocate.com/blog/the-impact-of-ai-in-edtech-7-market-use-cases/*
2. *https://www.niu.edu/citl/resources/guides/instructional-guide/gardners-theory-of-multiple-intelligences.shtml*
3. *https://woulibrary.wou.edu.my/weko/eed502/what_is_instructional_technology1.html#:~:text=According%20to%20the%20Association%20for,processes%20and%20resources%20for%20learning%22.*
4. *https://www.researchgate.net/publication/276382139_Taxonomies_of_Educational_Technology_Uses_Dewey_Chip_and_Me*
5. *https://emt.gartnerweb.com/ngw/globalassets/en/content/documents/predicts-2024-education-automation-adaptability-and-acceleration reskin.pdf?_gl=1*r05s9w*_ga*MjQwOTQ3NzMzLjE3MTE2MjMwODM.*_ga_R1W5CE5FEV*MTcxMTYyMzA4My4xLjEuMTcxMTYyMzI1NC4yOS4wLjA.*
6. *https://www.weforum.org/agenda/2024/02/these-are-the-4-key-trends-that-will-shape-the-edtech-market-into-2030/*

BEYOND TRADITIONAL COST REPORTING THE BUSINESS STRATEGY CONNECT

Abstract

As a continuum of the Beyond Traditional Cost Reporting series, started in March 2024, this article starts with addressing the Business Strategy context and how the Internal Cost Reporting should be able to provide support for the Cost Connect to Business Strategy. While the Business Strategy concentrates on the twin rails of Top Line and Bottom-Line growth, once the Top Line growth strategy is achieved, it is assumed that the Bottom-Line growth will automatically follow. It is like going ahead with full steam ahead in unchartered territory, without a compass or in the present-day context a Google Map. The reason for many businesses failures, point out the absence of cost connect to the Business Strategy. All these and the vital need for transformation of the Cost Management System will be explored in this article.

CMA M. Gopalakrishnan
Former President of ICMAI (2011-12)
Mentor-CII-TCM National Committee
Practicing Cost Accountant
Chennai
mgopalak@gmail.com

Here's a pictorial representation of business strategy, capturing the essence of strategic planning, foresight, and various aspects of innovation in business through the metaphor of a chess game. Each piece and element in the scene reflect different strategic considerations and tools used in the business world. (Courtesy: OpenAi – ChatGPT 4 DALL-E image)

Introduction:

Every business entity, tries to improve its performance, aiming at growth in Top Line and Bottom Line, trying to be one of the leaders in the sector and the segment it is in. The top line grows by expanding the customer base as well as customer segment and providing a value proposition to retain them and expand. The entity's competitive positioning also changes based on the PESTEL forces (Political, Economic, Social, Technological, Environmental, and Legal factors) which makes it develop robust strategies to navigate the challenges and capitalize on opportunities, to achieve sustainable growth. The various aspects mentioned above are encapsulated in the commonly used term "Business Strategy".

Key Dimensions of Business Strategy:

The key dimensions of the Business Strategy start with the "Vision and Mission" statement articulating the long-term purpose and goals of the organization, providing direction and inspiration for all stakeholders. Next comes the "Market Analysis and Segmentation", which needs understanding the industry landscape, identifying target markets, and segmenting them based on demographics, psychographics, and behaviour. The "Competitive Analysis" studies the strengths and weaknesses of competitors, as well as market trends, to identify opportunities and challenges. The "Value Proposition" defines what sets the company apart from competitors and how it delivers unique value to customers. All these have to be defined clearly in "Strategic Objectives", setting clear, measurable goals aligned with the company's vision and mission.

The Business Strategy will remain on paper, unless financial, human, and other resources are effectively Allocated to support strategic initiatives and achieve objectives. The entire exercise must be fitted in to a "Business Model" which is sustainable and scalable one that outlines how the company creates, delivers, and captures value. The PESTEL forces outlined earlier, creates a fluid business environment, which can be tackled by fostering a culture of innovation and identifying opportunities for product, process, or business model innovation.

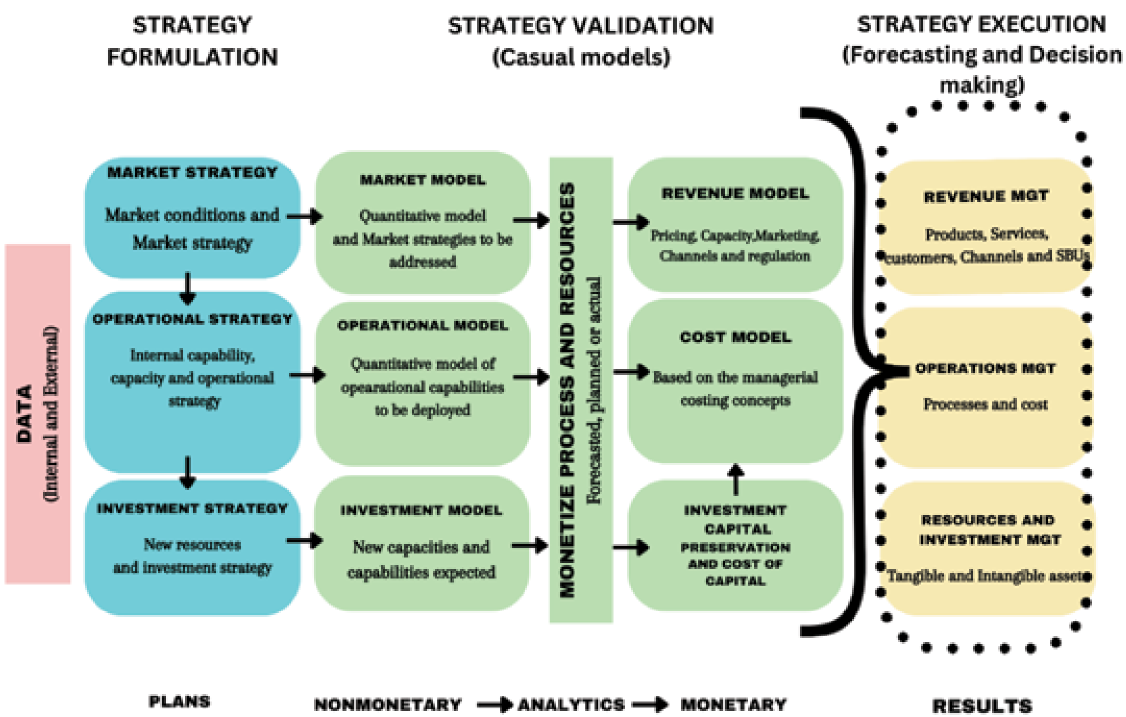
The next bucket list consists of operational areas which look at developing plans to reach and engage target customers effectively and convert leads into sales. This has to be backed by an Operational excellence strategy streamlining processes, optimizing efficiency, and ensuring quality and consistency in product/service delivery. All planning will go haywire, unless a Plan B is in place which tackles the issues by Identifying and mitigating risks that could hinder the achievement of strategic objectives. This naturally has to be laid on a sound "Organizational Structure and Culture" that supports the execution of the strategy. Whatever is measured can be managed. A robust "Performance Measurement and Evaluation system" by establishing key performance indicators (KPIs) and metrics to monitor progress and evaluate the effectiveness of strategic initiatives, is the foundation of a successful business strategy. In a world of dynamic changes, the learning and unlearning has become a key requirement, which enables, ability to adjust strategies in response to changes in the internal or external environment.

Except for startups who are in their initial growth phase, all other entities look at enhancing sustainable stakeholder value, which loosely translates into top line and bottom-line growth, irrespective of the dynamics of the business environment. New entrants continuously challenge the established players by their Innovation strategy, which enables them to overcome the traditional challenges and deliver new value prepositions to the customers. This introduces the new terminology of "Value Cost Management",

Business Model Canvass:

A business model that aligns with the business strategy is crucial for ensuring that the company can effectively execute its strategic objectives and create value for stakeholders. It is tailormade to suit any of the Business Strategies that may be unique to the specific business environment. Some of the strategies that are common are Product/ Service differentiation, Cost Leadership, Focussed Market Segment, product/service innovation, Partnership or alliance and Digital Transformation (latest). By aligning the business model with the business strategy, companies can ensure coherence and consistency in their approach to creating value and achieving strategic objectives.

The following chart clearly explains the contours of Business Strategy Process:



(Ref: PACE: Strategic Management e-book – profitability Analytics centre of excellence)

Since this article is not about Business Strategy, focus is now shifted to Cost Management thread, which runs through all the dimensions and models which were discussed so far.

CFO Speak:

In the CFO Leadership Summit held on 23rd March 2024, organised by Members In Industry Committee of ICMAI and Bengaluru Chapter of Cost Accountants, many CFOs shared their emerging role in future, apart from suggestions on the role of professional institutes like ICMAI. They Key Takeaways are:

- CFO's role has become one of Business Partnering rather than pure compliance orientation. Although the present compliance orientation takes 40% of their time, going forward, it will come down drastically, based on the shared services taking over their role both In Financial Reporting and Corporate Governance. Thanks to the GI,AI and BI advancements, a flawless Annual Report can be prepared on the go with as many iterations as required available, parallelly testing the statutory compliance requirements, with an oversight from the CFO.
- The Business Partnering becomes the focal point for the CFO as BPG (Business Performance Graph) aka ECG of business, indicates the possible spikes that happen in the implementation of the Business Strategy and test the course corrections on the go.
- A new segment of current and predictive reporting is emerging, where the feedback from the past is used to update the performance management system with , which red flags indicating deviations from the planned path.
- The IT Integration has become the buzzword, as the CFO has to trigger the IT system to provide meaningful real time and predictive analytics, based on the ongoing feedback control loop from the business, going beyond the business as usual of transaction processing.
- The emerging MIS reporting is not restricted to the traditional periodical basis, but pops up on the mobile, automatically triggering response requests from the process owners from the CEOs themselves.

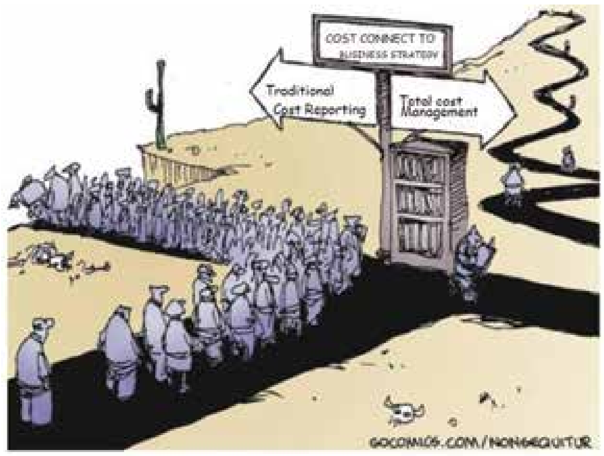
Cost Management Architecture:

It is a challenging task to retune the existing cost accounting system to cater to the cost management system, that supports Business Strategy. Strategy can never be historical and always focussed on present and future. The three building blocks of Business Strategy, Viz., market, operations and Investment are intertwined with interactive algorithms for multiple scnerios. The various permutations and combinations of business strategy scenarios, tested on the cost algorithm structure, provide the basis for target KPIs, which can be compared with the actual to provide course corrections as and when necessary.

The traditional cost reporting with a mandatory reconciliation with Financial Reporting will never fit into this picture, as the target KPIs are indicative of a trend and not hard coded like past actuals.

The Total Cost Management Architecture:

An introduction to the TCM (© CII-TCM Division) Architecture has been provided in the first article in this series. In the assessment of the TCM Maturity Model, evaluation of the cost management connect to the various dimensions of Business Strategy, becomes a key focus area. The key points which are looked at from the assessment perspective give a clear indication of how the strategic cost information can be provided by the cost management system.



(Adapted from CFO Pathways Chart by Gary Cokins-Copyright 2020 www.garycokins.com)

Embedding the Business Strategy connect to Cost Management systems:

The cost management connect to the Business Strategy should enable provision of intelligible cost information of each of the key dimensions of Business Strategy, discussed in the beginning of this article.

a. Market Analysis and Segmentation:

The market analysis and segmentation start from the way the market for the products and services have moved over a period of time. The market continuously evolves as each new customer provides a new perspective. The existing customer segments also starts demanding more value proposition, and this leads to the value cost perspective, which will demand meaningful the cost information from the system, to determine whether "to be or not to be" in the segment.

b. Competitive Analysis:

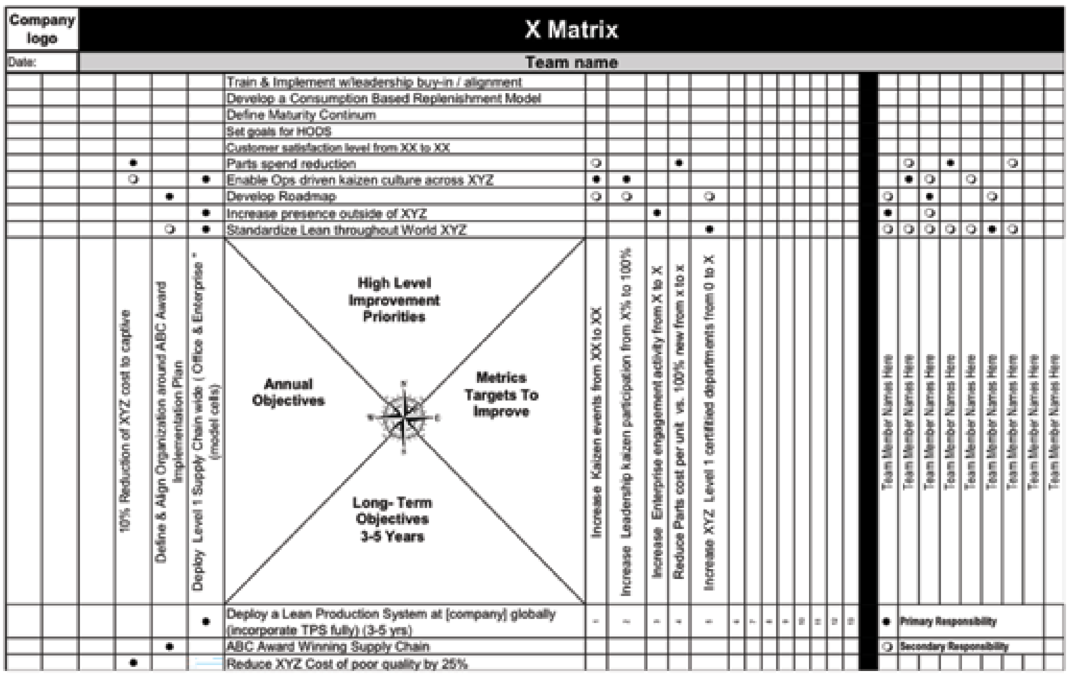
Bench marking is always a number one priority, for most of the organisations, as they try to match or surpass their peers. While the quality and delivery become the key focal point initially, cost becomes the deciding factor as they must find out where they are in the pecking order. The PACE analysis (Please see diagram) which indicates the operational and investment model, decides whether the position they are in are appropriate or not. The final block in the diagram, which is Strategy Execution, provides the key Target KPIs both in the market strategy as well as operational strategies. These KPIs predominantly consist of cost drivers.

c. Value Proposition:

The Competitive analysis clearly puts the entity in a slot it can fit in based on their business model and investment focus. The product differentiation, cost leadership, or niche targeting applicable to the appropriate slot, enables it to identify the product or service they must be in. Once done, they must optimise the value provided to the customer segments while managing costs effectively. The ownership of "Effective Cost Management" rests with the cost management system.

d. Strategic Objectives:

Since it is setting clear measurable goals aligned with the Vision and Mission of the entity, the goals should transcend to the entire organisation, down to the last mile connect, which have to be in terms of KPIs. What is measured in monitored for course correction in case of deviation, and the same can be made meaningful, once it is part of the cost management system. The X Matrix developed by Prof. Hoshin Kanri, of Japan, provides a readymade template for re-tuning the cost management system linking the same with Strategic Objectives. (Ref: Diagram given below)



(Image Source: Microsoft Co-pilot-
Ref: https://www.kaizen-coach.com/images/dizionario/en/X-Matrix.png)

e. Resource Allocation:

There is always a competition in any organisation for resource allocation, be it financial, human or other resources. Wherever appropriate and applicable, the cost management can enable prioritising aligning with the business objectives.

f. Business Model:

In the Business Strategy Diagram, the Causal models in the Strategy Validation block, are the ones that connect the strategy formulation with strategy execution. They key characteristic of the Business Model is the scalability and sustainability, which can be tested only on a cost platform.

g. Innovation Strategy:

As businesses evolve, there is a need for a parallel stream focussing on identifying opportunities for new products and services, optimised processes and even an innovative business model. For example, the Innovation strategy is well developed in the chemical/ pharma sector, in which R & D continuously focuses on application engineering, adjacent chemistry and N-1 strategies and also looking alternate sourcing of raw materials and inputs. Since the outputs from the process can be innumerable, investment prioritisation can be enabled through a value addition approach gleaned from cost information.

h. Marketing and Sales Strategy:

Once the marketing and customer segments & products/services are crystalised, the marketing model provides the quantitative aspects of market opportunities to be addressed. The corresponding revenue model provides the monetary aspects of Pricing, Capacity, Marketing channels to be addressed. The Capacity and marketing channel alternates need to be evaluated on the causal models of market cost drivers and the corresponding costs. These again need to be categorised into Linear, Non-Linear and Governance (including Regulatory) costs to arrive at a cost and profitability analysis.

i. Operational Excellence:

The marketing and sales strategy leads to Operational Model and the corresponding Cost Model. While the operational model provides the quantitative operational capabilities to be deployed and the corresponding resource deployment in cost terms is provided in the Cost Model.

j. Risk Management:

There is always a risk element attached to any business strategy. A robust strategy embeds the Risk Management strategy to deal with contingencies and a Plan B. The cost management system, provides vital cost inputs on various alternative decision scenarios, thrown up from the Risk Management system. It also provides a bandwidth of the top line and the corresponding bottom line, so that the Strategy Execution Model, factors all these in the KPIs.

k. Organizational Structure and Culture:

Most of the organisations, who have adopted the Balanced Score Card techniques and have built in the KRIs in the employee performance measurement systems, focus on training and development, fitting key indicators of business strategy to organisational culture, and build in technology capabilities to the organisation structure. The classic example of this aspect is the Cross Functional Team approach adopted by the TCM Maturity Model Level 5 companies, who have CFOs for each SBU reporting directly to SBU head rather than the corporate CFO, who may be predominantly fulfilling the Board Reporting requirements.

l. Performance Measurement and Evaluation:

As indicated earlier in the article, only what is measured can be monitored and then controlled. The Business Strategy dimension discussed in this article requires a Performance Measurement and Evaluation system, which is capable of providing a bird's eye view as well as a drilled down version of KPIs which provide the key inputs to the last mile connectors, whether they are salespersons or machine operatives to indicate the lowest level connect of the system. Although the KPIs may be in non-monetary terms, they belong to the Total Cost Management Architecture, which looks at cost sheet in a Bi-Dimensional and Process View way rather than in the traditional Material, Labour, Overhead approach.

m. Digital Transformation:

The tectonic shift in the IT capabilities, with the introduction of GI (Generative Intelligence), AI (Artificial Intelligence) and BI (Business Intelligence), has thrown up a mind-boggling variety of analysis, which have been exploited across all organisations right from small to big. The readers may also note that the Image appearing in this article was also generated by AI including the foot note to the article. The Management Accountant Journal is fortunate to have **CMA (Dr.) Paritosh Basu,** regularly providing vital updates on the AI-Gi space. The Cost Management system of future will be the biggest beneficiary of these developments, as it will enable the CMAs engaged in "Business Partnering" aspect of enterprise strategy, emerge as a valued added professional helping the Board Room Strategies rather than providing a historical forensic analysis of what has happened historically, to CEOs who know what has happened and will be interested more about predictive future.

Conclusion:

The CMAs in employment are in the unique position of catapulting into the top rungs of the Business Hierarchy, where the emerging demand from CEOs and Board members are to look at strategies and their evaluation for Top Line and Bottom-Line improvement. The current technology developments clearly foretell a future where the mundane Compliance Reporting including the Financial Reporting will be taken over by the shared services sector run with GI-AI capabilities, that also in an error free manner. The Scenario Planning, Cost Algorithms, Real Time and Predictive Performance monitoring will be a major part of the future finance professionals. It is imperative that the younger members of the CMA profession, who are entering into the service, will have to enhance their knowledge of IT Driven Capabilities that are emerging fast. MA

References:

1. *Profitability Analytics Center of Excellence: Various Publications available at https://www.profitability-analytics.org.*
2. *Image Courtesy: OpenAi/ ChatGPT 4 DALL-E version*
3. *Image Courtesy: Microsoft Co-Pilot Ref: https://www.kaizen-coach.com/images/dizionario/en/X-Matrix.png)*
4. *CFO Leadership Summit held on 23rd March 2024, organised by Members In Industry Committee of ICMAI and Bengaluru Chapter of Cost Accountants.*
5. *Total Cost Management Framework -Version 0. By CII-TCM Division of Confederation of Indian Industry and Indian Institute of Management – Bengaluru.*
6. *https://ciitcm.in/*
7. *Gary Cokins- Analytics Based Performance Management LLC – Performance Management – Finding the Missing Pieces*

UNRAVELLING THE CHALLENGES OF DOUBLE MATERIALITY IN ESG REPORTING AND THE ROLE OF PROFESSIONAL ACCOUNTANTS

Abstract

This article discusses double materiality in environmental, social, and governance (ESG) reporting and the importance of professional accountants in addressing these issues. Double materiality, which emphasises the relationship between financial performance and external environmental, social, and governance (ESG) implications, makes standardisation, materiality assessment, and comparability across industries difficult. Professional accountants' expertise in financial reporting, audits and ethics helps to create transparent reporting systems. Collaboration, industry-specific measures, and current technologies are vital tools for accountants. The discussion concludes that professional accountants are crucial to eliminate double materiality and promoting sustainable company practices through ESG reporting.

CMA Soumen Dutta
Corporate Professional
Navi Mumbai
soumend.cfo01@mdpalumni.iimcal.ac.in

INTRODUCTION

Environmental, social, and governance (ESG) considerations have changed business reporting. Double materiality, which goes beyond financial measures, emphasises the complex relationship between financial success and external environmental and social repercussions. This article examines the complexities of double materiality in ESG reporting and how organisations negotiate it. Professional accountants, who specialise in financial reporting, auditing and ethics, are at the forefront of addressing these issues and promoting corporate disclosure transparency. Professional accountants help organisations understand and communicate the complex financial and non-financial influences of ESG reporting. Their cooperation helps to overcome problems and shape a future where complete and ethical reporting underpins business sustainability and responsibility. This article explains double materiality challenges and emphasises the importance of professional accountants in navigating this transformational terrain.

COMPREHENDING THE CONCEPT OF DOUBLE MATERIALITY IN ESG REPORTING

Double materiality in ESG reporting signifies a fundamental change in how organisations assess and communicate their performance. It goes beyond the conventional focus on financial indicators and considers the dual influence of both financial performance and external environmental and social aspects. The notion acknowledges the interdependent connection between a company's financial prosperity and its wider influence on the environment and society. Traditionally, corporate reporting has mostly emphasised financial measures, neglecting the wider impact of a company's activities on the environment and society. Yet, the progression of ESG reporting indicates a shift away from this limited viewpoint. Gradually, there has been a noticeable change in acknowledging the essential importance of non-financial aspects in business decision-making processes. The concept of double materiality requires a comprehensive and nuanced approach to reporting. Organisations are required to evaluate not only the immediate financial consequences of their activities but also the wider, secondary effects on the external environment and society. This thorough assessment questions the conventional limits of financial reporting, necessitating a more cohesive and interrelated comprehension of a company's performance. Double materiality essentially necessitates that organisations assess the extent to which their actions contribute to or detract from overarching sustainability objectives. This includes the evaluation of environmental effects, such as carbon emissions and resource utilisation, as well as social effects, including employee welfare and community relations. Stakeholders, including investors and customers, are increasingly acknowledging the importance of these effects. They are looking for openness and responsibility from companies in terms of their entire contribution to a sustainable and fair future. As ESG reporting progresses, organisations are obligated to adopt a more extensive and all-encompassing comprehension of materiality. This not only conforms to the expectations of a socially conscious and ecologically aware global population but also prepares enterprises to prosper in a business environment where sustainable practices are essential for long-term success. The process of comprehending and implementing the concept of twofold materiality in ESG reporting demonstrates a wider dedication to responsible and influential business practices that go beyond financial outcomes.

AN ILLUSTRATION OF DOUBLE MATERIALITY WITHIN THE INDIAN CONTEXT

In India, following a movement to abstain from buying Chinese merchandise, more than 71 per cent of Indians declined to acquire items bearing a 'made in China' label. Given that China has the position of being India's primary trading partner; numerous enterprises that rely on Chinese intermediaries have experienced adverse consequences.

The intense scrutiny from the media during activist movements can have a substantial negative impact on a company's reputation and the value of its brand. As a result, firms often give in to public pressure in order to protect their image. Activist pressure has compelled Nestle to cease promoting their baby formula in impoverished nations in the past and, more recently, to halt operations in Russia. Frequently, acquiescing to the demands of the general population might result in a monetary deficit. Over 400 corporations are currently under significant pressure to withdraw from Russia. Shell, a multinational oil firm headquartered in the United Kingdom and the Netherlands, has just declared its intention to gradually withdraw from its operations in Russia, incurring a financial loss exceeding $5 billion. Likewise, social movements such as #BlackLivesMatter have historically resulted in widespread consumer boycotts in the United States. Conscious consumers' activism frequently leads to businesses stopping the sale of a particular product or ending lucrative partnerships.

Financial organisations may also decline to invest in initiatives that are deemed unethical or environmentally detrimental. Multiple international agencies declined to provide funding for the environmentally detrimental Rampal Power Plant, a collaborative project between India and Bangladesh. Investors also withdrew their investments from the Indian State-owned enterprise NTPC, which is a joint owner of the project. .

Often in India, the judiciary has issued rulings against firms that cause harm to the environment or behave in violation of public policy. The Supreme Court, in the case of ***M. C. Mehta v. Union of India,*** issued a directive to over 292 coal-using enterprises that were causing harm to the Taj Mahal. The directive required them to transition to natural gas, move to a different location, or shut down their operations. In the case of ***Sterlite Industries v. Union of India,*** the firm violated the regulations stated in the Air (Prevention and Control of Pollution) Act, 1981. This was a result of their failure to take necessary safeguards and exercise adequate care while operating a factory in Tamil Nadu. Although the corporation was granted permission to run the facility under specific terms, it was obligated to provide compensation of INR 100 crore. Subsequently, the factory was closed down when it violated the criteria set down in the ruling. Requests to reopen the same were rejected as recently as 2020. The plant's shutdown has had a substantial financial impact on the parent firm, representing approximately two percent of its balance sheet.

Amidst the current era of ethical consumption and stakeholder capitalism, heightened transparency plays a crucial role in determining if a company's actions have a favourable or unfavourable impact on its sales or overall worth. Therefore, it is evident that the influence of a corporation on its external surroundings can have a substantial effect on investors. Therefore, it is crucial for investors to possess this information in order to draw a well-informed conclusion.

DIFFICULTIES ENCOUNTERED IN EVALUATING DOUBLE MATERIALITY

Evaluating the dual aspects of materiality in ESG reporting poses numerous complex obstacles that organisations and stakeholders must confront. These issues encompass a lack of standardised measurements for non-financial effects and the inherent complexity of estimating the significance of ESG elements. As a result, there are wide ranges of reporting standards across industries.

One of the main difficulties is accurately assessing the non-financial effects on financial performance. Non-financial consequences, such as a company's carbon footprint or its influence on biodiversity, do not have globally acknowledged and standardised measurements, unlike traditional financial indicators like sales or profit.

The lack of this information impedes the ability to compare ESG data across organisations and industries, making it difficult for stakeholders to accurately evaluate the actual influence of an organisation's actions on both financial performance and external factors.

Measuring and evaluating the importance of ESG issues presents another substantial challenge. The non-financial benefits sometimes possess qualitative characteristics that are essentially reliant on the context, hence posing challenges in quantifying and standardising these impacts. Expressing the beneficial social impact of an organisation's community engagement programmes in quantitative terms can be difficult, resulting in a lack of knowledge of the true significance of these initiatives for the company's overall performance.

The subjective nature of non-financial impacts adds complexity to the creation of standardised measurements. Although initiatives like the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) are being developed, there is still ongoing work to reach a universal agreement on the most relevant indicators. The absence of a uniform method not only prevents the capacity to make comparisons but also obstructs stakeholders from consistently evaluating the significance of ESG concerns.

Moreover, the diversity in reporting techniques and standards among industries adds further intricacy. Various industries may place different levels of importance on specific environmental, social, and governance (ESG) concerns depending on their operational characteristics, geographic location, or the expectations of their stakeholders. This heterogeneity hinders the process of comparing performance within a specific industry and also presents difficulties for investors and other stakeholders who wish to compare companies operating in other industries.

Real-world examples and case studies are used to illustrate these problems and demonstrate the variety of reporting approaches. For example, the indicators that are regarded as important for a technological company may vary greatly from those that are relevant to a manufacturing or service-oriented enterprise. The absence of a universally accepted vocabulary for reporting impedes the capacity to establish significant comparisons, hence complicating the process for investors to make well-informed decisions grounded in ESG issues.

To summarise, the difficulties encountered in evaluating double materiality in ESG reporting are complex and varied. The complexity of the environment is a result of the lack of standardised measurements, the subjective nature of many non-financial consequences, and the inconsistent reporting standards across different businesses. To surmount these obstacles, it is imperative for industry players, regulatory agencies, and organisations to work together in order to build shared frameworks, improve transparency, and ensure uniformity in reporting methods. The full potential of twofold materiality in promoting sustainable and responsible corporate practices can only be achieved through coordinated efforts.

THE CRUCIAL SIGNIFICANCE OF PROFESSIONAL ACCOUNTANTS

Professional accountants are crucial in addressing the complexities of double materiality in ESG reporting. They utilise their knowledge in financial reporting, auditing, and assurance to provide transparent, strong, and ethical reporting frameworks.

Professional accountants have a profound comprehension of financial reporting concepts, as they have received training to precisely analyse and interpret financial data. Their proficiency guarantees that financial statements offer a lucid and all-encompassing representation of a company's financial performance, establishing the basis for efficient decision-making. Professional accountants have a distinct advantage in bridging the gap between financial and ESG (environmental, social, and governance) issues as the scope of company reporting broadens to encompass non-financial measures.

Professional accountants play a leading role in developing frameworks that enable effective disclosure when including non-financial measures in company reporting. They acknowledge the necessity for uniform measurements of non-financial effects and actively participate in the creation and enforcement of reporting guidelines, such as those established by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Professional accountants guarantee that organisations present a comprehensive and comparable assessment of their performance by integrating ESG reporting with standard financial reporting practices.

Professional accountants now have a broader responsibility that includes analysing and verifying non-financial measurements. By conducting audits and assurance procedures, they validate the precision and dependability of ESG disclosures, fostering trust among stakeholders. The role of this assurance function is crucial in a context where stakeholders are increasingly dependent on ESG information to make well-informed decisions. Professional accountants bolster the trust of investors, regulators, and the wider community by diligently evaluating non-financial criteria with the same level of scrutiny as financial data, hence strengthening the legitimacy of ESG reporting.

Professional accountants have a crucial role in creating clear and open reporting systems for disclosing environmental, social, and governance (ESG) information. Their responsibility encompasses not only verifying the precision of data but also allowing unambiguous and thorough communication. By simplifying intricate information into comprehensible language, they facilitate effective communication between companies and stakeholders. Transparency is essential for obtaining a comprehensive understanding of how a company's actions affect its financial performance and external circumstances. This aligns with the idea of twofold materiality.

The professional accountant's function is grounded in ethical considerations and integrity, which are essential principles, especially when dealing with the complexities of double materiality. Professional accountants play a crucial role in helping corporations evaluate the significance of non-financial effects. They operate as ethical overseers, advising organisations on how to prioritise and disclose information that is important and pertinent. When considering the needs of different stakeholders, it is essential to make ethical decisions that maintain accuracy, impartiality, and alignment with the values of the organisation in ESG reporting.

Professional accountants serve as proponents of sustainable company practices while managing the concept of double materiality. By including ethical considerations in reporting frameworks, they motivate corporations to embrace responsible behaviours that positively contribute to both financial prosperity and broader societal and environmental objectives. This strategy is in line with the changing demands of stakeholders, who are increasingly looking for investments in firms that are dedicated to long-term sustainability.

To summarise, the crucial significance of professional accountants in ESG reporting cannot be overstated. Due to their proficiency in financial reporting, auditing, and assurance, they are particularly well-suited to adjust to the incorporation of non-financial metrics. Professional accountants have a crucial role in addressing the challenges of double materiality and promoting a comprehensive and sustainable approach to corporate reporting. They achieve this by contributing to transparent reporting frameworks, assurance processes, and ethical considerations.

CONQUERING OBSTACLES: THE ACCOUNTANT'S ARSENAL

To address the difficulties associated with double materiality in ESG reporting, a focused endeavour is necessary, with professional accountants leading collaborative projects. Establishing consistent reporting standards requires important collaboration among professional accountants, authorities, companies, and investors. Through collaboration, these parties can establish standardised measurements and disclosure systems that enable uniform and comparative reporting across various sectors. These guidelines enhance clarity and openness, allowing stakeholders to appropriately evaluate the significance of ESG factors.

Creating measures and standards tailored to individual industries is another essential aspect of conquering obstacles. Professional accountants have a crucial role in customising reporting frameworks to tackle the distinct characteristics and difficulties of various sectors. This methodology improves the capacity to compare organisations within the same industry, enabling more significant benchmarking and evaluation of their environmental, social, and governance (ESG) performance. Incorporating sophisticated technologies into the accountant's arsenal is crucial for enhancing the precision and clarity of ESG reporting.

Artificial intelligence (AI) and blockchain technology provide novel solutions for the gathering, examination and authentication of data. These technologies improve the dependability of ESG disclosures by automating procedures, minimising the likelihood of mistakes, and offering a safe and unchangeable record of information. Professional accountants, through their adoption and utilisation of these technologies, play a crucial role in advancing ESG reporting by enhancing its efficiency, precision, and transparency. The accountant's toolkit goes beyond traditional procedures and includes collaborative efforts and technical developments to tackle the complex difficulties of double materiality in the ever-changing field of ESG reporting.

ENHANCING THE INVOLVEMENT AND COMMUNICATION WITH STAKEHOLDERS

Professional accountants are essential in promoting successful stakeholder participation in the field of ESG reporting. They possess the necessary skills to organise meaningful discussions that identify and prioritise material environmental, social, and governance (ESG) challenges. Professional accountants facilitate communication and understanding between firms and stakeholders, fostering a collective comprehension of important issues. ESG reporting relies on clear and open communication, and professional accountants are skilled at effectively conveying intricate information in a comprehensible way. Their responsibility goes beyond collecting data to ensuring that many stakeholders, including investors and local communities, understand the consequences of ESG variables on a company's performance and societal influence. Concrete instances in the real world highlight the need for professional accountants to effectively involve and communicate with stakeholders. The involvement of accountants in transparently addressing ESG concerns has resulted in improved connections with investors and communities. This demonstrates the crucial role they play in enhancing stakeholder engagement and communication in the ever-changing field of ESG reporting.

EVALUATION OF THE SEBI BRSR REPORT'S MATERIALITY

SEBI's BRSR report requires the top 1000 listed businesses by market valuation to disclose ESG issues. The BRSR report currently limits company disclosure of social and environmental impacts. It has double materiality indicators, though. In Section C, Principle C of the BRSR requires enterprises to declare their R&D and capital expenditure investments in specific technologies to improve their goods' environmental and social impacts. This may need the company to become conscious of its external influence. The company must also reveal its sustainable sourcing and product reclamation for reuse, recycling, and disposal practices. Companies can follow BRSR disclosure guidelines. Moreover, a corporation may voluntarily report whether it has completed a 'Life cycle Perspective/Assessment' (LCA) for any of its products or services and provide relevant facts. The LCA may also freely disclose major social or environmental issues. An LCA evaluates a product's environmental impact throughout its life cycle, including raw material extraction and processing, manufacture, distribution, usage, recycling, and disposal. If enterprises participate in such an assessment, this indicator will inform them and stakeholders about their environmental impact. No provision in the BRSR, voluntary or mandatory, requires a firm to study its social impact in detail like a twofold materiality evaluation. Despite these rules, corporations should be required to do a twofold materiality assessment—disclosing their internal and external impacts to investors. Materiality assessments must consider a company's impact, dynamic concerns, and sustainability risks and opportunities. Disclosure should include both the organization's external environmental effect and its calculating procedure. The lack of disclosure and standardisation of materiality evaluation lowers its credibility. This is the only way to safeguard investors and Indian enterprises' futures.

CONCLUSION

Professional accountants are essential architects of ESG reporting are double materiality challenges. Their expertise in financial reporting, audits, and ethics puts them at the forefront of creating transparent and robust reporting frameworks that bridge financial and non-financial measures. Professional accountants promote collaboration between regulators, companies, and investors to develop consistent standards, improve comparability, and improve ESG disclosures.

Professional accountants' participation in ESG reporting is crucial going forward. The requirement for collaboration emphasises the necessity to create and improve reporting standards. Advancements in technology will improve data accuracy and transparency. Accountants may adapt to changing reporting landscapes with continued professional development, guaranteeing their advocacy for sustainable and responsible corporate practices. Comprehensive reporting will support the transition to a more sustainable and ethical business environment, and professional accountants will shape this future. MA

REFERENCES

1. *Flores Moya, A. S., & Moussavi, J. (2023, August 28). Evidencing Financial Materiality of Sovereign ESG Risk. The Journal of Impact and ESG Investing, 4(1), 52–80. https://doi.org/10.3905/jesg.2023.1.082*
2. *Manoj, P. K. (2022, July 1). ESG Reporting for Business Sustainability: Role of CMAs in Internal Audit. The Management Accountant Journal, 57(7), 68. https://doi.org/10.33516/maj.v57i7.68-71p*
3. *Arora, M. P., Lodhia, S., & Stone, G. W. (2023, July 12). Accountants' institutional work: a global study of the role of accountants in integrated reporting. Qualitative Research in Accounting & Management, 20(5), 647–674. https://doi.org/10.1108/qram-06-2022-0108*
4. *Maradona, A. F., Chand, P., & Lodhia, S. (2022, December 16). Professional skills required by accountants for applying international financial reporting standards: implications from Indonesia. Meditari Accountancy Research. https://doi.org/10.1108/medar-02-2022-1591*
5. *Yook, K. H., & Choi, M. H. (2022, December 31). The Influence of Corporate Governance toward Materiality Disclosure in ESG/Integrated Reporting: Interaction of CEO Power and Board Characteristics. Korean Management Review, 51(6), 1791–1815. https://doi.org/10.17287/kmr.2022.51.6.1791*
6. *Bala, S. K. (2017). The New Financial Reporting Regulatory Landscape and the Accounting Infrastructure: The Path Forward for Professional Accountants. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.2964544*
7. *Dodsworth, C., Bourne, E., Schlich, B. L., &Kooroshy, J. (2023, October 26). Financial, Double, or Dynamic? Theories of ESG Materiality and Practitioner Approaches. The Journal of Impact and ESG Investing, 4(2), 109–131. https://doi.org/10.3905/jesg.2023.1.087*
8. *Yang, S. S., Huang, J. W., & Chen, H. Y. (2022). Detecting Corporate ESG Performance: The Role of ESG Materiality in Corporate Financial Performance and Risks. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4310654*
9. *Appelbaum, D., Duan, H. K., Hu, H., & Sun, T. (2023). The Double Materiality Audit: Assurance of ESG Disclosure. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.4367032*
10. *Nielsen, C. (2023, December 14). ESG Reporting and Metrics: From Double Materiality to Key Performance Indicators. Sustainability, 15(24), 16844. https://doi.org/10.3390/su152416844*
11. *https://indiacorplaw.in/2022/10/double-materiality-in-indian-esg-disclosures.html*

TAX STRUCTURE OF INDIA AND BANGLADESH: A COMPARATIVE STUDY

Abstract

This study delves into the tax structures of India and Bangladesh, focusing on key indicators like tax-to-GDP ratio, overall tax payments, time to comply, number of tax payments, and total tax rate. India's total tax rate, though decreasing, still surpasses Bangladesh's, requiring competitiveness for economic growth. Corporate tax reductions aim to attract investments, yet increasing the tax-to-GDP ratio remains a challenge compared to South Asian counterparts. India must balance revenue collection, fairness, and economic growth to improve tax efficiency and support business development for global competitiveness.

Neeru Vasishth
Professor
Department of Commerce
Janki Devi Memorial College, University of Delhi, New Delhi
neeru@jdm.du.ac.in

Dr. Vibhuti Vasishth
Assistant Professor
Department of Commerce
Delhi School of Economics, New Delhi
drvibhutivasishth@commerce.du.ac.in

Nancy Malhotra
Independent Researcher
New Delhi
nancymalhotra8130@gmail.com

INTRODUCTION

India, a democratic country with a quasi-Federal structure, distributes powers between the Centre and States, although the Centre can supersede State powers as per Articles 246 and 248 of the Constitution. Taxes, both direct and indirect, form a substantial source of revenue essential for a well-structured economy. Direct taxes encompass income tax, corporate tax, real and personal property taxes, while indirect taxes include GST and customs duty.

Tax evasion poses a significant challenge to efficient revenue collection in India, with penalties for evasion reaching up to 200 per cent of the owed tax to deter under-reporting and non-compliance. This evasion contributes to financial irresponsibility and diminishes the Government's revenue base, hindering essential economic activities. India grapples with a complex ax system, high rates, and intricate tax literature, which can impede revenue generation.

As of FY 2022-2023, India's tax-to-GDP ratio stands at approximately 10-11 per cent , notably lower than emerging economies like Brazil, China, and Russia, where the ratio is around 21 per cent . This ratio is also significantly lower compared to OECD nations like the United States, Germany, and Japan, where it averages around 33 per cent of GDP. These figures highlight India's unique fiscal challenges and opportunities compared to both emerging markets and OECD member nations[1].

Bangladesh, located in South Asia with a population of over 160 million, shares cultural affinities, values, and education systems with India due to a shared history of British colonialism. However, differences in age demographics exist, with India boasting a younger median age of 28.4 years compared to Bangladesh's 27.3 years. This demographic variance impacts the tax base, as younger individuals typically earn less and may not meet the income tax threshold.

Bangladesh faces immense demographic challenges due to its three times denser population compared to India. Despite this, the country's economy has been growing, complemented by efforts to strengthen the tax system managed by the National Board of Revenue (NBR). Bangladesh inherited its tax system from British colonial and Pakistani rule.

Both countries exhibit a blend of formal and informal sectors, with India having a larger formal sector contributing substantially to tax revenue. According to World Bank data from 2020, India's formal employment share stood at 17.8 per cent , compared to Bangladesh's 11.7 per cenht. In terms of GDP, India boasts one of the world's largest economies at approximately $2.9 trillion in 2020, while Bangladesh's GDP was estimated at around $300 billion in the same year.

Both nations face the shared challenge of maintaining an optimal tax-to-GDP ratio. In 2020, India's tax-to-GDP ratio was approximately 17.7 per cent , while Bangladesh's stood at approximately 10.6 per cent . This study delves into the tax structures of India and Bangladesh, highlighting their similarities as lower-middle-income developing nations navigating rapid population growth, focusing on key indicators like tax-to-GDP ratio, overall tax payments, time to comply, number of tax payments, and total tax rate.

LITERATURE REVIEW

Poirson, H. (2006) in her working paper states that reforms regarding lower tax rates and broadening of the tax base promote fiscal growth in India. Direct tax revenue can be raised by removing exemptions and improving tax administration and compliance.

Fernández-Rodríguez, E., & Martínez-Arias, A. (2014) investigate the factors influencing the effective tax rate in BRIC countries. Their study offers insights into tax dynamics within Brazil, Russia, India, and China, enhancing understanding of tax determinants in emerging economies.

Mascagni, G. (2014) illustrates the challenges developing nations encounter in enhancing tax revenue mobilization, leading to a substantial gap between actual and potential revenue. The paper advocates for future actions mirroring European and international efforts. Tax incentives or exemptions in low-income countries aimed at attracting investments are identified as contributors to this tax gap.

Centre for Budget and Governance Accountability (CBGA)-India (2015) working paper determines that India's tax structure progresses below international standards, necessitating an elevation in the tax-GDP ratio for adequate resource mobilization. Reassessment of the Indian tax system regarding the number of tax exemptions is imperative.

Ghuge, N. & Katdare, V.V. (2015) find that indirect taxes yield nearly doubles the revenue of direct taxes over four years. They advocate prioritizing structural reforms over policy reforms for effectiverevenue management.

Ghuge, N. &Katdare, V. V. (2016) compare the tax structure of India with some of the developed and developing economies. Indian tax structure happens to lag behind in many criteria, substantiating the need for review and actions to simplify the tax structure.

DATA ANALYSIS AND INTERPRETATIONS

Based on data published by PWC report on paying taxes and Ceic data for ranking of 189 countries, the study attempts to analyse the following parameters:

1) Tax to GDP ratio

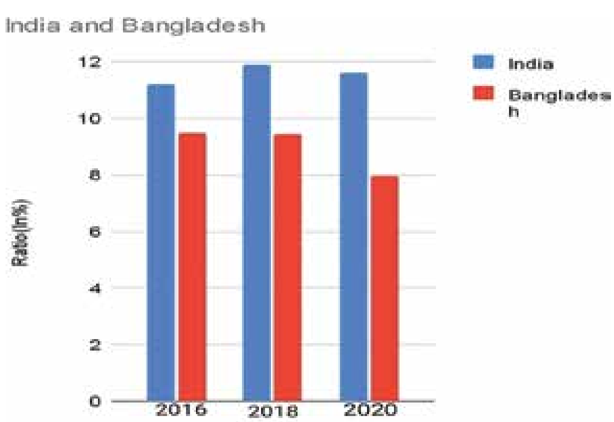


Figure : Tax to gdp ratio

[1] https://www.google.com/amp/s/indianexpress.com/article/business/what-to-expect-on-direct-tax-in-union-

TABLE A: TAX-TO-GDP RATIO

Year	India	Bangladesh
2016	11.2	9.47
2018	11.9	9.43
2020	11.6	7.96

Source : Ceicdata[2]

The above figures reveal significant implications for each nation's economic landscape. A higher tax-to-GDP ratio typically signifies larger share of a country's economic activity being collected as tax revenue, indicating more prominent role for the government in the economy.

Between 2016 and 2017, tax collections surged by over 18 per cent, while over 2 crore new taxpayers were added during 2016-17 and 2017-18, indicating significant growth in the tax base. India, with its larger and diverse economy, enjoys a robust formal sector that generates substantial tax revenue across various industries and services. In contrast, Bangladesh, with a smaller economy and a more extensive informal sector, may have a narrower tax base, resulting in a lower tax-to-GDP ratio. India's formal employment share of 17.8 per cent in 2020 exceeds Bangladesh's 11.7 per cent , as per the World Bank.

In 2020, India experienced a decline in its tax-to-GDP ratio due to the COVID-19 pandemic's impact on economic activity and incomes, leading to reduced tax collections. To mitigate economic distress, the government implemented tax relief measures, temporarily reducing tax revenue. India's tax-to-GDP ratio for 2020 stood at 11.6 per cent, while Bangladesh reported a ratio of 7.96 per cent, the lowest among South Asian nations. Strengthening India's tax administration is crucial to address this loss.

The Government has adopted digital measures like utilizing Aadhaar for income tax and introducing e-assessment to boost transparency. It periodically adjusts income tax slabs and rates to reflect changing economic conditions and income levels, aiming to simplify tax administration and align taxation accordingly.

2) Overall paying taxes

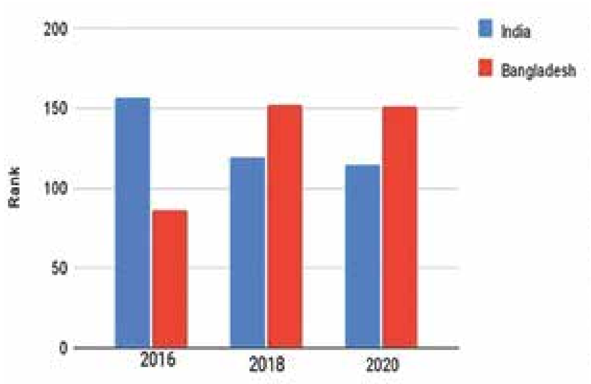


FIG 1 : Overall Ranking of paying taxes out of 189 countries

TABLE B: OVERALL PAYING TAXES

Year	India	Bangladesh
2016	157	86
2018	119	152
2020	115	151

This ranking shows how easy it is for a person to pay taxes in a country. Ranking is based on performance out of the total number of countries i.e. 189. The country close to zero has the most efficient tax payment framework and *vice versa*.

India's economic growth index declined from 157 in 2016 to 115 in 2020, possibly influenced by diverse factors like domestic and global conditions, policy adjustments, and structural reforms. Policy decisions such as tax alterations, trade regulations, and Government spending can significantly impact the economy. The implementation of the goods and services tax (GST) in 2017 could have also affected businesses and economic expansion.

In November 2016, India underwent a major demonetization exercise, which involved invalidation of high-value currency notes. This had short-term disruptive effects on economic activity and could have influenced the growth rate for that year.

Bangladesh's economic growth index rose from 86 in 2016 to 151 in 2020, driven by factors such as industrial and export expansion. Notably, the garment industry and textile exports played pivotal roles, with Bangladesh ranking third globally in textile exports, following China and Germany, while India holds the fifth position.

According to the IMF's estimates, India's per capita GDP is projected to increase from \$1,877 in 2020 to \$2,729 in 2025[3], while Bangladesh's per capita GDP

[2] https://www.ceicdata.com/en/indicator/bangladesh/tax-revenue--of-gdp

[3] www.google.com/amp/s/www.businesstoday.in/amp/latest/economy-politics/story/why-bangladeshi

is expected to rise from $1,888 in 2020 to $2,756 by 2025. These projections suggest that both countries are expected to experience growth in per capita GDP over this period.

However, Bangladesh is projected to have a slightly higher per capita GDP than India by 2025, based on these estimates. It is important to note that economic projections are subject to various factors and uncertainties, and actual outcomes may differ from these estimates.

3) Time to comply(hours)

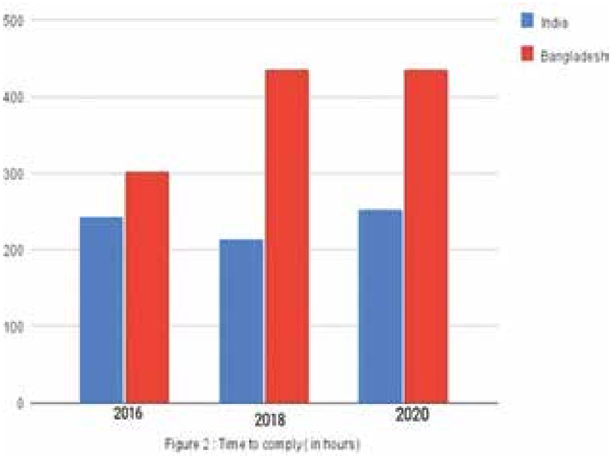


TABLE C: TIME TO COMPLY (HOURS)

Year	India	Bangladesh
2016	243	302
2018	214	435
2020	251.88	435

The time to comply is expressed in annual hours, required for the preparation, declaration, and payment (or collection) of the direct and indirect taxes.

India's tax compliance time exceeds that of developed nations like the US and UK but is lower compared to Bangladesh, indicating the efficiency of tax portals. However, further reforms are essential to bolster India's tax framework. The Income Tax Department introduced "e-Filing" platform in 2006 for electronic tax return filing, preceding Bangladesh's NBR introduction of e-filing in 2013. Consequently, India held an advantage over Bangladesh in terms of compliance time.
Simplifying the tax code aids taxpayers in understanding and complying with regulations, reducing errors and disputes. Offering incentives like reduced penalties or access to benefits for timely compliance encourages adherence. Improved data-sharing among Government Departments minimizes duplicate submissions. Implementing a feedback mechanism allows taxpayers to share experiences, fostering continuous enhancement in tax compliance processes.

4) No. of payments (in %)

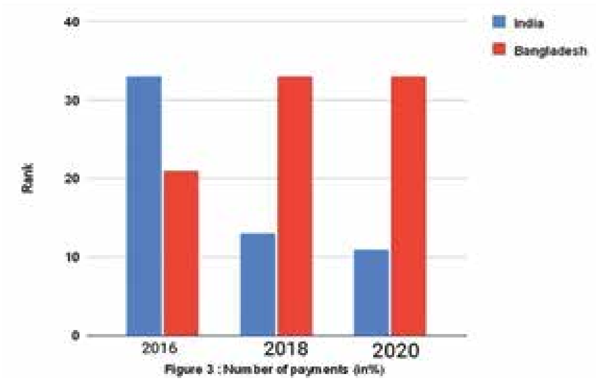


TABLE D: NUMBER OF PAYMENTS

Year	India	Bangladesh
2016	33	21
2018	13	33
2020	10.9	33

The "number of payments" metric denotes the frequency of tax payments made within a jurisdiction, reflecting the administrative burden of tax compliance. It encompasses various taxes like income and sales tax. In 2016, India faced challenges with 33 tax payments due to its tax diversity. Conversely, Bangladesh had fewer payments initially. However, India's reforms such as GST introduction, digitization, and artificial intelligence adoption led to a reversal in 2018 and 2020, reducing tax payments. This shift underscores the impact of policy changes on tax compliance metrics.

In Bangladesh, many simplifications have been introduced to reform the tax system. Tax law has been simplified and efforts have been made to bring more taxpayers into the tax network. There is increase in automation of tax collection and compliance with standards and systems established by the WCO (World Customs Organization).

India has actively pursued measures to lessen the administrative burden of tax compliance. Despite Bangladesh initially having fewer tax payments in 2016, India's reforms have enabled it to surpass Bangladesh in subsequent years. These efforts are expected to foster a competitive tax landscape for businesses and individuals in India.

5) Total tax rate (% of commercial profits)

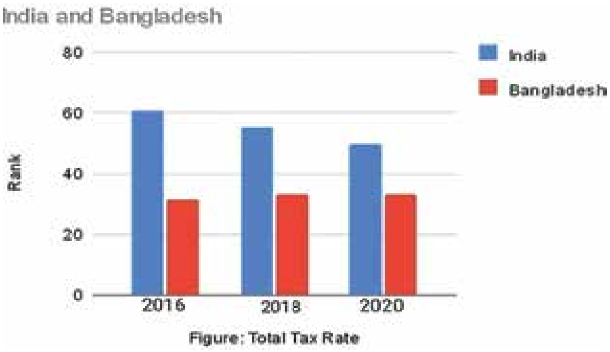


Figure: Total Tax Rate

TABLE E: TOTAL TAX RATE

Year	India	Bangladesh
2016	60.6	31.6
2018	55.3	33.4
2020	49.7	33.4

The "total tax rate" encompasses various taxes like income and sales tax paid by individuals or businesses, typically expressed as a percentage of income or profits. It indicates the tax burden relative to earnings. India generally maintains a higher tax rate compared to Bangladesh. However, while India's position improved between 2016 and 2020, this progress might be attributed to enhancements in the Ease of Doing Business Ranking by the World Bank Group. India's rank surged from 100th in 2017 to 63rd in 2019, indicating improved business activity. In contrast, Bangladesh's ranking fluctuated, standing at 176th in 2018 and 168th in 2019. These rankings reflect India's efforts to create a more favourable business environment, potentially impacting its total tax rate and overall economic competitiveness relative to Bangladesh.

India has competitively reduced its corporate tax rate to stimulate investment, allowing corporations to retain a larger share of profits and fostering confidence in earnings. This reduction also attracts foreign investment. Over the past two decades, India's corporate tax rate decreased from 37 per cent in 2003 to 30 per cent in 2021, while Bangladesh's increased from 30 per cent to 33 per cent over the same period. Despite progress, India faces the significant challenge of enhancing its tax-to-GDP ratio, which lags behind other South Asian nations.

CONCLUSION AND SUGGESTIONS

Tax reforms and digital initiatives, including Aadhaar integration, boost transparency. Though paying taxes has become easier, refinements are necessary. India's total tax rate, though decreasing, still surpasses Bangladesh's, requiring competitiveness for economic growth. Corporate tax reductions aim to attract investments, yet increasing the tax-to-GDP ratio remains a challenge compared to South Asian counterparts.

India must balance revenue collection, fairness, and economic growth. Sustained efforts to improve tax efficiency, adopt technology, and support business development are crucial for economic progress and global competitiveness.

The following reforms are noteworthy:

- Both India and Bangladesh have low tax bases, with only a small fraction of their population paying income tax—approximately 3.5 per cent in India and 2 per cent in Bangladesh in the financial year 2018-19. *Expanding the tax base* is crucial to boost revenues and enhance compliance.
- Both India and Bangladesh contend with complex tax systems featuring numerous rates, exemptions, and deductions. India has made *strides in simplification*, notably with the introduction of the goods and services tax (GST) in 2017. In contrast, Bangladesh's VAT system remains intricate.
- Both India and Bangladesh have recently *lowered their corporate tax rates*. India reduced its rate from 30 to 25 pr cent for most companies in 2019, while Bangladesh decreased its rate from 35 to 32.5 per cent in the 2021-22 budget.
- Both India and Bangladesh have implemented *digital initiatives* to enhance tax administration. In India, efforts like e-filing of returns, online tax payments, and data analytics aid in detecting tax evasion. Similarly, Bangladesh has introduced e-filing of returns and online tax payment initiatives.
- Both India and Bangladesh face climate change vulnerabilities and could benefit from a carbon tax to mitigate emissions. However, India is yet to implement such a tax. The Government of Bangladesh, as per the 2023–24 budget, plans to introduce a carbon tax initially targeting owners of multiple motor vehicles.[4]
- Both India and Bangladesh aim to transition into knowledge-based economies and offer *incentives for research and development*. India boasts a more mature R&D eco-system with various tax incentives, while Bangladesh is in its nascent stages. MA

REFERENCES

1. *Bird, R. M. (2012). Subnational taxation in large emerging countries: BRIC plus one. Journal of Public Economic Theory, 14(3), 317-340.*
2. *Centre for Budget and Governance Accountability (CBGA)-India. (2015). International Comparison of Tax Regimes. Economic and Political Weekly, 50(30), 69-76.*
3. *Fernández-Rodríguez, E., & Martínez-Arias, A. (2014). Determinants of the effective tax rate in the BRIC countries. Emerging Markets Finance and Trade, 50(sup3), 214-228.*
4. *Ghuge, N. &Katdare, V.V. (2015). Indian Tax Structure – An Analytical Perspective. International Journal of Research in Finance and Marketing, 5(5), 59-71.*
5. *Ghuge, N. &Katdare, V. V. (2016). A Comparative Study of Tax Structure of India with respect to other countries. International Journal of Economics, Commerce, and Management, 4(1), 1-13.*
6. *Mascagni, G. (2014). Tax revenue mobilization in developing countries: issues and challenges. OECD Journal on Budgeting, 13(1), 9-43.*
7. *Poirson, H. (2006). The Tax System in India: Could Reform Spur Growth. IMF Working Papers, 06(93), 1-37.*

[4] https://www.newagebd.net/article/205797/carbon-tax-slapped-on-multiple-vehicles

A STUDY ON IMPACT OF GOODS & SERVICES TAX IN INDIA

Abstract

Goods and services tax introduced from July 1, 2017, is India's biggest change in its tax system. Goods and services tax (GST) has been defined as a tax, based on consumption that is collected from the people who make, sell, and use goods and services. This tax also helps to turn the country into a single integrated market. After it was put into place, there were several vague arguments about it. This study is intended to help people understand what GST is and its benefits. Also, it examines how GST affects the Indian economy.

Dr. Nitesh Rawat
Assistant Professor
SGT University
Gurugram
rawatnitesh564@gmail.com

CMA (Dr.) Anamika Shukla
Assistant Professor
Department of Commerce
IISE Group of Institutions
Lucknow
cmaanamikatiwari@gmail.com

Shweta Saini
Assistant Professor
SGT University
Gurugram
ssaini3617@gmail.com

Shubham Aggarwal
Assistant Professor
Lloyd Group of Institutions
Lucknow
Shubham.aggarwal@lloydcollege.in

ABSTRACT

Goods and services tax introduced from July 1, 2017, is India's biggest change in its tax system. Goods and services tax (GST) has been defined as a tax, based on consumption that is collected from the people who make, sell, and use goods and services. This tax also helps to turn the country into a single integrated market. After it was put into place, there were several vague arguments about it. This study is intended to help people understand what GST is and its benefits. Also, it examines how GST affects the Indian economy.

INTRODUCTION

GST is India's biggest tax reform, based on the concept "one nation, one market, one tax." It is now in place. The Indian Government has been waiting for this moment for ten years. The single biggest indirect tax system is now in effect. This means that all trade barriers between States have been abolished. India's 1.3 billion people are now part of a single market thanks to the rollout of the GST.

The launch of GST has given people new hope that India's fiscal reform program will get back on track and help the economy to grow. On the other hand, there are worries that a rushed transition may not be in the best interests of the country and it could cause trouble. How hard our Government works to make GST a "good and simple tax" will determine whether or not hope wins out over doubt.

In his Budget speech for 2006-07, the then Union Finance Minister was the first person to suggest switching to GST. At first, it was thought that GST would be put in place from April 1, 2010. Officials from both the States and the Centre were brought together in Joint Working Groups to look at GST between States. Last but not the least, this tax would be easier to manage because it would be clear and keep itself in check.

REVIEW OF LITERATURE

*Ehtisham Ahmed and Satya Poddar 2009*in their study "Goods and Service Tax Reforms and Inter-governmental Considerations in India" found that introducing GST will make the tax system simple and clear, and it will also help India's economy grow and become more productive. But the benefits of GST depend very much on how well it is made.

"The Road Map for Implementation of Goods and Service Tax" was studied by *Jana V. M.,Sarma, and V. Bhaskar in 2012*.They found that the steps that needed to be taken to set up the all-in-one tax system, or GST, were clear. The authors have explained how the Indian Constitution needs to be changed so that GST can be used.

Monika and Upasana's 2015 in their study titled "GST in India: A key tax Reform," examined the benefits of GST and the problems India had with putting it into place. They also said that a simple GST system that is easy to use is needed for implementation. If GST is put into place well, it will lead to more production and more jobs. It will also help managing well the fiscal policy. In this area, analytic research is needed to find a solution that works for everyone and to meet India's obligation to make a key change to its tax structure.

Milandeep Kaur 2016 in his study, "A Study on impact of GST after its implementation," looked at the effects of GST after it was put into place, as well as its pros and cons. GST is an important part of how the country grows and develops. Goods and service tax is India's most important tax change. GST is a tax system that includes all indirect taxes. This helps the economy grow and is better than the current tax system.

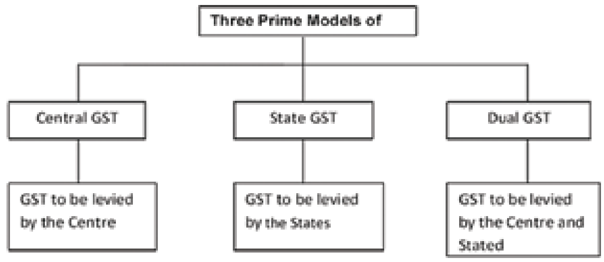
OBJECTIVES OF THE STUDY

1. To show how important goods and services tax is in India
2. To look into how GST affects the Indian economy.

RESEARCH METHODOLOGY

This study is descriptive in nature. For this, different articles, research papers, and reports about GST were read to gather secondary data. This study looks at the opportunities and problems that GST will bring to different fields.

Goods and Services Tax and its Model



The dual GST model, also called the dual GST structure, is a way to charge tax with two different parts. This is applicable in India because India is a Federal country and here both central and State Governments will charge GST within a State on a transaction done by the person of the country.

WORKING OF GST

Step 1: Producer: Let's say a person who makes shirts buys the raw materials to make a shirt worth 1000 INR plus 60 INR in tax. The company that made the shirt gave it a value of 300 INR. Now, the shirt is worth $1,300 (which is the sum of INR1,000 and INR300). Shirts have a GST rate of 5 per cent, and that will be 65 INR. The manufacturer can use this GST amount (65 INR) to offset the tax he paid on the raw material (60 INR), which is how much he has to pay in total. Because of this, the GST rate will only be 5 INR (65-60). GST is a value-added tax because of this.

Step 2: Distributor or Service Provider: The next step is to give the goods to the service provider or distributor. The distributor buys the same shirt for 1,300 INR and then adds about 200 INR to its value. Now the shirt is worth INR 1,500, which is INR 1,300 plus INR200. Under GST, he will have to pay a tax of about 75 INR (5 per cent), which will be offset by the tax of 65 INR on the shirt he bought from the manufacturer. Under GST, the total amount of tax paid by the distributor will be 75-65, or 10 INR.

Stage 3: Retailer: The retailer gets the goods from the wholesaler or service provider. This is the second-to-last step. In the same way, when you buy a shirt, the store adds a margin of 100 INR. The product will cost a total of 1600 INR (1500 + 100). If the GST rate is 5 per cent, he will now have to pay tax of 80 INR,. Under GST, the seller will have to pay 5 INR in tax (80-75).

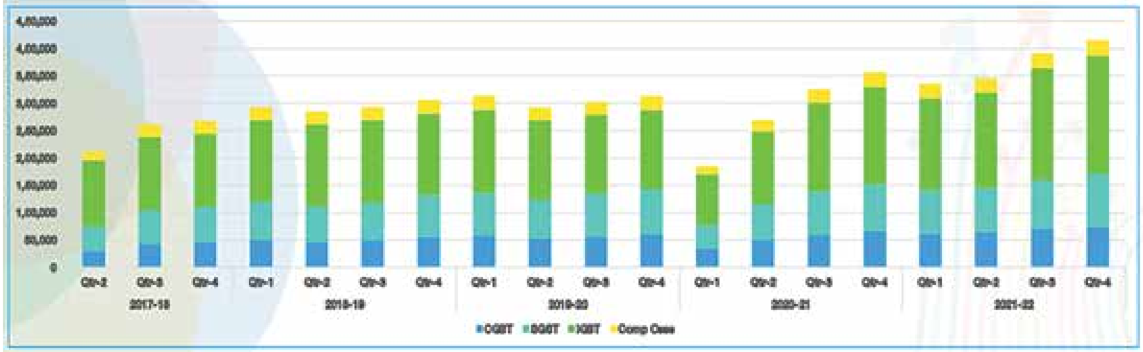
Stage 4: Consumer: This part of 1600 INR is taken care of by the person who buys this shirt in the end. GST is a value-added tax that gives the benefits of an input tax credit at every stage except the stage where the product is sold to the final consumer. Thus we can say that GST is one country, one tax that gives merchants a financial advantage.

DATA OF GST COLLECTION

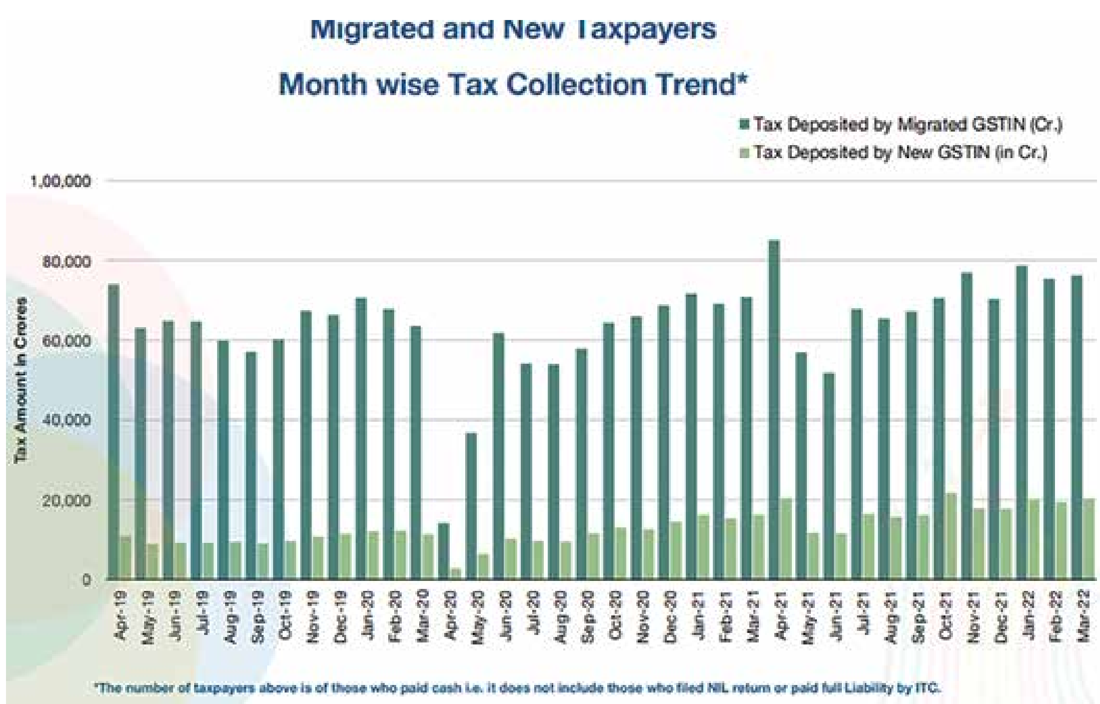
Figures in crores

Payments- July'17 to March'22

GST Collection	2017-18			2018-19				2019-20				2020-21				2021-22			
Qtr	Qtr-2	Qtr-3	Qtr-4	Qtr-1	Qtr-2	Qtr-3	Qtr-4	Qtr-1	Qtr-2	Qtr-3	Qtr-4	Qtr-1	Qtr-2	Qtr-3	Qtr-4	Qtr-1	Qtr-2	Qtr-3	Qtr-4
CGST	30,393	42,580	45,903	50,487	46,499	49,717	55,741	57,340	52,274	57,135	60,693	34,376	49,794	59,748	65,998	61,853	63,297	70,417	75,134
SGST	45,247	62,338	64,218	69,416	64,508	68,355	76,538	78,607	71,844	77,611	81,169	42,833	65,613	78,755	85,626	78,671	81,913	90,206	95,396
IGST	1,19,856	1,33,453	1,34,046	1,49,166	1,49,896	1,51,081	1,48,596	1,52,395	1,44,639	1,43,643	1,46,021	93,034	1,32,341	1,61,957	1,78,388	1,69,156	1,75,022	2,03,331	2,16,123
Domestic	51,933	70,594	70,565	78,980	73,225	76,405	79,634	82,251	73,478	79,954	83,739	48,612	70,396	89,454	95,485	89,396	90,683	1,00,641	1,05,956
Imports	67,923	62,859	63,482	70,186	76,672	74,676	68,962	70,144	71,161	63,690	62,282	44,422	61,945	72,503	82,903	79,760	84,339	1,02,690	1,10,167
Comp Cess	15,773	23,056	23,785	24,015	23,982	23,920	25,452	25,750	23,443	23,665	25,887	14,997	21,604	24,832	26,905	25,586	25,190	27,479	29,453
Domestic	13,909	20,875	21,535	21,686	21,570	21,285	22,748	22,869	21,078	21,175	23,182	13,270	19,336	22,120	24,427	23,001	23,106	25,513	27,298
Imports	1,863	2,181	2,250	2,329	2,412	2,635	2,703	2,882	2,366	2,490	2,705	1,727	2,268	2,712	2,478	2,585	2,084	1,966	2,155
Total	2,11,269	2,61,428	2,67,953	2,93,085	2,84,885	2,93,073	3,06,327	3,14,093	2,92,200	3,02,054	3,13,769	1,85,240	2,69,352	3,25,291	3,56,917	5,30,008	5,45,634	6,22,243	6,61,682



Source : gst.gov.in/offlineutilities/gst_statistics/5YearReport.pdf



Source : gst.gov.in/offlineutilities/gst_statistics/5YearReport.pdf

Introduction of GST is the best step our country has taken towards a more equitable indirect tax reform

above mentioned source it is clearly understood that network of GST is rapidly increasing day by day in India. Payment of CGST , SGST , IGST, UTGST etc. shows continuous rise from 2017- 2022 .The number of new taxpayer has also increased tremendously i.e new and migrated tax payer have also increased during the last 3 years from 2019 – 2022 which shows that the successful working of GST in India helps the Government to collect its tax revenue and appropriately use it can be for economic growth and development of India.

CONCLUSION

Introduction of GST is the best step our country has taken towards a more equitable indirect tax reform. Goods and services tax is the same for all sectors of the economy, whether it's business, industry, or the service sector. This includes Government departments. Changing the rules of the goods and service tax (GST), which 159 countries have adopted won't be easy. This process is likely to be confusing and hard. GST is a well-known and most liked system because Centre and State both charge different tax rates. Each State and Union territory has its own laws even though the structure may not be perfect, it will make India a better place for foreign investment. Goods and services tax won't add a huge amount to the tax burden, and most of the time, the total tax burden will go down because we'll only have one tax system instead of many. We can thus say that the goods and services tax will have a positive effect on the economy as a whole.

GST has brought about significant changes in India's taxation system, simplifying it in many ways and contributing to economic growth. However, it also comes with its share of challenges, including complexity and initial implementation hurdles. The long-term success of GST depends on the Government's ability to address these challenges and ensure smooth compliance for businesses of all sizes. MA

REFERENCES

1. *Ahmad, E., & Poddar, S. (2009). Goods and Service Tax Reforms and Intergovernmental Consideration in India. Asia Research Center, LSE, 2009.*
2. *Chadha, R. (2009). Moving to Goods and Services Tax in India: Impact on India's Growth and International Trade. National Council of Applied Economic Research.*
3. *Dani, S. (2016). A Research Paper on the Impact of Goods and Service Tax (GST) on the Indian economy. Business and Economic Journal, 7(4), 1-2.*
4. *Garg, G. (2014). Basic Concepts and Features of Goods and Service Tax in India.*
5. *GST India. (2015). Economy and Policy.*
6. *Jaiprakash. (2014). Indirect Tax Reform in India and a Way Ahead for GST. International Journal of Computing and Corporate Research, 4(1).*
7. *Kaur, M., Chaudhary, K., Singh, S., & Kaur, B. (2016). A study on the impact of GST after its implementation. International Journal of Innovative Studies in Sociology and Humanities, 2(1), 17-24.*
8. *Khurana, B. (2017). GST India: Effects on the Indian Economy. International Journal for Innovative Research in Multidisciplinary Field, 3(6), 27-29.*
9. *Leena & Sameena. (2017). Impact of Goods & Service Tax on the Indian economy. Kaav International Journal of Economics, Commerce & Business Management, 4(4), 422-427.*
10. *Palil, M. R., & Ibrahim, M. A. (2011). The Impacts of Goods and Services Tax (GST) on Middle-Income Earners in Malaysia. World Review of Business Research, 1(3), 192-206.*
11. *Rathod, M. (2017). An Overview of Goods and Service Tax (GST) In India. Journal of Commerce and Management.*
12. *Sarma, J. V. M., & Bhaskar, V. (2012). A Road Map for Implementation of Goods and Service Tax. Economic & Political Weekly.*
13. *Taqvi, S. M. A. (2013). Challenges and Opportunities of Goods and Service Tax (GST) in India.*
14. *Vasanthagopal, R. (2011). GST in India: A Big Leap in the Indirect Taxation System. International Journal of Trade, Economics and Finance, 2(2), April 2011.*
15. *World Bank. (2018). GST: India. Published by WB, Washington, USA.*

FEARLESS INVESTING

Abstract

Often we find people not having enough confidence in the investing process ending up parking their hard earned money in various low return instruments which can't even beat the inflation. In this process they end up losing the value of their money rather than increasing it. Hence the aim of this article is to encourage people to invest fearlessly and enjoy compounding their wealth by following some simple tricks.

CMA Agnishwar Mukherjee
Additional Treasury Officer
Finance Department
Government of West Bengal
Berhampore Treasury-I, Murshidabad
agni.mcgrath@gmail.com

Investment is an asset or item purchased *with the intention of generating income or appreciation.* Such investments include: stocks, bonds, bank and postal deposits, real estate, annuities, etc.

Investment is needed for financial independence and to generate wealth so that we don't need to depend on the support of someone else in our future when our ability to work diminishes.

GOALS OF INVESTING AND SELECTING THE VEHICLES OF INVESTMENTS

Depending on our short term/ long term requirements or goals, we have to select the vehicles of investments accordingly. For example, if our goal is a long term one, we have to choose equities over short term bank deposits and vice-versa. Long term is generally associated with equities because equities as an asset class tends to perform well over a longer period of time as ultimately an equity share means part ownership of a business. The ultimate goal is our financial Independence.

VARIOUS TYPES OF INVESTMENTS

Investment may be made in stocks, gold, mutual funds, REITs, INVITs, bonds (both Government and corporate), fixed deposit, etc. Out of these, equities are specifically proven to beat inflation in the long run. Beating inflation means to produce a return above the rate of return over a time frame. If an asset can produce a return over the rate of inflation only then can we tell that we have created wealth; otherwise we are actually losing money.

WAYS TO EARN FROM THE STOCK MARKET

There are mainly two ways as we know i.e., *trading and investing*. *Trading* often refers to short term buying and selling of stocks and *investing* on the other hand refers to buying and holding onto it for a longer time.

From where to start the evaluation of a stock

1. ***Studying the Broader trend and the economy as a whole:*** As we know owning a stock means to buy a portion of a business. If the business does well then automatically the stock would do well as the earnings will flow as dividends, capital appreciation, etc. Now before we can identify a good business, we have to study the economy as a whole because a company or business functions within an economy.
2. ***Studying various sectors within an economy:*** After studying the economy, we have to study various sectors to find out which sectors are doing well as all the sectors seldom do well at a time in any economy. We should keep an eye on the emerging themes to create future multi-baggers like water management, renewable energy, etc. Green energy or renewable as we may call it is a hot cake now along with green financing. Here we should check the valuation (discussed infra) because often market ascribes a frenzied valuation to theme stocks trading at 70, 80,150 price earnings multiples. On entering a stock at 150 PE very rare occasions are there where sufficient wealth has been created.
3. ***Watching the policies of the government:*** This is very important as we saw in recent times how PLI scheme, infrastructure (Sagarmala, Bharatmala, Vande Bharat Trains, Green Energy corridors, etc) was announced by the government. This helps us to identify the sectors and stocks which may do well in the coming years. Example: Huge project announcements in the Railway sector should show us the path to pick stocks in the railway sector like RVNL, Ircon, Jupiter Wagons, IRFC, etc.
4. ***Watching the macroeconomic policies and the policies of other countries*:** This is a very important part of choosing a stock. It often happens that our country and suppose USA are engaged in some Free

Trade Agreement which enhance the business of some article or commodity; on the other side if the relationship is strained with some other country and it imposes some duty on the products which we export then it may have an adverse effect on our trade. Hence policies of the countries with which we trade and the linkages are important to watch out as they impacts the sector and the companies therein.

5. ***Identifying stocks within the promising sectors***: After we find out the promising sectors next we should find the companies in those sectors which are doing well. Example*:* We find manufacturing of mobile phones to be an attractive sector in the coming 5 years and then we shortlist the stock of Dixon Technology as it is the market leader. A company usually with debt to equity more than 1.5 should be avoided but it varies from industry to industry. Usually unsustainable debt is not encouraged because if some black swan event happens or any other economic downturn happens, these companies will struggle like anything to repay the debt and keep afloat.

   In case of banks, we should watch out for their net interest margin (NIM) **i**.e., the difference between the interest at which it borrows money and the rate at which it lends out. We have to check the current account, savings account ratio (CASA) because these are low cost deposits for a bank which they can lend at a higher rate.

   Next after short listing and before buying a stock, we need to check a few stock /company specific parameters like Management evaluation, valuation of the stock, etc which is discussed below:

6. ***Management Evaluation***: It can be done easily by following these steps:
   a. Reading the management commentary
   b. Shareholding Pattern: When we see that the promoters are holding a sufficient percentage, usually above 50 per cent then it is a good sign because they are the persons who have established the business and they know in and out. Then after the successful operation of the business if any institutional investor (FII, DII. MF) enter then the stock price jumps manifold.
   c. Dividend history and Tax Rate: These are the real cash outgos. If a company is consistently paying dividends year after year then it is a very good sign indicating that the management wants to share the profits with the shareholders. Paying appropriate taxes is a sign that the chance of falsification of accounts is less.
   d. Return on equity (ROE): High ROE and if it is maintained over the years indicates that the company has a sufficient hold over the market which it is serving. Ultimately ROE means return on the funds given by the real owners of a business and it is arrived at by dividing profit after taxes (PAT) by equity share capital amount. It is obvious that PAT is arrived at after deducting all the interest expenses, etc. which signifies that even after paying interest etc the company is generating sufficient returns for the owners.

7. ***Checking the valuation****:* Buying a good company's stock but at an excessively high valuation doesn't serve good to the buyers and often they get trapped at such a high price. Rather we should be looking to buy great companies at a cheap rate to gain sufficient margin of safety. Various ratios like price to earnings (PE), EV/EBITDA are used to gauge the valuation. We can compare the stock's PE with the industry PE to find whether it is overvalued or not. Then we can check the prospects of the company to see whether there is any positive news in the market which is driving its valuations upwards.

8. ***Cash flows and profit:*** Special emphasis should be laid on the cash flow statement of a company. Accounting profit is important but if a company has accounting profits and negative free cash flows then it is a warning bell. Without adequate cash flows a company will always have to rely on external financing, borrowed capital thereby increasing the leverage and deteriorating capital structure and hence reducing the return to the shareholders. There are many top class giants like Amazon, Walmart which focuses on cash flows most of the time than accounting profit. It is a simple common sense that if I show Rs 1 crore profit but my business is running on negative cash flow just imagine the terrible situation !!

9. ***Scalability:*** Before buying a stock, we should always check whether the business is scalable or not because unless the business can be scaled up, money cannot be made in that counter and ultimately the stock price won't move upwards.

The best short-cut method to filter a stock is to check the return on equity (preferably above 20 per cent), free cash flow should be positive, debt to equity less than 1 and constantly increasing earnings per share. If a stock has this combination then we can be sure that it certainly has pricing power in the market, a good customer base and faith as well as a strong command over the market which it is catering to. This kind of combination often creates multi baggers.

Another very important thing is to keep a proper record of the date, quantity and extent of asset purchased because only then can we calculate the overall return over a particular period of time. We should calculate returns on an "after-tax basis" because tax component is not our gain.

WHEN TO SELL A STOCK?

a. If there are some other better counters.
b. If you get trapped at a high price from which the chances of prices rising are very slim.
c. If there are no significant chances of re-rating of the stock, i.e., no certain expansion plans of the business.
d. Rebalancing of the portfolio to inculcate some new sunrise sectors which can offer more growth amidst a fund constraint.

Always we should remember that being a finance person our aim is to allocate our capital efficiently.

DIVERSIFICATION OF PORTFOLIO

To diversify means "to spread out the risks". We can buy equities, gold, REITs, etc all in some varied proportion according to our taste, age etc. and be careful not to "diworsify". It is a term coined by Peter Lynch which means an investor spreads his assets across so many avenues that ultimately it's difficult to manage and an inefficient portfolio where assets are concentrated. When it is an equity boom, gold tends to under-perform and *vice-versa.* Hence when we buy various assets in some measured proportion, ultimately it stabilizes our portfolio. Example- We saw how equities tumbled during Covid times but gold performed well.

LATEST TRENDING MUTUAL FUND TYPES:

Multi cap and Flexi cap MFs: Both these can invest across various market capitalizations but in case of multi-cap a minimum 25 per cent has to be invested in Large, mid and small caps whereas there is no such limit for a flexi cap fund. These funds can, therefore, be used to capitalize on any market condition as they can switch from one category to the other within equity.

Hybrid Mutual Funds: They are a combination of equity and debt funds. Each hybrid fund has a different combination of equity and debt. For example, equity oriented hybrid funds have a minimum 65 per cent allocation to equities and equity related instruments across various market capitalizations and sectors whereas debt oriented hybrid funds have at least 60 per cent of its total assets in fixed-income securities like bonds, debentures, Govt. securities, etc. The remaining 40 per cent is invested in equities.

Balanced Funds: These funds invest a minimum of 65 per cent in equities and equity related instruments and the rest in debt securities and cash.

Multi-Asset funds: Here various combinations of asset classes are used for allocation. As we know, different asset classes perform differently in different times. When equity does well, gold underperforms and *vice-versa* and these happen due to some related economic changes. Here comes the benefit of multi-cap funds as they have different assets within a fund so they may change their constituents as per the economic scenarios.

Who should Invest in Multi-Asset Allocation Funds?

The multi-asset allocation mutual funds are deemed suitable for investors *who have a low-risk appetite but want to enjoy steady returns on their investments.*

The multi-asset allocation helps such investors to even out the risk that comes along with investing in just one type of asset class.

Additionally, it ensures a steady flow of income for the investors even at a time when some asset classes are under-performing than usual.

BONDS

These are the financial instruments through which corporations, and Governments raise finance and they pay out a regular interest in case of interest bearing bonds known as ' Coupon '. There is zero interest bearing bonds called as zero coupon bonds. These bonds are issued at a deep discount to their face value and are redeemed at the face value thus offering gains.

Bond yield: It is the total return a bond offers to the investor. It may be calculated as the yearly coupon received divided by the face value of the bond. When the bond is purchased from the secondary market then its formula for yield is the coupon payment divided by the bond price.

Relationship between Bond yield and Price: Both are inversely proportional because whenever the bond price increases the denominator of the yield increases thereby pushing the yield down and *vice-versa*. Bond yield and price tells us about the whole picture of the economy.

Increase in bond yield and the impact on the stock market: An increase in the bond yield makes the bonds more attractive than the uncertain stock market. Thus, the investors rush to buy the bonds and dump the stocks thereby causing the stock prices to fall. Similarly a decrease in bond yield makes the stock market more attractive to the investors.

Interest rate and bond prices: If new bonds are issued with higher rate of interest then the prices of the present bonds fall as their attractiveness decreases and *vice-versa.* Thus we can see that the bond interest and prices share an inverse relationship.

Bond yield and coupon rate are directly proportional to each other but interest and price as well as yield and price are inversely related.

CONCLUSION

Investing is a great skill which requires sound knowledge and patience. If a person is not capable of investing oneself then it is best that he/she should take the recommendation of an expert. Also the actual wealth is built up in the longer term rather than short term buying and selling stocks. The stock market ultimately rewards those companies which can stay in the hunt for a longer timeframe and increases its Earnings per Share. MA

A REVIEW OF UNION BUDGET WITH EMPHASIS ON THE INDUSTRIAL SECTOR

Abstract

Industrial growth is essential for achieving economic and social objectives, such as reducing poverty and improving living standards. Consequently, Government policies and initiatives supporting industrial growth are prioritized, with the budget serving as a crucial tool for implementing these policies. The budget outlines expected revenue sources and how funds will be distributed among different departments and programs, including those aimed at industrial sector development.

CMA Madalsa Naidu
Research Scholar (Commerce)
Durga College
Raipur
madalsanaidu10@gmail.com

Dr. Rajendra Kumar Shukla
Assistant Professor
Durga College
Raipur
rajendrashukla28@gmail.com

INTRODUCTION

Industrial sector is a key factor in India's rising economy. In terms of national development, the industrial sector is vital. Economic development and industrialization are now inextricably associated.

The Union Budget embraces planned Government spending and expected revenue. Planned Government expenditure in key sectors plays an important role for the growth of that particular sector. Information on number of Government expenditure is presented in the Union Budget, including as grants, subsidies, and transfers to States and Union Territories, as well as the distribution of funds across different departments and sectors. The industrial sector budget in Union budget allocated under the head Expenditure for Ministry of Commerce & Industry is further bifurcated in Department of Commerce and Department for promotion of Industry and Internal Trade. The expenditure includes revenue and capital expenditure. Revenue Expenditure are the expenses which are for the regular operation of Government agencies. Granting loans and advances, as well as purchasing assets, are the two basic purposes of capital expenditure. Both the Dept. under Ministry of Commerce and Industry have three major expenditures heads namely Central Sector Schemes/Projects, Establishment Expenditure of the Centre and Other Central Sector Expenditure.

STATEMENT OF THE PROBLEM

The performance of industries is strongly impacted by the amount of money allocated to it. In order to better understand the successful implementation of the allocated funds for industry in budget, identify the challenges that the industry faces, and offer suggestions for improving the allocation and utilization of financial resources, a thorough analysis of the budget is required.

OBJECTIVES OF THE STUDY

Evaluate and compare year wise amounts spent on Industry sector in Union budget.

LIMITATIONS OF THE STUDY

For the FY 2020-21 to 2022-23 actual data has been taken for study. For FY 2023-24 Revised Estimates and for FY 2024-25 Budget Estimates are taken into account for study.

RESEARCH METHODOLOGY

The data used for the study is secondary in nature. For analysis statistical tools are used.

DATA ANALYSIS

TABLE-1

UNION BUDGET TOTAL EXPENDITURE AND ALLOCATED FUNDS FOR MINISTRY OF COMMERCE AND INDUSTRY FROM 2020-21 TO 2024-25 TREND ANALYSIS (BASE YEAR 2020-21)

(in Rs Crore)

Year	Total Expenditure	Expenditure for Ministry of Commerce & Industry	Percentage of Exp. For Min of Comm. & Ind. To Total Exp
2020-21 (Actual)	3509836.00	10684.51	0.30%
2021-22 (Actual)	3793801.00	15559.75	0.41%
2022-23 (Actual)	4193157.00	13000.80	0.31%
2023-24 (RE)	4490486.00	12453.79	0.28%
2024-25 (BE)	4765768.00	10404.63	0.22%

Source- Union Budget

FIGURE-1

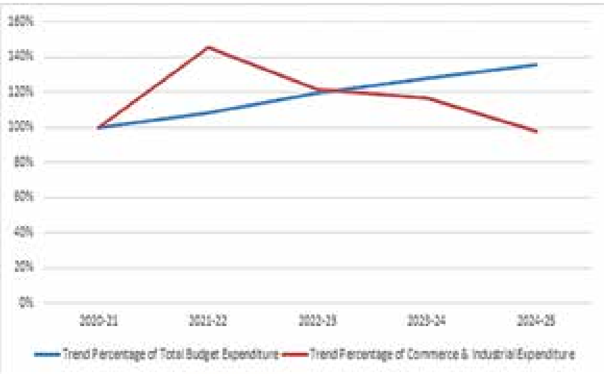


Table 1 shows the total budgeted expenditure and the allocated fund for industry sector during 2020-21 to 2024-25. It can be seen that total budgeted expenditure has increased by 36 per cent from 2020-21 but funds for industry has shown an upward trend in 2021-22 and afterwards a decreasing trend till 2024-25. During 2021-22 there was an increase of 46 per cent over 2020-21 figures. But afterwards there is decrease by 24 per cent in 2022-23, further 5 per cent in 2023-24 and additionally 20 per cent in 2024-25 in the allocated funds for industry. The allocated fund for industry has gone down from 0.30 per cent of expenditure in 2020-21 to 0.30 per cent of total expenditure in 2024-25. It is important to note that during 2020-21 to 2024-25, the trend percentage of the contribution to the industry sector declined marginally, despite the fact that the overall budgeted amount and its trend % have climbed continuously throughout the years.

TABLE -2

ALLOCATION OF REVENUE AND CAPITAL EXPENDITURE FOR MINISTRY OF COMMERCE AND INDUSTRY FROM 2020-21 TO 2024-25:

Year	Revenue Expenditure	Capital Expenditure
2020-21	9466.22	1218.29
2021-22	13094.42	2465.33
2022-23	11007.52	1993.28
2023-24	10762.78	1691.01
2024-25	8941.02	1463.61
Total	53271.96	8831.52

Source- Union Budget

Table 2 depicts the allocation of Revenue & Capital expenditure for Ministry of Commerce & Industry for the period of study. In 2021-22 both Revenue & Capital expenditure allocation was significantly high. After 2021-22 both type of expenditure allocation has decreased till 2024-25. Also, it can be inferred that as compared to revenue expenditure capital expenditure allocation is very less. While revenue expenditures are operational expenditures, capital expenditure are expenses that are done to create assets and investments that create values in long run having long term effect. To have a magnifying effect of assets and investments in long term a bare minimum amount as compared to revenue expenditure needs to be invested in capital expenditure also.

TABLE-3

ALLOCATION OF FUNDS FOR MINISTRY OF COMMERCE AND INDUSTRY FOR PERIOD 2020-21 TO 2024-25:

Particulars	2020-21 (Actual)		2021-22 (Actual)		2022-23 (Actual)		2023-24 (RE)		2024-25 (BE)	
Department of Commerce										
1. Central Sector Schemes/Projects	**Amount**	**In %age**	**Amount**	**In %age**	**Amount**	**In %age**	**Amount**	**In %age**	**Amount**	**In %age**
Agricultural Product Export Development Authority (APEDA)	82.60	2.62	85.00	1.16	80.00	1.13	80.00	1.32	80.00	2.01
Marine Product Export Development Authority MPEDA)	110.00	3.49	126.05	1.72	92.50	1.31	110.00	1.82	110.00	2.76
Trade Infrastructure for Export Schemes (TIES)	59.99	1.90	74.99	1.03	70.99	1.01	51.67	0.85	51.67	1.30
Duty Drawback Scheme	472.28	14.96	234.07	3.20	128.45	1.82	200.70	3.32	180.00	4.52
Tea Board	209.19	6.63	157.37	2.15	125.89	1.78	130.00	2.15	131.00	3.29
Coffee Board	174.60	5.53	164.57	2.25	228.29	3.24	226.20	3.74	226.20	5.68
Rubber Board	187.69	5.95	263.95	3.61	293.76	4.16	244.29	4.04	244.29	6.14
Spices Board	100.65	3.19	115.50	1.58	115.50	1.64	115.50	1.91	115.50	2.90
Export Promotion Schemes	2234.30	70.80	5139.56	70.33	4602.01	65.24	4045.00	66.86	1939.17	48.73
Project Development Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00
Champion Service Sector Scheme on Transportation and Logistics	0.00	0.00	0.00	0.00		0.00		0.00		0.00
Centre For Research on International Trade-CRIT (Centre	15.66	0.50	21.00	0.29	26.93	0.38	41.00	0.68	45.00	1.13
Transport and Marketing Assistance (TMA) Scheme for specified agriculture product	100.00	3.17	249.99	3.42	538.55	7.63	0.00	0.00	0.01	0.00
2. Establishment Expenditure of the Centre	771.45	24.44	711.30	9.73	741.39	10.51	768.05	12.70	804.14	20.21
3. Other Central Sector Expenditure	-1362.45	-43.17	-35.55	-0.49	9.67	0.14	37.57	0.62	52.57	1.32
Total Expenditure for Dept. of Commerce	**3155.96**	**100**	**7307.80**	**100**	**7053.93**	**100**	**6050.01**	**100**	**3979.55**	**100**

Source: Union Budget

From the above table it can be seen that in Department of Commerce major allocation of funds i.e. more than 50 per cent is in export promotion in each of the said five years. An average of 64.39per cent of allotted expenditure to Dept. of Commerce is incurred for Export Promotion schemes. According to Dept. of Commerce export was valued at Rs 215904322.13 in 2020-21, Rs 314702149.28 in 2021-22, Rs 362154987.57 in 2022-23 and Rs 261999088.64 in 2023-24 (April to December). It can be seen that despite having decreasing share in Export Promotion Council during the last three years the export has increased overall indicating that earlier year's proper implementation of funds has resulted in magnifying effect for future. Next Establishment expenses of the Centre for Dept of Commerce contributes a major share in expenditure having an average share of 15.52 per cent followed by Duty Drawback Scheme having an average share of 5.57 per cent in allocated fund. Duty drawback scheme is intended to promote exports. Other central schemes allocated fund are Rubber Board-4.78%per cent Coffee Board-4.09 per cent, Tea Board Board-3.20 per cent, Transport and Marketing Assistance (TMA) Scheme for specified agriculture product – 2.84 per cent , Spices

Board-2.24 per cent , Marine Product Export Development Authority (MPEDA)- 2.22 per cent , Agricultural Product Export Development Authority (APEDA)-1.65 per cent , Trade Infrastructure for Export Schemes (TIES) -1.22 per cent , Centre for Research on International Trade-CRIT (Centre for WTO Studies)-.59 per cent . Project Development Fund a new expenditure head has been introduced for year 2023-24 having fund allocation for Rs .03 Crore. For 2024-25 no such expenditure head is found. In all central schemes the Dept of Commerce's major focus is on exports which can also be seen in the result s of the last five-years' export data. The outcome for the same can be seen from the results of export values. Also, a nominal share of the fund is spent on various Boards like Coffee, Tea, Rubber and spices. India is the world's third-largest producer, fourth-largest user, and fifth-largest consumer of both natural and synthetic rubber combined. Coffee is majorly an export commodity in India. Government spends optimum fund for coffee industry as the size of the Indian coffee market was estimated at USD 478 million in 2022 and is projected to grow at a compound annual growth rate (CAGR) of 9.87 per cent to reach USD 1,227.47 million by 2032. Also, Tea industry in India has developed a lot. Despite domestic consumption of about 80 per cent of Tea, India still is under the top 5 Tea exporters in the World. Therefore, many schemes for the promotion of Rubber Board, Coffee Board and Tea Board have been introduced by the Government.

TABLE-4

Particulars	2020-21		2021-22		2022-23		2023-24		2024-25	
	(Actual)		(Actual)		(Actual)		(RE)		(BE)	
Department for Promotion of Industry and Internal Trade										
1. Central Sector Schemes/Projects	**Amount**	**In %age**	**Amount**	**In %age**	**Amount**	**In %age**	**Amount**	**In %age**	**Amount**	**In %age**
Indian Leather Development Programme (ILDP)	153.10	2.03	228.46	2.77	0.00	0.00	0.00	0.00	0.00	0.00
Footwear, Leather and Accessories Development Programme (FLADP)	0.00	0.00	0.00	0.00	120.66	2.03	250.00	3.90	250.00	3.89
Industrial Infrastructure Upgradation Scheme (IIUS)	24.08	0.32	2.71	0.03	0.00	0.00	9.09	0.14	0.01	0.00
Price and Production Statistics	10.33	0.14	17.25	0.21	14.94	0.25	17.85	0.28	17.00	0.26
National Industrial Corridors	2947.41	39.15	1104.68	13.39	108.69	1.83	150.00	2.34	500.00	7.78
Make in India	538.46	7.15	1662.96	20.15	1832.90	30.82	2165.10	33.81	1963.03	30.55
Production Linked Incentive (PLI) Scheme for Toys	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Production Linked Incentive (PLI) Scheme for Footwear and Leather Sector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Industrial Development of Backward and Remote Areas	644.96	8.57	798.38	9.68	540.69	9.09	1249.43	19.51	1447.01	22.52
Industrial Development of Ladakh	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	5.00	0.08
Refund of Central and Integrated GST to Industrial Units in North Eastern Region and Himalayan States	2716.00	36.08	3904.30	47.31	2637.50	44.35	1755.22	27.41	1382.35	21.51
2. Establishment Expenditure of the Centre	394.28	5.24	417.70	5.06	531.71	8.94	627.55	9.80	656.50	10.22
3. Other Central Sector Expenditure	99.92	1.33	115.51	1.40	159.78	2.69	179.54	2.80	204.16	3.18
Total Expenditure for Dept. for promotion of Industry & Internal Trade	**7528.54**	**100**	**8251.95**	**100**	**5946.87**	**100**	**6403.79**	**100**	**6425.08**	**100**

Source: Union Budget

In the Department for Promotion of Industry and Internal Trade, refund of central and integrated GST to industrial units in North Eastern Region and Himalayan States constitutes an average of 35.33 per cent in allocated fund. The scheme allotted fund has decreased in share from 2022-23. Next scheme is "Make in India" which has an average share of 24.50 per cent in funds. Funds allotted under Make in India plan have increased during the first four years of the study and recorded a slight decrease in the average share in 2024-25. Make in India scheme has promoted manufacturing in India. Manufacturing sector's contribution in GDP in Q2 2019 was Rs.6169.4 billion which has increased to Rs. 7154.65 billion in Q3 2023. India's industrial manufacturing sector has seen immense development, drawing in multinational IT companies like Apple which are keen to expand their supply chains here. The adoption of Government industrial policies, which support sector-specific incentive programs, provides further power to this process. Such improvement is possible due to Make in India scheme. Following it Industrial Development of Backward and Remote Areas Scheme shares an average of 13.87 per cent showing a slight decrease in the average share during 2022-23 with increase in next two years. Over a period of time, a unique trend has surfaced in the backward and remote areas of the country like setting up of manufacturing units in such areas in order to fill the income gap and achieving development by including the traditional businesses of rural areas like agriculture, forest produces and handlooms. National Industrial Corridors Scheme had a share of 12.90 per cent on an average recording a sharp decrease during 2020-21 to 2022-23 and a gradual and slow increase afterwards. The Government of India has chosen to build Integrated Industrial Corridors on the basis of multifaceted connectivity in collaboration with State Governments as a means of accelerating the expansion of the manufacturing sector and ensuring structured and planned development. Establishment expenses shares an average of 7.85 per cent in total allotted fund. A new head of expense "Industrial Development of Ladakh" has been introduced in the Budget from FY 2023-24 for the industrial development of Ladakh. For further strengthening of industrial development of Ladakh the fund has been continued and increased in 2024-25. Two new heads of expenditure have been introduced under the Budget for FY 2024-25 namely "Production Linked Incentive Scheme for Toys" and "Production Linked Incentive Scheme for Footwear and Leather Sector". The labor-intensive characteristics of the toys, footwear, and leather industries, as well as the efforts made to make them investment-friendly, led to the decision to expand the program into these areas. Other Central Sector expenses like ILDP, FLADP, IIUS, Price and Production Statistics shares an average of 2.28, 0.96, 1.96, 0.1 and 0.23 per cent respectively.

CONCLUSION

India is a rapidly developing nation, and the industrial sector plays a significant role in this expansion. It could result in higher living standards, employment creation, and growth in the economy. Budget is a tool in the hands of Government to allot funds for different sectors that help in the growth of the nation. Budget encompasses pre planned expenditure for various programs and policies for industrial sector that influence productivity and demand. Analysis is of the figures indicates that, despite a continuous increase in overall budgetary expenditure, the amount of fund allocated to the industrial sector has declined over the past three years. Merely focusing on export promotion schemes will not be helpful for the overall industrial growth. . Sufficient funds are needed for industrial development along with other sectors like agriculture and service industry. Industrial development reduces the country's dependence on other countries for goods and services. India enormous potential for industrial growth and the need is to encourage and nurture the same. MA

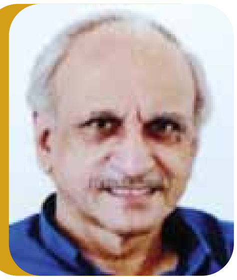
REFERENCES

1. *https://www.indiabudget.gov.in*
2. *https://tradestat.commerce.gov.in/eidb/ecnt.asp*
3. *https://commerce.gov.in/trade-statistics/*
4. *https://www.india-briefing.com/news/india-plans-manufacturing-incentive-scheme-for-toys-leather-and-footwear-products-29309.html/*
5. *https://www.statista.com/outlook/cmo/hot-drinks/coffee/india*
6. *www.dsir.gov.in*
7. *www.clearias.com*
8. *Suri MM, Government Budgeting in India, Indian Edition 1997*
9. *Gadgil D. R., The Industrial Evolution of India in Recent Times, Edition 2007*
10. *Mathad Harsh C, A study on Union Budget with Special reference to Agricultural Sector, The Management Accountant, monthly, May 2023 VOL 58 NO. 05, pp 29-33 (5 pages)*
11. *Siddharthan N.S., Pandit B.L., The Budget and Industrial Development, Economic and Political Weekly, Vol. 32, No. 20/21, May 17-30, 1997, pp. 1187-1189 (3 pages)*

CMA PROFESSION IN INDIA - A PERSPECTIVE

Abstract

The profession of Cost and Management Accountancy in India is facing today the twin challenges of relevant visibility and its position in the development of the economy. Governance in any aspect of human activities, macro and micro, needs cost perspective and this needs to be effectively appreciated and leveraged to sharpen the tools of management accountancy and the profession based on this. A dynamic program of the professional education, recognised professional competence of cost and management accountants, and continued upgradation of the professionals are the three broad requirements for the development of the Cost and Management Accounting Profession. Paradigm shifts in pedagogy adopted to impart the professional education, a continued link of the professionals with the changing economic environment and a rigorous monitoring of the responses of the profession would enable the profession to gain its position in the economy.



CMA D. Jagannathan
Practising Cost Accountant
New Delhi
jagannathan.d@gmail.com

Currently, the profession of Indian cost accountancy is facing two typical challenges- one to its very visibility and relevance in contemporary India and another its positioning, in conformity with global practices, of alignment with management accountancy. This article attempts to address both the challenges.

First of the two challenges mentioned, is existing for long and its current status confirms the limitations of any attempts that are claimed to have been made. The saving grace is the inert potential of the basis discipline of "cost" on which the profession of cost accountancy emerged and which gave management accountancy an irreversible position. It is therefore imperative that this characteristic of the basic discipline behind the profession, should be leveraged for the benefit of the economy and the sustainability perspectives.

Let me first try to give a perspective on how significant it is to understand and appreciate the basic discipline of "cost". Fundamentally, if human existence is ensured by the optimum human interactive utilisation of nature around, then a measured monitoring of that interaction is essential (to maintain a balanced relation with nature) and the term cost emerged when monitored measurement is done. This intrinsic meaning of cost has evolved over the centuries and matured along with human development. A conscious expression was given to it by evolving cost accountancy and management accountancy. The relevance of cost increased in a complex form as technology and economic activities made continuous paradigm shifts over time. Governance in any aspect of human activities, macro and micro, needed cost perspective and this was effectively appreciated to sharpen the tools of management accountancy and the profession based on this. Cost management tools, like abc or life cycle costing, emerged to confront disruptions, expected and unexpected, in governance. Professional response to such changes were the backbone for upgrading the governance perspectives and practices. The profession's nomenclature obviously changed to management accounting, and the regulating body as the "institute of management accounting". In India, unfortunately, the old name -cost accounting- continues largely due to casual attitude at many of the relevant quarters. The need to change the name of the profession and the institute – from cost accounting to management accounting- should be seen as natural corollary and in conformity to global practices, rather than a non-existing political one.

Our Institute "The Institute of Cost Accountants of India" is the statutory body to regulate the profession (named as 'cost and management accountants') and impart the concerned professional education. Having established the institute, the ruling dispensation, democratically, left the shaping of the institute to the professionals themselves, like in other professions. It must be candidly appreciated that there is a lot to be done.

With benefit one can begin with the definition given by IFAC: A professional accountant is: An individual who has achieved and demonstrated an appropriate level of professional competence in the field of accountancy, through education, practical experience, and assessment, and who: Further develops and maintains professional competence through Continuing Professional Development (CPD);

Three important pillars can be seen in the definition- education, professional practice and assessment. All the three pillars are inter-related and cannot be seen as water tight compartments. Assessment is both internal and external. Practice is both in terms of expressing expertise as well as responding to new and emerging expectations. Education needs to ensure dynamic foundation for the profession, and at the same time provide intellectual reformulation through collaborative research pursuits. In all the three spheres, innovative and committed entrepreneurship is crucial to demonstrate an effective progress of any dimension. In reality, our Institute should work effortlessly with reference to all the three important pillars mentioned above. A culture of innovation backed by an appreciation of ground level realities, is required by us, both in and outside the Institute. Ravi Arora in his latest book "Igniting innovation" highlights simplicity and inclusiveness for developing an organisational culture of innovation in the Institute that percolates among professional members especially the young professionals. Vijay Govindarajan, US-based professor at Dartmouth and Cost Management exponent, recommends the book by Ravi Arora for a large and transformational momentum.

In the sphere of education, four fundamental factors must be addressed- Accessibility, Quality, Finance and technology. The Professional course offered by the Institute should be made attractive and meaningful to a largest number of aspiring students in every part of the country. Career options are desperately looked for by the youth and the Institute must find reasons for the gaps and then evolve strategies to fill the gap that would make CMA professional education finds its meaningful place in the development of the country. The demographic advantage of the economy should be the leveraging factor. Innovation in developing the course material in regional languages along-with inputs in English will help to grow students' strength- horizontally and vertically. Institute, through its staff members should venture new strategies to achieve high standards in the quality of study material and the process of imparting professional education. The study material must be a speaking document on the professional areas in cost and management accountancy while imparting basic tenets of learning.

The pedagogy in professional education is at an unstructured level in India, and very casually defined in our Institute's CMA course. The students are generally left to themselves to gain proficiency or through scarcely regulated coaching classes at various centres of the Institute. Among many limitations that exist, one significant limitation is the inability for the students to connect their learning process with the professional expectations of the society at large. My suggestion is that, after ensuring quality study material that remains updated to real life changes in the economy, is enable students to be exposed to a structured program of learning through carefully identified subject experts and another program for final students to an interactive exposure to industry managers, at various designated centres across the country. This would require a planned program with teaching assistants at various centres identified for face-to-face interactions. This would enable the students to connect the subjects being imparted to real world situations, get a holistic view of the society and economy and put a strong perspective on the significance of professional expertise. This would definitely involve budgeted expenditure, but then it is worth adopting this method, keeping in view the fact that the galloping changes in the society and economy cannot be fully captured in the study material. The goal is to evolve a system of nourishing students towards a directed Profession, and not just place a profession in the market.

The Professional CMAs, at the initial stages at-least, are found to be largely wanting in their exposures. While there is no denying the fact that many of these young 'recently-passed out CMAs' are quite intelligent and proficient in IT tools, they lack articulation in communicating and appreciating the real-life issues. This is but a natural consequence of a poorly designed and executed education program. That is the reason behind my views on education expressed before the current paragraph. Once the aspirant professional is well tuned through a professional imparted education, the person is equipped to face challenges. The existing mechanism of internship is more a ritual, than building a strong professional. There cannot be single standard for internship process, but a model can be evolved and prescribed, which would include the internship process to be followed, and an institutional mechanism provided by the Institute at various major cities for professional interactions to the interns, which may not be feasible at the Individual CMA firm level. The scheme of CPE must be strengthened to enable continuous upgrading the professional in Knowledge base, and innovative seminars to be organised at various centres, periodically, on multiple areas that are relevant to the professionals as well as emerging areas. Here, the research base of the institute has a significant role to play. For this, Institute must make plans to collaborate with leading academic institutions/Universities and Research organisations like ICMR, NCAER, ICSSR, etc. To help build a culture of research in a digital era, among the staff members of the Institute and to develop a research perspective among elected council members at the centre as well as regions. This one factor of building an ambience of Research and innovation is the only available road for the Profession and the Institute to ensure sustainable future for itself without any artificial supports. With limited space in articles, I can only stress that the spirit of moving forward is meaningful only when we remain futuristic through enabled research.

Obviously, the finance is an important factor in all perspectives outlined above. But, given the basic strength and need of the discipline of cost and management accountancy in good governance and the fact that India enjoys a demographic dividend, the project to develop the profession through the Institute is very much possible through appropriate finance model that includes inclusive fee's structure, priced research papers, and value-adding advanced programs on various aspects of Cost and Management Accounting.

A committed willingness to discuss the above issues and more, among a wide cross-section of stakeholders of the discipline of cost and management accountancy and the Professional CMAs, practising or employed, would pave the way to show the future road map. MA

References:

IGNITING INNOVATION, by Ravi Arora, PUBLISHED BY

Harper Business IN 2019

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)
www.icmai.in

CALL FOR PAPER

Research Bulletin, Vol. 50 No. I April 2024 (ISSN 2230 9241)

Call for Research Papers/Articles

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

Guidelines to submit full Paper

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

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

- *Securities Markets in the Changing Context*
- *Sustainable Finance*
- *Indian Commodity Markets*
- *Synergy of AI in Banking Operations*
- *Digital Finance and Fintech Innovations*
- *Cryptocurrency and Blockchain Developments*
- *Insurance Penetration and Technological Integration*
- *Global Economic Impacts on India's Financial Landscape*
- *Green Entrepreneurship and Circular Economy*
- *Startups and Sustainable Development Goals (SDGs)*
- *CSR*
- *Corporate Governance*
- *Insurtech and Regtech*
- *Blockchain and Decentralized Finance (DeFi)*
- *GST: Exploring the path forward*

Papers must be received within
31st May, 2024
in the following email id:
research.bulletin@icmai.in

DIGITAL OBJECT IDENTIFIER (DOI)

Issue: August - 2023 [Vol. 58 No. VIII]

Name of The Article	Name of Author/s	Volume	Issue	Issue No.	Page No.	DOI Numbers
MISAPPROPRIATION OF CASH IN COOPERATIVE SOCIETIES: ROLE OF AUDITORS IN FIXING THE ACCOUNTABILITY AND RESPONSIBILITY	CMA N Raveendranath Kaushik	58	Aug-23	8	16-18	10.33516/maj.v58i8.16-18p
THE ROLE OF COOPERATIVES IN WOMEN EMPOWERMENT: A CRITICAL REVIEW	CMA Purnendu Basu Dr. Rupa Basu	58	Aug-23	8	19-21	10.33516/maj.v58i8.19-21p
DEVELOPMENTS AND CHALLENGES IN THE COOPERATIVE BANKING SECTOR	Usha Ganapathy Dr. Ranjith Krishnan CA (Dr.) Bharat Patel	58	Aug-23	8	22-26	10.33516/maj.v58i8.22-26p
EFFECT OF MULTI-STATE COOPERATIVE SOCIETIES (AMENDMENT) BILL, 2022 ON IMPROVING ENTREPRENEURSHIP AND ENTREPRENEURIAL INTENTION IN INDIA	Bhawana Bardia Dr. Amit Kumar Das	58	Aug-23	8	27-30	10.33516/maj.v58i8.27-30p
COOPERATIVE SECTOR AND INCLUSIVE GROWTH IN INDIA: EXPLORING STRATEGIES TO ENSURE EQUITABLE DEVELOPMENT	Dr. Ashwani Varshney Dr. Ajay Tripathi	58	Aug-23	8	31-35	10.33516/maj.v58i8.31-35p
COOPERATIVE GOVERNANCE IN INDIA	Dr. Madhukar Sharma Dr. Purnima Singh	58	Aug-23	8	36-38	10.33516/maj.v58i8.36-38p
DIGITALIZATION, COOPERATIVE SOCIETY AND AGRICULTURAL CREDIT: A SYSTEMATIC LITERATURE REVIEW	Talsaniya Gauravkumar Kanaiyalal Dr. Kunal Sinha	58	Aug-23	8	39-42	10.33516/maj.v58i8.39-42p
AGRICULTURAL COOPERATIVE: A PILLAR FOR AGRICULTURE DEVELOPMENT AND FOOD SECURITY IN INDIA	Sathisha Dr. Medhavini S Katti	58	Aug-23	8	43-47	10.33516/maj.v58i8.43-47p
INNOVATION AND TECHNOLOGY FOR MAKING INDIAN COOPERATIVES FUTURE-READY	Dr. Dileep Kumar S. D. Manjunatha H R	58	Aug-23	8	48-51	10.33516/maj.v58i8.48-51p
SEBI's REFORM ON BRSR CORE	Pradeep Ramakrishnan	58	Aug-23	8	56-58	10.33516/maj.v58i8.56-58p
Book Review	Dr. (CA) Ameya Tanawade	58	Aug-23	8	60-61	10.33516/maj.v58i8.60-61p
IMPERATIVES OF BUILDING: A DATA DRIVEN ORGANIZATION IN SEARCH OF EXCELLENCE WITH DIGITAL TRANSFORMATION	CMA (Dr.) Paritosh Basu	58	Aug-23	8	63-69	10.33516/maj.v58i8.63-69p
A REVISIT TO ATMANIRBHAR BHARAT: FINANCIAL SELF-RELIANCE OF THE PEOPLE AS PROGRESSED WITH FINANCIAL INCLUSION AND DBT	CMA (Dr.) Arindam Gupta	58	Aug-23	8	70-74	10.33516/maj.v58i8.70-74p
THE IMPACT OF ARTIFICIAL INTELLIGENCE ON THE FINANCE DEPARTMENT OF MANUFACTURING ENTITIES AND THE ROLE OF COST ACCOUNTANTS ON INDIA PERSPECTIVE	CMA Soumen Dutta	58	Aug-23	8	75-80	10.33516/maj.v58i8.75-80p
AN OVERVIEW OF FINANCIAL LITERACY INITIATIVES IN INDIA	CMA Shameem Memon CMA (Dr.) Makarand Raghunath Sakhalkar	58	Aug-23	8	81-86	10.33516/maj.v58i8.81-86p
ACCOUNTING THE UNACCOUNTED: THE FUTURE OF ACCOUNTING PROFESSION	CMA (Dr.) Nabanita Ghosh Jeswin Jose	58	Aug-23	8	87-90	10.33516/maj.v58i8.87-90p
MOBILE CONNECTIVITY @5G	CMA Arnab Chatterjee	58	Aug-23	8	91-93	10.33516/maj.v58i8.91-93p
CORPORATE REBUILDING THROUGH SPIN-OFF: A CASE STUDY	Samrat Banerjee CMA Debdas Rakshit	58	Aug-23	8	94-98	10.33516/maj.v58i8.94-98p
FORENSIC ACCOUNTING EDUCATION AND PROFESSION: A SWOT ANALYSIS	Padum Chetry Dr. Reshma Kumari Tiwari Dr. M. Chandra Shekar	58	Aug-23	8	99-103	10.33516/maj.v58i8.99-103p
GOVERNANCE OF ENERGY TRANSFORMATION THROUGH SUSTAINABLE RESOURCES	Dr. Rima Bajaj Chhabra	58	Aug-23	8	104-107	10.33516/maj.v58i8.104-107p

Down The Memory Lane

April, 2014

CMA Dr. Athreya receiving the Padma Bhushan medal and scroll from the Hon'ble President of India, Shri Pranab Mukherjee, in the Investiture Ceremony, at the Rashtrapati Bhavan, on 26 April 2014.

National Students' Convocation-2014 at Kolkata on April 8, 2014.

April, 2004

Seminar on Global Economy-Management Accountants' Vision at Jaipur Chapter

Dr. K.L Jaisingh, President, inaugurates the programme at Jaipur by lighting the lamp. Others are A.K Shah, R.K Dwivedi, Secretary, T. Srinivasan, Principal Secretary, Government of Rajasthan, K.C. Gupta, Chapter Chairman.

Down The Memory Lane

April, 1994

Silver Jubilee function being inaugurated by Sivaji Patnaik, M.P. at Cuttack Bhubaneswar Chapter.

Seen in the picture from left to right are: D.K. Das, Chairman, Silver Jubilee Committee, Sivaji Patnaik, M.P., Bhubaneswar, N. Mohapatra, Chairman of the Chapter, N. Sinha Chaudhury, Chairman, EIRC.

Silver Jubilee inaugural session at Cuttack Bhubaneswar Chapter.

Sitting in the picture from left to right are: N. Mohapatra, Chairman of the Chapter, D.K. Das, Chairman, Silver Jubilee Function, Dr. B. Mishra, Guest of Honour, Sivaji Patnaik, Chief Guest, Dr. R.N.Mishra, Founder Chairman and N. Sinha Chaudhury, Chairman, EIRC.

April, 1984

Prof. Shyamal Banerjee presenting a memento to Shri D. Mukherjee, Managing Director, Durgapur Steel Plant who inaugurated the seminar on “Management of Working Capital” organized by Durgapur Chapter on April 21, 1984. Also seen in the picture is Kumari Shrabani Ghosh, an active student of the Institute, and Shri K.N Ghosh, Chairman of the Chapter.

April, 1974

Shri M.R.S Iyengar, President of the Institute inaugurating the seminar on 7th April, 1974 on the theme of topical interest and importance “Electronic Data Processing-the need of the hour” organized by the Visakhapatnam Chapter of Cost Accountants by lighting a silver lamp.

Behind him, Shri V. Kalyanaraman, Vice President and to his left, Shri D.S. Somayajulu, Chairman of the Visakhapatnam Chapter.

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

EASTERN INDIA REGIONAL COUNCIL

CEP on “Role of a Registered Valuer: Key Responsibilities and Qualifications” was organised by EIRC under the initiative of PD committee on 15th March, 2024 at EIRC Premises. CMA Pranab Kumar Chakraborty, Former Chairman, EIRC of ICMAI was the key speaker. CMA Subhasish Chakraborty, Vice-Chairman, EIRC-ICMAI, CMA Abhijit Dutta, Chairman PD committee, EIRC-ICMAI, was present during the occasion and addressed the members. CMA Abhijit Dutta, Chairman PD committee, EIRC-ICMAI delivered the welcome address. All the participants had highly appreciated the programme. EIRC hosted the EIRC Women’s Conference 2024 on March 9, 2024 at The Park, Kolkata under the theme "Inspiring Inclusion of Women in New Bharat". CMA Mukesh Agarwal, Director Finance, Coal India Ltd and Smt Neelam Meena, IAS, Principal Secretary to Government of West Bengal presided over in different sessions of the meeting and emphasized women's vital roles in corporate leadership. CMA B.B. Nayak, Vice President of ICMAI and Council Members, CMA Chittaranjan Chattopadhyay, CMA Abhijit Goswami applauded the event and urged more female professionals to join ICMAI. The conference featured sessions on Women in Leadership roles diversity in profession, Artificial Intelligence and Multi-tasking maintaining work-life balance, with esteemed speakers sharing insights. CMA Uttam Nayak, Chairman-EIRC, CMA Subhasish Chakraborty, Vice Chairman EIRC, CMA Arati Ganguly, Chairperson of Conference Committee and Secretary EIRC, CMA Damadar Mishra, Treasurer EIRC, CMA Abhijit Dutta, RCM EIRC, CMA Bidyadhar Prasad, RCM EIRC, CMA Kallol Mukherjee, RCM EIRC was present. The program was attended by significant numbers of Woman CMAs.

On 28th March, 2024, EIRC under the initiative of PD committee organized a CEP on “Impact of Artificial Intelligence in Finance & Audit” at J. N. BOSE Auditorium. CMA Subhasish Chakraborty, Vice-Chairman, EIRC-ICMAI & CMA Sutapa Ray, SAP FICO Consultant was the key note speakers. CMA Abhijit Dutta, Chairman, PD committee, EIRC-ICMAI, CMA Kallol Mukherjee RCM, EIRC-ICMAI were present during the occasion and addressed the members. CMA Abhijit Dutta, Chairman- PD committee, EIRC-ICMAI delivered the welcome address. There was an overwhelming response and also all the participants highly appreciated the programme.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA ROURKELA CHAPTER

An MOU (Memorandum of Understanding) has been signed between the Institute of Cost Accountants of India (ICMAI) and the Department of Commerce, Govt. Autonomous College, Rourkela (GACR) on 11th March, 2024. The MOU was signed by the Secretary of ICMAI, CMA (Dr.) Kaushik Banerjee and Prof. (Dr.) Bijay Kumar Behera, Principal of GACR. In a meeting to mark the occasion, CMA Bibhuti Bhusan Nayak, Vice President, ICMAI, CMA Damodar Mishra, Treasurer, ICMAI-EIRC, CMA Ch. N. K. Nanda, Chairman, Rourkela Chapter and CMA B. A. Masoudi, Chairman, Srinagar Chapter were present on behalf of ICMAI and on behalf of the GACR, Shri Mayadhar Barick, HoD (Commerce) were present among others. The MOU is aimed to foster collaboration between ICMAI and GACR which will benefit commerce and other students through Joint Seminars, Career Awareness Programme and other similar joint activities. Further this will also enhance the skill development as well as professional excellence. Speaking on the occasion, Prof. Behera, Principal GACR emphasised that the college is dedicated to the development of the students and the MOU will go a long way where both the organizations will get benefited. Sri Nayak, highlighted the professional status of a CMA vis-à-vis other related course as this will not only help them in the field of job oriented scenario with very low cost in comparison to other course. Sri Masoudi, informed that in Kashmir he has already entered into a MOU between the Department of Higher Education, Kashmir and Srinagar Chapter of ICMAI. He highlighted his own experience as Cost Accounting student with various opportunities for Cost Accountants. Sri Nanda informed that the ICMAI, Rourkela Chapter will provide faculty and other support for the overall benefits of the students and faculties of the college with inter-exchange of think tank between the two organizations. Rajashri Barik of GACR Co-ordinated the program while a formal vote of thanks was proposed by CMA N.C Das, member, Rourkela Chapter. Around 200 students and 50 faculty members of the GACR were present on the occasion.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BHUBANESWAR CHAPTER

The chapter organized a motivational session titled "Atomic Habits - Organize, Prioritize & Ace" on 03.03.2024 for students who excelled in the December 2023 term examination. Shri Ayaskant Mohanty, Founder and MD, Tatwa Technologies Ltd. graced and addressed as “Chief Guest”, CMA Bibhuti Bhusan Nayak, Vice President, ICMAI and CMA Srikanta Kumar Sahoo, CFO, GRIDCO Ltd. graced and addressed as “Guest of Honour”. CMA Surya Narayan Tripathy, Chairman and CMA Sarat Kumar Behera, Vice- Chairman of the Chapter inspired the students with their motivational talk. CMA Avinash Kotni, Chairman, Career Counseling and Students Facilitation Committee delivered insights as the Resource Person. The session focused on cultivating habits for success, prioritizing goals and fostering a spirit of excellence among the students.

The chapter celebrated International Women’s Day on 10.03.2024 under the theme “Inspire Inclusion: She’s Unlimited – Celebrating her resilience”. Dr. Itishree Padhi, Principal of BJB Autonomous College graced the event as “Chief Guest” with Mrs. Anita Mahapatra, GM(HRD) of OPTCL, Dr. Sujata Priyambada Nanda, Founder & Managing Trustee of Ajira Srujani, Ms. Kirti Das, Managing Director of Manav Adhyayan Kendra Pvt. Ltd, and CMA Smita Rani Biswal, Manager (Accounts) of IPICOL as “Special Guests”. They all offered insightful perspectives on Women Empowerment.CMA Surya Narayan Tripathy, Chairman of the Chapter extended welcome address, while CMA Sarat Kumar Behera, Vice Chairman of the Chapter extended formal vote of thanks. CMA Avinash Kotni, Chairman, Career Counseling & Student Facilitation Committee also addressed on the occasion. The coordination of the program was overseen by CMA Barada Prasan Nayak, Chairman, PD Committee of the Chapter.

The Chapter was awarded the "Best Chapter Award" in the Eastern Region at the National Regional Council & Chapters meet on 16.03.2024 at Indore. CMA Surya Narayan Tripathy, Chairman and CMA Ramesh Chandra Patra, Secretary of the Chapter received the award on behalf of the Chapter from the President of the Institute in the presence of Council Members of the Institute and CMA Damodar Mishra, Treasurer, ICMAI-EIRC. The Chapter conducted a press meet on 22.03.2024 exclusively inviting only electronic media to highlight the 23rd Best Chapter Award received by the Chapter, as most of the print media had already given the coverage. CMA Surya Narayan Tripathy, Chairman, CMA Sarat Kumar Behera, Vice Chairman, CMA Soumya Ranjan Jena, Treasurer and CMA Barada Prasan Nayak, Chairman, PD Committee of the Chapter attended the press meet and highlighted the significance of the award and discussed about various activities and performances of the Chapter.

The Chapter organized a seminar on “GST Appellate Tribunal: Issues and Opportunities” on 22.03.2024 at CMA Bhawan. CMA Vivek Laddha, Advocate Bombay High Court & Founder and National Head, Law Brothers, Mumbai delivered with valuable insights on the topic as “Resource Person”. CMA Damodar Mishra, Treasurer, ICMAI-EIRC graced the occasion as the “Special Guest”. The program was facilitated by CMA Barada Prasan Nayak, Chairman of the PD Committee of the Chapter. CMA Surya Narayan Tripathy, Chairman of the Chapter delivered the welcome and keynote address, while CMA Sarat Kumar Behera, Vice-Chairman of the Chapter extended formal vote of thanks.

The Chapter successfully conducted a 12-day pre-placement orientation programme at Bhubaneswar Chapter from 13.03.2024 to 23.03.2024 for December, 2024 term qualified Cost Accountants. The Programme commenced with a formal inauguration by CMA Bibhuti Bhusan Nayak, Vice-President, ICMAI in the esteemed presence of CMA Damodar Mishra, Treasurer, ICMAI-EIRC, CMA Surya Narayan Tripathy (Chairman), CMA Sarat Kumar Behera (Vice Chairman), CMA Ramesh Chandra Patra (Secretary), CMA Soumya Ranjan Jena (Treasurer) and CMA Avinash Kotni (Chairman, Career Counselling and Students Facilitation Committee) of the chapter. A valedictory session was held in the evening on 23.03.2024. CMA Siba Prasad Kar, CGM (Finance), TPCODL and Past Chairman of the chapter blessed and addressed the young qualified Cost Accountants as “Chief Guest”, CMA Uma Ballava Mohapatra, Ex GM (F &A), NPCIL, Mumbai and Past Chairman of the Chapter graced and addressed as “Guest of Honour”, CMA Damodar Mishra, Treasurer, ICMAI-EIRC was addressed as “Special Guest”. CMA Sarat Kumar Behera, Vice Chairman of the Chapter delivered welcome address and blessed the young CMAs, while CMA Soumya Ranjan Jena, Treasurer of the Chapter facilitated the entire session and extended formal vote of thanks. All candidates were presented with PPOP completion certificates along with medals as a token of appreciation and recognition.

NORTHERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA JAIPUR CHAPTER

A Certificate in Accounting Technicians Course was conducted for retired/retiring Armed forces Personnel, under the Directorate General Resettlement (DGR), Department of EX - Servicemen Welfare, Ministry of Defence. The course duration was from 25th September, 2023 to 8th March, 2024. On completion of the course, a closing ceremony was organised on 7th March, 2024. At the outset, CMA Harendra Kumar Pareek, Chairman of the Chapter congratulated all the candidates for successfully completing the course and Certificates were given to all the candidates. The program was attended by Vice-Chairperson, CMA Purnima Goyal, Secretary, Dr. Deepak Kumar Khandelwal, Executive Member, CMA Vertika Tadi and Director Coaching, CMA P.D. Agrawal.

International Women’s Day was celebrated with full zeal and enthusiasm at Jaipur Chapter premises on 10th March 2024.To mark the inauguration, a traditional lamp was lit in the presence of Mrs. Ranu Sharma, Add. DCP (North), Mrs. Geetanjali Kasliwal (Winner of most influential lady in category of interior design), Mrs. Anu Agrawal, Dy. Commissioner SGST, Govt. of Rajasthan and others.

The Chapter organised a Pre-placement Orientation program from 11th to 22nd March, 2024 for students who got qualified in the CMA Final examination held in December, 2023 in order to train them for ensuing campus placement. At the beginning of the program, Chairman of the Chapter, CMA Harendra Kumar Pareek welcomed all the guests and participants. The program was inaugurated on 11th March, 2024 by CMA Sunil Pamecha, Managing Director, Fingrowth Cooperative Bank Ltd. along with guest of honour, CMA Rahul Goyal, Accounts officer in BSNL. More than hundred students participated in the training program.

In the National Chapters Meet organised by the Institute on 16th March, 2024 at Indore, the Chapter was adjudged as the "Best Chapter" in category 'A'. On behalf of the Chapter, the award was received by Chairman, CMA Harendra Kumar Pareek and former Chairman, CMA Rakesh Yadav.

The Chapter organised a Students convention on 22nd March, 2024 (last day of Pre-placement Orientation Program for students who qualified in the December 2023 examinations). The Chief Guest at the program was CMA M.C. Bansal, Sr. Executive Director, NBCC (India) ltd. CMA Rakesh Yadav, Vice-Chairman NIRC was the guest of honour.CMA Harendra Kumar Pareek, Chairman of the Chapter at the outset welcomed the chief guest and all the participating members.On successful completion of the Pre-Placement Orientation Program, certificates and mementos were awarded to all the 102 budding CMAs.

SOUTHERN INDIA REGIONAL COUNCIL

Mega Budget Meeting – 2024 was organised by the SIRC on 01.02.2024 in Vani Mahal, Chennai. CMA Divya Abhishek, Chairperson, SIRC of ICMAI inaugurated the event. The main speakers were CMA (Dr.) V. Murali, Council Member, ICMAI, and Dr. Abhishek Murali, Past Secretary, SIRC of ICAI (2020-21).

CMA Divya Abhishek, Chairperson, SIRC of ICMAI conducted a career counseling for the students of Anna Adarsh College for Women on 08.02.2024.

CMA Divya Abhishek, Chairperson, SIRC of ICMAI conducted a career counseling for the students of Shri Shankarlal Sundarbai Shasun Jain College for Women on 08.02.2024. An MOU was signed between SIRC of ICMAI and the said college.

Inauguration of Oral Coaching Classes & the Regional Professional Excellence Seminar took place on 10.02.2024 at Rani Seethai Hall, Chennai. The chief guest was Justice Dr.T.N. Vallinayagam, Former Judge, High court of Karnataka & Madras Judge, LOK-ADALAT, High Court of Madras and Chairman, National Cyber Safety and Security, Delhi. The main speakers were Dr. Abhishek Murali, Past Secretary, SIRC of ICAI, Mr. P.S. Vasudevan, International Corporate Trainer & Life Coach, CMA Divya Abhishek, Chairperson, SIRC of ICMAI and CMA (Dr.) V. Murali, Council Member, ICMAI.

CMA Divya Abhishek, Chairperson, SIRC of ICMAI Inaugurated the 'PRAGATHI 2024' event conducted by the Chapter on 14th February 2024 at Bolgatty Event Centre.

A professional development seminar on the topic "Regional Professional Enrichment Seminar" was organised by the Southern India Regional Council on 16.02.2024 at Rani Seethai Hall, Chennai.

The chief guest was Shri Sunil Mathur, IRS Principal Chief Commissioner of Income Tax Tamil Nadu & Puducherry. Other speakers were Dr. Abhishek Murali, Past Secretary, SIRC of ICAI, CMA (CS) K. Vaitheeswaran Advocate, High court of Madras, CMA M. Saravana Prabhu, GST Expert, and CMA (Dr.) V. Murali, Council Member, ICMAI.

A professional development seminar on the topic "Investment in Share Market in the Current Scenario" was organised by SIRC on 24.02.2024 at its premises. The chief guest was Shri T.S. Krishnamurthy IRS, Former Chief Election Commissioner of India & Secretary, Ministry of Law Justice & Company affairs, Government of India (Retd). The main speakers were Shri R.Sivaramakrishnan, Equity Market Expert, Co-Founder & CEO, Sincere Syndication and Dr. Abhishek Murali, Past Secretary, SIRC of ICAI.

CMA Divya Abhishek, Chairperson, SIRC of ICMAI addressed the members and others on grievance redressal on 27th February, the day earmarked as grievance redressal day for the month of February 2024.

A professional development seminar was organized on the topic "Mega Regional Summit on Income Tax & GST", on 28.02.2024 at Rani Seethai Hall,Chennai. The main speakers were Dr. Abhishek Murali, Past Secretary, SIRC of ICAI, CMA M. Saravana Prabhu, GST Expert, and CMA (Dr.) V. Murali, Council Member, ICMAI.

The 13th Edition of India Finance Forum 2024 was organized by CII Southern Region on 28th February 2024 at Hotel Westin, Chennai. The speakers were Mr. Mahalingam

Gurumoorthy, Independent Director, City Union Bank Former Whole time Director, SEBI and Former Regional Director, RBI; Mr. Gopal Mahadevan, Director & CFO, Ashok Leyland Ltd; Ms Rekha Talluri, CFO, Microsoft India; Mr M. P. Vijaya Kumar, Co-Chairman, CII SR India Finance Forum, CII Southern Region & Executive Director & Group CFO, Sify Technologies Limited; CMA Divya Abhishek, Chairperson, SIRC, ICMAI; Mr. Indranil Pan, Chief Economist, YES Bank; Mr. Srivats Ram, Vice-Chairman, CII Tamil Nadu, Managing Director, Wheels India Ltd; Ms Annapoorna Venkataramanan, Former MD, Financial Markers, Standard Chartered Bank; Mr. Raghavendra Sriramulu, Director, Finance, Schneider Electric; Mr. Sushanth Pai, CFO, Matrimony.com; Mr. Vaitheeswaran, Corporate Tax Lawyer; Ms Kalpana Balasubramanian, CEO and Chief Thinker, DGT; Mr. P. Padmanabhan, CFO, Carborundum Universal Limited; Mr. Prashant Ganti, Vice President Global Product Strategy, Development and Alliances – Finance and Operations, ZOHO Finance; Mr. Ganesh Vasudevan, Head- Digital Initiatives, Marketing & Corporate Communications, Cholamandalam Investment and Finance Company Limited; Ms Sripriya Kumar, Managing Partner, SPR & CO and Mr. E. Nand Gopal, Director, Climate and Energy, Grant Thornton Bharat.

CMA Divya Abhishek, Chairperson, SIRC of ICMAI conducted a Career Counseling to the students of Shankara College of Science and Commerce on the topic “AI General Talk to Students” on 29th February 2024.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA COCHIN CHAPTER

The Managing Committee of the Chapter organized a highly informative Professional Development Programme on “Practical Aspects of Major TDS Sections under the Income Tax Act” on 26.03.2024. The session was expertly conducted by CA P.T Joy. The event commenced with a warm welcome from the Chairman of the Cochin Chapter, CMA Thomas T. V. and as the session drew to a close, CMA Arun Kumar S. thanked the speaker for his enlightening presentation and to all the participants for their active involvement.

The Chapter in collaboration with NUALS, orchestrated a panel discussion on "Women in Leadership" as part of the Women's Day Celebration on 7th March, 2024 at NUALS Auditorium, The event was aimed to explore and celebrate the pivotal role of women in leadership positions across various domains. CMA Pushpy B Muricken, Past Chairperson of the CMA Renjini R, Secretary of the Chapter, Ar. Deepa Mathai, Founder & Director of AISCAPE and Smt. Uthara Ramakrishnan, Entrepreneur, Artha Financial Services were the key speakers on the occasion. The gathering was warmly welcomed by CMA Arun Kumar S, CFO of NUALS, setting the tone for an enriching discourse on gender parity and leadership dynamics. The panel discussion proved to be an enlightening and empowering experience, leaving a lasting impact on all attendees and reaffirming the commitment towards advancing gender equality in leadership positions.

The Chapter organised a CFO Meet for Students on 10.02.2024. The event aimed to provide students with a unique opportunity to gain insights, share experiences, and receive motivation from seasoned professionals in the field to share the experience professional experience and give motivation. The highlight of the event was the interaction with CMA Bijoy AB, CFO of WFB Baird & Company (India) Pvt Ltd. With his extensive professional experience and expertise, he engaged with our students, offering them invaluable perspectives from the realm of finance and leadership.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA COIMBATORE CHAPTER

The Chapter received an invitation from Karpagam Academy of Higher Education (Deemed to be University), Coimbatore, to inaugurate the inter-collegiate management meet titled "MANALTICS 2K24" on March 8, 2024. CMA Subramaniam Kumar, Vice Chairman of the Chapter graced the occasion as the chief guest and delivered an enlightening address. The programme commenced with the lighting of the traditional lamp. Dr. B. Venkatachalapathy, Vice Chancellor of Karpagam Academy of Higher Education, delivered the presidential address. The winners of the MANALTICS 2K24 inter-collegiate meet were honoured by the chief guest and dignitaries.

The Chapter celebrated the International Women's Day on March 9, 2024. CA Manjula Narasimhan, Associate Vice President (F&A) of Stanes Amalgamated Estates Ltd., was the chief guest. CA B. Dhanalakshmi, General Manager of Lakshmi Machine Works Ltd., and Ms. Nandhini P.S, Director of Strategic Initiatives at SAAMA Technologies Pvt. Ltd., were the guests of honour. CMA (Dr.) Maheswaran, Chairman of the Chapter, delivered the welcome address, followed by introduction of the chief guest and the other guests of honour. CA Manjula Narasimhan delivered an inspiring speech on "Women Empowerment in Today's Corporate World," referencing notable women from the Ramayana and highlighting the strides made in contemporary corporate environments. CA Dhanalaksmi and Ms. Nandhini also shared their perspectives on women's empowerment, emphasizing its importance in uplifting the society. Additionally, a cultural session was arranged for both women and children. During this session, the chief guests had the honour of presenting mementos to the winners of various events. The event concluded with a vote of thanks proposed by CMA U Surya Prakash, Secretary of the Coimbatore ICMAI.

PSG College of Arts and Science extended an invitation to the Chapter for a guest lecture on March 12, 2024, aimed at enlightening the students with the latest developments in the corporate world. CMA K. Vidhya Shankar, a Management Committee member of the Chapter and Company Secretary at Bimetal Bearings Ltd., graced the event as the speaker/chief guest. He delivered an insightful address to the students on the topic "The Role of CMAs in Modern Corporate Management." CMA (Dr.) E. Mythily, Assistant Professor and Head of the Department of Commerce, extended a warm welcome to the chief guest and the gathering. CMA (Dr.) R. Muthukumar, Assistant Professor, Department of Commerce, expressed gratitude in his vote of thanks.

The Chapter received an invitation from the Department of Management Science (MBA) at Hindustan Institute of Technology, Coimbatore, to inaugurate their student conference on March 14, 2024. CMA (Dr.) R. Maheswaran, Chairman of the Chapter was the chief guest and delivered an insightful address. The function commenced with the lighting of the traditional lamp. Dr. D.M Navarasu, Director of the MBA Department, Dr. C. Natarajan, Principal, Hindustan Institute of Technology, alongside other esteemed dignitaries from the college, graced the occasion. Approximately 400 students from various colleges participated in the program.

A professional development programme on "Working Capital Management& Basics of International Trade" was organized by the Chapter on 23rd March 2024. Eminent industrialist, Senthilkumar Kandasamy, Director, Robwin Industries Private Limited was the Chief Guest and main speaker. Chapter Chairman CMA (Dr.) R. Maheswaran gave a warm welcome to the guest and the gathering. CMA Surender Kumar S, Treasurer of the Chapter introduced the Speaker. In his address, Senthilkumar Kandasamy delved into the nuances of working capital management, a crucial aspect of everyday business operations. He beautifully explained about the management of working capital as a diversified mix of funding resources and revenue streams upon which the key business needs are taken care in an organization. Mr. Senthilkumar also emphasized the significance of employing software systems and tools to streamline accounting processes within the business's value chain. Following the presentation, members engaged in fruitful discussions with the speaker, exchanging knowledge and addressing practical challenges in this domain. The event was participated by more than 35 persons. As a token of appreciation, the Chapter honoured the chief guest with a memento. The program concluded with a vote of thanks proposed by CMA Subramanian Kumar, Vice Chairman of the Chapter, followed by the national anthem.

The Chapter participated in the education fair "Vazhikatti" conducted by Dinamalar in Codissia Trade fare Grounds from 23rd to 25th March, 2024.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA HYDERABAD CHAPTER

On 01.02.2024, CMA (Dr.) K Ch A V S N Murthy, Council Member, ICMAI along with CMA Hima Vidya Sanagavarapu, Chairperson of the Chapter, CMA Venkata Ram Babu, Treasurer of the Chapter and CMA Someswara Rao, Past Chairman of the Chapter of ICMAI had a meeting with Smt. Mitali Madhusmita, IRS, Principal Chief Commissioner of Income Tax, Andhra Pradesh & Telangana and Shri Ashish Chaurasia, JCIT, HQ/Technical, Andhra Pradesh & Telangana at their office and requested the officials to initiate steps for empanelment of Cost Accountants for inventory valuation under section 142(2A) of the Income Tax Act, 1961.

On 03.02.2024, Past Chairpersons and Past Presidents met MC members.

On 07.02.2024 the Chapter hosted a seminar on Inventory Valuation, featuring esteemed speakers CMA Manish Kandpal from the Cost Audit Assurance Board committee, NIRC of ICMAI, and CMA Navneet Kumar Jain, Council Member, ICMAI. The discussion primarily focused on the emerging role of CMAs in the Income Tax Act, particularly the implications of amendment of section 142(2A) and its benefits to the exchequer and stakeholders.

On 09.02.2024., CMA (Dr.) K Ch A V S N Murthy, Council Member, ICMAI, accompanied by CMA K V N Lavanya, RCM, SIRC-ICMAI, CMA Hima Vidya Sanagavarapu, Chairperson, Hyderabad Chapter, CMA Khaja Jalal Uddin, Secretary, Hyderabad Chapter and CMA M S Prasad had a very productive meeting with CMA M.S. Subramanyam IA&AS, Director General of Commercial Audit, Hyderabad at his office.

On 09.02.2024 CMA (Dr.) K.Ch.A.V.S.N. Murthy, Council Member, CMA S. Hima Vidya, Chairperson CMA Khaja Jalaluddin, Secretary paid a courtesy visit to the office of Shri K. Ravi Kumar Principal Chief Commissioner of Income Tax.

On 10.02.2024, the program organized by FTCCI, in response to the request from the Chapter, provided a valuable platform for CMA members to enhance their understanding of GST and its implications. Abhinav Srivastava from PWC spoke on GST in India and other countries: lessons to be learnt while Sri Vivek Shukla Founder and CEO Nukkad Shops discussed about Indian GST Law: a business health check. CMA (Dr.) K.Ch. A.V.S.N. Murthy, Council Member, Shri Y. N. Vivekananda, Advocate and Government Pleader and Dr. Vidya Nath, Management & Academic Resource Person also addressed the participants. The seminar provided valuable insights into the legal aspects of GST litigations, facilitated by experts from both Government and academic institutions aiming to enhance the understanding and compliance with GST regulations.

On 12.02.2024, the Chapter organized a Student Orientation Programme to mark the inauguration of oral coaching classes for June 2024 batch. The inauguration of oral classes was a momentous occasion graced by esteemed dignitaries including chief guest CMA (Dr.) K.Ch. A.V.S.N. Murthy, Council Member and guest of honour CMA N. Srinivasan, Director of Swell Financial Services Pvt. Ltd and United Trade Links Pvt. Ltd. The event also saw the presence of CMA Vijay Kiran Agastya, Member of SIRC ICMAI, along with CMA Hima Vidya, Chairperson, CMA Lavanya Kanduri, Vice Chairperson, and CMA Khaja Jalal Uddin, Secretary of the Chapter.

On February 14, 2024, the Chapter hosted a seminar on "Opportunities for CMAs in the MSME Sector," featuring eminent speakers CMA P. Udaya Shanker, Former Director General In-charge of Ni-msme, and CMA (Dr.) K.Ch. A.V.S.N. Murthy, Council Member, ICMAI as the chief guest. CMA Shanker provided valuable insights into various aspects including the Budget, Credit Guarantee Trust for MSEs, MSME Sambandh, Women empowerment, Productivity linked insurance scheme, and collaborations with Ministries and Departments like Pharmaceuticals.

On 16.02.2024, the Chapter conducted an online program focusing on the significant role of Cost Accountants as Loss Assessors in the insurance industry. The event featured distinguished speakers, including chief guest CMA (Dr.) K.Ch.A.V.S.N. Murthy, Council Member, and CMA (Dr.)

P. Siva Rama Prasad, Assistant General Manager (Retd) of SBI and Vice President (Retd) of SBI General Insurance Company Ltd. The program was aimed to enlighten our members about the pivotal role they play in the corporate world and the opportunities available in the general insurance sector.

On 18.02.2024, the Chapter organized a programme on "Social Stock Exchange and Social Impact Assessment- Professional Opportunities for CMAs". S.K. Gupta, MD of ICMAI Registered Valuers Organisation, CEO of ICMAI Social Auditors Organisation, and COO of ICMAI International ADR Chamber, was the guest speaker. Dr. Gupta made an insightful discussion on various facets of India's social sector, including perspectives on NGOs, the evolution of Social Stock Exchange, and eligibility criteria for Social Enterprises.

On February 21, 2024, the Chapter organized a program on Inventory Valuation under section 142(2A) of the Income Tax Act, focusing on eligibility criteria.

On February 22, 2024, the Chapter hosted an online program on "Forensic Accounting and Investigation - Role of CMA" featuring Shri Jyot Baxi as the speaker. The event successfully provided valuable insights into the role of CMAs in forensic accounting and investigation, enhancing their capabilities in detecting and preventing financial fraud.

The Chapter organized a program on February 26, 2024, on "Yield Management - Role of CMA," with CMA U. Lakshmana Rao, a seasoned and senior consultant, providing valuable insights into the subject. The event provided members with a comprehensive understanding of yield management and its significance in contemporary business practices.

On 27.02.2024, CMA Khaja Jalal Uddin, Secretary, along with CMA Keerthy Agarwal, visited the office of the water works department and extended invitations to CMA Kedareswari, General Manager (F&A), the Public Information Officer, Smt. Jyothi of the Finance Department for the upcoming Women's Day program.

On 27.02.2024, CMA Khaja Jalaluddin, Secretary alongside CMA Kirti Agarwal paid a visit to the office of Shri K. Ravi Kumar- Principal Chief Commissioner of Income Tax and presented a representation containing suggestions regarding inventory valuation under section 142(2A) of the Income-tax Act, 1961.

On 27.02.2024, CMA (Dr.) K. Ch. A.V.S.N. Murthy, Council Member, along with CMA Hima Vidya, Chairperson and CMA Khaja Jalal Uddin, Secretary held discussions with Sri Ashish Chaurasia, IRS, JCIT (H.Qrs) (Tech), at the Office of Principal CCIT, AP & Telangana. The meeting focused on addressing concerns related to section 142(2A) of the Income-tax Act, 1961, showcasing proactive approach in collaborating with relevant authorities to address industry challenges.

On 29.02.2024 the chapter orchestrated a remarkable program titled "Role of CMAs in Catalyzing Economic Growth through Credible Valuations" with CMA (Dr.) S.K. Gupta, Managing Director of ICMAI Registered Valuers Organisation, CEO of ICMAI Social Auditors Organisation, and COO of ICMAI International ADR Chamber as the chief guest.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BENGALURU CHAPTER

"Discussion on Inventory Valuation under Income Tax Act, 1961 Challenges & opportunities, Guidance note issued by ICMAI" on 12.03.2024 at the Chapter Premises. CMA N Ramaskanda, Former Chairman of BCCA & Practicing Cost Accountant, CMA T K Jaganathan, Practicing Cost Accountant, CMA Vishwanath Bhat, SIRC Member & Practicing Cost Accountant, CMA Devarajulu B, Chapter Chairman, CMA Rajesh Devi Reddy, Treasurer & PD Chairman of the Chapter, CMA Girish K, Treasurer SIRC were the speakers.

A professional development programme on "Foreign Trade Policy 2023 Essential Features" was a organised at the Chapter Premises on 16.03.2024. Mr. M. G. Kodandaram, IRS, Assistant Director (Retd.), CMA Rajesh Devi Reddy, Advocate and Treasurer & PD Chairman of the Chapter CMA (Dr.) Gurudath A S, Chapter Vice Chairman, CMA Girish K, Treasurer SIRC were the speakers.

The Chapter organized several "Pre-orientation Training Programmmes for Dec-2023 Batch Final Students" covering soft skill interview skills, group discussion, CV writing, communication skill, social media etc. by Mission Catalyst at the Chapter premises on different dates of March 2024. K Shivanand Kapashi, IAS, Commissioner, Karanataka State Disaster Management Authority, Bengaluru, CMA Devarajulu B, Chapter Chairman, CMA Abhijeet S Jain, Chapter Secretary and Chairman of Coaching committee, Mrs. Keerthi Chalakaran, Mission Catalyst, CMA Girish K, Treasurer SIRC and many other eminent speakers were present in the programme.

"Women's Day" was celebrated at the Chapter premises on 23.03.2024. Mrs. Shashikala V, Dy. Commissioner of Commercial Taxes, GoK, CMA Devarajulu B.,Chairman BCCA, CMA Abhijeet S Jain, Chapter Secretary, CMA Girish K, Treasurer SIRC were present on the occasion.

A programme titled "Unlock the Power of soft Skills speak Out, Stand out Master the Art of Verbal Communication" was held at the Chapter premises on 02.03.2024. Mr. Amit Ganguly, Trainer, CMA Abhijeet S Jain, Chapter Secretary , CMA Poornima M, Chairperson Student's Guidance Bureau, CMA Girish K, Treasurer SIRC, and CMA Suresh R Gunjalli, Council Member were the speakers at the programme.

A District level seminar on "GST Demystified: Key Concepts and implementation insights" was organized at Sree Vasavi First Grade College, Kollegal on 14.03.2024. A.D.Kumarar Krishna, President, Sree Vasavi Vidya Kendra, CMA Devarajulu B, Chairman BCCA, CMA Abhijeet S Jain, Secretary BCCA, CMA Poornima M, Chairperson Student's Guidance Bureau, CMA Girish K, Treasurer SIRC, CMA Suresh R Gunjalli, Council Member were the speakers of the programme.

WESTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA AURANGABAD CHAPTER

The Chapter conducted a CEP on "Role of CMA in Project Finance-Banker's Perspective", at the Training Hall of the Chapter. CMA Rajiv Khandalkar, Cost Accountant was the speaker. Senior Member, CMA Suresh Pimple welcomed the speaker by presenting a bouquet and the treasurer, CMA Pravin Mohani introduced him. The speaker elaborately

dealt with Project finance which refers to the funding of long-term projects, such as public infrastructure or services, industrial projects, and others through a specific financial structure. Finances can consist of a mix of debt and equity. The cash flows from the project enable servicing of the debt and repayment of debt and equity. Chapter Treasurer, CMA Parvin Mohani co-ordinated the programme. Chapter Secretary, CMA Babasaheb Shinde proposed a vote of thanks. CMA Jayant Galande, CMA Suresh Pimple, CMA Punit Patel, CMA Madhurima Chouhan were present on this occasion.

A function to felicitate the successful students of Intermediate and Final Course (Dec 2022, June 2023 and Dec 2023 Term of Examination) was held on 10th March, 2024. Shri Kishor Shitole, Chairman of Deogiri Nagri Co-Op Bank Ltd., Chh. Sambhajinagar was the Chief Guest and Shri Vinayak Deolankar, Director, Degoiri Electronics Cluster Pvt. Ltd and Proprietor of Manu Electricals, Chh. Sambhajinagar was the guest of honor. The programme commenced with the Ganesh Vandana. CMA Rajesh Deshmukh, Chapter Chairman, CMA Babasaheb Shinde Chapter Secretary, CMA Kiran Kulkarni, Chairman of the Chapter's Training Committee and CMA Salman Pathan, Chapter Vice Chairman were present. CMA Pravin Mohani Chapter Treasurer, welcomed the guests and the gathering. Miss Sakshi Joshi and Miss Sawni Bhosale introduced the guests to the audience. Chairman, CMA Rajesh Deshmukh in his address mentioned that the Cost & Management Accountants (CMA) must contribute for the nation and society and the felicitation function is important to create positive energy and to build up the confidence and shape the future of the students. He also suggested that the students must be updated with latest technology like AI to face the new challenges in business and industry. CMA Kiran Kulkarni Chairman, Training Committee of the Chapter spoke about the achievements and forthcoming plans of the Training Committee. The chief guest Shri Kishiorji Shitole in his address connected with the students and parents easily and gave practical examples in daily life. He also explained the role of Cost and Management Accountant in the areas such as use of scare resource, cost of production and quality of product, budget, implementation of proper methods of accounting customer satisfaction in national building and Vikasit Bharat. In his address Shri Vinayakji Deolankar said "Profit is the root of any business", by ascertainment of cost, cost classification, control of cost and reduction of cost and taking strategic decision with the use of cost data the cost and management accountant can play a key role in business. He also focused on the excellent opportunities for CMAs in the market. CMA Babasaheb Shinde, Chapter Secretary proposed a vote of thanks. Miss Chaitali Pathak, Miss Sakshi Joshi and Miss Sawni Bhosale co-ordinated the programme.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA PIMPRI-CHINCHWAD-AKURDI CHAPTER

On March 2, 2024, the Chapter organized a Students Felicitation Function at Acharya Atre Sabhagruha, Sant Tukaram Nagar, Pimpri, Pune. Students Sarthak Kulkarni, and Samruddhi Kulkarni did the anchoring. The chief guest was CMA Rajesh Shukla, SGM-IDT, Tata Motors Ltd., while other guests of honour were Shri Sunil Shinde, Dy. Commissioner, SGST, CMA Brij Mohan Sharma, Past President ICMAI, CMA Harshad Deshpande, Council Member, CMA Mahendra Bhombe, Member, WIRC, CMA Meena Sawant, Ex-DGM, KJSB, CMA Divya Lakhani, Associate Professor, Sadhu Vaswani Institute, CMA Deepak Konhalikar, Senior Manager, VIAVI Solutions, CMA R B Laddha, Ex-CFO, Maharashtra Scooters Ltd., Shri Chetan Bendre, Motivational Speaker, CMA Sagar Malpure, Chapter Chairman, CMA Ajit Shinde, Chapter Vice-Chairman, CMA Pradeep Sahasrabudhe, Secretary and CMA Kunal Wakte, Chapter Treasurer. CMA Guruprasad Kulkarni, Chairman P.D. Committee of the Chapter welcomed and introduced all dignitaries. Shri Sunil Shinde in his address congratulated all the successful students and their parents. CMA Rajesh Shukla said that there were tremendous changes in the corporate sector and expectations from the industry have changed. The program concluded with vote of thanks.

On March 9, 2024, the Chapter organized Women's Day Program at its premises. The inaugural ceremony commenced with the lighting of the lamp by CMA Renuka Nair, DGM Finance, MNGL, CMA Meena Sawant, Ex-DGM, KJSB, Smt. Katkar, Smt. Sulabhatai Ubale, Ex Member of the Standing Committee of the Chapter, Smt. Shaileja More, Ex-Vice Mayer, CMA Manisha Agrawal, RCM, WIRC, and Smt. Shital Pawar, Executive Editor, Sakal Media. Final year students Simran Padhi and Samruddhi Kulkrani welcomed and introduced all the dignitaries. CMA Rupali Kothawale felicitated CMA Manisha Agrawal and CMA Meena Sawant. CMA Nutan Gurav felicitated Smt. Shailaja More and Renuka Nair. Smt. Monali Patil felicitated Smt. Sulabhatai Ubale and CMA Meena Sawant felicitated Smt. Shital Pawar.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BARODA CHAPTER

The Pimpri-Chinchwad-Akurdi chapter jointly with Ahmedabad Chapter & Baroda Chapter of the Institute arranged a webinar on "Demystifying AI & ML: Primer for Beginners" on 28th February, 2024. Members of Baroda Chapter participated in the webinar. The speaker Dr. Poorna Shankar, Dean - Indira College of Engineering & Management, Pune made an enlightening presentation on the subject.

The Baroda Chapter arranged a seminar on "Improve Competency Level and Be Ready for Future" on 01st March, 2024.

The WIRC of the Institute organized the Regional Cost Convention at Indore on 16th March, 2024 in which the Baroda Chapter was awarded the Best Chapter Award for undertaking career counseling programs in different schools & colleges. In the current academic year, the Chapter has conducted 44 career counseling programs where as between 01st December, 2023 to 15th February, 2024 it had conducted 17 such programs.

The Baroda and Ahmedabad Chapters jointly arranged "CMA CRICKET TOURNAMENT - 2023-24" on 23rd March, 2024. Large number of Members and Students attended the CMA Cricket League - 2024.

The Chapter had also, arranged various activities regarding placement.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA SURAT SOUTH GUJARAT CHAPTER

The Chapter hosted a Press Meet at its premises on 21st February 2024. CMA Nanty Shah (WIRC-Treasurer), CMA Bharat Savani (Chairman), CMA Kishor Vaghela (Secretary), CMA Deepali Lakdawala (Treasurer), CMA Mahesh Bhalala, CMA Vipinkumar Patel & CMA Ashvinkumar Ambaliya (MC Member) attended the Meet. The press meet was being held for the declaration of the Intermediate & Final Results for DEC 2023 term. The Chairman of the Chapter along with the Managing Committee members present congratulated all the Intermediate & Final Passed students and guided them for their future prospects.

The Chapter hosted a CEP on 24th February 2024, on the theme "Section 43B (h) of IT Act, 1961 vs MSME." CMA Mohit Dhorajiya, a renowned Practicing Cost Accountant, was the keynote speaker. CMA Bharat Savani (Chairman) and CMA Vipinkumar Patel (MC Member) felicitated CMA Mohit Dhorajiya.

The Chapter organized a CEP on 28th February 2024, on the theme "Review of Annual Report." CMA Jatin Kacha, a renowned Cost Accountant, was the keynote speaker. CMA Deepali Lakdawala-(Treasurer), CMA Vipinkumar Patel (MC Member) & CMA SaurabhAgarwal(Member) felicitated CMA Jatin Kacha.

The Chapter conducted yet another CEP on 02nd March 2024, on the theme "Mind Management." CMA P D Modhsir, a senior & renowned Practicing Cost Accountant, was the keynote speaker. CMA Bharat Savani (Chairman), CMA Vipinkumar Patel (MC Member) felicitated CMA P. D. Modhsir. Around 30 participants were in attendance, benefiting greatly from the insightful session.

International Women's Day was celebrated on 09th March 2024 at the Chapter's premises. Ms Hetal Patel (DCP Surat Special Branch) was the chief guest & CMA Nanty Shah (WIRC Treasurer) was the guest of honor. On behalf of the Chapter, CMA Bharat Savani (Chairman), CMA Kishor Vaghela (Secretary), CMA Deepali Lakdawala (Treasurer) & CMA Vipin Patel (MC Member) felicitated the chief guest & guest of honor. Also the Chapter felicitated female CMA Members by conferring "NARI RATNA AWARD" by the chief guest.

The Chapter organised another CEP on 10th March 2024 on the theme "Discussion On Release Of Exposure Draft Guidance Note On Inventory Valuation Under The Income Tax Act And Continuous Professional Education (CPE) 2024". CMA Nanty Shah (WIRC Treasurer), Renowned Practicing Cost Accountant, was the keynote speaker. CMA Bharat Savani (Chairman), CMA Kishor Vaghela (Secretary), CMA Vipinkumar Patel (MC Member) also joined the CEP.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA NAGPUR CHAPTER

The Chapter held the annual seminar on the theme "Public and Private Sector-Drivers to 5 Trillion Bharat" at Hotel Centre Point on 25th February 2024. It commenced with the lighting of the lamp followed by Institute Prayer. CMA P S Patil,Chapter Chairman in his address welcomed the guests. The seminar was inaugurated by the Chief Guest

Shri Ajit Kumar Saxena, CMD MOIL & Shri Jai Prakash Dwivedi, CMD WCL, in the august presence of Shri Rakesh Tumane, DF Moil, Shri Harendra Pandey, DF Maha-Metro, Shri Anand Sancheti, Managing Director, SMS Ltd., CMA P. V. Bhattad, Past President, CMA Shriram Mahankaliwar, Past Chairman WIRC, CMA Harshad Deshpande, Council Member, CMA Manisha Agrawal, WIRC nominee, CMA P S Patil Chapter Chairman, CMA S Rajat Naidu, Chapter Vice Chairman. During the inaugural session the dignitaries highlighted the importance of the theme of the seminar. He said that the role of cost accountants is important as a mediator between the public and private sectors to make the partnership successful and to have a sustainable economic growth of the country. A Souvenir containing articles on public sector undertaking initiatives towards improving production, productivity & cost effectiveness, role of PSUs on nation building, unlocking synergy-collaborative strategies between public and private sectors to drive India towards 5 trillion dollar economy was released. The daylong seminar comprised of three technical sessions addressed by a galaxy of learned speakers. The first technical session was on the theme "Mission $ 5 Trillion Talent-Technology-Transformation)" chaired by Shri Shyam Mohan Patro, CFO Zim laboratories Lid. and the main speakers were CMA Nitin Kale, Chairman of North Zone of CII Orissa and CMA Kamal Kothari, Corporate trainer. The second technical session was on the theme "Business Model & Digitisation" chaired by Shri Rajendra Shukhla, Ex. DF WCL. The key speakers were Shri Harish Prabhu, MD & CEO Finessense Advisor, Mumbai & Shri Bhimraya Metri, Director, IIM, Nagpur. The third technical Session on "CMA as a Cryogenic Force In Cost Management, Value Addition & Compliance" was chaired by CMA Anil B Verma and CMA N P Vishwanathan both past chairmen of Nagpur Chapter. The key speaker was CMA Rajat Naidu. The proceedings of the seminar were conducted by CMA Renu Kulkarni, CMA Aditi Sontakke with the support of CMA Pushpraj Kulkarni.CMA Anil B Verma, Past Chairman of the Chapter proposed the vote of thanks and expressed his gratitude to all the participants for their whole hearted participation and co-operation.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA NAVI MUMBAI CHAPTER

The Chapter conducted a webinar on "GST ITC and Case Laws" on 28th Jan'24. CMA Arup Bagui, Secretary and Chairman of PD Committee of the Chapter were the speaker. CMA Vaidyanathan Iyer, Past Chairman of the Chapter welcomed the speaker and the participants. The speaker deliberated on important verdicts by Supreme Court and High Courts on GST ITC along with the statutory provisions. The program was attended by more than 60 participants. CMA B N Sapkal, Chairman of Chapter proposed the vote of thanks.

The Chapter conducted a webinar on "6R – Cost Reduction Strategy" on 11th Feb'24. CMA PV Arun Kumar, Head of Finance, PE&SD, BHEL, Hyderabad was the speaker. CMA Vaidyanathan Iyer, Immediate past Chairman of the Chapter, welcomed the speaker. The speaker explained the cost reduction strategy along with his own experience of implementation of the same in the BHEL Hyderabad unit. The program was attended by more than 90 participants including students and corporate executives. CMA Sushant Ghadge, Managing Committee member of the Chapter thanked the speaker and participants for such a detailed and interactive program on the core subject and proposed the vote of thanks.

The Chapter conducted a CEP on "Insight into Interim Union Budget" on 4th February 2024 at the Conference Hall, Konkan Railway Executive Club, Navi Mumbai wherein CMA Kazi M Riyazuddin, RV- SFA was the speaker. Mr. Rejesh Bhadang, Director Finance of Konkan Railway Corporation Ltd was the Chief Guest. Chairman, CMA B N Sapkal and Secretary, CMA Arup Bagui welcomed the speaker and the participants. The program was attended by more than 25 members. CMA Ramesh Babu, Vice Chairman of the Chapter proposed the vote of thanks.

The oral coaching inauguration function was done through a webinar on 10th February 2024 via Google Meet app. The chief guest was CMA Manoj Panda, Dy FA & CAO, Konkan Railway Corporation Ltd. The oral coaching classes commenced from 12th February 2024 for Foundation, Intermediate and Final for June 2024 exams and will be conducted online for 3 months and offline for 1 month. The programme commenced with the Secretary of the Chapter, CMA Arup Bagui welcoming the dignitaries and introducing the Chief Guest and welcoming him to the function. The lighting of the lamp was done online at the hands of the Chairman of the Chapter, CMA B N Sapkal, amidst the soulful rendering of the Institute Anthem which set the vibrant mood for the rest of the function. Immediate Past Chairman of the Chapter, CMA Vaidyanathan Iyer briefed the students and other members present, on the oral coaching course curriculum and communication from

HO directly to students regarding schedule of skill training comprising of SAP training, Microsoft Training, Cambridge soft skills training, e-filing organized for the benefit of the students. CMA Manoj Kumar Panda, in his address asserted that hard work and consistent efforts on the part of the students will lead to success. He shared his journey of success as a CMA professional. Prof Milind, head of the Department of Commerce, KLE College Navi Mumbai explained the importance of such a professional course and advised the students to focus on studies. CMA Arup Bagui, Secretary and Chairman proposed the vote of thanks.

The Chapter organized a full day Seminar on the theme "Marching Towards Sustainable Growth – Role of Accountants" covering the topics of Inventory Valuation and Compliances, Energy Transition Way Forward & Climate Finance Needs, ESG Standards and Compliances for CMAs on 24th February 2024 at Navi Mumbai Sports Association Conference Hall Vashi. Dr. Pradeep Panigrahi, Head of Corporate Sustainability of Larsen & Toubro Limited, India, was the chief guest. The seminar was graced by the WIRC Chairman, various CCMs and RCMs. The dignitaries were felicitated by the Managing Committee members by offering them mementos and bouquets. CMA Arup Bagui, Secretary of Navi Mumbai Chapter welcomed the dignitaries and the audience mentioning that this seminar would be immensely useful for all professionals/ planners and Managers who are the partners in rebuilding our economy with the objective being to provide a platform where the participants would gain an expertise in the niche areas. The programme commenced with the lighting of the lamp by the dignitaries amidst the soulful rendering of the Institute Anthem. This was followed by the Chairman's speech by CMA B N Sapkal who welcomed the dignitaries and informed the audience that the sustainable development goals (SDGs) are a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity, though some of them are designed to end poverty, hunger and discrimination. The topics were deliberated by eminent speakers, CMA Harshad Deshpande, CMA Chandrashekhar Chincholkar, CA Pankaj Kumar. On this occasion, a digital e-souvenir was released by the dignitaries. The vote of thanks for the inaugural session was proposed by CMA L Prakash and then followed the technical sessions by the eminent speakers. CMA Vaidyanathan Iyer, Immediate past Chairman of the Chapter gave a thanks giving address and proposed the vote of thanks.

The Chapter conducted a career counseling session on 1st February 2024 at KB Patil College of Arts, Science & Commerce, Vashi. The speakers were CMA B N Sapkal, Chairman of the Chapter and CMA Vaidyanathan Iyer, Past Chairman of the Chapter. The speakers articulated the salient features of the CMA Course Syllabus 2022 and the students interacted very well. The HOD Commerce, Prof Charu provided excellent support and co-operation for conducting career counseling for Degree college students.

The Chapter conducted a career counseling session on 30th January 2024 at Pillai College of Arts, Science & Commerce, Panvel. The speakers were CMA B N Sapkal, Chairman of the Chapter, CMA Vaidyanathan Iyer, Past Chairman of the Chapter and CMA Nilmoni Bhakta, MCM of the Chapter. The Coordinator, Dr Jennie Prajith provided excellent support and co-operation for conducting the career counseling for 189 Degree students.

The Chapter conducted a web based career counseling session on 2nd February 2024 at Pillai College of Arts, Science & Commerce, Panvel. The speakers were CMA B N Sapkal, Chairman of the Chapter, CMA Vaidyanathan Iyer, and Past Chairman of the Chapter. The speakers explained the salient features of the CMA Course Syllabus 2022 and discussed the strategic tools/techniques for Strategic Cost Management namely Target Costing, Kaizen Costing, Activity Based Costing etc and the students interacted very well. The Coordinator Dr Jennie Prajith provided excellent support and co-operation for conducting career counseling for 145 Degree students.

The Chapter conducted two Career Counseling Sessions on 25th January 2024 at KLE Society's Science and Commerce College, Kalamboli. The speakers were CMA B N Sapkal, Chairman of the Chapter, CMA Vaidyanathan Iyer, Past Chairman and CMA Arup Bagui, Secretary and PD Committee Chairman. The Commerce HOD, Prof Milind Gurchal and the Principal, Dr Vijay Mendhulkar provided excellent support and co-operation for conducting the career counseling for 84 Degree students.

The Chapter conducted two more career counseling sessions on 29th January 2024 at DVS College of Commerce, Koparkhairane. The speakers were CMA B N Sapkal, Chairman of the Chapter, CMA Nilmoni Bhakta, MCM of the Chapter. The speakers explained the salient features of the CMA Course Syllabus 2022 and the students interacted actively. The Commerce HOD, Prof Monica Khatri and the Principal Dr Nidhi Verma provided excellent support and co-operation for conducting career counseling for 82 Degree & M.Com students.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA AHMEDABAD CHAPTER

The Chapter celebrated its 59th Foundation day on 28th February, 2024. On the occasion, the Chapter conducted a quiz competition and solo character competition. The program started with a welcome address by the Jt. Secretary & Treasurer, CMA Mitesh Prajapati, CMA Malhar Dalwadi and Mr. Chirag Parmar were the jury members at the quiz competition. Ikramali Marediya was declared as winner in solo character performance. The dignitaries, Chairman, Secretary, Jt. Secretary & Treasurer and members present gave away the participation certificate to the students. The vote of thanks was proposed by the Jt. Secretary & Treasurer, CMA Mitesh Prajapati. The program was followed by National Anthem and thereafter Cake Cutting ceremony.

The Chapter organized 12 days Pre-placement Orientation Program for Dec'23 qualified CMAs from 12th March'24 to 22st March'24. At the inaugural function on 12th March'24, CMA Nikunj Shah, Vice Chairman of Chapter and Chairman of Training & Placement Committee, CMA Bhaumik Gajjar, Secretary, CMA Mitesh Prajapati, Jt. Secretary, Treasurer & Chairman, Oral Coaching Committee, CMA Malhar Dalwadi, immediate past Chairman of Chapter, CMA Kushal Desai, CMA Bhavesh Ramchandani were present. CMA Hiren Padhiya was the chief guest at the inaugural function. CMA Mitesh Prajapati, welcomed all the dignitaries, guests and the gathering. CMA Nikunj Shah, Vice Chairman of Chapter and Chairman of Training & Placement Committee introduced the Chief Guest and welcomed him by offering a memento and bouquet. He also informed in details about the schedule and briefed about the orientation program. CMA Bhaumik Gajjar, Secretary briefed about the Chapter's activities. CMA Hiren Padhiya, Chief Guest gave an inspirational address about the importance of CMAs in the corporate world. The vote of thanks was proposed by Jt. Secretary & treasurer of Chapter, CMA Mitesh Prajapati. A valedictory session of the Orientation Program was organized on 22nd March'2024. Chairman, CMA Uttam Bhandari, Secretary CMA Bhaumik Gajjar, Jt. Secretary, Treasurer & Chairman of Oral Coaching Committee, CMA Mitesh Prajapati. CMA Bhavesh Ramchandani, Chairman, Editorial Committee and CMA Kushal Desai, Member were present at the valedictory session. CMA Suresh Johar was the Chief Guest at the valedictory session. The participants were awarded "Certificate of Participation". CMA Mitesh Prajapati, Jt. Secretary & Treasurer proposed vote of thanks.

The Chapter participated in a live television program "Hello Karkirdi" as part of career counselling on 19/03/2024. CMA Mitesh Prajapati, Jt. Secretary, Treasurer and Chairman of Oral Coaching gave a brief account of the cost accounting course, method of cost accounting, concepts cost accounting, and scope of cost accountants in professional life and many more aspects of cost accounting course. The program was live telecast and the participating candidates raised their questions by live phone calls and CMA Mitesh Prajapati replied to the queries / questions raised by them. The program was very interactive. Pamphlet distribution on various Exam centres of 12th was also carried out at a part of career counseling.

ICMAI-Ahmedabad and Baroda Chapters jointly organized Inter Chapter Cricket Tournament at Ahmedabad on 23/03/2024. At the inauguration, CMA Mihir Vyas, Secretary-WIRC, CMA Uttam Bhandari, Chairman of Ahmedabad Chapter, CMA Malhar Dalwadi, Immediate past Chairman of Ahmedabad Chapter, CMA Sunil Tejwani, Chairman of Sports Committee, CMA Mahesh and Mr. P P Dave were present on the occasion. The welcome address was given by the Sports committee, Chairman of the Chapter, CMA Sunil Tejwani. CMA Malhar Dalwadi, immediate past Chairman of Ahmedabad Chapter also spoke. The inaugural address was given by CMA Mihir Vyas, Secretary-WIRC and CMA Uttam Bhandari, Chairman of Ahmedabad Chapter. Ahmedabad Chapter won the tournament and CMA Mihir Vyas, Secretary WIRC awarded the trophy to the captain of the winning Ahmedabad team .CMA Uttam Bhandari, and Chairman of the Chapter awarded the runner's up trophy to the captain of Baroda team.

The Chapter organized CEP webinar on "Beyond the Balance Sheet: Forensic Accounting for Real World Solution" on 27th March 2024. CMA Arjun Bhatt welcomed the members and introduced the speaker CA

Samir Chaudhary who made a detailed presentation and explained the subject.

The Chapter organized another web based CEP on "AI in Finance Series – Exploring Opportunities & Ethics" on 28th March 2024. CMA Malhar Dalwadi welcomed the members and introduced speaker CA Rushabh Shah who made a detailed presentation and explained the subject lucidly. There was a good interaction between all the participants large numbers of participants attended the webinar.

The Chapter organized another web based CEP on "Emerging Technologies & Vulnerabilities" on 29th March 2024. CMA Malhar Dalwadi welcomed the members. CMA Arjun Bhatt introduced the speaker, Prof. (Dr.) Kapil Kumar Suri who made a detailed presentation and explained the subject well. There was a good detailed interaction between all the participants. Large numbers of participants attended the webinar. The vote of thanks proposed by CMA Bhaumik Gajjar.

The Chapter organized a similar CEP webinar on "Data Analysis & Reporting using MS Excel" on 30th March 2024. CMA Malhar Dalwadi welcomed the members and introduced speaker. Mr. Bhavin Goklani, the speaker made a detailed presentation and explained the subject of the webinar.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA PUNE CHAPTER

On 9th March 2024, the felicitation ceremony was arranged at the Chapter for December 2023 pass out students to enhance the morale of the successful students and to give recognition to their commendable achievements at CMA Bhawan, Auditorium of ICMAI-Pune Chapter, Karvenagar premises. CMA Amey Tikale, Chairman, Students Co-ordination Committee gave welcome address. Program began with Goddess Saraswatipujan, lighting of the lamp with auspicious hands of Chief Guest & dignitaries on the dais and recital of Institute's Anthem.CMA Nagesh Bhagane, Chairman of the Chapter delivered the address. He congratulated the successful students and appreciated for the efforts taken by the faculties in his address. CMA Shrikant Ippalpalli, Secretary, ICMAI-Pune Chapter gave introduction of the guests to the audience.CMA Nagesh Bhagane, Chairman, ICMAI-Pune Chapter felicitated the Chief Guest, Dr. Anjali Sane, Amey Tikale, Managing Committee Member to the Guest of Honor, CMA Gopal Bhutada, CMA Himanshu Dave, Managing Committee Member of ICMAI-Pune Chapter to CMA Amit Apte, Past President-ICMAI and CMA Nilesh Kekan, Vice-Chairman of ICMAI-Pune Chapter felicitated CMA Neeraj Joshi, Council Member on 9th March 2024 at Student's Day Program. Dr. Anjali Sane (Dean - School of Economics and Commerce- MIT World Peace University) was the Chief Guest at this occasion. CMA Gopal Bhutada (Sr GM Supply Chain Finance at Tata Motors Ltd) was the Guest of Honor at this occasion. The Chapter felicitated the faculty members and for this felicitation, CMA Himanshu Dave, Chairman-Coaching committee, ICMAI-Pune Chapter & CMA Rahul Chincholkar, Treasurer of ICMAI-Pune Chapter had taken an initiative. The felicitation function was followed by cultural activities of the students and lunch, which was enjoyed by everyone. Vote of thanks delivered by CMA Nilesh Kekan, Vice-Chairman of the Chapter.

The Chapter arranged 'Women's Day Celebration' at CMA Bhawan, Karvenagar on 9th March, 2024. Theme of the programme was "INSPIRE INCLUSION." Panellists for the programme were CA Dr. Revati Paithankar, Chairperson of Bhagini Nivedita Bank, Pune, Prof. Meera Badve, a venerated social sector persona of Niwant and Mukta Vikasalay, Pune, Dr. Nivedita Ekbote, Deputy Secretary, progressive Education Society, Pune, a social, political and educational sector diva CMA Lily Shukla, Sr. General Manager Finance, Finolex Industries Ltd. a young, high-profile, successful CMA in the industry. The Program began with Lighting of the lamp with auspicious hands of Guests. Special Invitee CMA Amit Apte, Past President, ICMAI, CMA Neeraj Joshi, Council Member, ICMAI, CMA Chaitanya Mohrir, Chairman WIRC of ICMAI, CMA Meena Vaidya, CMA Narhar Nimkar, Advisor ICMAI Pune Chapter. CMA Nagesh Bhagane, Chairman, CMA Nilesh Kekan, Vice Chairman, CMA Amey Tikale, Chairman, Students Co-ordination committee, CMA Himanshu Dave, Coaching Committee Chairman, CMA Tanuja Mantrawadi, CMA Anuja Dabhade, Managing Committee Member of ICMAI-Pune Chapter were present for the programme. CMA Abhay Deodhar, CMA Sujata Budhkar, CMA Anuradha Dhavalikar and large number of lady Cost Accountants, lady students & members attended the programme. CMA Nagesh Bhagane, Chairman-ICMAI-Pune Chapter welcomed the guests and participants.CMA Amit Apte, Past President-ICMAI felicitated the Panelist for the programme CA (Dr.) Revati Paithankar, CMA Neerj Joshi, Council Member to Prof. Meera Badve, CMA Chaitanya Mohrir-Chairman, WIRC of ICMAI to CMA Lily Shukla and CMA Nagesh Bhagane-Chairman, ICMAI-Pune Chapter felicitated CMA Nivedita Ekbote. CMA Soma Ghosh summed up the essence of the session with a beautiful rendition of a motivational song to indicate that there is no limit for aspirations and we are prepared to work with perseverance to fulfill our dreams. CMA Tanuja Mantrawadi and CMA Anuja Dabhade, Managing Committee Member of ICMAI-Pune Chapter had taken an initiative for the Women's Day Celebration.

The Chapter conducted 11 days pre-placement orientation programme from 12th March 2024 to 23rd March 2024 for newly qualified CMAs at CMA Bhawan, Pune Chapter. Mr. Sandip Joshi, Admin Officer, ICMAI-Pune Chapter welcomed the participants.CMA Himanshu Dave, Managing Committee Member of ICMAI-Pune Chapter addressed the participants on offline inaugural session. He briefed the program schedule of PPOP to the participants.

The Chapter conducted a Pre-Placement Orientation Program for Newly Qualified CMAs (December 2024 exam) from 12th March to 23rd March 2024 at Pune Chapter, CMA Bhawan premises. Dr. D. V. Joshi, former President of ICMAI, CMA Dr. Sanjay Bhargave, Advisor ICMAI-Pune Chapter, CMA Chaitanya Mohrir, Chairman WIRC-ICMAI, CMA Nagesh Bhagane, Chairman, ICMAI-Pune Chapter, CMA Himanshu Dave Coaching Committee Chairman-ICMAI-Pune Chapter, CMA Nikhil Agarwal, Managing Committee Member-ICMAI-Pune Chapter were present for the session. CMA Dinesh Sahane DGM- Commercial & Taxation (Noida, Pune, Chennai, Nalagarh, STEC) Subros Limited was Chief Guest for the program. CMA Nagesh Bhagane, Chairman ICMAI-Pune Chapter welcomed to all the participants & dignitaries. He also congratulated Newly Qualified CMAs (Dec 2023 exam) and offered his best wishes for the Campus Placement. CMA Himanshu Dave, Coaching Committee Chairman, ICMAI-Pune Chapter introduced the guests to the participants. CMA Nagesh Bhagane, Chairman, ICMAI-Pune Chapter felicitated Chief Guest, CMA Dinesh Sahane, CMA Dr. D.V.Joshi, former President of ICMAI & CMA Sanjay Bhargave, Advisor-ICMAI-Pune Chapter. CMA Nikhil Agarwal felicitated CMA Chaitanya Mohrir, Chairman WIRC-ICMAI. CMA Chaitanya Mohrir, Chairman WIRC-ICMAI congratulated all participants. CMA (Dr.) D.V.Joshi, former President of ICMAI, described how PPOP helps students for being capable for Campus Placement interview. CMA (Dr.) Sanjay Bhargave, Advisor ICMAI-Pune Chapter welcomed all newly qualified CMAs in CMA family also gave important tips for getting success in Interview. Chief Guest CMA Dinesh Sahane addressed the participants. He congratulated all the students and expressed his Best Wishes to all for Interviews. Vote of thanks was given by CMA Nikhil Agarwal, Managing Committee Member-ICMAI- Pune Chapter.

The chapter arranged a webinar on 26th March 2024 on Topic: - "Industrial Laws – points to know by professionals" & Speaker for the program was Adv. Dr. Shrikant Malegaonkar. CMA Rahul Chincholkar, P D Committee, Chairman ICMAI Pune Chapter welcomed & introduced the Speaker. CMA Shrikant Ippalpalli delivered vote of thanks.

Direct & Indirect Tax Updates - March 2024

DIRECT TAXES

- **Notification No. 24/2024 Dated 1st March 2024:** In exercise of the powers conferred by section 139 read with section 295 of the Incometax Act, 1961 (43 of 1961), the Central Board of Direct Taxes substituted amended Form ITR-7.
- **Notification No. 25/2024 Dated 1st March 2024:** 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, 'Uttar Pradesh Real Estate Regulatory Authority' (PAN AAAGU0671E), an Authority constituted by the State Government of Uttar Pradesh, in respect of the following specified income arising to that Authority (a) Amount received as Grant-in-aid or loan/advance from Government (b) Fee/penalty received from builders/developers, agents or any other stakeholders as per the provisions of the Real Estate (Regulation and Development) Act, 2016 (c) Fee received under Right to Information Act, 2005 and (d) Interest earned on bank deposits.

  This notification shall be effective subject to the conditions that Uttar Pradesh Real Estate Regulatory Authority (a) shall not engage in any commercial activity (b) activities and the nature of the specified income shall remain unchanged throughout the financial years and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.
- **Notification No. 26/2024 Dated 1st March 2024:** 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, 'Karnataka Urban Water Supply and Drainage Board' (PAN: AAATK5837F), a Board constituted under the Karnataka Urban Water Supply and Drainage Board Act, 1973 (Karnataka Act No. 25 of 1974), in respect of the following specified income arising to that Board (a) Establishment, administrative, supervision, water charges and rent collected as per the Karnataka Urban Water Supply and Drainage Board Act, 1973 (Karnataka Act No. 25 of 1974) (b) Forfeiture of earnest money deposit as per the Karnataka Urban Water Supply and Drainage Board Act, 1973 (Karnataka Act No. 25 of 1974) (c) Penalty, Sale of Scrap, Storage charges and Survey charges as per the Karnataka Urban Water Supply and Drainage Board Act, 1973 (Karnataka Act No. 25 of 1974) and (d) Interest earned on bank deposits.

  This notification shall be effective subject to the conditions that Karnataka Urban Water Supply and Drainage Board (a) shall not engage in any commercial activity (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.
- **Notification No. 27/2024 Dated 5th March 2024:** In exercise of the powers conferred by section 295 read with sections 44AB and 92E of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes, In the Income-tax Rules, 1962, in Appendix II, in Form No. 3CD, (i) in PART A, in clause 8a, for the figures and letters "115BAD", the figures and letters "115BAD/115BAE" shall be substituted (ii) in PART B, in clause 12, for the figures and letters "44AD", the figures and letters "44AD, 44ADA" shall be substituted.
- **Notification No. 28/2024 Dated 7th March 2024:** In exercise of the powers conferred by sub-section (1F) of section 197A read with subsection (1A) and sub-section (2) of section 80LA of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred as the Income-tax Act), the Central Government hereby notifies that no deduction of tax shall be made under the provisions of the Income-tax Act as specified in respect of the payments, made by any 'payer' to a person being a Unit of International Financial Services Centre, (hereinafter referred as 'payee').
- **Notification No. 29/2024 Dated 13th March 2024:** In exercise of the powers conferred by clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (43 of 1961) read with Rules 5C and 5E of the Income-tax Rules, 1962, the Central Government hereby approves 'Indian Institute of Technology, Kharagpur' (PAN: AAAJI0323G) under the category of 'University, college or other institution' for 'Scientific Research' for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.
- **Notification No. 30/2024 Dated 13th March 2024:** In exercise of the powers conferred by clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (43 of 1961) read with Rules 5C and 5E of the Income-tax Rules, 1962, the Central Government hereby approves 'Sardar Vallabhbhai National Institute of Technology', Surat (PAN: AAAJS1184P) under the category of 'University, college or other institution' for 'Scientific Research' for the purposes of clause (ii) of subsection (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.
- **Notification No. 31/2024 Dated 13th March 2024:** In exercise of the powers conferred by clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961

(43 of 1961) read with Rules 5C and 5E of the Income-tax Rules, 1962, the Central Government hereby approves 'National Forensic Sciences University, Gandhinagar' (PAN: AAALN3742Q) under the category of 'University, college or other institution' for 'Scientific Research' for the purposes of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.

- **Notification No. 32/2024 Dated 15th March 2024:** In exercise of the powers conferred by the clause (22B) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby specifies the "The Press Trust of India Limited, New Delhi" as a news agency set up in India solely for collection and distribution of news, for the purpose of the said clause for two assessment years 2022-2023 to 2023-2024. The notification is subject to the condition that the news agency applies its income or accumulates it for application solely for collection and distribution of news and does not distribute its income in any manner to its members.
- **Notification No. 33/2024 Dated 19th March 2024:** Whereas, the Convention between the Government of the Republic of India and the Kingdom of Spain for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital came into force on the 12th January, 1995, after the notification by both the Contracting States to each other of the completion of the procedures required under their laws for bringing into force the said Convention. The Central Government in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), had directed that all the provisions of the said Convention annexed to the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 356 (E), dated the 21st April, 1995, shall be given effect to in the Union of India.

  In exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby directs that the following modification shall be made in the Convention notified vide said notification number G.S.R. 356 (E), dated the 21st April, 1995, which are necessary for implementing the said Convention between India and Spain:

  "However, such royalties and fees for technical services may also be taxed in the Contracting State in which they arise and according to the law of that State, but if the recipient is the beneficial owner of the royalties or fees for technical services, the tax so charged shall not exceed ten per cent of the gross amount of royalties or fees for technical services."
- **Notification No. 34/2024 Dated 19th March 2024:** 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 (i) vide number G.S.R. 155(E), dated 5th March, 2024, at page 2, for item E, read: 'E. in clause 22, after the figures "2006", the words and figures " or any other amount not allowable under clause (h) of section 43B of the Income-tax Act, 1961" shall be inserted.
- **Notification No. 35/2024 Dated 22nd March 2024:** In pursuance of sub-clause (ii) of clause (a) of sub-section (1) of section 138 of the Incometax Act, 1961, the Central Government hereby specifies 'Principal Secretary, Planning Department, Government of Uttar Pradesh' for the purposes of the said clause.
- **Notification No. 36/2024 Dated 26th March 2024:** 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 Mission for Clean Ganga', New Delhi (PAN AABAN3769K), an Authority constituted under the River Ganga (Rejuvenation, Protection and Management) Authority Order, 2016, in respect of the following specified income arising to that Authority, namely: (a) Grants-in-Aid received from Government of India and (b) Interest earned on bank deposits.

  This notification shall be effective subject to the conditions that National Mission for Clean Ganga, New Delhi (a) shall not engage in any commercial activity (b) activities and the nature of the specified income shall remain unchanged throughout the financial years and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.
- **Notification No. 37/2024 Dated 27th March 2024:** In exercise of the powers conferred by section 139 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962. These rules may be called the Income-tax (Fifth Amendment) Rules, 2024. They shall come into force on the 1st day of April, 2024.
- **Circular No. 2/2024 Dated 5th March 2024:** Order under section 119 of the Income-tax Act, 1961. In view of the above, the Central Board of Direct Taxes, in exercise of its powers under section 119 of the Act hereby allows those trusts I institutions which have furnished audit report on or before 31st October, 2023 in Form No. 10B where Form No. 10BB was applicable and vice-versa, to furnish the audit report under clause (b) of the tenth proviso to clause (23C) of section 10 and sub-clause (ii) of clause (b) of sub-section (1) of section l2A of the Income-tax Act, 1961, in the applicable Form No. 10B/10BB for the assessment year 2023-24, on or before 31 st March, 2024.
- **Circular No. 3/2024 Dated 6th March 2024:** Income of any fund or institution or trust or any university or

other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or subclause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 of the Incometax Act, 1961 (the Act) (hereinafter referred to as the first regime) or any trust or institution registered u/s 12AA or 12AB of the Act (hereinafter referred to as the second regime) is exempt, subject to the fulfilment of certain conditions provided for the two regimes in the Act. It is reiterated that eligible donations made by a trust / institution to another trust / institution under any of the two regimes shall be treated as application for charitable or religious purposes only to the extent of 85% of such donations. It is clarified that 15% (Rs. 15) of such donations by the donor trust / institution shall not be required to be invested in specified modes under section 11(5) of the Act as the entire amount of Rs. 100 has been donated to the other trust / institution and is accordingly eligible for exemption under the first or second regime.

- **Circular No. 4/2024 Dated 7th March 2024:** Ex-post facto extension of due date for filing Form No. 26QE which was required to be filed during the period 01.07.2022 to 28.02.2023 (pertaining to F.Y. 2022-23). The Board has decided to, ex-post facto, extend the due date of filing of Form No. 26QE for specified persons who deducted tax under section 194S but failed to file Form No. 26QE. The due date is hereby extended to 30.05.2023 in those cases where the tax was deducted by specified persons under section 194S of the Act during the period from 01 .07.2022 to 28.02.2023. Fee levied under section 234E and/or interest charged under section 201(1A)(ii) of the Act in such cases for the period upto 30.05.2023, shall be waived.

INDIRECT TAXES

CENTRAL EXCISE

- **Notification No. 10/2024 - Central Excise Dated 15th March 2024:** In exercise of the powers conferred by section 5A of the Central Excise Act, 1944 (1 of 1944) read with section 147 of the Finance Act, 2002 (20 of 2002), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 18/2022-Central Excise, dated the 19thJuly, 2022. In the said notification, in the Table, (i) against S. No. 1, for the entry in column (4), the entry "Rs. 4900 per tonne" shall be substituted.

CUSTOMS

- **Notification No. 13/2024-Customs Dated 6th March 2024:** In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated 30thJune, 2017.

  in the Table, after S. No. 3AA and the entries relating thereto, the following S. No. and entries shall be inserted

3AB	0207 42 00 0207 45 00	Meat and edible offal, of ducks, frozen	5%	116

  in the Annexure, after condition number 115 and the entries relating thereto, the following condition number and entries shall be inserted.

116	If, at the time of import, (a)the importer furnishes a certificate to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, from the designated officer in terms of O.M. No. L-110109(3)/1/2016-Trade (E-2625), dated 22nd February, 2024, issued by the Department of Animal Husbandry and Dairying, that the imported goods are meat and edible offal of ducks, frozen (other than backs of ducks, frozen), satisfying the parameters specified in the Annex to the said O.M.; and (b)the importer furnishes to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, (1) certificate from an officer not below the rank of a Deputy Secretary to the Government of India in the Ministry of Tourism recommending that the importer is a 3-Star and above operational hotel as per notification issued by Ministry of Tourism, Government of India, as amended, or (2) a valid restricted import authorisation issued under DGFT notification No. 66/2023, dated 06th March, 2024, as amended.

- **Notification No. 15/2024-Customs Dated 12th March 2024:** The Central Government on being satisfied that the import duty leviable on goods, falling under Chapter 90 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), should be increased and that circumstances exist which render it necessary to take immediate action. In exercise of the powers conferred by sub-section (1) of section 8A of the said Customs Tariff Act, the Central Government hereby directs that the First Schedule to the said Customs Tariff Act shall be amended in the following manner, namely: In the First Schedule to the said Customs Tariff Act, in Chapter 90, against tariff items 9022 30 00 and 9022 90 90, for the entry in column (4), the entry "15%" shall be substituted.
- **Notification No. 16/2024-Customs Dated 12th March 2024:** In exercise of the powers conferred by sub-

section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30th June, 2017.

Against S. No. 563A, in column (3), in entry (ii), for item (e), the following item shall be substituted, namely: - "(e) High Frequency X-Ray Generator (>25KHz) (9022 14 10).

after S. No. 563A, the following S. Nos. and entries shall be inserted

563B	022 14 10	High Frequency X-Ray Generator (>25KHz, >=500mA) for use in manufacture of X-ray machines for medical, surgical, dental or veterinary use (9022 14 20 or 9022 14 90)	10%	9
563C	022 90 90	The following goods for use in manufacture of X-ray machines for medical, surgical, dental or veterinary use (9022 14 20 or 9022 14 90), namely: - (i) Vertical Bucky; (ii) X-Ray Tube Suspension; (iii) X-Ray Grid;	10%	9
563D	9022 29 00 or 9022 90 90	Multi Leaf Collimator/ Iris for use in manufacture of X-ray machines for medical, surgical, dental or veterinary use (9022 14 20 or 9022 14 90)	10%	9

- **Notification No. 17/2024-Customs Dated 14th March 2024:** 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 makes the following further amendment in the notification of the Government of India, Ministry of Finance (Department of Revenue), No. 57/2017-Customs, dated the 30th June, 2017.

  In the said notification, in the Table, (i) against S. No. 20, in column (3), in item (a), for the symbols and words "(commonly known as smart watches);"the symbols and words "(commonly known as smart watches) and other smart wearable devices including smart rings, shoulder bands, neck bands or ankle bands;" shall be substituted.

- **Notification No. 18/2024-Customs Dated 14th March 2024:** Seeks to amend notification No. 25/2021-Customs dated 31.03.2021, in order to notify fourth tranche of India-Mauritius CECPA.
- **Notification No. 19/2024-Customs Dated 15th March 2024:** Seeks to amend No. 50/2017-Customs, dated the 30th June, 2017 to give concession to EVs imported under of the Ministry of Heavy Industries' Scheme to promote manufacturing of electric passenger cars in India.
- **Notification No. 20/2024-Customs Dated 15th March 2024:** Seeks to further amend No. 11/2018-Customs, dated the 2nd February, 2018, to exempt SWS on EVs imported under of the Ministry of Heavy Industries' Scheme to promote manufacturing of electric passenger cars in India.
- **Notification No. 21/2024-Customs Dated 15th March 2024:** Seeks to amend notification No. 22/2022-Customs dated 30.04.2022, in order to notify third tranche of India-UAE CEPA.
- **Circular No. 2/2024 Dated 8th March 2024:** Encouraging Women participation in International Trade. In view of the above, it has been decided that the Chief Commissioners/ Commissioners should henceforth (1) ensure Representation of women in the Permanent Trade Facilitation Committee (PTFC) and Customs Clearance Facility Committee (CCFC) meetings, preferably through women associations. (2) ensure inclusion of at least one agenda point from women perspective (3) encourage the Trade bodies/ custodians to establish dedicated help desks and processing mechanisms for women traders and women logistics service providers (4) support in upskilling women logistics service providers, freight forwarders and custom brokers by offering relevant trainings for women.
- **Circular No. 3/2024 Dated 8th March 2024:** Inclusion of gender specific infrastructure facilities to be provided by the Custodian CCSP-CFS/AFS/ICD under the HCCAR, 2009. In view of the above, the Principal Commissioner/Commissioner of Customs having jurisdiction over CFS/AFS/ICD shall take suitable steps to encourage availability of such infrastructural facilities and take appropriate action to improve above infrastructure. The Custodians of CFS/AFS/ICD may also be sensitized to provide such infrastructural facilities in a proactive manner.

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

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

www.icmai.in

GUIDELINES FOR MEMBERS UNDER CONTINUOUS PROFESSIONAL EDUCATION (CPE) 2024

1. INTRODUCTION

1.1 The Institute of Cost Accountants of India was set up under the Cost Accountants Act, 1959, as amended to educate, impart training and develop the profession of Cost Accountancy. In the current changing dynamic economic scenario it is essential for Cost Accountants in practice and in employment to continuously update and equip themselves with the new skills and concepts to meet the challenges and render efficient service to trade, commerce, industry and the society at large. A profession cannot maintain the cutting edge unless its members regularly update their knowledge.

1.2 Keeping in view the continuous improvement and adapting to the changing circumstances the Institute is pleased to announce revised CPE requirements for members in practice & industry.The CPE hours of the members should be in respect of the subjects pertaining to the topics of professional relevance for members as per **Schedule-I** of the said Guidelines.

1.3 In line with the recommendations of the International Federation of Accountants (IFAC) and feeling the need to have compulsory and continued training of the members of the Institute, the Council has made mandatory CPE requirement for members, to ensure constant updating of knowledge and skills of members. The Council has framed the following guidelines covering the requirement of eligible training, learning activities, awarding and recording of credit hours.

1.4 The objective of Continuous Professional Education is to assist the members in widening their knowledge base and in improving their skills to be at the cutting edge of technology by providing training and expertise in critical areas.

2. KEY DEFINITIONS

2.1 **"Institute"** means the Institute of Cost Accountants of India.

2.2 **"Continuous Professional Education (CPE)"** – An integral part of member's continuous learning intended to expand their knowledge base and stay up-to-date on new developments.

2.3 **"Approved CPE Programmes"** means programmes organized by the Institute including programmes of the Regional Councils and Chapters, approved Study Circles, or any entity recognized by the Council from time to time for this purpose, National Cost Conventions, Regional Cost Conventions, participative certificate programme of ICMAI, Seminars or Conferences organized jointly with other professional bodies and Chambers of Commerce that are approved by the CPE Directorate for granting CPE Credit Hours.

2.4 **"Year"** for the purpose of these guidelines shall mean the period commencing from 1st day of April and ending on 31st of March.

2.5 **"Continuous Professional Education Directorate (CPE Directorate)"** means the directorate of the Institute set up for overseeing the academic, technical and administrative functions of CPE programmes.

2.6 **"Continuous Professional Education Committee (CPE Committee)"** means a committee of the Council of the Institute entrusted with the task of setting strategic directions and overseeing CPE activities.

2.7 **"CPE Credit Hours"** means credit hours awarded to the member for undertaking CPE learning activity.

2.8 **"Permanent Disability"** means a person suffering from not less than 40% of any disability as certified by appropriate government authority.

2.9 "**Structured CPE Credit Hours"** The CPE Credit hours to the members for structured learning activities as per para 6.1 of these guidelines

2.10"**Unstructured CPE Credit Hours"** The CPE Credit hours to the members for unstructured learning activities as per para 6.2 of these guidelines

3. AUTHORISATION AND REGULATION

3.1 In terms with the powers vested with the Council of the Institute under the Cost Accountants Act, 1959 and the Regulations framed thereunder, the Council of the Institute is empowered to frame rules and guidelines for the maintenance of the status and standard of professional qualifications of the members of the Institute.

3.2 Compliance with these guidelines is mandatory for the members of the Institute in practice and recommendatory for other members subject to exemptions as mentioned in these guidelines.

3.3 In case of any queries concerning these guidelines, the clarifications and interpretations of issued by the CPE Directorate shall be final.

4. EFFECTIVE DATE

4.1 These guidelines are effective from 1st April, 2024.

5. APPLICABILITY OF GUIDELINES

5.1 The requirement of CPE Credit Hours to be complied with by the members as prescribed in **Annexure A** to these guidelines**.**

5.2 All members of the Institute are required to meet the CPE requirement(s) as specified by the Council from time to time subject to the category **exempted** as below:

i. For the first year for a member who is admitted to the membership of the Institute. A year in this context is to be considered as the period from 1st April to 31st March.

ii. A member who is having permanent disability and members who have been handicapped due to an accident/ sickness for a prolonged period may be exempted from fulfilling the requirement of CPE Hours on submission of valid documents in support of the same.

iii. Female members for one year on the grounds of pregnancy/ maternity up to 2children (One year will be counted as six months before and six months after the birth of a child)

iv. Other exemptions:

a. Member of Parliament;

b. Member of Legislative Assembly or Legislative Council;

c. Member of Judiciary;

d. Members of any of the Central Civil Services;

e. Members of any of the State Civil Services;

f. Employees of regulatory bodies, government organizations (not being corporate entities), and statutory bodies;

g. Members of Armed Forces and Paramilitary Forces;

v. The CPE Committee may in their absolute discretion grant full/partial exemption specifically or generally to a member or a class of members based on facts and circumstances on a case to case basis.

5.3 Members Residing Overseas

i. In case of members residing outside India for a period of not less than 6 months may be exempted from the requirement for the particular year on submission of valid documents in support of the same. However, no such exemption/relaxation is available to a member who has obtained membership of the Institute in accordance with the MOU entered into between the Institute and any other foreign Institute and such member would be considered to have earned Credit Hours if the member has fulfilled the Credit Hour requirement of that foreign Institute. fulfilling the requirement of CPE Hours on submission of valid documents in support of the same

ii. the members residing overseas can avail 100% CPE Credits through Online Mode

6. BASIS OF AWARDING CPE CREDIT HOURS

A member will be awarded the credit of CPE Hours on the basis of the learning activities undertaken during the year.. The CPE Credit Hours from different learning activities are divided into Structured CPE Credit Hours and Unstructured CPE Credit Hours.

6.1 Structured Learning Activities and CPE Credit Hours

i. Attending an approved CPE Programme in physical mode.

ii. Attending an approved CPE Programme in online mode i.e. Webinar/E-Learning conducted by the Institute for members. Mere registration for Webinar will not be sufficient to earn the credit hours and the members must attend the full session.

iii. Basis of awarding CPE Credit Hours as follows:

Duration of the approved CPE Programme	**Credit Hours**
Less than 1 hour	Nil
1 hour and more and upto 2 hours	1
More than 2 hours and upto 4 hours in a single day	2
Beyond 4 hours in a single day	4
Programme spanning 1 and half day	6
Programmes spanning 2 days	8
Programme spanning beyond 2 days (minimum 6 hours per day)	10

Duration of the approved CPE Webinar/(E-learning	**Credit Hours**
Less than 1 hour	Nil
1 hour and more and upto 2 hours	1
More than 2 hours and upto 4 hours in a single day	2
Beyond 4 hours in a single day	4

6.2 Unstructured Learning Activities and CPE Credit Hours

The member shall be granted CPE credit hours under these guidelines for undertaking any of following unstructured learning activities:

Sl.No.	Learning Activities	CPE Credit Hours
1.	**Acting as a Speaker or Discussion Leader**	
1.1	A member who is acting as a visiting faculty/guest faculty in a programme or seminar offered by any UGC recognized University/ AICTE approved Institution/ Management Institutions/ Institutions of National Importance.	Equivalent to the basis of the CPE Credit hours for the approved CPE Programme or Webinars/E-learning.
1.2	Acting as a panelist at a programme organized by the press and media *Members are not eligible for CPE Credit Hours for acting as a faculty in Oral Tuition Classes for students.*	Equivalent to the basis of the CPE Credit hours for the approved CPE Programme or Webinars/E-learning.
2.	**Technical Materials Submitted for Publication**	
2.1	A member whose Technical articles, monographs, or books are published is eligible for CPE credit hours subject to the condition that the publication is accorded International Standard Serial Number (ISSN)/ International Standard Book Number (ISBN).	6 hours each
2.2	Publication of articles in national dailies registered with the Registrar of Newspapers for India For joint authorship, the hours will be equally divided.	4 hours each

Sl.No.	Learning Activities	CPE Credit Hours
3.	**Books and Monographs**	
3.1	For the first time of publication	10 hours
3.2	Revision of Published Book	6 hours
	For joint authorship, the hours will be equally divided.	
	(Note: The Institute will assign specific CPE hours on receipt of a copy of the publication)	
4.	**Articles Published in Institute Journals**	
4.1	A member whose article is published in 'Management Accountant' or Regional Councils Journals.	4 Hours
	For joint authorship, the hours will be equally divided.	
4.2	Reading articles published in the Management Accountant Journal or any other UGC approved journal (subject to submission of self-declaration by the member along with gist of article(s) read)	2 hours
5.	**Diploma Courses/Certificate Courses**	
	On successful completion of Diploma Courses/ Certificate Courses (including e-Learning) as monitored by the Institute, its Central Committees and all such courses in IPA-ICAI and RVO-ICMAI.	Equivalent to the basis of the CPE Credit hours for the approved CPE Programme or Webinars/E-learning.
6.	**Participation in Programs of International Bodies**	
6.1	Attending meetings/ Seminars/ workshops by SAFA/ CAPA/ IFAC or any other International bodies where the Institute is a member.	Equivalent to the basis of the CPE Credit hours for the approved CPE Programme. (Subject to a minimum meeting duration of one hour).
7.	**Courses/ Programmes by Foreign Institutes**	
	A member who has obtained membership of the Institute in accordance with the MOU entered into between the Institute and any other foreign Institute.	It would be considered to have earned Credit Hours if the member has fulfilled the Credit Hour requirement of that foreign Institute.
8.	**Others**	
8.1	Viewing video recording of the learning programs organized by the Institute subject to submission of self-declaration by the member along with gist of topic viewed (gist in not less than 500 words)	1 Hour per program
8.2	Acting as Guide/Supervisor for a M.Phil./ LL.M./ Ph.D. student registered with a UGC approved University subject to submission of proof in this regards	4 hours
8.3	Submitting suggestions on Questionnaires/Consultative Papers/ Exposure Draft, etc. sought by the Institute subject to acceptance by the Institute.	1 Hour
8.4	Reviewing of Articles / Guideline Answers/ Study Material and other Publications of the Institute	2 Hours
8.5	Reading of Book / Research Paper / Technical Documentation, related to the topics mentioned in Schedule I. Reading of Management Accountant Journal / Regional Council Bulletin / Research Bulletin issued by ICMAI; subject to submission of self-declaration by the member along with gist of topic / material read (gist in not less than 500 words)	1 Hour per book / bulletin / research paper, etc.

7. Monitoring and Review of CPE activities

The CPE Directorate under the supervision and guidance of the CPE Committee will monitor and review the programmes conducted by the various regions, chapters, and study circles from time to time.

Mechanism to be followed by the organizer of the CPE Programme:

i. Seek prior approval from CPE Directorate for holding the programme on core topics of professional relevance and importance **as per the Schedule-I.**

ii. Submit online details of the programme to the CPE Directorate at least 5 days prior to the scheduled date of the programme. Detail of online submission mechanism is available with the CPE Directorate.

iii. Maintain attendance records of the programme in the manner as stipulated by the CPE Directorate from time to time.

iv. Submit the attendance records to the CPE Directorate within 3 working days of the programme to upload the CPE Credit Hours in the portal.

v. In case of any missed attendance, CPE Credit Hours of a member can be claimed within 90 days from the date of programme.

8. POWER TO MODIFY GUIDELINES

The requirements of CPE hours and/or any other requirement or conditions as included in the regulations may be revised and notified to the members from time to time at the discretion of the Council.

9. **OBLIGATIONS OF THE MEMBERS**

9.1 Members shall comply with these CPE Guidelines and can view the status of CPE Credit Hours awarded during the year on the Institute's website in Members' Section.

9.2 The Institute shall maintain the record of CPE Credit Hours of members. However, members should also maintain a personal record of compliance with the requirements of Credit Hours as also for undertaking other CPE Learning activities for which CPE Hours are granted and produce the same for verification.

9.3 Members holding Certificate of Practice are required to confirm that they have secured the minimum annual CPE Credit Hours at the time of renewal of membership and certificate of practice.

10. ACTION AGAINST NON-COMPLYING MEMBERS

10.1 Penal action, as decided by the Council from time to time, may be taken against the members who fail to comply with the requirements of the regulations. However, any such penal action will be announced in advance for information of the members who are covered under the provisions of the regulations.

10.2 The Council may, however, take any other action in accordance with the provisions of the Institute of Cost Accounts of India Act, 1959 and the Institute of Cost Accounts of India regulations, 1959 and modifications made thereunder from time to time

Applicability and CPE Credit Hours requirement as per Para 5 of the Guidelines

Effective April 1, 2024, the requirement of CPE Credit Hours are as below subject to exemptions under para 5 of the guidelines.

CPE Credit Hours requirements to be complied with by the members

I. Members holding Certificate of Practice - Below the age of 65 years:

a) Members will be required to obtain 30 hours per year
b) To complete minimum 20 hours through structured learning activities subject to maximum 6 hours in online mode.
c) To complete balance 10 hours either through structured and unstructured learning activities (as per Member's choice)

II. Members holding Certificate of Practice - Above the age of 65 year:

a) Members will be required to obtain 15 hours per year
b) To complete minimum 10 hours through structured learning activities (either in physical or online mode)
c) To complete balance 5 hours either through structured and unstructured learning activities (as per Member's choice)
This shall be applicable from the year succeeding the Financial Year in which the member attains the age of 65 years.

III. Members holding Certificate of Practice for part of the year:

A member holding Certificate of Practice is exempt from the CPE requirement for the first year or part of the year.

IV. Members not holding Certificate of Practice

a) Members are recommended to obtain 15 hours per year
b) To complete minimum 10 hours through structured learning activities subject to maximum 5 hours in online mode.
c) To complete balance 5 hours either through structured and unstructured learning activities (as per Member's choice)

Note: No carry forward is allowed for excess Credit Hours from one year to the next year.

Schedule – I

List of Topics of Professional Relevance

1. Costing & Costing Systems
2. Cost Audit
3. Cost Accounting Standards
4. Cost Auditing & Assurance Standards
5. Industry Specific Costing
6. Direct & Indirect Taxation
7. ERP
8. AI / BI / Data Analytics
9. Management Accounting
10. IndAS, IFRS
11. Internal Audit
12. Insolvency Professionals
13. Anti Profiteering
14. Valuation
15. Forensic Audit
16. Role of CMAs in Indian Economy and various Industry segments
17. Corporate Laws
18. ESG, Social Audit
19. Any other specific technical skills for the CMAs.

The above list is illustrative only and not an exhaustive one. The CPE Directorate is authorised to decide if any topic falls under Schedule – I for classifying the same as Structured Learning.

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 2024-25

The members of the Institute holding Certificate of Practice (CoP) having validity up to 31st March, 2024 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 the certificate of Practice within **31st March** every year.

4. **If the Certificate of Practice of a member is not renewed within 31st March, 2024, his/her status of CoP from 1st April 2024 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 2024-25 renewed within **30th June, 2024.** If application for renewal of Certificate of Practice is made after 30th June, 2024, the member's Certificate of Practice for 2024-25 will not be renewed but will be considered as a case of restoration of Certificate of Practice till 31/03/2025. This restoration is applicable only to the CoP holders whose CoP is valid till 31/03/2024. 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) / Continuous Professional Education (CPE) 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://icmai.in/upload/Institute/Updates/CPE_March_24_Rev.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 2024-25.

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

a. Application for renewal of Certificate of Practice upto 31st March, 2025 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 2024-25 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, 2024.

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"

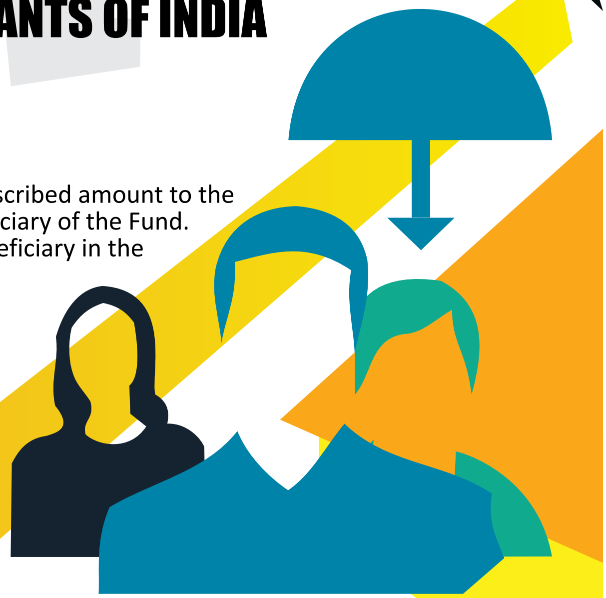
2. It may be noted that members holding Part-time Certificate of Practice (CoP) are not eligible to undertake statutory assignments like Cost Audit, Central Excise Audit, etc.

**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#

MARWAR INDIA now online!

www.marwar.com

FOLLOW US

marwar.magazine

Marwarmagindia

marwar_india

Postal Registration No. : KOL RMS /139 /2022 – 2024
License to post without prepayment, WPP License No. : MR/TECH/WPP/KOL RMS/354/2022 – 24
Posted at Mumbai Patrika Channel Sorting Office, Mumbai – 400 001
Posting Dates: 11th, 12th & 13th day of each English month only
Date of Publication 10th of every month

RNI NO. 12032/1966