

Looking Beyond Pandemic-Financing the growth of Indian Economy



Hearty Congratulations!

To the Newly Elected President & Vice President of CMA



CMA P. Raju Iyer
President, ICAI - 2021-22



CMA Vijender Sharma
Vice-President, ICAI - 2021-22

WESTERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)

Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.

Tel.: 9372071120, 8828061444, 9372036890 • E-mail : wirc.admin@icmai.in • Website : www.icmai-wirc.in

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CMA Dinesh Kumar Birla, Chairman WIRC delivering his welcome speech at CMA Conclave - Goa 2021.



CMA P. Raju Iyer, Vice President ICAI addressing the participants during Discussion Meeting organized by Ahmedabad Chapter on 17th Nov. 2021. Also seen CMA Ashish Bhavsar, RCM-WIRC, CMA Chittaranjan Chattopadhyay, CCM-ICAI and CMA B.B. Goyal-Advisor, ICWAI MARF

Western India Regional Council wishes all its Members and Students



Dear Professional Colleagues,

Namaste !!

“Everybody say mistakes is the First Step of success but the fact is correction of mistake is the First Step of success.”

– A.P.J. Abdul Kalam

I take this opportunity to congratulate CMA Shri P. Raju Iyer on being elected as President and CMA Shri Vijender Sharma as Vice President of our Institute. We are sure that under their able leadership our Institute will achieve greater heights and set new benchmarks in the development of our profession.

Students are having exams from 8th December. WIRC has created a helpdesk for the students appearing in December 2021 exams for assisting them in resolving problems being faced by them. My Best wishes to them.

We arranged a two days’ seminar “CMA Conclave - Goa 2021” at Goa on 27th & 28th November 2021 for the benefit of Members who had minimum interactions with their Professional peers, due to Pandemic induced lockdown. Theme of the Conclave was “Unconventional Opportunities under IBC, 2016”. Conclave was inaugurated at the auspicious hands of Shri Ritesh Kavdia, Executive Director, Insolvency and Bankruptcy Board of India. CMA Biswarup Basu, President of ICAI could not make it to attend physically in the programme. However, he addressed the participants through online.

Well-known experts throughout 5 Technical Sessions gave extensive & exhaustive presentation with their professional touch & input. Shri Ritesh Kavdia, Executive Director, Insolvency and Bankruptcy Board of India was the speaker in the first technical session, on the topic on Quinquennial of Insolvency and Bankruptcy Code 2016.

CMA Chitralee Goswami, Chief General Manager & Head of Finance, Onshore Engineering Services, ONGC and Advisor Finance to Director (Onshore), ONGC, presented views of stakeholders like homebuyers through the Case studies.

In the 2nd Session on Cross Border and Group Insolvency & Personal & Partner Insolvency Enhancing the Territories Support services to IBC Ecosystem, CMA IP Dushyant Dave, Shri Anil Goel, Insolvency Professionals were the speakers.

In the 3rd Session CMA Ashok Nawal offered his views on Opportunities for CMAs in providing support services to IP’s and other stakeholders in IBC. He emphasized that for providing such services CMA need not be IP always.

4th Session was on “Forensic Audit of “PUFE” transaction under IBC 2016”. Shri Anil Goel, Insolvency Professional and CMA IP RV Harshad S Deshpande, were the speakers. Shri Anil Goel addressed the regulatory framework, key approach of Forensic Audit with respect to PUFE transactions in IBC and discussed the red flags, internal controls review, use of IT tools, audit steps and checklists to assist Forensic Auditors and RPs.



In the 5th Session on Registered Valuers Ecosystem and Valuation Profession, CMA R.K. Patel and Vr. Kedar Chikodi were the speakers.

CMA RV R.K. Patel presented history of valuation profession, need of unified regulatory structure for valuation profession, benefits of present regulatory regime under the Rules, practical aspects pertaining to valuation such as duties of valuer, parameters to judge quality of valuation report, extent of limitations, caveats and disclaimers to be used in valuation report and beneficial purpose for which valuation report may be used. Vr. Kedar Chikodi explained new regulatory framework under the Rules and stressed the need of recognizing context of valuation.

Valedictory session was chaired by CMA Sunil Bagi, GM-Finance, Goa Shipyard Ltd. Good number of CMAs from throughout the region took benefit of the Conclave.

I would like to update on P.D. activities at WIRC during the month of November:

- Webinar on Business Intelligence and Power BI-Tool of Data Analysis & Visualization jointly with Pimpri-Chinchwad-Akurdi Chapter and Kolhapur-Sangli Chapter on 13th November 2021. Shri. Suryakant More, Proprietor - SoftMore Enterprises, Kolhapur was the speaker.
- Webinar was organized on the occasion of International Men's Day on 19th November, 2021. Mr. Nilesh Zope, Retired Lieutenant Commander – Indian Navy was the speaker.
- Webinar on Using the Power of Data Analytics and Dashboard for Improving Organisation Profitability was organized jointly with Pimpri-Chinchwad-Akurdi Chapter and Kolhapur-Sangli Chapter on 20th November, 2021. Dr. B.A.N. Sharma - Founder, CEO of Clear Measurement Solutions Pvt. Limited, was the speaker.
- Webinar Series on ESG was organized on 30th November 2021 & 1st December 2021. Mr. Sonal Verma, Partner -ESG & Global Leader (Markets & Strategy) Dhir & Dhir Associates was the speaker.

Looking forward to your suggestions to improve the quality of services of WIRC.

I wish Merry Christmas to all the Members, Students and their families.

The New Year stands before us, like a Chapter in a Book, waiting to be written. We can write that story by setting goals. Bye Bye 2021 and Welcome New Year 2022.

Stay safe, Stay healthy.

With Best Wishes,

CMA Dinesh Kumar Birla
Chairman, ICAI-WIRC



My Dear CMAs'

“The highest education is that which does not merely give us information, but makes our life in harmony with all existence”

– Rabindranath Tagore

I hope you are well, staying safe and healthy with your loved ones. My sincere request to all to keep utmost precautions against the new COVID variant ‘Omicron’, make mask and sanitizer, a must feature of your daily routine and life

The title of the December month Bulletin- “ Financing the Growth of Indian Economy”. This Bulletin became enrich with the valuable contribution of our eminent resource persons.

India’s Economic advisory council (EAC) to Prime Minister Narendra Modi expects the country’s growth to range between 7% and 7.5% in the next fiscal year and that the next budget should have a clear roadmap for privatising state-owned assets. The government also expects the economy to grow 10.5% in the current fiscal year following a record contraction of 7.3% last year

As expected by the EAC, the contact intensive sectors a construction should recover in 2022-23. Once capacity utilization improves, private investments should also recover

Recent indicators such as tax collection, export growth, retail sales and power demand point towards a better than expected recovery, leading some economists to revise India’s growth projection upwards.

The EAC expected, the Union Budget 2022-23 should not have unrealistic revenue targets and that it should plan to spend any extra revenue to build assets.

Further, the Reserve Bank of India (RBI) has lowered the growth projection for the current financial year to 9.5 per cent from 10.5 per cent estimated earlier, while the IMF has projected a growth of 9.5 per cent in 2021 and 8.5 per cent in the next year.

The CMAs’ obviously be an energy booster for the entrepreneurs and industries to achieve the target.

I am very much thankful to all our well wishers including Team WIRC to make it happen within the due time line. I expect the same spirit to continue in our successive issues. With all your support and cooperation, I am sure to make this project a rousing success.

From the current month we have started Interview of CMAs holding High portfolios in various ministries like Executive Director & CFO etc and also CFOs achieved greater heights and reached a respectable position in public and private sectors.

In addition to above we have started Students Corner from Current issue for the benefit of upcoming CMAs.

On behalf of WIRC of ICAI, I wish all of you a happy Merry Christmas and a prosperous New Year in advance, pray the almighty for your good health and happiness.

CMA Arindam Goswami

Chairman, Editorial Board

Envisioning Life Beyond COVID-19

CMA N. Rajaraman

E-mail: rajaraman.chandra@gmail.com



1. COVID-19 is a watershed event of our era. It has caused widespread devastation of life and livelihood and it is still haunting the global economy in several ways. There are very few parallels of a shock like COVID-19 in history which left policymakers with no template to navigate through the crisis. Both health systems and human endeavor to deal with the crisis were stretched beyond allowable limits.
 2. The pandemic has induced several structural changes which have significantly altered the way we work, live, and organize businesses. With greater shift to work from home, technology has gained potential to boost productivity, by saving on travel time, boosting sales on online platforms, and accelerating the pace of automation.
 3. Global supply chain is undergoing significant shifts; companies and various authorities must be nimble enough to capitalize on these opportunities. Automation and robotics will threaten low-skilled workers and those in the contact intensive sectors.
 4. At another level, the pandemic has affected the poor and vulnerable more, especially in emerging and developing economies. Daily wage earners, service and informal sector workers were badly hit. Their employment and income opportunities were curtailed.
 5. Technology adoption which was earlier limited to core sectors has now permeated to several other areas, viz. education, health, entertainment, retail trade and offices. The pandemic has also caused disruptions and induced reallocation of labor and capital within and across sectors. The firms which were quick to adopt technology and were flexible in working from off-site are attracting more capital and labor.
- The Indian Scenario**
6. Let us now turn to the Indian scenario. In the post-pandemic world, India's prospects are underpinned by several dynamic sectors which briefly touch upon some of them.
 7. First, information technology (IT) services and information technology-enabled services (ITES) backed by entrepreneurial capabilities and innovative solutions have emerged as key strength of the Indian economy over the years. There is a growing league of Unicorns in India reflecting its potential for technology-led growth. The country has added several unicorns over the last year to become the third largest start up ecosystem in the world. Underpenetrated Indian markets and large IT talent pool provide an unprecedented growth opportunity for new age firms. Further, the COVID pandemic has provided a new impetus to technology-driven companies such as fintech, EdTech and Healthtech which are likely to see increased funding activity in the coming years.
 8. Second, India's digital momentum is expected to continue with a strong demand in areas such as cloud computing, customer troubleshooting, data analytics, workplace transformation, supply chain automation, 5G modernization and cyber security capabilities. India has the natural advantage to benefit from the emerging trends in these areas. The drive towards full fiberisation of the economy must go hand in hand with the establishment of data centers across the nation for data storage and processing. Ensuring universal, affordable, and fast broadband internet access all through the country can play a critical role in advancing productivity and employment opportunities. Various initiatives taken by the government, namely Digital India, Make in India, Start-up India, Skill India, and Innovation Fund have created a conducive eco-system for faster growth in the digital sector.
 9. Third, the pandemic has brought to focus what India can achieve in manufacturing. In the pharmaceutical sector for the first time in history, vaccines were developed and administered within a year with India remaining a forerunner and a global leader in vaccine manufacturing. Investors have shown confidence in the Production Linked Incentive (PLI) scheme introduced by the government. Following this initiative, India is now home to almost all the leading global mobile phone manufacturers and during the recent period, India has turned from being an importer to an exporter of mobile phones. This trend is likely to spill over to other sectors also. The presence of global players would help in enhancing India's share in Global Value Chain (GVC) and building up a resilient supply chain network. Greater GVC participation would also enhance the competitiveness of India's large and Micro, Small and Medium Enterprise (MSME) supplier base.
 10. Fourth, the global push towards green technology, though disruptive, can create new opportunities in several sectors. For example, the automobile sector is moving towards electric vehicles. With greater innovation, electric vehicles are slowly converging to internal combustion engines (ICE) in cost and performance. The biggest Electric Vehicle car maker is

not from the traditional car maker companies. Similar creative disruption is also visible in the two-wheelers space. With supportive policies, greener technologies can yield economic and environmental benefits.

11. Fifth, India's energy sector is also witnessing significant churning and technological transformation. As India grows rapidly, its energy demand is expected to pick up soon. Currently, a large part of the energy demand is met from fossil fuels, with significant import dependence. India aims to increase the share of non-fossil fuels to 40 per cent (450GW) of total electricity generation capacity by 2030, as part of the goals set under the Paris agreement within the United Nations Framework Convention on Climate Change (UNFCCC). With a view to give a boost to the agriculture sector and to reduce environmental pollution, the Government had launched the Ethanol Blended Petrol (EBP) Program, which would help in cleaner air besides saving on fuel imports. The drive towards renewable energy is a step in the right direction both for energy security as well as environmental sustainability, which are critical for our long-term economic growth.
12. Sixth, in the post-pandemic period, global trade will remain vital for faster recovery. Reflecting congenial policy environment and supportive external demand, India's exports have rebounded, with a broad-based double-digit growth during the first half of 2021-22. India's exports of agricultural commodities, including Geographical Indications (GI) certified products to newer destinations, offer favorable prospects for overall export. To strengthen the export potential, there is a need to enhance the share of high-tech engineering exports to achieve an ambitious engineering export target of US\$ 200 billion by 2030
13. To achieve our objectives in all the areas outlined so far, we need a big push to infrastructure particularly in areas of health, education, low carbon, and digital economy in addition to transport and communication. In addition, the warehousing and supply-chain infrastructure will be critical to bolster value addition and productivity in the agriculture and horticulture sector. This will create employment opportunities in semi-urban and rural areas and promote inclusive growth. Investment in intangible capital such as research and development and skill upgradation of human resource has strong and positive impact on productivity. Some empirical evidence suggests that the impact of investment in intangible capital on labor productivity is more than investment in tangible capital.⁴
14. Seventh, a dynamic and resilient financial system is at the root of a stronger economy. India's financial system has transformed rapidly to support the growing needs of the economy. While banks have been the primary channels of credit in the economy aimed at growth, but recent trends suggest increasing role of non-bank funding channels. Assets of non-banking financial intermediaries like NBFCs and mutual funds have been growing; funding through market instruments like

corporate bonds has also been increasing. This is a sign of a steadily maturing financial system – moving from a bank-dominated financial system to a hybrid one. Substantial progress has been made to fortify internal defense mechanism of financial institutions to identify, measure and mitigate risks.

Towards a more Inclusive and Sustainable Economy

15. History shows that the impact of pandemics, unlike financial and banking crises, could be a lot more asymmetric by affecting the vulnerable segments more. The COVID-19 pandemic is no exception. Within countries, contact-intensive service sectors employing large number of informal, low-skilled, and low-wage workers have been hit harder. In several emerging and developing economies, lack of health care access has disproportionately affected the family budget of the poor. Even education which was provided online during the pandemic excluded the low-income households due to the lack of requisite skills and resources. Overall, there are evidence across countries that the pandemic may have severely dented inclusivity.
16. The global recovery has also been uneven across countries and sectors. Advanced economies have normalized faster on the back of higher pace of vaccination and larger policy support. Emerging and developing economies are lagging due to slow access to vaccine and binding constraints on policy support. Multilateralism will lose credibility if it fails to ensure equitable access to vaccine across countries. If we can secure the health and immunity of the poor, we would have made a great leap towards inclusive growth. Global co-operation remains vital for rapid progress on this front.
17. Needless to add that inclusive growth in the post pandemic world will require cooperation and participation of all stake holders. In India, collaborative effort of various stakeholders is helping accomplish a seemingly difficult task of accelerating the pace of vaccination. The private sector is developing and manufacturing the vaccines; the Union Government is centrally procuring and supplying it; and the state governments are delivering and administering it in every nook and corner of the country. India is now administering a record of about one crore doses of the vaccine every day across all segments of the population.
18. A major challenge to inclusiveness in the post pandemic world would come from the fillip to automation provided by the pandemic itself. Greater automation would lead to overall productivity gain, but it may also lead to slack in the labor market. Such a scenario calls for significant skilling/training of our workforce. We also need to guard against any emergence of "digital divide" as digitization gains speed after the pandemic. Further, the need for professional human resources trained in science, technology, engineering, and mathematics (STEM) is rising briskly. Major technology-based

firms have expressed their intention to hire many new professionals with skills in these areas. In the short-term, the supply of such a workforce cannot be increased by the traditional educational system, and thus there is a need for close involvement of corporates in the design and implementation of courses suitable to the changing industrial landscape.

19. As we recover, we must deal with the legacies of the crisis and create conditions for strong, inclusive, and sustainable growth. Limiting the damage that the crisis inflicted was just the first step; our endeavor should be to ensure durable and sustainable growth in the post-pandemic future. Restoring durability of private consumption, which has remained historically the mainstay of aggregate demand, will be crucial going forward. More importantly, sustainable growth should entail building on macro fundamentals via medium term investments, sound financial systems, and structural reforms. The Production Linked Incentive (PLI) scheme announced by the Government for certain sectors is an important initiative to boost the manufacturing sector. It is necessary that the sectors and companies which benefit from this scheme utilize this opportunity to further improve their efficiency and competitiveness.

In other words, the gains from the scheme should be durable and not one off.

20. Again, for growth to be sustainable, a transition towards greener future will remain critical. The need for clean and efficient energy systems, disaster resilient infrastructure, and environmental sustainability cannot be overemphasized. Due consideration should be given to individual country roadmaps keeping in mind country-specific features and their stage of development while adopting policies towards climate resilience.

Conclusion

21. Overall, while the pandemic has created enormous challenges, it can also act as an inflection point to alter the course of development. Enhanced adoption of technology will give impetus to productivity, growth, and income. Leveraging technology in implementing government schemes, training, and skill development program for the unemployed, promoting women friendly work atmosphere and supporting education of the poor and marginalized sections would be areas of focus as we embark on our journey beyond COVID-19. Income and job creation with digitalization and innovation can bring about a new age of prosperity for many people.

WIRC Associate Members – November 2021

M.No.	NAME	CITY
51356	Haresh Kantilal Prajapati	Palanpur
51359	Aba Baban Jagadale	Satana
51362	Vasant Dinkar Tondwalkar	Aurangabad
51366	Keyur Kishorbhai Chhag	Ahmedabad
51367	Ramesh Kumar Jha	Satna
51370	Mohit Chandrabhan Goswami	Mumbai
51376	Trupti Vishwanath Redkar	Mumbai
51378	Akshay Dnyandev Ghagre	Panvel
51387	Shivshankar Panda	Badlapur East
51398	Akanksha Rajesh Durve	Vadodara
51401	Indraneel Vasudeo Jadhav	Pune
51407	Jaydip Harshadrai Kikani	Ahmedabad
51419	Radheshyam Lalitkumar Sharma	Aurangabad
51421	Pratibha Dilipkumar Ojha	Kalyan

M.No.	NAME	CITY
51428	Rajan Pravinkumar Rathod	Surat
51432	Arwa Shabbir Kanchwala	Mumbai
51436	Vinayak Bhalchandra Panchal	Mumbai
51442	Anand Kukreti	Surat
51450	Rupesh Sunil Kale	Sangli
51456	Savanani Soni Shaukinbhai	Ahmedabad
51457	Harsh Hemant Rathod	Surat
51462	Foram Kiritkumar Trivedi	Adipur
51470	Liladhar Shriram Devdhar	Dombivili
51471	Sachin Deepak Rathor	Aurangabad
51472	Janki Rohit Kumar Acharya	Ahmedabad
51474	Tejas Vishwas Asawadekar	Pune
51481	Sachin Natubhai Waghela	Mumbai
51482	Ujjwal Soni	Gadarwara

Impact of COVID 19 on Indian as well as Global Economy

CMA Jay Mehta

Mob.: 86906 11515

E-mail : cajaydmehta@gmail.com



NEW DELHI: The Union Cabinet on Monday approved Rs. 30,600 crore government guarantee for the National Asset Reconstruction Company (NARCL), thereby paving the way for operationalisation of bad bank.

The proposal has come as a welcome move for the banking sector which has been reeling under the weight of bad loans.

One of the key ideas behind formation of bad banks is to de-stress the balance sheets of the banks. Last month, the Indian Banking Association (IBA) moved an application to the Reserve Bank of India (RBI) for a licence to set up a Rs. 6,000-crore NARCL.

• What is a bad bank

A bad bank is a corporate structure that isolates risky assets held by banks in a separate entity. It is established to buy non-performing assets (NPAs) from bank at price that is determined by the bad bank itself.

In Budget 2021-22, finance minister Nirmala Sitharaman had announced setting up of a bad bank as part of resolution of bad loans worth about Rs. 2 lakhs crore.

As per the announcement made on Thursday, the bad bank or NARCL will pay up to 15 per cent of the agreed value for the loans in cash and the remaining 85 per cent would be government-guaranteed security receipts.

The government guaranteed would be invoked if there is loss against threshold value.

• How bad bank will benefit businesses, consumers

If a bank has high non-performing assets (NPs), a large part of its profits would be utilized to cut losses. As a result, any bank with high NPAs is likely to become more risk averse and would be less willing to lend money to borrowers. It would become more difficult for businesses and consumers to take loans from bank, thereby impacting the overall robustness of the economy.

Moreover, in India, a large portion of NPAs is with the government-owned public sector banks. In the past, the government had to infuse fresh capital to improve the financial health of PSBs. The government infusing fresh capital in PSBs. The government infusing fresh capital in PSBs means less money for other schemes.

• How much NPAs do banks have

As of March 2021, the total bad loans in the banking system amounted to Rs. 8.35 lakh crore.

According to Reserve Bank's financial stability report, the gross non-performing assets (GNPA) and net NPA (NNPA) ratios remained stable during the second half of 2020-21, amounting to 7.5 per cent and 2.4 per cent respectively in March 2021.

A stress test conducted by RBI showed that GNPA ratio for scheduled commercial banks (SCBs) may jump from 7.48 per cent in March 2021 to 9.8 per cent by March 2022 under severe stressed condition.

• How much bad loans for NARCL?

The value of bad loans being carved out of bank books for transfer to the NARCL is around Rs. 2 lakh crore. About Rs. 90000 crore in bad loans will be transferred in the first phase. The guarantee of Rs. 30600 crore will cover the entire pool of Rs. 2 lakh crore.

The government guarantee will be valid for a period of five years and the condition precedent for invocation of the guarantee will be resolution or liquidation. To disincentivize delay in resolution, NARCL has to pay a guarantee fee which increases with the passage of time.

• Comparison with global peers

As per World Bank data, share of NPA to gross loans in India is significantly higher compared to developed western economies. It also exceeds most other emerging economies.

• Capital adequacy ratio of 16%

Further, the capital to risk-weighted assets ratio (CRAR) of SCBs increased by 130 bps from 14.7 per cent in March 2020 to per cent in March 2021, with PVBs improving their ratios even further.

CRAR measures a bank's financial stability by measuring its available capital as percentage of its weighted credit risk exposure.

A higher CRAR shows that the bank is better capitalised to handle NPAs.

As per the financial stability report, under the baseline and the to stress scenarios, the system level CRAR held up well, moderating by 30basis points between March 2021 and March 2022 under the Vaseline scenario and by 130bps and 256 bps, respectively, under the two stress scenarios.

However, even though the level of CRAR reduces in severe stress condition but remains above the regulatory minimum of 9 per cent as of March 2022.

Trade and Trade Finance in the COVID-19 crisis



CMA (Dr.) Subir Kumar Banerjee

Mob.: 98201 13419

E-mail : subirkumar.banerjee@gmail.com

Article No. 3

In 2020, business in trade and trade finance were piloted by the global effect of the COVID-19 pandemic. The damage in world economic activity in the second quarter of 2020 was primarily been the outcome of massive reduction of demand and supply of services domestically and internationally. Domestic retail and wholesale trade, tourism, travel, hospitality, entertainment and cultural activities, and the various services activities needing physical interactions, have been the most impacted by lockdowns. It has been established that In developed countries, domestic and international services account for 80% of GDP, 50-70% in developing countries. The demand for manufacturing goods also dropped in that second quarter. During pre-COVID period, most of the developing countries were registering record GDP growth. After the COVID, in 2020 depression hit countries irrespective of levels of development.

These evolutions can be seen from in international trade statistics. At the end of the third quarter of 2020, global

trade services dropped 24% compared to 2019, followed by unprecedented 30% reduction in the second quarter of 2020 (table 2). Chance for restoration have been soft because second COVID-19 required fresh restrictions in many countries in winter 2020-21, with restrictions on travel and related services which reached the first quarter of 2021. Statistics also show earlier expectations that services trade would be squeezed by the COVID compared to goods trade, which was only down 5% on average year-on-year at the end of the third quarter of 2020 (table 1).

Global trade figures suppress great country diversity. The more industrialised regions witnessed solid recoveries in their merchandise exports, on the other hand, the speed of trade expansion was subdued in regions that disproportionately export natural resources. Countries more specialised in international services trade were damaged with intensity.

Table 1: Merchandise trade, by quarter

	Exports				Imports			
	2019Q4	2020Q1	2020Q2	2020Q3	2019Q4	2020Q1	2020Q2	2020Q3
World	-2	-6	-21	-4	-3	-5	-21	-6
North America	-1	-2	-32	-11	-5	-5	-23	-7
South & Central America	-9	-7	-19	-10	-8	-6	-26	-23
Europe	-1	-5	-24	-2	-3	-6	-22	-3
Asia	-1	-7	-10	2	-3	-4	-17	-6
Other	-9	-16	-39	-23	5	-4	-24	-13

Source: WTO

Table 2: Services trade, by quarter

Year-on-year growth, not seasonally adjusted, %								
	Exports				Imports			
	2019Q4	2020Q1	2020Q2	2020Q3	2019Q4	2020Q1	2020Q2	2020Q3
World	3	-7	-28	-23	3	-3	-31	-24
North America	3	-5	-29	-29	2	-5	-36	-32
Europe	3	-4	-25	-18	7	3	-29	-18
Asia	2	-14	-29	-26	-1	-12	-30	-26
Other	3	-5	-42	-41	1	-4	-41	-41

Source: WTO

International organisations' current expectations, including the WTO, an overall drop of world goods trade and services of between -7% to -10%. The baseline outlook for 2021 is one of relatively massive restoration (around of 6-8% growth) but expectation will be modified in the spring to consider of the pace of vaccination and of global demand.

What is happening in short-term trade financing?

Short-term (ST) trade finance products which provides deferred payment over a period of less than one year (usually less than 180 days) are the usual form of trade finance. These loans are at risk during periods of COVID resulting of surge of prices and bring down supply availability (OECD, May 2020[3]). Few information is officially published for ST trade finance. This is because, as most of these finance is supplied by the private sector and comes in many ways (intra-firm financing, inter-firm financing, or more dedicated tools such as letters of credit, advance payment guarantees, performance bonds, and export credit insurance or guarantees).

In the period during the 2007-2009 slowdown/crisis, Short Term trade finance reduced in a big way because of pressures on private institutions' liquidity, that resulted in increased costs of trade finance. On the other hand, banks' liquidity has no problem after appearance of COVID in 2020. Because, after crisis of 2007-09, for a decade, all leading financial authorities of major countries squeezed legislations with high capital buffers leading to banking systems are safer in 2020. The TED spread (is an acronym formed from T-Bill and ED, the ticker symbol for the Euro-dollar futures contract). TED spread is the difference between the interest rates on interbank loans and on short-term U.S. government debt ("T-bills") which is usually a broad liquidity indicator of ST trade finance. The TED spread initially boosted up to 1.46% (its highest level since the 2007-2009 crisis), and at the beginning of the COVID, it immediately reduced to its levels before COVID and continued to low since then. We can conclude that opposed to what we saw during the 2007-2009 Crisis, the cost of ST trade liquidity has not gone up and ample liquidity opportunities is available to exporters in the banking system.

However, exporters have their challenges in getting ST financing in the private market. In the United States, the Wall Street Journal (Julie Steinberg, Sep 2020[6]) revealed a 60% surge in rejected applications for trade credit insurance. Also, the International Chamber of Commerce (ICC) revealed a curtailment of banks from financial sectors has "high risk" along with boost in the cost of ST financing for SMEs (ICC, Nov 2020[7]). Export Credit Agencies (ECAs) are witnessing boost in the demand for their ST products. As a result, 43% of ECAs have revealed growth in their business, mainly in ST products. US Exim recorded 112% surge in working capital guarantees and a 12% increment in ST export credit insurance during the 2020 fiscal year. Simultaneously, German ECA (Euler Hermes) revealed that it had seen a massive boost over 33% in the number of applications for export credit guarantees for the first half of 2020. These indicate that even though lending institutions may have ample liquidity to offer funds to

exporters, their risk assuming may have reduced resulting in limited availability of trade finance for exporters and a policy towards governments performing via respective ECAs.

What is happening in MLT export financing?

Medium- and long-term (MLT) export financing is mainly utilised for the funding of basic equipment which need big repayment periods. Most ECAs and multilateral institutions fund these projects in MLT financing compared to ST financing. Gradually, private market are encroaching MLT financing. However, there is available information on export credits by OECD countries in MLT export financing. When observing at this non-comprehensive data, it is felt that the volume of export credits and the number of transactions have reduced in 2020, with negative (-34%) volume and also (-15%) in number of deals. In the first half of 2020, the German ECA disclosed a reduction in the volume of cover because of the lower number of big-ticket projects, mainly in the transportation sector in cruise ships, aircraft. The Canadian ECA has witnessed its financing and investment activity reduced by 16%, mainly because of a 30% reduction in loans since of diminution in the oil, gas and mining sector during the first three quarters of 2020.

Trade finance data lacking, but demand for support up

However, it is difficult to make comparison of trade and trade finance data, because there is still no solo exhaustive set of combined statistics for trade finance. From 2008-9, international agencies like the Berne Union and others have made big efforts to gather dependable and exhaustive information in their own zones of activities. However, information on bank-intermediated trade finance, like structured finance (letters of credit and the like) or supply chain finance, are still lacking. For 2020, it is not practicable to predict accurately as to worldly the supply of trade finance had dropped more than trade, as a result, contributing specifically to that fall in trade flows.

However, many prominent financial institutions which are eminent in reducing cross-border trade finance risks, like ECAs and multilateral development banks, have revealed a sudden spurt in the demand for their services and facilities, with in some cases and countries, backing these gestures being important to maintaining the channels of trade open at the top of the ongoing COVID.

At the top of the COVID position, during administration restrictions, manufactures and traders engaged in world supply chains dealt got massive disturbance of supply channels, operational disruptions of shipping goods, and problems in channeling trade, customs, ports documents required to process transactions physically and financially. They eventually innovate, evolving creative, for time being, and next best solutions to avoid these barriers. The circumstances opened a bit on the crucial routes of trade in summer 2020, at the exit of the first wave of shutdowns. Simultaneously, it was crystal for numerous economic operators, which included trade finance institutions, that the health problem will remain for more time. Also revealed

and that adhoc supplement of the terms of payments by creditors would be not enough to handle with a more extension time of strain. Bankers and trade financiers predicted payment strain which would reach outside the range of the sectors initially effected by the COVID (airlines, aeronautics, tourism etc).

Sovereign and corporate risk uptick

In many countries, sovereign risk downgraded with corporate risk. It resulted in additional warning on overseas lending. One must admit that the financial sector has backed main customers at the time of crisis – they were in a better and comfortable position to do so than during the global financial crisis (GFC). However, indigenously, the demand for banks' lending surpassed that it also demonstrated the more unwillingness to engage in overseas trade operations.

In order to avoid the 'scissors' effect (is what takes place when Revenues and Expenses move in different or diverging directions) to boost demand and reluctance of supply of finance related to incremental risk aversion, governments, ECAs and international financial institutions massively intervened to back private markets. They have supplied robust amounts of trade finance guarantees and liquidity in developing countries. The governments introduced payment deferral schemes, along with dictating domestic lending support to companies. Big central banks have released foreign exchange to other central banks through swap agreements.

WTO increases profile of trade finance support

During COVID, the WTO has increased the profile of trade

finance at a policy level, as one of the many crucial issues needing global backing and mutual understanding. On July 1, 2020, the then Director General of the WTO released a joint statement with six other heads of Multilateral Development Bank (MDB) with assurance of bigger coordination in backing to trade finance markets, specially to developing countries. Simultaneously, the Director General agreed to jointly operate with the private sector (the International Chamber of Commerce and the G20) with the identical target of clubbing resources and backing trade finance markets. The presence of public sector institutions in markets has been very prominent, and it makes a steady effect to markets.

In November 2020, the WTO again pinpointed the problems of trade finance in presence of G20 Leaders requesting for extended boost in support of trade finance into 2021. There were barriers for 2021 include not joint backing of imports and exports of vaccines against COVID-19. The G20 supremos knew these challenges. The main agenda in this summit was to maintain and push efforts so that the recovery of global trade flows are expedited. The positive news is that they are still engaged in this mission.

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2. *Trade finance in the COVID era: Current and future challenges* (oecd.org)
3. *Trade Finance in the COVID era: Current and future challenges* (enterprisegreece.gov.gr)

WIRC Help Desk - CMA Examinations

WIRC has decided to create a Help Desk for the students who are appearing for December, 2021 Examinations and it will start functioning with immediate effect. The following Staff members are available for attending the problems faced by the students registered in the WIRC Region.

Mr. D.G. Vanjari - M: 98921 85588

Mrs. Raksha Vanjara - M: 93720 36890

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Students appearing for the December, 2021 Examinations are hereby requested to make use of the Help Desk created by WIRC of ICAI

With best wishes

CMA Dinesh Kumar Birla
Chairman,
WIRC- ICAI

CMA Arindam Goswami
Chairman,
Students Members Co-ordination Committee

Financing India's Economic Growth Post Pandemic



CMA (Dr.) S. K. Gupta

Mob.: 98101 62341

E-mail: cbst.sk Gupta@gmail.com

The Perspective

India's economy is struggling to emerge from the shock of the pandemic, with the shadow of a possible third wave of infections looming large. Besides responding to this threat by stepped-up vaccination efforts, what else should be on policymakers' minds? Perhaps the strategies for prudent financial management including identifying sources for generating and infusing required funds into the economy ought to be a primary concern in trying to get India back onto a rapid growth path. Armed with necessary macro and micro growth drivers, the stage is set for India's investment cycle to kick start and catalyze its recovery towards becoming the fastest growing economy in the world.

There are signs of deep malaise in the Indian economy. Growth is slowing significantly and there is currently little fiscal space available to the government to spend more. Corporate and household debt is rising, and there is deep distress in parts of the financial sector., especially amongst youth, seems to be growing, as is the accompanying risk of youth unrest. But probably much more will be needed to provide needed financial grease for the wheels of the Indian economy. A concerted effort to create and expand new platforms for business finance ought to be a top priority for policymakers.

India's growth will take off when firms of all sizes can better access financial resources for daily operations and investments that will aid their individual growth trajectories. India's decade-long credit collapse is a symptom of deep structural problems with its institutions of financial intermediation

Financing India's Growth Revival

The pandemic has plunged the Indian economy into a contraction, and government revenues have taken a major hit. Supporting the country's nascent economic recovery will require a massive spending package. How will the government fund the stimulus. India has undertaken significant structural reforms to turn the crisis into an opportunity and emerge stronger. Among the most notable reforms, PLI schemes to boost manufacturing, and National Infrastructure Pipeline complemented by the National Monetization Pipeline and PM Gati Shakti would help enhance India's global competitiveness and set a strong foundation for sustaining India's post Covid economic growth.

In response to the COVID-19 shock, the government and the Reserve Bank of India took several monetary and fiscal policy measures to support vulnerable firms and households, expand service delivery (with increased spending on health and social protection) and cushion the impact of the crisis on the economy. Thanks in part to these proactive measures, the economy is expected to rebound - with a strong base effect materializing in FY22 - and growth is expected to stabilize at around 7 percent thereafter.

Re-energizing credit for sustained economic recovery

India is often described as an 'investment-led' economy. Given its stage of development, sustained investment is needed for sustained economic growth. Availability of credit is a prerequisite for investments. Various measures announced by the government and the RBI to deal with the impact of the pandemic, are necessary and useful. They would help banks remain on an even keel as the economy recovers. However, to ensure sustained growth, that is, real GDP of over 7%, which is widely accepted as the aspiration for India, the structural collapse of credit over the last decade will have to be addressed.

Strengthening the banking system, which is struggling with a stubborn bad-loan problem, is a crucial ingredient in reviving the economy. But the form the bank rescue plan will take can significantly affect its effectiveness. Should there be a bank recapitalization plan in the budget? Or should the government announce privatization of major state-owned banks? Compared to other large economies around the globe, India does not have the credit institutions in place to support the real economy on the scale its growth needs demand. The savings ratio a big determinant of economic activity. Investment depends on saving rate. If people save more, it enables the banks to lend more to firms for investment. We need a Gross Fixed Capital Formation of 50% of GDP to grow at 10% pa, but the credit delivered to the real economy for this level of investment is zilch: zero from 2011-12 to 2019-20.

The government and the Central Bank have undertaken various measures to protect the banking and finance sector from the adverse impact of the Covid-19 crisis. However, despite historically low interest rates, credit growth has been rather low in recent quarters.

Infrastructure: An enabler of growth

Infrastructure is inextricably linked to growth by its inherent ability to support livelihoods, drive businesses, generate employment and, in effect, determine the quality of life. Investment in infrastructure is hence pivotal for accelerated and inclusive socio-economic development of a country. Synergizing MSME-specific infra projects with overall Atmanirbhar Bharat Mission and National Infrastructure Pipeline investment (NIP) goals would lead to significantly better outcomes.

Investment into creating world-class infrastructure hinges on availability of long-term capital at scale. Financing of infrastructure investments at the scale envisaged under NIP necessitates a re-imagined approach, and looking beyond the traditional sources or models of financing. This is why NIP emphasized on innovative mechanisms—such as asset monetization— for generating additional capital. A sizeable

inventory of infrastructure assets has been created over the past decade through public investments, which can now be leveraged for tapping private sector investment and efficiencies. The need for adoption of such alternative mechanisms has only been further pronounced in the wake of Covid-19.

The Indian credit delivery mechanism has lagged the US and China is providing credit to the real economy. The US, which has a very active bond market for corporates, still delivers credit to the real economy in excess of 200% of GDP. In China, where domestic credit to the real economy was 50% of GDP has gone to nearly 200% GDP presently. compared to other large economies around the globe, India does not have the credit institutions in place to support the real economy on the scale its growth needs demand over the past decade, investment peaked at 34 percent of GDP in 2011-12 before starting a secular decline across the private and public sectors to 32.2 percent of GDP in 2018-19, 30 percent of GDP in 2019-20 and 28 percent of GDP in 2020-21 with a corresponding negative impact on growth over the last nine quarters.

Deleveraging the public sector

More heartening is the government's recent initiative to monetize operational assets of the public sector by leasing them on a long-term basis to private investors. This will substitute private for public sector capital and provide an exit option for public sector capital. Misdirected stimulus that relies heavily on liquidity infusion when demand is depressed and incentivizing loan defaults by routinely writing off NPAs threaten financial stability and economic recovery. post-Covid-19 there is the possibility of a larger macroeconomic-financial stimulus than India has seen for a long time. A calibrated stimulus that rises as supply conditions improve, can lead marginal propensities to spend to rise above those to save, and trigger a switch to a higher growth path.

What should be the focus?

- Investment is a fundamental variable among the sources of economic growth.
- These may include people, knowledge bases, institutional capacity or the obvious physical capital itself.
- The efficiency of the process of savings generation and channelizing them into productive investment is crucial for sustained economic growth.

What needs to be done?

- Indian banks should be given more freedom to tap bond markets for funding longer-term loans.
- This will allow markets to send better price signals about bank portfolios.
- There is a dire need for a corporate bond market in India that will allow firms to borrow more directly from savers.
- This does not stop at long-term borrowing, but other short-term borrowing can also benefit from new market platforms.
- India's financial system regulatory architecture also needs to be enhanced.
- This involves not just external oversight by financial regulators but also strong corporate governance, with greater disclosure and transparency.

- Auditors and rating agencies also need to step up and do their jobs better.
- The government can facilitate this by raising and enforcing standards for the private sector monitoring institutions.
- The challenge now is moving beyond improving fiscal policy or monetary policy and addressing the political component too.

Conclusion

The Covid-19 pandemic has posed immense economic challenges and has elicited a strong and comprehensive response from the government and the RBI. While close attention needs to be given to the recovery from the pandemic, long-term structural issues in credit should not be overlooked. The economy may bounce back from the pandemic, but the resulting growth will not be sustained, unless these structural issues are resolved. Financial sector is meant to sub-serve the needs of the real economy and cannot drive growth by itself. We have seen the pitfalls of the financial economy racing ahead of the real economy in the form of the Global Financial Crisis.

The Indian financial system, thus, needs to look at new ways of doing business, in terms of knowledge-based banking and better management of information. It is necessary to tailor the new institutional funds to long term investments. Besides, the next stage of industrial financing would depend on an accelerated development of the bond market facilitating the securitization of corporate lending.

India needs to lay out a credible roadmap and time frame over which it will return to fiscal rectitude. As suggested by the FRBM committee, a commitment to bring public debt down to a target level over the medium term, and the creation of a watchdog institution like a fiscal council to limit creative accounting, will ensure India has some fiscal space to act today. Of course, India has consistently postponed fiscal consolidation when consolidation has required hard choices.

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CMA at Helm as a policy maker (Ministry - Govt. of India)

CMA Pawan Kumar, ICoAS

Joint Director,
Department of Pharmaceuticals



1. What do you feel about your role as CFO of mid-size company?

I am working as a Joint Director in Junior Administrative Grade (JAG) level in Government of India. Presently, being posted in the Department of Pharmaceuticals (DoP), Ministry of Chemicals & Fertilizers, holding the charge of Pricing Division. The Division looks after the Policy Issues of the functions of National Pharmaceutical Pricing Authority (NPPA), which is an attached office of DoP. Therefore, it is more of administrative nature rather than technical one.

Besides that, I am also working as part time Govt. Nominee Director for some PSUs under the administrative control of the department. Though not directly involved as Financial functionary, as a part time director of PSUs, I have to look after the various functions of these companies, including those of financial one. I am supposed to record my critical observations in the line of Government's interests and decisions. Clearly, these involve the comments on financial matters also, within the Government framework.

2. What inspire you to pursuing CMA qualification?

I am a Graduate and Post Graduate in Mathematics with specialization in Graph Theory and Operations Research. Given my special interest in mathematics and influence of my late father as finance officer in Heavy Engineering Corporation (HEC), choosing the course of Cost Accountancy was only natural. It gives me edge in analysing the financial and economic aspects of the issues coming as such.

3. How the CMA qualification helps you in your career path?

Right now as a member of Indian Cost Accounts Service, my career path begins with CMA itself, though during the course of the Government Service I may assume several other roles, but seeds are always the same, that is CMA. It gives me distinct identity among the various officers from other Services and accordingly puts onus to impart distinctive performance, parallelly conforming to establish generalistic standards as well.

4. How would you evaluate the role of CMA in manufacturing industry?

Manufacturing industry broadly involves standardised production and job based production. Both of these processes require active analysis of cost and financial

records. During my posting in Audit Commissionerate of Central GST, it was realised that such records are much in need to satisfy the queries raised by the govt. authorities. This is in addition to their inevitable role for internal controls as well.

5. How a CMA can helpful to industry in Cost Control and Cost Saving, especially manufacturing industry?

As I pointed out in previous question, active analysis involves the capturing, recording and compiling the cost data at lower levels. Thereafter, at middle levels, these data are analysed at various steps and meaningful information are generated for the purpose of decisions to be made by the Top management. This is quite helpful in cost control against the prescribed standards. Similarly, proper recording and analysis helps to identify wasteful and unnecessary expenditures, on which the higher management may take decisions for their savings. Needless to say that for all this processes, CMAs are most proficient at various levels

6. How a CMA's role is important for management under COVID situation to improve productive and profitability?

Continuing with my previous opinion, it must be kept in mind that better control and savings automatically lead to improved productivity and profitability. However, this unprecedented pandemic situation has not only posed new challenges in the way of carrying out the various activities, but also provided us the opportunity to adopt the new tools and techniques for the same. As a government officer, I have found myself quite effective in handling the departmental work, when it is well known that DoP had 24X7 role in those challenging days. There is no reason that CMAs can't do the same for their respective organisations.

7. What are your views about statutory cost records maintenance and cost audit?

Present system is Ok

8. Does the Cost Audit create value addition for industry?

Yes, as it gives inner look at the performance of the organisation against various parameters of operations.

9. How the performance appraisal report by cost auditor which is laid down in earlier rules 2011 will be useful to industry?

The performance appraisal report by Cost Auditor is to be submitted to Board / Top Management and is confidential in nature. It contains the information about various cost drivers that may have impact on performance, profitability and strategic outlook of the company. Naturally, it gives a good analytical and decision tool for management of the company. Strategic outlook gives an overall approach to whole of the industry to address grey areas of their performance as pointed out by the Cost Auditors

10. Your message to young CMAs.

Though being CMA is your core competence, but always be ready to accept the challenges to get into arena of new knowledge and working experience.

11. What do feel about your role as Head Finance for a Corporate Services of the country's largest PSU and a multinational company?

As I am not in corporate sector, any practical experience cannot be shared. However, it can be easily assumed that as a head of any wing or organization, challenges are more of generalistic nature, of course the technical

competence will always be required. Major challenges are to keep the finance division in line with organisational goals by application of regular innovative methods, creativities and initiatives and yes, not leaving alone the 360 degrees' interpersonal relationships.

12. What inspired you to pursuing CMA with other professional qualification?

Being CMA has an edge in analysis and understandings of financial results. It is but natural to have it pursued with other professional qualifications.

13. How the CMA can be helpful in direct taxation to tax payer as well as government?

By dint of their knowledge and exposure, a CMA is no less efficient in servicing the taxpayers in direct taxation, when compared to their counterparts like CAs and others. By stressing on ethical practices in this field, useful contribution to the government can also be ensured.

As a professional body, CMAs can offer their valuable suggestions to the government. ■

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3. You can also make the payment in the nearest Chapter.

CMA at Helm as a Business Enhancer (Public Sector Undertaking - Govt. of India)

CMA S. M. Choudhury

Director Finance,
South Eastern Coalfields Ltd, Bilaspur



1. Despite the current uncertain situation due to COVID-19, SECL, the largest Coal producing subsidiary of Coal India Limited, has been able to excel in coal production. What are the significant contributions and achievements that deserve mention?

Ans.: During unprecedented COVID-19 pandemic and necessitating complete lockdown, our coal mines kept running and producing coal to meet the energy needs of the nation. The uninterrupted energy supply played a key role not only supported the burdened healthcare infrastructure and a huge population locked in their homes; but also played a vital role in fast paced revival of the economy thereafter. Energy acts a catalyst to boost industrial and domestic activities. In India primary energy requirement is largely dependent on thermal power. All Govt machineries at Centre and State have taken various measures by offering economic stimulus packages, policy measures etc to revive the economy. In our company also, we have taken various initiatives such as removal of trigger level restrictions in coal supplies under fuel supply agreements, reduction in reserve prices for e-auction platforms, offering coal for import substitutions at affordable prices, softening financial coverages and payment mechanisms etc. Such measures helped our customers in ensuring power generation and sustainable thermal power supply to meet energy demand, apart from fulfilling the feed stock demand in various industries.

Despite the unprecedented situations limiting the operations, our company has performed fairly well in achieving important milestones and holding leadership position as the largest coal producing company in India.

2. Which innovative projects are there in your pipeline for the next 2 to 3 years to promote Coal sector?

Ans.: In order to achieve 1 Billion Tonne coal production by Coal India as a whole, our company, the largest coal producing subsidiary of Coal India had been acknowledging that coal evacuation would be a major challenge at various coalfields. It is a fact that logistics support and connectivity through rail/road to the mines had never been developed along the line of expansion of

coal mines. Anticipating the upcoming coal evacuation challenges and bulk transport constraints, our company has taken many steps to handle voluminous dispatch through environment friendly in-pit conveying system up to the coal handling plants. Concurrently, steps have also been taken to load coal through Rapid Loading Systems (RLS) into the SILOs through bunker arrangements for dispatching through rail network. In this direction, two major subsidiaries have been formed to develop two separate rail corridors through three major coalfields viz., Mand-Raigarh, Korba, Korea-Rewa and to provide rail connectivity to the trunk rail line of Indian Railways. After coal extraction, it is always challenging to move voluminous coal up to the delivery point inside the mines to contain fugitive emissions. In this direction, Tenders for all loading arrangements and feeder-links have been invited under the First Mile Connectivity (FMC) projects, as envisaged in the respective project reports for the mines. All such outsourcing works for the Nine (9) FMC projects along with rail links to loading points have been awarded and likely be completed within next two years at six mines with an estimated investment of about ₹4,000 crores to evacuate additional 60 to 70 million tonnes of coal out of these mines.

Further, steps have also been taken to strengthen and widen 137 km of road in the periphery of the mines apart from the external roads associated with coal evacuation, through state govt/ district administration on deposit basis.

3. What is the future outlook for the Coal Sector in India for the coming years and SECL's role in it?

Ans.: Even though renewables are likely to take a larger share of the burden of power generation, it is unlikely that wind and solar power will wipe out the need for fossil fuel-based power generation and therefore, Thermal Power will continue to meet India's base load power needs for a foreseeable future. SECL having a dominant position in coal production in the country has a significant role to play in power needs of the nation in the coming years.

4. SECL has sanctioned various proposals to help in the fight against COVID-19 under CSR. What

other societal development do SECL is focussing on these days?

Ans.: During unprecedented pandemic in the form of Corona Virus, till date SECL has contributed around Rs. 54 Crores towards providing various infrastructure like Ambulances, establishing oxygen plants, temporary hospitals, providing food to migrants etc. and still contributing towards the same. Apart of Covid-19 related activities, SECL is also taking up various societal development activities like providing residential skill development training to youths in the operating districts of SECL through CIPET, establishing smart classrooms in the Govt. schools in SECL operating districts, providing tri cycles to differently abled persons and many other activities in the SECL operating districts. The company also contributes to societal development in remote mining areas as a whole ecosystem develops around with the functioning of projects. Besides, the company also provides employment and other rehabilitation facilities to Project Affected Families, which in turn ensures societal development in the long run.

5. Please share with us the highlights of SECL support towards various Government initiatives?

Ans.: The Govt has introduced several initiatives like Digital Payments, MSME Policy, GeM (Govt. e Market Place) Portal, Make In India policy, Vocational training under Apprenticeship Act etc. to promote Digital Payments, support Domestic industries in India and to provide training to unemployed. SECL has completely stopped business transactions in Cash to promote Digital Payments, made MSME policy and Make in India policy as compulsory in the contracts and procurements to promote domestic industries, made it compulsory to purchase the goods/services through GeM portal and Every year we are engaging various trade apprentices for providing Industrial training as per Apprentice Act.

6. Give our readers, a sense of what is happening in the Coal industry since the coronavirus pandemic outbreak. What are the main areas of impact and how the company has responded to the challenges?

Ans.: The unforeseen circumstances due to COVID-19 outbreak had necessitated social distancing and working with staggered staff during the lockdown periods. The strict lockdown enforced to contain spread of COVID-19 in the region also led to logistical issues, shortage of manpower resulting in failure of awarded contract at mega mines. Despite all these unprecedented challenges, the company rose to the occasion and addressed the contractual failure in removing OB at mega mines by deploying departmental equipments as an alternative measure to ramp-out coal production. The nationwide lockdown and thereupon intermittent

regional lockdown across the nation led to slowdown in economic activities and hence, the demand of coal had dropped sharply and suddenly.

However, we were anticipating the unprecedented demand of power coming up in the later months as the economy picks up pace across the country with falling active cases of COVID and massive roll-out of vaccination program in India. The company was prepared with enough coal stock and measures to quickly ramp up production.

7. How are you pushing and supplementing the efforts of the Govt. towards ‘Aatma-Nirbhar Bharat’?

Ans.: India meets close to 80 per cent of its electricity needs through coal-fired power plants, which is dependent on imports to meet its needs despite having the fifth largest recoverable coal reserves in the world. SECL has planned few projects under Mine Developer and Operator (MDO) model which can reduce import dependency and fulfil Atma-Nirbhar philosophy and conserve precious foreign exchange. MDO, with its technical expertise, enables faster operationalization of the coal blocks. In SECL, three Open cast projects and one UG Project have been identified for MDO mode of operation.

8. Going forward, how do you envisage the growth of coal sector and SECL by 2030?

Ans.: The year 2030, gains significance as India has committed at COP21 under Intended Nationally Determined Contributions (INDCs) inter alia to enhance power generation capacity based on non- fossil fuel sources to 40% of the total generation mix. Further, under the 19th Electric Power Survey, the electrical energy requirement has been projected at 2400 BU and peak electricity demand at 340 GW in the year 2029-30. The study shows that the installed capacity is likely to be 831GW, in which share of coal and lignite will be 32% of energy mix i.e., 267 GW, Solar at 300 GW (36%) and Wind at 140 GW (17%). But coal will still contribute 50% of electricity generation in 2030 and the same would entail fast paced growth in SECL also.

SECL also taking various diversification initiatives like establishment of Solar Power Plants, Surface Coal gasification plants to extract Ammonia and Methanol, extracting Sand from Over Burden, and forward integration like Establishment of Thermal Power plants, etc.

9. Being a mining company, how are you addressing the issue related to pollution-control and planning for eco-friendly mining?

Ans.: Environmental management for sustainable development is the prime concern of SECL and it is achieved by every employee’s contribution and responsibility towards environmental performance.

To achieve this objective, various participative initiatives are being practiced and promoted, e.g. Coal is transported by closed conveyors and loaded into rail wagons through SILOs at its mega mines namely Gevra, Dipka & Kusmunda OC Projects. The company is also shifting towards new clean coal technologies like introduction of surface miner in Opencast mines, introduction of highwall technology, introduction of Continuous miner in underground mines, Fixed water sprinklers, mobile water sprinklers have been deployed for dust suppression, truck mounted long range fogging machines, Mechanical Road Sweeping machines etc. Further, the company has also installed Continuous Ambient Air Quality Monitoring Systems (CAAQMS) with digital display arrangements for constant monitoring of ambient air quality.

SECL in association with Govt. Forest Department, doing plantation activities in our leased land. SECL is also developing various Eco-Parks in our mines to protect environment, water conservation. Various scientific studies are continuously being taken up for study on assessment on Ecology and Biodiversity at various mines.

SECL is going to install various Solar power plants on non-residential buildings at various areas and Mounted Grid connected solar plants for supply of power to mines. SECL is going to purchase 25nos of Electric Vehicles on pilot project basis to reduce CO2 emissions. Further, we are also converting all the existing/old energy equipment's with LED fitting with timers for more illumination with less energy usage.

10. Please suggest in what ways Cost & Management Accountants (CMAs) may offer their expertise more effectively to give SECL a competitive edge.

Ans.: We know that Cost Accounting is a process of collecting, analyzing, summarizing and evaluating various alternative courses of action, with a goal to advise management on the most appropriate course of action based on the cost efficiency and capability. CMAs with their expertise provide the detailed cost information that management needs to control current operations and plan for the future. In coal sector, cost analysis is of utmost importance for newly identified coal blocks, expansion of existing mines, analysis of loss-making mines etc. which requires professional expertise of Cost & Management Accountants (CMAs). SECL, with its majority of finance workforce being qualified CMAs, naturally has a competitive edge with their active role in cost control, cost efficiency and informed management decisions for shutdown vs continue, dispatch point finalisation for lowest transportation cost to consumers, etc. CMAs are also a valuable asset to the company with their professional expertise, when the company is looking forward to business decisions of forward integration to thermal power projects, coal

gasification or diversification into new business like solar power plants, alumina production, OB to sand plants, etc.

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

Ans.: At present, ICAI (Institute of Cost Accountants of India) is offering Industrial Training to students pursuing CMA. We, as a manufacturing/mining industry, are providing industrial training to the students while pursuing CMA. As a Director Finance of the company, I believe in the statement "Knowledge is power". At present, the world is growing faster and rapid changes are taking place in the education system and also at professional workplace. As such, I encourage all the Finance executives of the company to pursue various skill enhancement courses for their profession Development while working in the company. We also conduct various training sessions at our company to update the knowledge for their professional Development. We also encourage and nominate finance executives to pursue various certification courses/seminars conducted by the Institute of Cost Accountants of India. Moreover, the company is actively associated with practising members of ICAI, as it regularly seeks them for various consultancy works, Internal Audits, etc. Therefore, considering the symbiotic relationship of mutualism between SECL and ICAI, we may look forward to avenues for continued professional development of ICAI members serving in the company as well as availing professional expertise and consultancy of ICAI members in practise over diverse areas, enhancing overall efficiency and capability of both the organisation. ■

Dear CMA Colleagues,

WIRC is planning to send only E-copy of the WIRC Bulletin from January 2022 onwards. If any member requires the Hard Copy in future, please write to WIRC (wirc.admin@icmai.in) with Name, Membership Number and Address to enable us to send the same.

With regards,

CMA Arindam Goswami,
Chief Editor - WIRC Bulletin

CMA's at Helm- As a strategist (State Govt. undertakings)

CMA Sandeep Modi

Executive Director(Finance),
Chhattisgarh State Power Holding Co. Ltd.



1. Despite the current uncertain situation due to COVID-19, the CSPHCL (erstwhile Chhattisgarh state Electricity Board), the only power utility of Chhattisgarh has been able to excel in enhancing production and sales. What more significant achievements that deserve mention?

A.: During COVID-19, the Power Companies of Chhattisgarh worked continuously without interruption. The personnel of Power Companies worked like Front-line workers in urban and rural areas. The Power Houses were running continuously. Despite Pandemic, we were able to maintain regular supply of power. Moreover, domestic consumers were given 50% rebate up to 400 units which helped them to sustain the income losses in COVID-19 time. Till now, about Rs. 2000 Crore have been provided as rebate to about 40 Lakh consumers of the State.

2. Which innovative projects are there in your pipeline for the next 2 to 3 years to promote Indian power sector?

A.: Revamped power distribution sector scheme has been taken up to modernize and strengthen the power infrastructure. All the consumers except agricultural consumers, will be connected through smart meters with an estimated cost of Rs. 9600 Crore. This will reduce the commercial losses situation of the Company. The project is targeted to be complete in the year 2025.

3. How Artificial Intelligence (AI) can improve resilience in power sector in the post-Covid era?

As earlier said, the smart meters will be able to connect/disconnect the power connection remotely. Meter reading / bill generation & distribution and prepaid services can be taken up to improve the customer services. Artificial Intelligence can be taken up efficiently in Power Houses also.

4. What is the future outlook for the Indian Power Sector for the next couple of years and CSPHCL's role behind it?

A.: Future of power sector looks bright as by 2026-27, all India power generation installed capacity, will be nearly 620 GW, 38% of which will be from coal and 44% from renewable energy. CSPHCL is an important partner in this journey. The State power generation capacity is about 3000 MW. The push-for technological compatibility is on transmission and distribution sector in near future.

5. CSPHCL contributed Rs 3 cr. to help in the fight against COVID-19, to Chief Minister relief Fund. What other societal development do CSPHCL is focussing on these days?

A.: In fact, employees of Power Companies have donated their one day salary to fight against COVID-19. The Generation Company has built an environment experiment block in which environmental standard, water, air, effluent gases, critical wastage and sound monitoring is being done at ABB Thermal Power Plant, Marwa.

6. Please share with us the highlights of CSPHCL support towards Government initiatives?

A.: Chhattisgarh State Power Companies are supporting various Govt. Initiatives in power sector. The Govt. Supports to below poverty line consumers, agriculture consumers and domestic consumers through "Half Bijali Bill Yojna" is being implemented by Power Companies.

7. Give our readers, a sense of what is happening in the power industry since the pandemic coronavirus outbreak. What are the main areas of impact?

A.: The power industries is dealing with uncertain demand in Pandemic. The demand goes down during lock down period, then surges again when restrictions are removed. The power generation and procurement planning become difficult. The cash flow is also effected as some rebates is passed on to the consumers with flexibility in payment terms. During low demand, addressing the fixed cost payment to power producers, causes difficult situation.

8. How is your esteemed organization responding to these challenges and what are the timelines that they are looking at in terms of the current situation?

A.: The organization is taking the challenges patiently. The cash flow mis-match has been dealt efficiently so far. The projects completion remains a challenge due to labour shortage sometimes in lock down situation and intervening period.

9. Going forward, how do you envisage the growth of CSPHCL by 2030?

A.: The Chhattisgarh Power Companies envisages to fulfill the power demand of the State to maintain "ZERO"

power cut status, to be able to provide connection on demand and expand to the renewable sources of energy particularly in solar power.

10. What more eco-friendly and cost-effective measures are you planning to make our Nation proud?

A.: The power plants of the State are to be equipped with FGD system to control the environmental pollution. The power procurement is increasing continuously from renewable sources such as solar, mini Hydel and Bio-mass power plants.

11. Please suggest in what ways Cost & Management Accountants (CMAs) may offer their expertise more effectively to give CSPHCL a competitive edge.

A.: The Cost and Management Accountants can make transparency in the cost of energy production & consumption, losses & conservation potential and energy related tasks. Their services can be useful in climate change projects and energy efficiency. India is one of the largest and most compact power sectors in the world. However, the sector still faces significant challenges. The total losses of Power Distribution Co. are estimated to Rs. 90000 Crore in the FY 2020-21. The role of State Electricity Regulatory Commission, direct

benefit transfer and operational reforms can be dealt with the help of CMA expertise.

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

A.: CSPHCL can take the help of institution (ICMAI) for various training programmes for Finance Executives, non-Finance Executives and working staff. Specifically designed Seminar/Workshop on power sector can be organized to improve the skill of the personnel.

13. In the Paris Agreement India has committed to an Intended Nationally Determined Contributions target of achieving 40% of its total electricity generation from non-fossil fuel sources by 2030. How CSPHCL can help the nation to achieve the target?

A.: The Chhattisgarh Power Companies are committed to target commitment of Paris Agreement. The present generation capacity of CG Power Company of non-fossil sources is only 5% of total installed capacity. The Power Companies are set to procure power from the non-fossil sources in the guidance of SERC and strive to achieve the target of power procurement from non-fossil fuel sources.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

WESTERN INDIA REGIONAL COUNCIL

Jointly with

WESTERN INDIA REGIONAL COUNCIL

of

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

(Statutory Body under an Act of Parliament)

organizes



Cycle Expedition

Health is Wealth! Professionals also have realized importance of having good health especially during Pandemic time. WIRC of ICAI jointly with WIRC of ICSI has organized Cycle Expedition from Pune to WIRC, Mumbai (distance around 160 km) on Saturday, 25th December 2021.

It will have 3 stages:

1. Pune - Lonavla around 60 km., Members from Pune and PCMC will join / exit, Break fast
2. Lonavla to Vashi - 60 km., Members from PCMC and Navi Mumbai will join / exit, Lunch at Navi Mumbai
3. Navi Mumbai to WIRC, Fort - 40 km., Members from Navi Mumbai / Mumbai will join / exit, Closing Ceremony - 5.30 p.m.

Felicitation of participants - Sunday 26th December 2021

For registration & details please email to wirc.admin@icmai.in

With regards

CMA Dinesh Kumar Birla
Chairman, WIRC-ICAI

CMA Harshad Deshpande
Chairman – PD Committee, WIRC- ICAI

Management Wisdom

Article 11: Why the American economists could not suggest a right medicine for their ailing economy?



CMA (Dr.) Girish Jakhotiya
 Mob.: +91 98200 62116
 E-mail: girishjakhotiya@gmail.com

America (USA) has produced maximum number of Nobel - winners in Economics. It is also the biggest economy so far and an undisputed benchmark of both, economic prosperity & entrepreneurial excellence. Lately the structural deficiencies of this great economy are becoming visible. Actually, its economic deterioration started way back in early nineties. Hence it initially saw good opportunities through the mechanism of the WTO. For a very long time America and its economists kept on viewing its structural weakness as a manageable cyclical problem. It emphasised more on micro 'operational' economics and neglected 'strategic' macroeconomics. There is always a 'cause & consequence' relationship between the strategic and operational economic performance.

American economists for a while perhaps underestimated the 'social subjectivity' in a science called 'economics'. They kept on mathematizing economics to establish its objectivity and gain simpler solutions for the operational problems. While doing so they carried out rigorous micro analysis using mathematical algorithms. In this entire process, the emphasis was on micro or mini - sectoral issues which matter a lot microscopically for a defined group of people. For example, the connect between wage hike and employment generation during a certain period of time has to be thoroughly studied. But it should also be connected to many other socio - political factors. This realisation occurred only after the influx of Chinese goods started impacting the 'low skill jobs in the American manufacturing sector'. Long before this, there was an impact of machination of agriculture which created surplus labour. This surplus labour was not accommodated well through the development of new competencies, in the manufacturing and service sectors.

The other big blunder that was committed by these economists was neglecting the negative impact of 'market economy' on the ethos of the country. The excesses of both the philosophies ie 'survival of the fittest' and 'survival of the weakest' are bad. They eventually lead to an unchecked capitalist and socialist chaos. America unintentionally got trapped into the games of crony capitalists who are mostly responsible for today's income inequality. American economists should have established some broad (although subjective) benchmarks for answering some vital questions like - to what extent a big business enterprise should grow at the cost of small entrepreneurs? or what 'generic' ROI an economy should offer to an entrepreneur, without causing any exploitation of the general public through profiteering? or the longevity of the IPRs or an appropriate definition of poverty vis a vis status of the economy? etc. etc. While ensuring the "shareholders' value appreciation" through aggressive capitalism (and opportunism), the ROI on 'human capital' and 'idea capital' was undermined. During the last three decades, America didn't witness any breakthrough innovation in the manufacturing sector, partly due to the shifting of manufacturing activities outside America. Obviously, this migration of manufacturing was a result of an unchecked greed of the 'capitalists'.

The American economists while mathematizing their micro algorithms, didn't pay enough attention to the serious relationship between strategic design of the economy and its operational components. For example, fiscal deficit and the ratio of 'Debt to

GDP' are to be carefully connected with elimination of income inequality & employees' competence building. For establishing this vital connect, the American economists could have looked at some of the novel efforts of income equalisation in the third world and elsewhere - 1. Bangladesh' model of 'women entrepreneurship' 2. China's big scale projects & directed economic growth 3. Indian SMEs entrepreneurship 4. Germany's value chain model of manufacturing & involvement of its SMEs. etc.

There are quite a few strategic (and hence structural) corrections to be considered by the American economists - 1. Social consumerism and the family system 2. Individual tax rates versus corporate tax rates, buckets of tax evasion used by the corporates 3. Savings instruments for the middle class and capital formation 4. Pragmatic use of the monetary policy, rate of inflation & real strength of dollar 5. Increase in the productivity of both, industrial and public infrastructure 6. Correction in the excess of privatisation of public goods (which are very essential for the overall elimination of income inequality). We cannot neglect the status of the economy in its own life cycle. The Japanese policy - makers have been neglecting this for more than two decades and hence their economy has been stagnated for quite some time. America rightly boasts of its high - end products in the arena of artificial intelligence and nano technology. But there is not enough improvement in the corresponding capability of its employees. Taiwan, S. Korea, China and Israel are relatively performing better on this front.

America's 'Debt to GDP' ratio is high. The allocation of debt will have to be examined on multiple parameters like 1. effective use of debt by the SMEs versus the big corporates 2. use of debt for employment generation and reduction in income inequality 3. impact on local or regional economic activism 4. reduction in business bankruptcy and 5. increase in the overall power of the economy in terms of its sustainability. Everyone knows the hard power of America i.e. its huge military preparedness. But everyone also knows the sharp decline in its economic power. The socio - political, geo - political and the socio - economic march of the Chinese economy (along with its intrinsic, structural and not so visible weaknesses) is a matter of impartial study. China copied many economic models of different countries and ultimately evolved its own economic model during the last four decades. This model by itself is an economic miracle which could convince the world that communism too delivers. On the other hand, assertive China sarcastically says that American democracy has created huge income - inequality among its own people. American economists will have to think differently and accept a fact that mathematization of economic solutions has a limited purpose and utility. It is the connect between strategic economics and operational economics, that will have to be examined and established to ensure sustainable economic prosperity for the masses. Global economy looks forward to America's economic pragmatism very hopefully because America is a very wonderful combination of economic adventurism and democratic activism! American economists are quite capable of modifying their orientation.

Virtual CFO Services (vCFO)



CMA (Dr.) Ashish P. Thatte

Mob.: 98209 73559

E-mail: ashishpthatte@gmail.com

Article 11: Virtual CFO A Domain of Cost and Management Accountant

Cost and Management Accountant is best known for its acumen towards saving costs primarily and forming strategy for any situation. All parameters in any kind of work expected from vCFO can be performed by Cost and Management Accountant. For some or other parameter which may not be expertise of any Individual Cost and Management Accountant can be outsourced. However for all main purposes the roles as vCFO is performed best by CMAs.

vCFO is being viewed as Business Leader rather than just a functional head. The role of vCFO is beyond just an accounting and book keeping but includes all aspects of business management which includes from accounting to governance. The role of vCFO in a company is beyond just a normal CFO who is responsible for day to day functioning also but vCFO is expected to use his immense knowledge and networking for the betterment of business from all aspects. Also for the same reason many of the CFOs after having accomplished career, look at vCFO as one of the option. Beyond financial analysis and stewardship, a CFO is constantly faced with growing responsibilities and an evolving mandate, coercing him to move from behind the scenes to the front. His role includes setting operational and commercial strategy, navigating the company safely through tighter credit markets, looking at capital allocation, debating with the CEO, dealing with external stakeholders and, at times, fronting shareholders' meetings. Such responsibilities are demanding and look for different outlook. Many a times board of various companies call for expert advice despite of vCFO not being a part of it. Let it be mid-sized or large sized listed companies which needs partner in their growth. The same is provided effectively by CMAs Of course this does not come without improving skills which enable vCFO to deal with all type of regulatory environment keeping the pace of business growth. Along with expert in domain knowledge which most of the professionals possesses the vCFO is expected to have expertise in the following

1. **Effective Leader in organization:** - Effective leadership is about executing the company's vision (or redefining and improving it, in some cases) and setting the tone and the culture for that particular organization. Leadership means creating and planning,

securing resources, and looking out for and improving errors. Leadership is about motivating people to work together and cooperate with themselves and in some cases, other teams, to achieve a certain goal.

2. **Resource Allocation:** - Resource allocation is the process of assigning and managing assets in a manner that supports an organization's strategic goals. Resource allocation includes managing tangible assets such as hardware to make the best use of softer assets such as human capital.
3. **Coordination with all Stakeholders:** - While it is not possible to remove all risks, companies must strive to avoid what is possible. There must be steps to ensure that those threats don't affect the company too severely for those risks that cannot be eliminated. Financial managers should have clear plans about how they can be handled. Risks must be identified, measured and action plans drawn up depending on how serious they are. Such plans must be shared with all stakeholders.
4. **Coordination of Finance department with other Departments:** - The finance department should be called upon to provide information to assist managers in making key strategic decisions, such as which markets or projects to pursue or the payback periods for large capital purchases. The finance department can often contribute an objective perspective based on special financial assessment techniques.

The above skills need to be developed by professionals ensuring success as vCFO. A Cost and Management Accountant with following skills can be considered as preferred option to render services as the vCFO.

- **Expertise in Finance and Accountancy:** - The ability to analyse and interpret a full set of financial statements in other words to read between the lines of all stakeholder's financial position.
- **Knowing the Business of Client:** - Businesses do not operate in a vacuum but rather in a dynamic environment that has a direct influence on how they operate and whether they will achieve their objectives. This external business environment is composed of numerous outside organizations and forces that we can group into seven key sub-environments, as economic,

political and legal, demographic, social, competitive, global, and technological. Each of these sectors creates a unique set of challenges and opportunities for businesses.

- **Financial Prudence:** - Financial prudence is also shaped by external factors affecting the company and its business model, such as regulations, competition, or industry, economic and political trends. These and other data points mean that assessments and decisions are made long before historical financial statements are published.
- **Result Matters:** - Result oriented is a term used to describe an individual or organization that focuses on outcome rather than process.
- **Self-driven & Proactive:** - the required competencies of proactive leadership, and the potentially different evaluations of leaders' proactivity by different observers, including leaders themselves, their supervisors, peers, and subordinates. Specifically, based on the goal generation - goal striving process view of proactivity.
- **Experience of Multiple ERPs, fair knowledge of Information Technology:** - One of the important leadership quality is multiple ERPs. Organizations sometimes also have to align their ERP with large Customer's ERP and the same is made easier with knowledge of ERPs and their functioning.
- **Confidence, Vision & Foresight:**- To perform beyond the expectations, vCFO needs to have enough confidence, visions and foresight.
- **Excellent Communication & People Skills:** - The most important skill vCFO must have is People Skill. vCFO's ability work and talk with people is most critical factor in getting success
- **Leadership and Control:** - Leadership skills are the strengths and abilities individuals demonstrate that help the oversee processes, guide initiatives and steer their employees toward the achievement of goals. Other leadership traits include honesty, confidence, commitment and creativity.
- **Strong network of experts across the board:** - Any vCFO needs to have strong network of experts around them.

A vCFO is needs to consider following points while executing assignment and these are best understood by the professionals like Cost and Management Accountants.

- Not only gap/issue finding but finding solutions, implementing solutions and resolving matter. This is much different than any other function.
- Proficiency to work on multiple ERPs and good understanding of financial software can be of immense help
- This is execution not a compliance or audit function. It is important to understand that execution is much different than audit and achieving set goals is critical.
- Knowledge up gradation is most critical here and many a time's latest solutions in finance help achieving the goals for company. Latest provisions of the Law and Accounting must be known to vCFO.
- Leading team already built by someone else is difficult to handle rather than building your own team for the purpose. Leadership is most important quality and it helps in the assignment like this.
- Communication strength oral and written is the essence of vCFO services as helps in interacting with all levels of Management including top management and even sometimes extreme bottom of hierarchy as well.
- Crisis management capability is very important feature of these services in particular when companies facing crisis and decided to appoint you as vCFO.
- Ability to understand business and all major functional are key requirements for most of the assignments
- Self-driven – Proactive and less reactive approach is generally much acclaimed by the clients
- Awareness about Economy and capital markets developments will also be helpful. Many a companies would like to explore options of funding from all sources including capital markets.
- Networking with experts/across the board; and ability to take their support as and when required is soft skill which can also be developed along with Virtual
- Ownership driven mind set is must
- Strong interpersonal and people skills can be a great tool

With above skills, expertise and various points mentioned I feel that Cost and Management Accountants are certainly well equipped to take up assignments on vCFO and successfully complete the same. Ultimately Institute tagline shows the skills owned by us i.e. 'Behind every successful Business Decision there is always a CMA'



Industry Knowledge Series-A

Sugar Industry–3 Sugarcane Cultivation

CMA Lt. Dhananjay Kumar Vatsyayan (Ret.)

Mob.: 95455 51752, 89990 70378

E-mail: dvatsyayan@yahoo.com



A. Preamble

Agriculture in its broader sense using natural resources to produce commodities, which are required for maintaining human life. It includes food, fiber, forest products, horticultural crops, and related services. It is an art and science of cultivating plants and livestock. It mainly consists of cultivation, horticulture, animal husbandry, fishery and forestry.

Agriculture is one of the oldest professions of human kind on this planet earth. Its origin is dated back to more than 30,000 years, as old as human civilization. Physical evidence of agriculture in different parts of world may vary, but it dates back to unknown period of ancient civilization. Where, it is traced as first step towards modern civilization.

During independence of India in 1947, more than 80% of Indian population were dependent on agriculture. Even today around 50% of Indian Population are dependent of Agriculture or Agri business.

B. Introduction

“Farmers are the one, who know the art and science of cultivation. He may and may not own the land but takes risk and enjoy the reward of cultivation and his livelihood are mostly dependent on cultivation.”

“A person owning at least one piece of agricultural land on his name or his parents name are categories as Farmers in Indian Govt. records”

Farmers in modern India, is not known for his wealth and independence but known for his pitiable survival in the society. The economic condition of farmers, who are major chunk of Indian society, are depleting fast. The news of farmers suicides is quite common in Indian Media. The Govt. announce many schemes and grants in favor of farmers, but all in vain.

C. Cultivation

Cultivation is a noun form of the verb cultivate, which is the act of growing something or improving its growth, especially crops. The literal sense of cultivation is most often used in the context of agriculture, but it can also refer to things being grown in a laboratory. In simple word, cultivation is an agriculture practice which involve the production of food, herb, cotton and various produce by preparing the land to grow crops on a large scale, seeding the crop, protecting the crop, supporting the crop growth and finally harvesting the crop.



[Photo 1 – Indian farmer and its farm]

D. Cultivation or Farming practices in India

Various cultivation methods are being adopted in India, which has evolved based on change in climatic condition, weather, social-cultural practice and technological innovation. However, it can be broadly classified under five categories.

- a) Primitive farming – More popular in areas having less population and plenty of forest around. It is also called slash and burn method. Once crop has grown and it is harvested, farmer burn the land and move to different patch of clear land. The burnt and abandon land regain its fertility in due course of time naturally. The Primitive farming is known with different name in different region as under.
 - a. Jhum Cultivation - North-Eastern states of Assam, Meghalaya, Mizoram, Nagaland, Pamlou district of Manipur, Baster district of Chhattisgarh and in the Andaman & Nicobar Islands.
 - b. Bewar or Dahiya - Madhya Pradesh
 - c. Podu or Penda - Andhra Pradesh,
 - d. Pama Dabi or Koman or Bringa - Orissa
 - e. Kumari - Western Ghats
 - f. Valre or Waltre - South-eastern Rajasthan
 - g. Kuruwa - Jharkhand
 - h. Khil - Himalayan region
- b) Subsistence Farming – It is generally being practiced by marginal farmer having small area of land. Majority of Indian farmers fall under this category, who use the

output mainly for their own consumption. They use indigenous tools like a hoe, Dao, digging sticks, etc. This is the most natural and cheap method. Here, the growth of crop is dependent on rain, soil fertility and other environmental condition. The use of chemical fertilizer, artificial irrigation, pesticide etc. are bare minimum. The yield per hectare is moderate and fertility of land remain intact.

- c) Intensive Subsistence Farming – It is being done on commercial basis by rich farmers having adequate size of land. They use modern agriculture equipment, scientifically developed seeds, fertilizers, pesticide and proper irrigation. They generate surplus produce for commercial application. This type of farming contributes to the economy of the country with higher yield.
- d) Commercial Farming – Major crops grown commercially in India are wheat, pulses, millets, maize and other grains, vegetables, and fruits. It is being practice in Punjab, Haryana and West Bengal. The select the crop best suited to the respective weather & soil condition. It is being managed like an industry with input from various expert and usage of modern equipment.

- e) Plantation Farming – It is a mix of agriculture and industry. It is practiced across big piece of land and uses latest technology for cultivating, yielding and sustaining. The produce cultivated is used as raw material to respective Industries. The main crop grown are tea, coffee, rubber, banana, coconuts, sugarcane etc.

E. Cane Cultivation

Sugarcane cultivation is labour intensive cultivation, require ample human hands and water at every stage. Cheap abundant labour and water are the two most important pre-requisites of sugar cane cultivation. The field remain engaged for a period of two to three years to complete the cycle and harvesting of one crop takes around one year from start to end.

The complete cycle of cane cultivation can be grouped under four categories as Germination (After Land preparation and sowing), Tillering, Grand growth and Maturity. The period of (45 +75 = 120 days) 4 months can be used for growing other crop like potato, onion, wheat etc. The total water requirement of cane is 2500 mm. The broader distribution of growth stages are as under.

Sr.	Growth Phase	Sub Tropical %	Tropical %	Days	mm water	Days	mm/day
1	Germination	17	12	0-45	300	45	6.67
2	Tillering	24	22	45-120	550	75	7.33
3	Grand Growth	37	40	120-270	1000	150	6.67
4	Maturity	22	26	270-365	650	95	6.84
5	Total	100	100	0-365	2500	365	6.85

[Table 1 – stage wise Time & Water requirement of sugarcane]

The important activities of sugar cane cultivation are similar to any other crop except few exceptions.

- Land / Soil preparation – The soil preparation will consist of Ploughing, Levelling and Sari / Kyari Making. The weeds, trees, stones etc. are removed while preparing the land. Soils are loosened and tilted, which support easy expansion of roots. 1.75 M distance is maintained between two rows of sugarcane. Manoeuvrability of Harvester and other equipment are ensured during Land preparation stage.
- Sowing - Sugarcane is not grown with seed. Mature sugarcane is cut in pieces with every piece will have one knots. Small piece of sugarcane with one knot is put in small plastic bag. The bag is filled with soil mixed with manure. The crop germinates from the knot and come out of the soil. It is called as “Bene”. “Bene” is planted in prepared field.
 - In Maharashtra & south India sugar cane showing is done in three periods (1) July – Aug., known as Adsali (2) Oct- Nov, known as Pre-seasonal (3) Nov – Jan, known as Suru.

Crop Type - Water required, Crop duration and Crop Recovery				
Sr.	Type	Water Required Lac Litre/ Hec	Recovery %	Agriculture Duration (Month)
1	Adsali	243.75	12.30	17.00
2	Pre seasonal	206.25	12.00	14.50
3	Suru	168.75	11.85	12.00
4	Ratoon	168.75	10.50	11.00

[Table 2 – Water required, Recovery & Crop duration]



[Photo 2 – Bene preparation in nursery]

- In north India sugar cane sowing is done in Oct and other in Feb-Mar. The yield per acre and recovery are dependent on duration of crop growth.

Sr.	Crop Type	Planting Months	Duration Month
A. Maharashtra & South India			
1	Adsali	July - Aug	16-18
2	Preseasonal	Oct - Nov	14-15
3	Suru	Nov - Jan	13-14
B. Uttar Pradesh & North India			
4	Automan	Oct	12
5	Spring	Feb - Mar	10

[Table 3 – Crop wise planting period & crop duration]

After harvesting the crop, new germination takes place from the roots of old crop, which is called as Khodva /

Ratoon. The yield per Hectare of Khodva is lower than 1 st crop. Generally, two crops are harvested from Khodva

Crop wise Adsali will have maximum yield per hectare and recovery %, followed by pre-seasonal and Suru. The yield and recovery of Ratoon / Khodva is lower than the fresh crop. In India generally one or two crops of Ratoon are harvested before clearing the field completely.

3. Hoeing / Weeding - Hoe is a tool with a flat blade attached approximately at a right angle to a long handle, used for weeding & cultivating the crop. It is one of the methods of weeding process.
4. Weeding – Various plants and weed grow along with crop. These weeds compete with crop for their share of sunlight, water, nutrients etc. So, these plants rob the crop from valuable nutrients, sunlight, water etc. and ultimately the crop remain undernourished. So, it is important to remove these unwanted plants and weeds. The various method used for the purpose are
 - a. Removing the weeds by hand – Traditional method.
 - b. Using spray of chemical on unwanted growth. Precaution must be taken to safeguard the plants while applying chemicals.
 - c. Application of hoe tools / plough to unroots the weed and unwanted plants.
 - d. Manual removing of weeds using trowel and harrow.
5. Irrigating - 60 % of Indian farming depend on Monsoon and 40% are dependent on canal, borewell etc., which are again dependent on rainfall. Thus, the rainfall has huge impact on agriculture and economy of India. There many irrigation systems are being followed in India.
 - a. Flooding – Water is flooded from corner of field, generally higher zone and water is allowed to flow through natural law. This method consumes plenty of water and generally adapted when, abundant of water is available through canal, rain water, river etc. Water consumption is highest in this method.
 - b. Channel – Water is flow through the pre drawn channels while irrigating the crop. The water consumption per acre is very high in this system. However, initial cost is low and simple to use.
 - c. Drip Irrigation – Water is poured to the roots of plants along with fertilizers / nutrients. This system consumes minimum quantity of water and produce high yield. It is the most efficient system but initial cost is high. In spite of Govt. incentive, many farmers are not opting this system.
 - d. Sprinkler – Plants are irrigated through sprinkler system, which pour water in the form of sprinkle. The water consumption in this system is higher than drip but lower than channel system. The initial cost of sprinkler is lower than drip and it is simple to relay the same.
6. Fertilizer application

To increase the fertility of soil or complement the deficiency of soil, fertilizers / manure is added to soil. Some time it is done along with land preparation and mostly during the growth phase of crop.

- a. Fertilizers – Plants need certain nutrients (Nitrate, Phosphate, Magnesium etc.) for its growth. Plant absorbs these nutrients from the soil. The soil may lack these nutrients, which are supplemented through addition of chemical fertilizers in soil. Thus, the fertility of soil is restored back. However, chemical fertilizer is not good for environment and soil. It reduces the soil fertility by making it acidic in nature.
 - b. Manure – Manure is prepared through decomposition of plants and animal waste. It is rich in organic constituents but not in nutrients. It improves the physical properties of soil by improving the aeration and moisture retaining capacity. It does not add to pollution, in fact it uses the waste for decomposition and reduces the waste / pollution.
 - c. Composting – Composting the process of converting plant and animal waste into manure. All plant and animal waste are collected and dumped in a pit. A thick layer of soil is spread over it and left for few months undisturbed. The Microbes and worm consume the waste and convert the same in to manure
 - d. Vermicomposting- Earthworm is used in similar process, earthworms eat organic materials (waste) which then breaks down in their intestine and produces humus. The process is called Vermicomposting or Vermiculture.
7. Pesticide application –
- It is studied that around 22% of crop are lost in India because of pest / insect attack. Pesticide protects the plant from attack of paste, insects and disease-causing pathogens. These pest, insects and rodents can destroy the crop, if it is not protected against them.
- Pesticides or insecticides are mostly applied on the leaves of crop through spraying over it. Some time it is also applied to the soil / seed to protect the seeds or its roots. Two categories of pesticides are used.
- a. Natural Pesticide – The basic ingredients of Pesticides are extracted from plants or herb (Like Neem etc.). It effects the pest only but no impact on human line and environment.
 - b. Chemical Pesticide – Chemical Pesticide are produced in factory through chemical process of certain raw material (extracted from mine). It protects the plant but having adverse impact on human life, animal kingdom and environment.
8. Harvesting - The crushing season start in Nov and continue up to Apr – May. Roughly 150 days of crushing season is considered as normal season. The recovery increase from the start of crushing season and peak in the month of Feb / Mar and decline after that. Early phase of growth, the Brix is higher in lower portion and decline towards top. At Maturity the difference in Brix level at bottom, Middle and top is around 1. It is an indication that crop is matured and can be harvested.
- Sugar cane is harvested by two methods
- a. Manual Harvesting – Cane is harvested manually with the help of tools like sickles / Katta. The leaf and other traces are first removed. Then it is chopped at top and lowest portion near the ground. The harvested sugarcane is laid on the ground for bundling and

loading for transport.

The harvesting per person will be lower in this method. However, rate of sugar loss will be slow in this process because of only two cuts per sticks of sugarcane. Sugarcane harvested under this method are cleaner and free of dirt. The sugar recovery is expected to be high in this method.

- b. Mechanical Harvesting – Under this method machine, known as harvester is used for harvesting the crop. It is necessary to fix the blade height suitably so that traces and leaf are not carried along with muds.

The rate of sugar loss is high for sugarcane harvested by machine. So, it is important to ensure zero waiting time for the vehicle carrying. Sugarcane lorry may be unloaded with special arrangement, which tilt the trailer at 45 degrees to unload the sugarcane.

9. Handling of Trace

Trace or Parley is the material left after harvesting the crop in the field.

- a. Burning - Some places (Panjab, Haryana, Delhi etc.) burnt the parley in the field. It is most easy to clean the farm for next round of cultivation. The process is fast and doesn't require any labour to clean the farm. However, the system needs to be abandoned as early as possible. The major disadvantages of the system are
- It is creating major environmental issue because of smoke generated.
 - It deteriorates the fertility of soil because of fire
- b. Fodder – The parley is cut manually / machine and use it as fodder. It is the best use of parley. However, presently farmers are not preferring this mode. Because tractors and modern equipment does not require oxen. The fodders are not having any usage for farmers. The cost of collecting the parley is higher than the fodder price.
- c. Fuel – Manual or machine cut parley can be burn in boiler of cogeneration plant for power generation. Government is encouraging this mode of parley disposal. However, it is still not very popular option.
- d. Compost – The field is ploughed along with parley and parley are allowed to decompose in soil and form fertilizers. It is also a good system but farm needs to be left for some time to allow the decomposition of parley.

10. Transport of crop –

Harvested sugarcane is first bundled (Called Puly) by tying sugar cane with leaves, known as binder. The bundles of sugar cane carried manually and are stacked properly in vehicles. These sugarcanes are transported to sugar plants by oxen, tractor or trucks.

Complete Transport process consist of stacking, loading, carrying / transporting, weighing, unloading and weighing empty vehicle. The mode of transport depends on distance from sugar plant, harvest quantity and accessibility.

- a. Head / Shoulders – When accessibility of farm is not good, sugarcane is carried manually on head / shoulders. It is loaded on vehicle (Tractor triller / truck) at vehicle point. Vehicle transport the sugar

cane to sugar plant. It is one of the old systems and suitable for tough terrain.



[Photo 3 – Sugarcane being transported to sugar plant]

- b. Animal cart – Bullock cart / Tyre cart is often used for transporting the harvested sugarcane. It is used for farm land within 10 Km from sugar plant.



[Photo 4 – Animal cart]

- c. Jugad – Modified Tyre cart pulled by tractor is called jugad. It is suitable for land, located at low and medium distance from sugar plant. It takes less transport time than animal cart. The carrying capacity is more than animal cart but less than tractor with triller.
- d. Tractor with trailer – The tractor with trailer is very effective mode of crop transport being used in recent years. It is suitable for big piece of land and long distance.
- e. Special designed vehicle – Special designed triller along with tractor or special designed tipper is also used for sugarcane transport. These vehicles are generally attached with mechanical harvester for transporting sugarcane immediately after harvesting.

F. Conclusion

- The crop yield is highly dependent on monsoon or rain fall in India. The sugarcane yield per hectare is not uniform from area to area and year to year in India.
- The sugarcane yield per hectare has improved quite substantially in India. However, it is not the best in world. There is lot of scope for improvement.
- The sugarcane loses POL% (sugar) fast after harvesting. However, air condition vehicles are not yet in practice in India.

Jay Hind

GST Impact On Exporters



CMA Ashok Nawal

Mob.: +91 98901 65001

E-mail : nawal@bizsolindia.com

India is the part of WTO agreement, wherein it was agreed by all the countries that taxes will not be exported. In other words, tax will not be part of value of cost & services which is getting exported. One of the objective as mentioned in Para 1.06 of Foreign Trade Policy 2015-19 on the heading of Trade Facilitation & Ease Of Doing business” that,

Quote : “Trade facilitation is a priority of the Government for cutting down the transaction cost and time, thereby rendering Indian exports more competitive. The various provisions of FTP and measures taken by the Government in the direction of trade facilitation are consolidated under this chapter for the benefit of stakeholders of import and export trade”.

Un-quote

However, when we go through the provisions and frequent amendments made in GST Laws & Rules, policy makers have lost the sight of understanding the issues of exporters.

A. EXPORTERS WITHOUT AVAILING ANY SCHEME BENEFITS UNDER ADVANCE AUTHORISATION OR EOU OR SEZ:

1) Initial bottleneck due to system:

Number of exports refund were stuck up on account of interface of ICE Gate Site meant for export and import and GSTN, where payment of IGST on exports reflected in tax invoice was matched with shipping bill of ICE Gate. Since, there was no clarity amongst the exporters, EGM date and commercial invoice number for exports and tax invoice under GST were not matching. There was no provision of mentioning the EGM date in earlier returns and shipping bill reflects only commercial invoice number for exports and not the tax invoice number. Therefore, refunds were stuck up for long period of time and thereafter hue and cry of the exporters, department provided the solution to upload separate annexure and number of refund claims were released. But during the period exporters have suffered lot of liquidity crunch and orders were cancelled.

2) Latest Amendments in Section 16(4) of IGST Act 2017 announced in Budget 2021-22.

New Clause has been inserted as sub-section 4 of Section 16 of IGST Act 2017, which is reproduced below:

Quote: (4) The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify

(i) a class of persons, who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid;

(ii) a class of goods or services which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid.

Un-Quote:

All the exporters may not be permitted to claim refund of IGST paid on exports and only certain class of goods or services or certain class of exporters will be allowed to claim such refund.

Further, proviso to Section 16(3) has been made which is reproduced below:

Quote : Provided that the registered person making zero rated supply of goods shall, in case of non-realisation of sale proceeds, be liable to deposit the refund so received under this sub-section along with the applicable interest under section 50 of the Central Goods and Services Tax Act within thirty days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 for receipt of foreign exchange remittances, in such manner as may be prescribed.

Un-Quote

It means, exporter who has not received the remittances in prescribed period as laid down under FEMA, such exporters will have to pay back the refund alongwith interest, which is absolutely unjustified. Exporters will pay the taxes by utilizing input tax credit accumulated on account of receipts of inputs and services which is used in export products. But still, it will have the additional cost impact and is against the principal accepted in WTO.

Further, definition of “exports of goods” very clearly specifies that “Export of goods - with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India.

When there is no specific provision like definition of export of services relating to receipt of foreign exchange against such goods, this provision is not in the good spirit. It is the dream of Hon Prime Minister to make Indian Economy stronger to the extent of USD 5 TN but, exporters will have to bear additional cost on free samples exported and they will have to reverse the ITC in terms of Section 17(5)(h) of CGST Act 2017. As such based on definition of exports when free samples are exported out of India, it is covered under the meaning of zero rated supply, but still exporters will suffer.

The IGST refund module has been designed in line with the above rule and has an in built mechanism to automatically grant refund after validating the Shipping Bill data with

available in ICES against the GST Returns data transmitted by GSTN. The matching between the two data sources is done at Invoice level and any mis-match of the laid down parameters returns giving following error/response codes.

Code	Indicates
SB000	Successfully validated
SB001	Invalid SB details
SB002	EGM not filed
SB003	GSTIN mismatch
SB004	Record already received and validated
SB005	Invalid Invoice Number
SB006	Gateway EGM not available

If the said matching is successful, ICES shall process the claim for refund and the relevant amount of IGST paid with respect to each Shipping Bill or Bill of export shall be electronically credited to the exporter's bank account as mentioned with the Customs authorities and not in any other account as mentioned on GST portal.

As mentioned above, process of granting of refund is very easy and automated, but one has to be very careful while understanding the error occurred and its meaning and what action to be taken for correcting the same.

B. EXPORTERS AVAILING ADVANCE AUTHORISATION SCHEME AND EOU SCHEME

1) Pre-Import Condition for claiming IGST Exemption:

Notification No. 79/2017 Cus dtd. 13th Oct 2017 specified that IGST is exempted against the advance authorization scheme if goods are imported prior to exports. Such type of provision has been wrongly interpreted by Directorate of Revenue Intelligence of Customs and they have considered pre-import condition means all the goods mentioned in the advance authorization should be imported first and then only export should take place and any importer have imported the goods after the exports of even small quantity, still it was considered by them as violation of pre-import condition and IGST exemption claim sought to be denied to such exporters and number of Show Case Notices have been issued and matters are under adjudication process.

Huge demands are raised. This issue was brought before the law-making authorities and since the demand of the trade and industry was genuine this condition was removed vide Notification No. 01/2019 – Customs dtd. 10th Jan 2019. but this notification should have been effective retrospectively rather than prospectively.

2) Refund of IGST paid on exports under Rule 96(10) of CGST Rules 2017

Though GST Act and Rules were made effective from 1st July 2017, the first time the rules were made for refund of IGST paid on exports under Rule 96(10) or refund of input tax credit under Rule 89(4) accumulated on account of exports. Exporters were not having any issues of legal interpretation and refunds were blocked on account of technical glitches but not on account of legal glitches.

GST Council has framed the rules and notified the same for claiming the refund of IGST paid on exports under Rule 96(10) or refund of input tax credit under Rule 89(4) accumulated on account of exports vide Notification No. Notification No. 45/2017 – Central Tax dtd. 13.10.2017 and the same was amended retrospectively vide Notification No. Notification No 3 dtd. 23-01-2018. If both the notifications are read together, there will be clarity on understanding the confusion in the minds of law-making body. Meanwhile, without understanding the meaning of above notifications exporters have received the refund irrespective of any legal interpretation and understanding of these notifications. However, department might have understood their mistake and again issued the Notification No.53 dtd. 09-10-2018 and Notification No 54 dtd. 09-10-2018 clearly making their intend that

- 1) The person claiming the benefit under Notification No. 79/2017 Cus dtd. 13.10.2017, which has granted exemption of IGST to the advance authorization holders will not be entitled to claim refund of IGST paid on exports under Rule 96(10) CGST Rules 2017.
- 2) The person claiming the benefit under Notification No. 78/2017 Cus dtd. 13.10.2017, which has granted exemption of IGST to the EOU will not be entitled to claim refund of IGST paid on exports under Rule 96(10) CGST Rules 2017.
- 3) The Person receiving the goods from domestic supplier charging concessional IGST on such supplies, which is meant for export through Merchant Exporter will not be entitled to claim the benefit of IGST paid on Exports under Rule 96(10) of CGST Rules 2017

Hon Gujarat High Court have held in the case of M/s Cosmo Films Limited, wherein it has been held that

Quote : *Recently, vide Notification No. 16/2020CT dated 23.03.2020 an amendment has been made by inserting following explanation to Rule 96(10) of CGST Rules, 2017 as amended (with retrospective effect from 23.10.2017)*

“Explanation. For the purpose of this subrule, the benefit of the notifications mentioned therein shall not be considered to have been availed only where the registered person has paid Integrated Goods and Services Tax and Compensation Cess on inputs and has availed exemption of only Basic Customs Duty (BCD) under the said notifications.”

By virtue of the above amendment, the option of claiming refund under option as per clause (b) is not restricted to the Exporters who only avails BCD exemption and pays IGST on the raw materials thereby exporters who wants to claim refund under second option can switch over now.

Un-Quote

Thereafter, exporters i.e. Advance Authorization Holders and EOU where been issued the SCN to pay back the refund claimed by them under Rule 96(10) of CGST Rules 2017 w.e.f. 23.10.2017 alongwith interest thereon and there is no clarity whether department will issue PMT-03 and

allow exporters to re-credit of such IGST paid at the time of exports and now demanded by department.

C. EXPORTERS OPERATING UNDER SEZ :

1) Mandatory Separate Registration Provision for SEZ Developer / Unit :

Supply to SEZ Developer and Unit is considered as zero-rated supply under Section 16 of IGST Act 2017 and Chapter VI of CGST Act 2017 provides the various provisions of registrations. There was mandatory provisions either specified in the Act and Rules for taking separate registration for SEZ. However, subsequently it was made mandatory to take subsequent registration for SEZ and therefore, during such period, supplies on which IGST was considered as zero rated supply without payment of duty or on payment of duty for the claim of refund are having the issues either of issuing the demands, when supply was made against LUT or refund when supply was made on payment of IGST.

2) Inter State Supply Vs Intra-State Supply :

Since, GST provisions were new to the trade and industry, suppliers to the SEZ Developer as well as Unit have not understood the implications of the provisions of Section 7(3)(5) of IGST Act 2017 that,

(5) Supply of goods or services or both,—

(a) when the supplier is located in India and the place of supply is outside India;

(b) to or by a Special Economic Zone developer or a Special Economic Zone unit; or

(c) in the taxable territory, not being an intra-State supply and not covered elsewhere in this section, shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.

And therefore, number of suppliers have not considered such supplies as Inter-state supplies and charged CGST and SGST as against IGST and department have started demanding IGST on such supplies.

Unfortunately, those who have supplied prior to two years, may not be entitled to get the refund on account of limitation.

Further, those suppliers to SEZ Developer / Unit being much below of threshold limit have not taken the registration and claimed the threshold limit exemption. However, such exemption of threshold limit is not applicable for inter-state supplies and hence even the small service providers, who is not liable to take the registration being under threshold limit, but supplied to SEZ Developer / Unit will have to pay tax on each supplies made by him, department have started issuing the Show Cause Notices.

3) Wrong tax-payer type exists in GST portal

Many SEZ taxpayers selected as regular at the time of new registration / migrated as regular at the time of implementation of GST. Government has never issued any booklet / FAQ specifically on SEZ and therefore SEZ developers / units and suppliers thereof have faced the tremendous issues.

During March' 2018, GSTN portal had issued an advisory for change in taxpayer type where it was suggested to send a mail to reset.sezflag@gst.gov. in along with scanned copy of LOA for obtaining as SEZ / SEZ developer units. Even though it worked for few months initially, it has been observed that there is no response / action for the e-mails sent for change of status. The possible solution could be raising a grievance in GST portal in addition to sending a mail and continuous follow up of the same.

4) Disclosure of DTA sale of goods in GSTR-1 and GSTR-3B

SEZ units can clear goods to DTA unit upon payment of applicable custom duties. GSTR-1 or GSTR-3B do not have any column to disclose such details. Due to this, many differences arise between GST returns and financial statements which resulted in many notices to SEZ units.

Reference can be made to instruction no. 9 of Form GSTR-1 which states that supply by SEZ unit to DTA has to be treated as an import in case goods are received under the cover of the bill of entry. As such there is no need to disclose the details of goods cleared to DTA units in GSTR-1 or GSTR-3B. However, it is suggested to maintain a reconciliation for the same and disclose the same while filing annual returns of the SEZ unit.

5) Reverse charge liability under Section 5(3) or 5(4) of IGST Act 2017

Across there is a confusion in the minds of SEZ Developers / SEZ Units whether reverse charge liability under section 5 (3) of IGST Act needs to be discharged upon receipt of services specified under notification no 10/2017 – IGST (eg. GTA services, legal services, services from Government, sponsorship services, etc)? Also, until 13.10.2017, in compliance with section 5 (4) of IGST, in case of procurement of goods / services from unregistered persons upon exceeding specified limit, the registered recipient had to discharge GST liability under reverse charge. Further, the same confusion lies in the minds of CGST Officers and they started issuing notices for demanding GST under reverse charge mechanism to the SEZ Developer / Unit without understanding the legal provisions that supply to SEZ Developer and Unit is considered as zero-rated supply. Therefore, wherever reverse charge mechanism is not prescribed, SEZ Developer and Units are not required to pay any GST on reverse charge mechanism, since such supply is considered as zero-rated supply under Section 16(1) of IGST Act 2017 and it can be referred clarification issued by Tax Research Unit of CBIC vide File No. 334/335/2017- TRU dated 18.12.2017

6) Refund of accumulated ITC on inputs and input services

Number of suppliers to the SEZ Developers & Units are not willing to execute the LUT on account of procedural matter and fear in the mind. Therefore, they preferred to charge IGST on supplies made to SEZ Developer &

units. As such any clearances of the goods is considered as import when cleared in DTA considering SEZ as a port and applicable duties under Section 12 of Customs Act 1962 and payment of additional duties in terms of Section 3 of Customs Tariff Act 1975 is required to pay and in terms of Section 3(7) of Customs Tariff Act 1975, IGST is required to pay on such clearances to DTA and such payment to be made in cash and accumulated IGST cannot be adjusted. Therefore, there is a huge accumulation of IGST in the Electronic Credit Ledger of SEZ Developers and Units.

Even though, there is no restrictions to deny refund of accumulated input tax credit on account of exports in terms of Section 54 of CGST Act 2017 read with Rule 89(4) of CGST Rules 2017, departmental officers do not grant such refund on account of confusion or the reasons best known to them.

7) GST impact on goods or services received for non-authorised operations

Prior to the amendment of budget, supplies of goods or services to SEZ developer is considered as zero-rated supply in terms of Section 16(1) of IGST Act 2017. However, based on certain Advance Ruling Judgements supplies to SEZ Developer / unit which may not be used for Authorised operations or may be used for operation & maintenance of non-processing area IGST is demanded.

Concept of Authorised operations was brought in Rule 89 of CGST Rules 2017 and the same was clarified by CBIC in June 2018 that zero-rated benefit will not be applicable for authorised operations. This is absolutely illegal provision and circular thereon, since Rules cannot override the provisions of Sections.

Perhaps, this mistake have been understood by the department and in the recent budget announced by Hon Finance Minister Smt Nirmala Sitharaman, Section 16 is amended and zero-rated supply will be supplies to the SEZ units / Developers for authorised operations. This will create lot of issue. How the suppliers are expected to know, whether supplies are for authorised operations or otherwise. It is advisable to obtain list of authorised operations and list of goods and services to be used for such authorised operations from SEZ Developers / Units and since it will not be believed by the department, it preferably needs to be endorsed by unit Approval Committee of such SEZ, This will create the chaos. To avoid such chaos, suppliers will not be ready to supply the goods treating as zero rated supply and will charge IGST and SEZ Developers and SEZ Units will have to obtain refund under Rule 89(4) of CGST Rules 2017.

8) GST impact on purchase returns made by SEZ units

It is common practice that supplies may be required to be returned for various issues including quality issues, damages, etc. Such supplies might have been received without payment of duty being zero-rated or payment of IGST under the claim of refund.

Rule 47 of SEZ Rules, 2006 is applicable only for

sale of manufactured Goods by SEZ Unit. Rule 48 of SEZ Rules, specifies that where goods procured from Domestic Tariff Area by a Unit are supplied back to the Domestic Tariff Area, as it is or without substantial processing, such goods shall be treated as re-imported goods. Provided that in the case where such goods are supplied back to the Domestic Tariff Area, as it is, and where the import duty on such goods is 'Nil' and while procurement of such goods no export benefits were allowed against such goods, the Unit may be allowed to supply back such goods to Domestic Tariff Area based on invoice only and filing of Bill of Entry in such cases shall not be required. However, if the SEZ unit insists to file Bill of entry, then the DTA should inform the said rule then the rate of BCD would be Zero. DTA shall make sure that the bill of entry is obtained so that there is no disallowance of ITC by the GST authorities for IGST portion if paid.

9) Bill to SEZ units Ship to DTA units

When the goods are supplied to DTA unit on the instruction of SEZ unit (billed to SEZ unit), the transaction eligible to be treated as Zero-rated supply and the vendor is eligible to claim refund in either of two routes specified under Section 16 (3) of IGST Act. However, SEZ officers are not issuing endorsement form on the reason that goods are not admitted into SEZ unit. Due to lack of endorsement certificates, vendors refund applications being rejected.

As the goods are not getting admitted to the SEZ and it is suggested that IGST can be charged on sale of goods instead of considering the same as zero rated transaction. The Government should clarify that while processing refund in such cases that there is no need for endorsement certificate / specify a procedure to the officers to issue endorsement certificate in such cases after thorough verification.

10) Drawback benefit on supplies to SEZ units

SEZ Unit eligible to claim Drawback benefit (All Industrial Rate) on the goods procured from DTA unit. In case the SEZ unit does not intend to claim such benefit, a disclaimer to this effect shall be given to the Domestic Tariff Area supplier for claiming such benefits from their jurisdictional Goods and Services Tax or Central Excise Commissioner. However, payment has to be made for such supplies in foreign currency from their FC account. Therefore, majority of suppliers of SEZ Units cannot take the benefit and taxes are exported being such taxes are built up in the value of cost of goods or services, which are supplies to the SEZ.

11) Eligibility Zero-rated supplies benefit to Sub-contractors

Though SEZ Rules specifies to get duty free material by SEZ contractors / sub-contractors provided, such bill of entry is jointly signed or such bill of exports are jointly signed by the SEZ unit / developer alongwith contractor / sub-contractors, but, there is no such provision in the SEZ Act to consider supplies by sub-contractor to the

main contractor of SEZ Developer / Unit is also to be considered as zero rated supply. Therefore, supplies to be received by the sub-contractor will have the input tax and such sub-contractor will have to avail input tax credit and utilise the same when raising the tax invoice on main contractor. Further, supplies by main contractor to the SEZ Developer / Unit will be considered as zero rated and main contractor will have to apply either refund of accumulated ITC under Rule 89(4) or charge the IGST to SEZ Developer / Unit and such SEZ Developer / Unit will have to obtain refund under Rule 89(4).

D. RODTEP SCHEME AS DECLARED – DISAPPOINTMENT OF EXPORTERS

RoDTEP (Remission of Duties or Taxes on Export Products) is a Scheme for the Exporters to make Indian products cost-competitive and create a level playing field for them in the Global Market. RoDTEP Scheme will replace the current MEIS scheme, which is not in compliance with WTO norms and rules. The new RoDTEP Scheme is fully WTO compliant scheme. It will reimburse all the taxes/duties/levies being charged at the Central/State/Local level which are not currently refunded under any of the existing schemes but are incurred at the manufacturing and distribution process.

MEIS was objected by USA before WTO. Therefore, there was a need to introduce the scheme which will fall under the framework of WTO agreement and principle “Taxes are not to be exported”. In view of the same Ministry of Commerce has introduced RoDTEP scheme with objective to refund of taxes which are not refunded under any of the existing schemes but are incurred at the manufacturing and distribution process.

Some of the examples of some taxes are:

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

Number of companies have filled up very lengthy and clumsy form R1, R2 and R3 duly certified by Chartered Accountant and Cost Accountant and submitted through respective Export Promotion Council. Industry was expecting compensatory gift for new year 2021 since they were already suffering from stoppage and blockage MEIS.

The RoDTEP Policy :

- The Ministry of Commerce & Industry – Department of Commerce has issued notification 19/2015-20 dated 17th August 2021 notifying the scheme guidelines for remission of duties and taxes on exported products (RoDTEP). As per the scheme (para 4.55 of FTP), certain

exports are ineligible for getting the RoDTEP benefits. Those are,

1. Exports of imported goods as per para 2.46 of FTP i.e. Import for Export (Re-export transactions)
2. Exports through transshipments, meaning exports originating in third country but trans shipped through India
3. Export products subject to minimum export price or export duty
4. Products which are restricted for exports under Schedule 2 of Export Policy in ITC (HS)
5. Products which are prohibited for exports under Schedule 2 of Export Policy in ITC (HS)
6. Deemed Exports
7. Supplies of products manufactured by DTA units to SEZ/FTWZ units
8. Products manufactured in units situated in SEZ / FTZ / EPZ,
9. Products manufactured or exported by EOU, EHTP or BTP
10. Products manufactured partly or wholly in a warehouse under section 65 of Customs Act, 1962 (i.e. MOOWR)
11. Products manufactured or exported in discharge of export obligation against advance authorisation or DFIA or special advance authorisation issued under a duty exemption scheme of relevant FTP.
12. Products manufactured or exported availing the benefit of Notification No 32/1997 Customs (i.e. job work transactions).
13. Exports for which electronic documentation in ICEGATE EDI has not been generated or exports from Non EDI port.
14. Goods which have been taken into use after manufacture (i.e. second hand goods)

Conclusion of Article :

If India has to be USD 5 TN Economy and become superpower then policy makers need to understand the grievances of the exporters. They don't need any subsidiary nor any assistance but demand a system of ease of doing business and ensure taxes do not become the part of value of goods or services exported. Being a part of WTO agreement, India has committed that the taxes will be reimbursed to the exporters. Very simple mechanism without any restriction as mentioned above should be developed for granting such reimbursement of taxes.

Rates of RoDTEP are so negligible as compared to MEIS and hence competitiveness of exports in international market will face the challenges to the Indian exporters. As a matter of fact, RoDTEP should be allowed to all the exporters irrespective of any benefits availed by the exporters under the Foreign Trade Policy, since no scheme under FTP including SEZ provides the benefit in above taxes and hence taxes are getting exported. ■

Foreign Institutional Investments



CMA Jyoti Chaudhary

Mob.: 82944 47729

E-mail : jyotijhachaudhary@gmail.com, 37067jyoti@icmaim.in

Abstract:

1. What is FIIs
2. FDI, FPI and FII
3. Evolution of FIIs in India
4. FIIs in Indian Economy
5. Who can be registered as FIIs
6. Restrictions on investment
7. Legal regimes
8. Why is Indian an attractive destination for FIIs
9. Advantages
10. Disadvantages
11. Conclusion

I. **What is Foreign Institutional Investors** [1], [2], [18] : A foreign institutional investor is an investor in a financial market outside its official home country. Foreign Institutional Investors sometimes interchangeable as Foreign Portfolio Investors (FPIs), are overseas companies registered in India for Indian point of view (else outside their home country) with the intention to invest in Indian securities that are listed and traded in exchanges The intention is to ensure a controlling interest in India at an investment that is lower than FDI[2], with flexibility for entry and exit. In other words such company is incorporated in one country (we may call it its home country) and get registered with the investment authority of other country (we may call it the host country), in India it is SEBI, to invest in that country.

Foreign institutional investors (FIIs) are those institutional investors which invest in the assets belonging to a different country other than that where these organizations are based.[1]

Foreign Institutional Investors are defined under SEBI Regulations as “an institution that is a legal entity established or incorporated outside India proposing to make investments in India only in securities” [18]

To understand FIIS this is important to go through a brief introduction to different kinds of foreign investments.

II. FDI, FPI & FII [1],[3],[5],[6],[7][8]:

Any investment made in India having its source of funding outside India is called foreign investment. By this definition, the investments that are made by

Foreign Corporates, Foreign Nationals, as well as Non-Resident Indians would fall into the category of Foreign Investment.

The Foreign investments can be classified into three categories:

- a) FDI (Foreign Direct Investment),
 - b) FPI (Foreign Portfolio Investment), and
 - c) FII (Foreign Institutional Investment).
- a) FDI: FDI simply means investing directly in other country. FDI could be in the form of either establishing business operations or by entering into joint ventures by mergers and acquisitions, building new facilities etc.[6] Here Investor is entity of one country and holds controlling ownership in business interest in other country. .[6]

Examples[7]: IBM India, Maruti Suzuki, SBI and BNP assurance etc.

FII is different from FDI in the sense that FDI aims a particular enterprise with the objective of increasing its productivity[3] or changing its management control whereas in case of FII, investment flows into the secondary market with the aim to increase capital availability in general rather than capital availability to a particular enterprise.

- b) FPI: This is similar to FDI in the sense that this is also direct investment from foreign but this is investment in forms of financial assets such as stocks, bonds etc. The major difference between FDI and FPI is that in contrast to the FDI in FPI investors and not involved in management and day to day business of the company. They are different from companies that invest in India under foreign direct investment rules.[6] FPIs are investment vehicles, hence the term ‘portfolio investments.[5]

Example[7]: Any foreign company invests in the shares of Infosys (based in India),

- c) FII: FPIs and FIIs are usually considered the same however they are similar but not the same. FII is an investor or group of investors who brings FPIs.[7] The prominent differences between an FPI and an FII are mostly in the type of investors and hence the terms FPI and FII are used interchangeably. Foreign institutional investors play a very important role in any economy. These are the big companies such as investment banks, mutual funds etc, who invest considerable amount

of money in the Indian markets. With the buying of securities by these big players, markets trend to move upward and vice-versa. They exert strong influence on the total inflows coming into the economy. Market regulator SEBI has over 1450 foreign institutional investors registered with it. The FIIs are considered as both a trigger and a catalyst for the market performance by encouraging investment from all classes of investors which further leads to growth in financial market trends under a self-organized system [1]

III. Evolution of FIIs in India: [4], [13], [14], [15], [19], [20]

Foreign investments in India evolved over a period of time, starting dates back to the post-independence period. The history can be categorized in three phases.

- 1) Post-independence period: This period ranged from 1948 – 1969. This era was observed to be an era of protection and closed economy because of Swadeshi Movement where a few foreign investors were participating and moving their investment capital cautiously to India (Host country).[4]
- 2) 1969-1991 : This era witnessed an initiation and boon to Indian economy as India started adopting Monopolistic and Restrictive Trade Practices Act (MRTP)[14]. After being exploited by the British East India Company for almost 200 years India started making only such policies those were aiming to equal and just distribution of resources and facilitated large scale public sector units those were able to contribute substantially to the Indian economy. However the world wars led to the initial industrialization to Indian Economy. The constitutional approach to improve the Indian Economy was executed through five years plans.

Further, Indira Gandhi brought the reign of socialism. Consequently, big businesses began to be treated with suspicion. Therefore the Government appointed a series of committees all aimed at formulating a mechanism to check the concentration of power in hands of a few. [14] Monopolies Inquiry Commission 1965, headed by Justice K. C. Das Gupta was one of them that drafted a bill to curb the Monopolistic and Restrictive Trade Practices. This bill later became MRTP Act, 1969.[14]

The act was passed by Parliament of India on 18 December 1969 and approved on December 27, 1969. But it came into force on June 1, 1970.

MRTP Act was enacted primarily with an intention to prohibit monopolistic and restrictive trade practices so that monopolistic practices can be controlled and operation of the economic system should not lead to the concentration of control in the hands of a few. However, another Act, Foreign Exchange Regulation Act (FERA) was passed in the year 1973 and came into force on January 1, 1974. This Act was applicable to all Indian citizens and mainly focused on the regulation of foreign

remittances. The Act imposed control over dealings with foreign exchange and securities and ultimately helped in the conservation of foreign exchange for the country. [14]

However, this was the period when Nixon Shock [15], a series of economic measures taken by the American President Richard Nixon in 1971, affected the world economy harshly, India was not an exception. Prime Minister Indira Gandhi proclaimed National Emergency. [14], [15]

- 3) 1991-2000: The most prominent change during this period was liberalization of Indian Economy. This has opened economic border for foreign companies and investments.[20] Earlier the investors had to counter many barriers. These barriers included tax laws, foreign investment restrictions, accounting regulations, and legal issues. Deregulation of industrial sectors, tax reforms, trade and investment policy reforms, external sector reforms, foreign trade policy reforms, foreign exchange reforms are some of the bright side of liberalization.[20]

During this period Foreign Exchange Regulation Act (FERA) was replaced by Foreign Exchange Management Act (FEMA) with a revolutionary liberalization in the procedural phases followed for foreign investment in India.[4] This modification accounted for Foreign Direct Investments (FDI) that trudged up to 51% in 35 of high significance business sectors which gradually extended to 111 numbers of industries by the year 1996. To try the cases pertaining to Foreign Investments, the Foreign Investment Promotional Board (FIPB) was formed.[4] The contrasting feature of FEMA compared to FERA is that FEMA facilitated trade practices while FERA prevented the misuse of the provisions, that is to say, the emphasis was shifted from Control point of view to Management side while moving from FERA to FEMA.[4]

- 4) 2001 - 2019: This phase is considered to be the phase of global optimism and global boom.
- 4.1) (BRICS)[13],[19]: The term “BRIC” is believed to be coined in 2001 by a British Economist Jim O’Neill his publication Building Better Global Economic BRICs. Initially it was acronym of Brazil, Russia, India and China. This term was used in a Goldman Sachs thesis projecting the economic potential of Brazil, Russia, India and China such that they may become among the five most dominant economies by the year 2050. Upholding these suppositions about 15 percent of the world’s gross domestic product is produced by these four countries[19]. Not only that, they also hold about 40 percent of the gold and hard currency reserves.

Political dialogue among the BRIC countries began in New York in 2006 and the inaugural BRIC summit took place in Russia in 2009. BRIC became BRICS in 2010 when South Africa joined it.[13]

As per an article published in Economic Times in August 2014 it was said by the Sudipta Bandopadhyay that, money was moving out of Russia and the BRIC funds are bringing the money into India. He further added that “sell Russia, buy India” was happening. One scholar A. K. Prabhakar added that Russia has become risk now and India is a better place to invest. In the same article analysts pointed out that the growing geo-political had made Indian market more attractive and consequently fresh flows are diverted to Indian market from Russia. This puts India’s weightage at higher level among the regional funds such as BRIC Funds, Asia Pacific Funds and emerging markets.

4.2) SEBI, vide its circular dated November 26, 2010 has announced to increase investment limit for FIIs in Government and Corporate debt.

5) 2020 and onwards: During this outbreak of pandemic India has faced temporary recession.

IV. FIIS in Indian Economy: [1],[9],[15],[17] : Foreign institutional investors play a very important role in any economy.[1] Countries those come under the definition of developing countries have the highest volume of Foreign Institutional Investors Activities. Such countries provide a platform of higher rate of return than a matured or saturated economy of developed countries can avail. This is a crucial reason why India offers a good playground of FII. India is one of the fastest growing economies in the world.[15]

EUROPACIFIC GROWTH FUND, Govt. of Singapore, Vanguard are top FIIs in India.[9] Market regulator SEBI has over 1450 foreign institutional investors registered with it.[1]

FIIs are allowed to invest in India’s primary and secondary capital markets only through the country’s portfolio investment scheme.[17] This scheme allows FIIs to purchase shares and debentures of Indian companies on the nation’s public exchanges. [17] The FIIs are considered as both a trigger and a catalyst for the market performance by encouraging investment from all classes of investors which further leads to growth in financial market trends under a self-organized system. [1]

V. Who can be registered as FIIS[21]

The following foreign based categories are included in Foreign Institutional Investors: [21]

- 1) Contact us for Registering Foreign Mutual Funds in India
- 2) Pension Funds
- 3) Mutual Funds
- 4) Investment Trust
- 5) Insurance or reinsurance companies
- 6) Investment Trusts
- 7) Banks

8) Endowments

9) University Funds

10) Foundations

11) Charitable Trusts or Charitable Societies

Further, following entities proposing to invest on behalf of broad based funds, are also eligible to be registered as FIIs [21]:

- 1) Asset Management Companies
- 2) Institutional Portfolio Managers
- 3) Trustees
- 4) Power of Attorney Holders

VI. Restrictions on Investments [11],[12]:

FIIS are not permitted to invest in equity issued by an Asset Reconstruction Company. They are also not allowed to invest in any company which is engaged or proposes to engage in the following activities[11],[12]:

- 1) Business of chit fund
- 2) Nidhi Company
- 3) Agricultural or plantation activities
- 4) Real estate business or construction of farm houses (real estate business does not include development of townships, construction of residential/commercial premises, roads or bridges).
- 5) Trading in Transferable Development Rights (TDRs) [11], [12]:

Further, there are certain restrictions for FPI investments in India, one of them being that a single FPI cannot invest more than 10% in the paid-up capital of an Indian company. If it has more than this threshold level, it will be treated as FDI.[1] The Reserve Bank of India constantly monitors investments by FPIs under its regulations for FDI.[6]

VII. Legal Regimes Enforced in India for Foreign Investments: .[4]

FIIs are mainly regulated by the Securities and Exchange Board of India and operate in the country under the newly notified SEBI (Foreign Portfolio Investors) Regulations, 2014. Earlier they were regulated by SEBI (FII) Regulations, 1995.[5]

Other important regulating acts and rules are mentioned below[4] :

- 1) Indian Contract Act, 1872
- 2) Civil Procedure Code, 1908
- 3) Companies Act, 1956
- 4) Income Tax Act, 1961
- 5) Securities and Exchange Board of India Act, 1992 and Regulations
- 6) Foreign Trade (Development and Regulation) Act, 1992.
- 7) Arbitration and Conciliation Act, 1996

- 8) Foreign Exchange Management Act, 1999 (FEMA) and Regulations
- 9) Foreign Direct Investment Policy (FDI Policy)
- 10) Competition Act, 2002

The Reserve Bank of India monitors the ceilings on FII/NRI/PIO investments in Indian companies on a daily basis.[10]

Once the aggregate net purchases of equity shares of the company by FIIs/NRIs/PIOs reach the cut-off point, which is 2% below the overall limit, the Reserve Bank cautions all designated bank branches so as not to purchase any more equity shares of the respective company on behalf of FIIs/NRIs/PIOs without prior approval of the Reserve Bank.[10]

VIII. Why is India an attractive destination for FIIs?: [5]

India is an emerging market and among the best performing markets globally so far this year, according to reports in the media, offering long term investment opportunities. Though investors were selling off their holdings in most other emerging economies, foreign investors have been investing money into Indian equities as data for the first four months of this calendar year shows that they were net buyers to the tune of \$1.5 billion. [5]

New issuance or Initial public offerings in the first six months of 2018 raised funds worth Rs 23,670 crore from the market. In many of these new issuances, FPI investments have been substantial. As per data with NSDL FPIs have invested more than Rs 17,000 crore in primary market issuances in the current year. [5] This also includes Qualified Institutional Placements. [5]

One of the reasons that India is such an attractive destination is its steady GDP growth of 7%-plus. Despite the hiccups due to demonetisation in November 2016 and the introduction of Goods and Services Tax, economic growth has not faltered. [5] GST has in fact simplified the tax structure and more of the unorganised economy has been brought under the tax net and the formal system. [5] Further the government has been introducing various reforms in a bid to do away with controls and increase ease of doing business. [5]

GDP growth for India forecast at 7.4% for FY19 and the Asian Development Bank has pegged the growth in FY20 at 7.8% on the back of rise in private consumption. [5]

SEBI raised the investment limit in REITs and InvITs for strategic investors to 25% of the total size of the offer, while investment in such vehicles is now open to FPIs as well. In addition, it has allowed FPIs to operate in India through International Finance Service Centre without prior approvals or documentation. The RBI in its turn also allowed FPIs to invest more in government securities. [5]

FPIs are now allowed to invest in non-convertible and redeemable preference shares on non-repatriable basis. [5]

While rising crude oil prices and the attendant widening of the current account deficit is a cause of concern (FPIs have been net sellers for the first six months of 2018), the fact remains that India, as an investment destination, has a better risk-reward profile compared to many other emerging economies similarly situated. [5]

The turmoil in the global markets has been worsened by the ongoing trade war initiated by the United States with China. [5] In such a scenario, India is a safe investment haven for global fund managers who are looking for stable markets and high growth economies. [5]

IX. Advantages [8]:

- 1) Increased flows of equity capital: FIIs have a preference for equity to debt in their asset structure. The opening up the economy to FIIs has been in line with the accepted preference for non-debt creating foreign inflows over foreign debt. Enhanced flow of equity capital helps improve capital structures and contributes towards building the investment gap. [8]
- 2) Managing uncertainty and controlling risks: FII inflows help in financial innovation and development of hedging instruments. Also, it not only enhances competition in financial markets, but also improves the alignment of asset prices to fundamentals. [8]
- 3) Improving capital markets: FIIs as professional bodies of asset managers and financial analysts enhance competition and efficiency of financial markets. [8]
- 4) Equity market development aids economic development.:by increasing the availability of riskier long term capital for projects, and increasing firms' incentives to provide more information about their operations, FIIs can help in the process of economic development. [8]
- 5) Improved corporate governance: FIIs constitute professional bodies of asset managers and financial analysts, who, by contributing to better understanding of firms' operations, improve corporate governance. Bad corporate governance makes equity finance a costly option. Also, institutionalization increases dividend payouts, and enhances productivity growth. [8]

X. Disadvantages [8]:

- 1) Problems of Inflation: Huge amounts of FII fund inflow into the country creates a lot of demand for rupee, and the RBI pumps the amount of Rupee in the market as a result of demand created. [8]
- 2) Problems for small investor: The FIIs profit from investing in emerging financial stock markets. If the cap on FII is high then they can bring in huge amounts of funds in the country's stock markets and thus have great influence on the way the stock markets behaves, going up or down. The FII buying

pushes the stocks up and their selling shows the stock market the downward path. This creates problems for the small retail investor, whose fortunes get driven by the actions of the large FIIs.[8]

- 3) Adverse impact on Exports: FII flows leading to appreciation of the currency may lead to the exports industry becoming uncompetitive due to the appreciation of the rupee. [8]
- 4) Hot Money: “Hot money” refers to funds that are controlled by investors who actively seek short-term returns. These investors scan the market for short-term, high interest rate investment opportunities. “Hot money” can have economic and financial repercussions on countries and banks. When money is injected into a country, the exchange rate for the country gaining the money strengthens, while the exchange rate for the country losing the money weakens. If money is withdrawn on short notice, the banking institution will experience a shortage of funds. [8]
- 5) Volatility in Stock Market: FIIS are creating non-stability because they are not intended to invest for long term rather they are intended for short term profits. FDI is better performer in that sense such as it avails permanent investment. Moving FIIS from one investment or country to other is easy. But such flexibility is not available with FDIs.

XI. Conclusion: FIIS are a form of foreign investment that is focused on financial investments. After suffering tyranny of great exploitation of the British Rule Indian economy had to struggle a lot to restart and control its economy from grasshopper level. Till 1980 it was initially focused on agricultural development and then import control i.e. self-reliance. This was liberalization policy that announced India a developing country and India opened the economic border for foreign investors. Foreign investments came in many ways like FDIs, FPIs and FIIs. FIIs has given India a good recognition in the platform of world economy. But as we know pros are often accompanied by cons. So it has brought some demerits too like shortness in period so volatility and instability and consequently a kind of unreliability too. Unlike FIIs, FDIs are found to be permanent in nature. However for faster growth India needs both kinds of players one who can invest for long term and one who can invest for short term profits. India is said to have one of the fastest growing economies in the world and in local associations like BRICS and Asia Pacific it has proved its competency.

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Advanced to Fellow Membership (WIRC) November 2021

M.No.	NAME	CITY
20664	Prem Prakash Keshari	Sidhi
24792	Vishal Kumar Sharma	Bhopal
28726	Menezes Alwin Jerome	Thane
38945	Shailendra Ramlakhan Mishra	Navi Mumbai

MIS Reports for Raw Material Cost including monitoring, controlling and reducing Total Raw Material Cost Component

CMA Rajesh Kapadia

Mob.: 99090 29382

E-mail: rajeshanita2007@yahoo.com



In any Company / Industry, usually Raw Material Cost dominates Product Cost Structure. So it pays to Monitor / Control / Reduce Raw Material Cost.

This can be achieved through MIS Reports as mentioned in Annexure I to IV.

Focus should be on Major Raw Materials that may contribute 70 % to 80 % of Total Raw Material Cost.

1) To Reduce Procurement Prices of Major Raw Materials:

- There should be well laid down Purchase Procedure for Purchase of Raw Materials.
- Purchase of Raw Materials should be from List of Approved Vendors.
- Company having more than 1 plants requiring same raw materials, it is always advisable to combine the purchase requirements so that with huge quantity, company is in a position to negotiate better competitive rates from suppliers.
- For major raw materials, requirements of which is substantial & consistent, company may explore the possibility of entering into ARC for either given quantity or given period or both. This will insulate the company against any future increase in prices.
- Explore the possibility (with respect to main raw material) to use both costly material and cheaper material, keeping total material content same and at the same time satisfying the customer requirements.
- Explore the possibility to have own inhouse mfg. of Major Raw Materials.

With respect to key raw material/materials of a product , the requirement of which is very huge , management can explore the possibility of putting up its own plant to manufacture this key raw material by carrying out proper cost benefit analysis . This is also known as backward integration .

This will also ensure regular supply of this key raw material at own manufactured cost(reduced cost)

- Avoid emergency purchase at higher rates

This necessitates proper coordination among Purchase Department, Production Department and Marketing Department.

In case of Emergency Purchase, not only company ends up paying higher prices, but sometimes due to late receipt of Raw Materials from Vendors, Company may find itself in tight spot to meet the delivery deadlines to its Customers.

2) To Reduce Per Unit Usage of Major Raw Materials:

- Explore the possibility of using superior Raw Materials where decrease in usage will offset the higher

procurement price paid

Initially, Company may use superior quality of Raw Materials for 2 to 3 months to ascertain decrease in usage and net offset it will result in by procuring higher priced Raw Materials.

- Maintain Plant and Machinery in Good Condition

3) Explore New Vendors

Following will explain the necessity to explore New Vendors :

Sometimes Company may have 1 or 2 approved vendors over a period of time.

Sometimes this relationship may bring in sense of complacency there by paying up higher price than what it could have negotiated / bargained otherwise. (This Is Direct Cost)

If Company has 1 or 2 approved Vendors and should something happen to this Vendor / Vendors, Company may find itself in tight situation to Procure the Desired Raw Materials which ultimately may affect its Delivery Commitment. (This is Indirect Cost)

Factors to be Considered While Exploring New Vendors :

Capacity to provide materials as per specifications

Location of Factory – Nearer the better – in terms of transportation cost and time

Who is willing to have fair relationship for longer duration

Capacity to provide material as per present / future requirement

Adequacy of Technology adopted by the Proposed New Vendor

Quality Assurance Procedure adopted by Vendor both for Input and Output.

Executives of the Company may visit the Manufacturing Sites of the Proposed New Vendor to satisfy with respect to above mentioned factors.

This may include executives from Quality Assurance, Purchase and Operations.

Development of New Vendor may result in following benefits to the Company :

- 1) Availability of same material at reduced rate or better material at same rate.
- 2) Less Cost and effort for Quality Assurance and Material Inspection
- 3) Reduce time for follow up
- 4) Regular and assured supply
- 5) Assured availability of material of required specifications

**Annexure I –
Yearwise Trend of Individual Raw Material as % of Total Raw Material Cost of for Company / for Plant 1**

YEAR	CY (Rs Lacs)	%	PY1 (Rs Lacs)	%	PY2 (Rs Lacs)	%
PARTICULARS						
Raw Materials						
Raw Material 1						
Raw Material 2						
Raw Material 3						
Raw Material 4						
Raw Material 5						
Raw Material 6						
Raw Material 7						
Raw Material 8						
Raw Material 9						
Raw Material 10						
Raw Material 11						
Raw Material 12						
Raw Material 13						
Raw Material 14						
Other Raw Materials						
TOTAL COST OF RAW MATERIALS						

Annexure II – Quantitative Consumption of Key Raw Materials Per MT of Product

RAW MATERIALS	UNIT	CY	PY1	PY2
Material 1	MT/MT			
Material 2	MT/MT			
Material 3	MT/MT			
Material 4	MT/MT			
Material 5	MT/MT			
Material 6	MT/MT			
Material 7	MT/MT			
Material 8	MT/MT			
Material 9	MT/MT			
Material 10	MT/MT			
Material 11	MT/MT			
Material 12	MT/MT			
Material 13	MT/MT			
Material 14	MT/MT			

Annexure III – Consumption of Key Raw Materials- Quantity & Value

Raw Material	CY				PY1				PY2			
	Qty	Rate	Value	% of Total Value	Qty	Rate	Value	% of Total Value	Qty	Rate	Value	% of Total Value
Raw Material 1												
Raw Material 2												
Raw Material 3												
Raw Material 4												
Raw Material 5												
Raw Material 6												
Raw Material 7												
Raw Material 8												
Raw Material 9												
Raw Material 10												
Raw Material 11												
Raw Material 12												
Raw Material 13												
Raw Material 14												
Other Raw Materials												
Total Raw Materials												

Annexure IV - Consumption Value of Key Raw Materials (RS / MT) of Product

RAW MATERIALS	UNIT	CY	PY1	PY2
Material 1	RS/MT			
Material 2	RS/MT			
Material 3	RS/MT			
Material 4	RS/MT			
Material 5	RS/MT			
Material 6	RS/MT			
Material 7	RS/MT			
Material 8	RS/MT			
Material 9	RS/MT			
Material 10	RS/MT			
Material 11	RS/MT			
Material 12	RS/MT			
Material 13	RS/MT			
Material 14	RS/MT			

CY = CURRENT YEAR; PY1 = PREVIOUS YEAR 1; PY2 = PREVIOUS YEAR 2

NOTE : VIEWS EXPRESSED ARE THE PERSONAL VIEWS OF THE AUTHOR

STUDENTS CORNER

How to Crack an Interview? (Sharing my very own personal experience)



V. Sai Sushma
(Financial Analyst at Deloitte.
India (Offices of the US))

After having accomplished the milestone of becoming a CMA, the next big challenge for anyone is to grab a good job and the first thing which comes to one's mind is "THE INTERVIEW".

Same was my case, I used to spend hours and hours thinking whether I'll ever be able to attend interview nicely, I'll get job or not and so on...I'm sure every fresher has this terror within them (which is fine).

So, I got an opportunity to attend interview of a big MNC, I prepared well but unfortunately, I was not selected.

This rejection hit me very hard and for almost half a month I was in exile (Completely saddened and lost in my depressed thoughts)

This is where the support of my Family, friends and mentors helped me.

I gathered myself and decided to analyze my shortcomings,

My observations about myself were: -

- I lacked knowledge in basics of core subjects like Costing and Accounts,
- I didn't go through with the company details and background,
- Lack of Confidence.

I then started working on these things, Reopened my 11th standard accounts book and CMA intermediate books for costing and FM.

And I realized I was not aware of various basic things.

So, I started making notes like a student all again and prepared for almost 2 months!!

One Fine day I received a call from the Talent acquisition team of Deloitte. India (offices of the US) saying that I have been

shortlisted for a role and the interview was scheduled.

The interview was top notch, I sincerely mean it.

This time I was very well prepared both in terms of subjective knowledge and company background and trust me when I say this that while giving the interview itself, I knew that I'll be selected.

As expected, I was hired for the said role!

If I sum up my experience in few points, I will say that-

- No matter how good marks/rank you've secured, it has nothing to do with the interview; you will need to prepare well for interview (especially and mainly the basics)
- Interviewer would never ask high level fancy questions, they will test your Basic knowledge on subjects,
- Interviewers never expect 100% knowledge and answers for every question, they would want to see your confidence levels, Communication skills, and Ability/urge to learn (for freshers it's a must)
- Be as honest as possible, if you don't know just say it with confidence that you don't know and you will be working on that,
- Do research on company's profile, interviewer would check whether you've researched about company or not,
- One needs to work on their soft and Communication skills,
- Go through once with the Job description and prepare accordingly,
- If you have other skills as well, it would be an added advantage,
- Most important thing is, always have faith and trust on your hard work, it never goes into vain!

Dear Professional Colleagues,

Commissioner for Cooperation & Registrar of Cooperative Societies, Maharashtra State, Pune invites application for Liquidators Panel for the period 2022-2025 under section 102 & Sec.110 (A) of MCS Act 1960.

Last date of submission is 14th January 2021. The scrutiny of the applications will happen between 17.01.2022 to 31.01.2022 and then a draft panel of liquidators will be published for objections as on 14.02.2021. The final panel will be notified on 21.03.2022

All the eligible Cost Accountants are requested to apply for the Liquidator Panel.

For Details please check:

<https://sahakarayukta.maharashtra.gov.in/site/upload/documents/Awasayak%20Panel%202022-2025.pdf>

With regards

CMA Dinesh Kumar Birla
Chairman, WIRC - ICAI

CMA Harshad Deshpande
Chairman – PD Committee, WIRC - ICAI

What's New

GOODS & SERVICE TAX

- Instructions/Guidelines regarding procedure to be followed in scrutiny of returns and henceforth actions. **[Circular No 7/2021-KGST dtd 7th Nov 2021]**
- CBIC issues Clarification on GST refund related issues
 1. No time limit for refund of balance in electronic cash ledger and no requirement for unjust enrichment certificate for obtaining such refund even though balance in electronic cash ledger is accumulated on account of TDS, TCS certificate.
 2. Relevant date for limitation period for obtaining the refund for Deemed Exports will be the date on which the return relating to such deemed export is furnished.

[Circular No. 166/22/2021-GST | Dated the 17 Nov. 2021]

- No Dynamic QR Code on B2C invoices will be applicable, where such invoices are raised in foreign currency and recipient is outside India but Place of Supply is India. **[Circular No. 165/21/2021-GST dtd 17th Nov. 2021.]**
- The Tamil Nadu Goods and Services Tax Act, 2017 (Act No.19 of 2017), exempts the registered person whose aggregate turnover in the financial year 2020-21 is upto two crore rupees, from filing annual return for the financial year 2020-21

[Notification No. 15/2021-TNGST- PP2 Dtd. 18th Nov. 2021]

- The GST council in order to resolve the issue of inverted duty structure in textile sector seeks to amend Notification No 1/2017- Central Tax (Rate) dated 28.06.2017 and prescribes CGST @ 6% on certain Man Made Fibre (MMF), yarns and Garments falling under chapter 50, 51, 52, 53, 54, 55, 56, 58, 59, 60, 63, 64 w.e.f. 1.1.2022. Thus bringing the MM fibre, yarn and garments under 12% GST tax rate from 1.1.2022.

[Notification No. 14/2021 – CGST (Rate) Dated: 18-11-2021 & Notification No. 14/2021 – IGST (Rate) Dated: 18-11-2021]

- The GST council in manner to resolve the inverted duty structure issue on MMF has made corresponding changes in some of the services related to MM textile sector.

[Notification No. 15/2021 – CGST (Rate) Dated: 18-11-2021 & Notification No. 15/2021 – IGST(Rate) Dated: 18-11-2021]

[Notification No. 16/2021 – CGST (Rate) Dated: 18-11-2021 & Notification No. 16/2021 - IGST(Rate) Dated: 18-11-2021]

- The CBIC has given further clarification on the definition of motor cycle and the restaurants in whose case the E-commerce operators have to pay tax.

[Notification No. 17/2021 – CGST (Rate) Dated: 18-11-2021 & Notification No. 17/2021 - IGST (Rate) Dated: 18-11-2021]

- A revamped & enhanced version of GSTR-1/IFF is being made available on the GST Portal to improve the taxpayer experience with
 - Reorganised GSTR 1 Dashboard,
 - Table/Tile Document Count,
 - Enhanced B2B and CDNR table details,
 - Records per page feature

Custom

- The government has reduced the Road and Infrastructure Cess (RIC) collected as additional duty on petrol and diesel with effect from 04/11/2021

S. No.	Chapter or heading or sub-heading or tariff item	Description of goods	Rate	New Rate
(1)	(2)	(3)	(4)	(5)
1.	2710	Motor spirit commonly known as petrol	Rs. 18 / litre	Rs. 13/ litre
2.	2710	High speed diesel oil	Rs. 18 / litre	Rs. 8/ litre

[Notification No. 52/2021-Customs dated 3rd November 2021]

- CBIC cancels the revocation of ADD (Anti- Dumping Duty) on Medium Density Fibreboard [Notification No. 65/2021-Customs (ADD), Dated: 11.11.2021]
- CBIC imposes ADD on Imports of Untreated Fumed Silica from China PR

[Notification No. 66/2021-Customs (ADD), Dated: 11.11.2021]

- CBIC imposes ADD (Anti- Dumping Duty) on measuring tapes import from Singapore & Cambodia

[Notification No. 67/2021-Customs (ADD), Dated: 12.11.2021]

- Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver vide Tariff

[Tariff Notification No. 91/2021-Customs (N.T.), Dated 15.11.2021]

Sl. No.	Chapter/heading /sub-heading/ tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
1	1511 10 00	Crude Palm Oil	1268
2	1511 90 10	RBD Palm Oil	1288
3	1511 90 90	Others – Palm Oil	1278
4	1511 10 00	Crude Palmolein	1295
5	1511 90 20	RBD Palmolein	1298
6	1511 90 90	Others – Palmolein	1297
7	1507 10 00	Crude Soya bean Oil	1421
8	7404 00 22	Brass Scrap (all grades)	5678

- CBIC Notifies Rate of Exchange of Foreign Currencies w.e.f 19.11.2021

Sr. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Exported Goods)
1.	Australian Dollar	55.20	52.85
2.	Bahraini Dinar	203.30	190.85
3.	Canadian Dollar	59.90	57.75
4.	Chinese Yuan	11.80	11.45
5.	Danish Kroner	11.50	11.10
6.	EURO	85.60	82.55
7.	Hong Kong Dollar	9.70	9.35
8.	Kuwaiti Dinar	253.70	237.55
9.	New Zealand Dollar	53.50	51.20
10.	Norwegian Kroner	8.65	8.35
11.	Pound Sterling	101.90	98.45
12.	Qatari Riyal	20.95	19.65
13.	Saudi Arabian Riyal	20.45	19.20
14.	Singapore Dollar	55.65	53.80
15.	South African Rand	4.95	4.65
16.	Swedish Kroner	8.55	8.25
17.	Swiss Franc	81.65	78.40
18.	Turkish Lira	7.05	6.60
19.	UAE Dirham	20.85	19.60
20.	US Dollar	75.10	73.40

[Notification No.92/2021 - Customs (N.T.) dtd 18th Nov 2021]

- CBIC Notifies Rate of Exchange of Foreign Currencies w.e.f 25.11.2021

Sr No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Exported Goods)
18.	Turkish Lira	6.40	6.05

[Notification No. 94/2021 – Customs (N.T.) dtd 25th Nov 2021]

- CBIC issues instructions on Import of wireless equipment by Telecom Service Providers based on self-declaration.

[Instruction No.23/2021 – Customs dtd 23rd Nov. 2021]

- Imported consignments of Alcoholic Beverages Bottled in Origin & in Bulk containing more than 10 percent alcohol, which does not have an expiry date, shall have a validity of 300 days. *[Instruction No.24/2021 – Customs dtd 24th Nov 2021]*

- CBIC instruction on Import of teas from Nepal as Darjeeling Tea.

[Instruction No.25/2021 – Customs dtd 24th Nov 2021]

Central Excise Rules, 2017

- CBIC Notification allowing Centralised registration for Petroleum Crude

[Notification No 02/2021- Central Excise (N.T.) dtd 10th Nov 2021]

- Procedures for refund of excise duty on purchase of petrol/diesel/fuel oil by Diplomatic Missions Reg.

[Instruction No. F. No. 116/40/2021-CX-3 dtd 10th Nov 2021]

- Pre- Show cause notice consultation with the principal commissioner and commissioner is being made mandatory to issue of show cause notice (SCN) in the case of demand of duty above Rs 50 lakhs (except for preventive/ offence related SCNs)

[Circular No 1079-03-2021-CX dtd 11th Nov 2021]

- CBIC has given instructions on issuance of SCNs & disposal of adjudication matters including call book cases to its officers.

[Instruction No. F. No. CBIC-90206/1/2021 dtd 18th Nov 2021]

Foreign Trade Policy

- 40/2015-20
- Item description of ITC HS Code 35040010 at Serial No.173 in the Notification No. 34/2015-20 dated 13.01.2017 has been amended to include Collagen Peptides of marine or bovine or Poultry origin.

[Notification No. 41/2015-2020 dtd 8th Nov 2021]

- DGFT amends to modify the name of the agency permitted to import diamonds to its laboratory for the

purpose of certification grading & re-exports. Thus allowing De Beers India Private Ltd, Surat, Gujarat, India [Notification No. 42/2015-2020 dtd 8th Nov 2021]

- Import or export of rough diamonds shall not be permitted unless the concerned importer and exporter is registered with Gems & Jewellery EPC for Kimberley Process Certification Scheme (KPCS).

[Notification No. 43/2015-2020-DGFT dtd 22nd Nov 2021]

- The list of manufactures / units of NP / NPK, who can freely export their own manufactures subject to the conditions, has been amended to add the name of M/s Universal Corp Protection to the list of existing entries.

[Notification No. 44/2015-2020-DGFT dtd 29th Nov 2021]

- The following changed have been made in export policy
 - Export policy of Agar Oil and Agarwood (Aquilaria Malaccensis) Chips and powder has been amended from free to Restricted with immediate effect.
 - Export quota of 25,000 kg per annum for Agarwood (Aquilaria Malaccensis) Chips and powder and Export quota of 1,500 kg per annum for Agar Oil has been notified
 - The policy condition regarding export of Agarwood (Aquilaria Malaccensis) Chips and powder and Agar Oil has also been notified

[Notification No. 45/2015-2020-DGFT dtd 29th Nov. 2021]

- The address of Council for Leather Export (CLE) has been updated and the Exhibition Cell of Gem Jewellery Export Promotion Council (GJEPC) has been de-notified with immediate effect under the Appendix 2T of FTP 2015-20.

[Public Notice No. 33/2015-20 dated 2nd November 2021]

- DGFT notifies Hamilton Steel Logistics Inc, Canada as Pre-shipment Inspection Agency (PSIA).

[Public Notice No. 34/2015-2020 dtd 10th Nov 2021]

- Two new agencies namely Council for Leather Exports (CLE) and Udaipur Chamber of Commerce & Industry (UCCI) are enlisted under Appendix 2E of FTP, 2015-2020 for issuing Certificate of Origin (Non-Preferential). Name of Marathwada Industries Association, already enlisted under Appendix 2E, has been amended as Chamber of Marathwada Industries and Agriculture (CMIA).

[Public Notice No. 35/2015-2020 dtd 11 Nov 2021]

- DGFT makes the amendments in Appendix 1A of FTP by revising the territorial jurisdiction of specified regional authorities of DGFT

[Public Notice No. 36/2015-2020 dtd 11th Nov 2021]

- The last date for submission of online applications for allocation of Tariff Rate Quota (TRQ) under India-

Mauritius CECPA for the current financial year 2021-22, has been extended from 31.12.2021 to 31.01.2022.

[Public Notice No. 38/2015-2020 dtd 22nd Nov 2021]

- Additional quantity of 303 MT of raw sugar, for export to USA, under TRQ, upto 31.12.2021, has been notified.

[Public Notice No. 39/2015-2020-DGFT dtd 23rd Nov 2021]

- The department has cautioned the exporters that the Online IT system for making application under MEIS/SEIS/RoS/SL/RoSCTL will not be operational after 31/12/2021 and no applications/claims under the mentioned schemes can thereafter be submitted.

[Trade Notice No. 22/2021-22 dated 2nd November 2021]

- Re-constitution of Committee for RODTEP and exporters under advance authorisation, EOU & SEZ needs to file Annexure A and others can also make the representation, if the rates are low.

[Trade Notice No.23/2021-22 dtd 9th Nov 2021]

- DGFT notifies instruction regarding Automatic re-activation of IEC without manual intervention or any visits to the DGFT RA.

[Trade Notice No.25/2021-22 dtd 19th Nov 2021]

- DGFT advisory on Safe Custody of digital tokens, documents, scrips etc. **[Trade Notice No. 26/2021-22-DGFT dtd 26th November 2021]**

- A new online platform for electronic filing of Registration Cum Membership Certificate (RCMC) / Registration Certificate (RC) has been started with effect from 06/12/2021.

[Trade Notice No. 27/2021-22-DGFT dtd 30th November 2021]

FEMA

- RBI has allowed Investment by Foreign Portfolio Investors (FPIs) in Debt securities issued by REITs and InvITs

[Circular no 16 dated 8th Nov. 2021]

- RBI has issued Master Circular consolidating all instructions/ guidelines issued to Banks w.r.t. Guarantees and Co-acceptances

[RBI/2021-22/121 dtd 9th Nov 2021]

- Exim Bank's Government of India supported Line of Credit (LoC) of USD 10.40 million to the Government of the Kingdom of Eswatini (Swaziland)

[RBI/2021-22/122 dtd 11th Nov 2021]

- RBI has issued Master Direction on Interest Rate on Deposits in Foreign currency (Nom Resident) Account.

[RBI/2021-22/123 dtd 11th Nov 2021]

- Clarifications have been issued related to prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances

[Notification no. RBI/2021-2022/125DOR.STR. REC.68/2 1.04.048/2021-22 dtd 12th Nov. 2021]

RBI integrates the three Ombudsman schemes –

- (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017;
- ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and
- iii) the Ombudsman Scheme for Digital Transactions, 2019

into the Reserve Bank – Integrated Ombudsman Scheme, 2021

[Notification no. Ref. CEPD. PRD. No. S873/13.01.001/2021-22 dtd 12th Nov, 2021]

Appointment of Internal Ombudsman by Non-Banking Financial Companies

[Notification No.RBI/2021-2022/126 CO.CEPD. PRS.No. S874/13-01-008/2021-2022 15th Nov. 2021]

- Auction of Government Securities: Non-Competitive Bidding Facility to retail investors.

[Notification No.RBI/2021-2022/124 CO.IDMD. GBD (P).No. S1242/08.01.001/2021-22 dtd 12th Nov. 2021]

RBI to withdraw 104 Obsolete Regulatory Circulars / Instructions

[Enclosure to CO.DPSS.OVRST.No.S929 / 06-08-001 / 2021-2022 dated November 16, 2021]

- RBI withdraws 2 circulars on Credit Default Swaps for Corporate Bonds

[Circular no. RBI/2021-22/129 FMRD.DIRD.09/1 4.03.059/2021-22 dtd 16th Nov. 2021]

- RBI withdraws 9 Obsolete Regulatory Circulars/ Instructions

[Circular no. RBI/2021-22/131DCM (Admin) No. S472/19.01.010/2021-22 dtd 16th Nov. 2021]

- The RBI, hereby, directs the exclusion of the Regional Rural Banks indicated below at column no. [A] from the second schedule of the RBI Act and the inclusion of the Regional Rural Bank indicated below at column no. [B] in the second schedule of the RBI Act.

Name of the erstwhile Regional Rural Banks [A]	Name of new Regional Rural Bank [B]
Baroda Uttar Pradesh Gramin Bank	Baroda UP Bank, Gorakhpur, Uttar Pradesh
Kashi Gomti Samyut Gramin Bank	
Purvanchal Bank	

[RBI/2021-22/133 dtd 22nd Nov 2021]

- RBI announces Draft Scheme of Amalgamation of PMC Bank with Unity Small Finance Bank

[Press Release: 2021-2022/1231 dated 22nd Nov 2021]

- RBI Caution against various Co-operative societies using the word “Bank” in their names. **[Press Release: 2021-2022/1230 dated 22nd Nov. 2021]**

Companies Act (No Updates)

Income Tax

- CBDT notifies Tax Exemption to ‘Chandigarh Pollution Control Committee’ in respect of the specified income under section 10(46) of Income Tax Act, 1961 for the period of 01/06/2020 to 31/03/2021 for FY 2020-21 and to continue till FY 2024-25 subject to some condition.

[Notification No. 125/2021 dated 29th October 2021]

- CBDT notifies Tax Exemption to ‘Madhya Pradesh Pollution Control Committee’ (PAN : -AAALM2479H) in respect of the specified income under section 10(46) of Income Tax Act, 1961 for the period of 01/06/2020 to 31/03/2021 for FY 2020-21 and to continue till FY 2024-25 subject to some condition. **[Notification No. 126/2021 dated 29th October 2021]**

- CBDT notifies Tax Exemption to ‘Gujarat State Aids Control Society’ (PAN : -AAATG3628A) in respect of the specified income under section 10(46) of Income Tax Act, 1961 for the period of 01/06/2020 to 31/03/2021 for FY 2020-21 and to continue till FY 2024-25 subject to some condition. **[Notification No. 127/2021 dated 29th October 2021]**

- CBDT approves ‘Pimpri Chinchwad Education Trust’, Pune under the category ‘University, College or Other Institution’ for Scientific Research for section 35(1)(ii) of Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962. **[Notification No. 128/2021 dated 30th October 2021]**

- CBDT notifies ‘E Settlement Scheme, 2021’ vide Notification No. 129/2021-Income Tax Dated: 1st November, 2021. ‘E Settlement Scheme, 2021’ shall be applicable to pending applications in respect of which the applicant has not exercised the option under sub-section (1) of section 245M of the Act to withdraw the appeal and which has been allotted or transferred by Central Board of Direct Taxes to an Interim Board.

[Notification No. 129/2021 dated 1st November 2021]

- CBDT notifies pension fund, namely, ‘School Employees Retirement System of Ohio’ under sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of eligible investment made by it in India on or after 2nd November, 2021 but on or before the 31st day of March, 2024. **[Notification No. 130/2021 dated 3rd November 2021]**

- CBDT notifies exemption for specified incomes arising from ‘Assam Building and Other Construction Workers Welfare Board’ (PAN AAAJA2255M), a Board constituted by the State Government of Assam.

The same shall be effective subject to some specified conditions.

[Notification No. 131/2021 (F. No.300196/30/2021-ITA-I)/SO 4637 (E) dtd 10th Nov 2021]

- CBDT grants Non-Functional Up-Gradation in HAG (Higher Administrative Grade) to 66 officers. **[Notification no. 06 of 2021 dtd 15th Nov 2021]**
- CBDT notifies revised Form No. 52A for Assessee producing cinematograph film. **[Notification No. 132/2021 Income Tax dtd 23rd Nov 2021]**
- CBDT notifies Tax Exemption to 'Haryana State Legal Services Authority' Panchkula (PAN AAALH0475J), an authority constituted by the State Government of Haryana, in respect of the specified income under section 10(46) of Income Tax Act, 1961. **[Notification No. 133/2021 Income Tax dtd 23rd Nov 2021]**
- CBDT issues Guideline on TDS/TCS under Section 194O, 194Q & 206C to remove difficulties faced by taxpayers and to ease compliance. **[Circular No. 20/2021 Income Tax dtd 25th Nov 2021]**

SEBI

- Standard Operating Procedure (SOP) on application filed under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Scheme of Arrangements has been amended. **[Notice No. 20211101-8 dated 1st November 2021]**
- Norms for processing investor's service request by Registrars to an Issue and Share Transfer Agents (RTAs) & for furnishing PAN, KYC details & Nomination have been specified by SEBI. **[Circular No SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021]**
- SEBI specifies norms for Write-off of debt securities held by FPIs who intend to surrender their registration **[Circular No SEBI/ HO/ FPI&C/ P/ CIR/ 2021/ 656 dtd November 08, 2021]**
- Regulation Review Authority recommended RBI to withdrawal 150 circular. **[Press release no. 2021-22/1202 dtd 16th Nov. 2021]**
- The SEBI has issued a circular on Non-compliance with certain provisions of SEBI ICDR Regulations to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market. **[Circular No. SEBI/HO/CFD/DIL1/P/CIR/2021/660 dtd.23rd Nov, 2021]**
- SEBI issued circular on Publishing Investor Charter and Disclosure of Complaints by Merchant Bankers on their Websites. **[Circular No. SEBI/HO/CFD/DCR2/P/CIR/2021/661 dtd 23rd Nov. 2021]**
- SEBI vide its, issued SEBI (Listing Obligation and Disclosure Requirement (LBOR)) (Sixth Amendment) Regulations, 2021 to amend various provisions of the existing LODR with respect to related party transactions (RPTs).

[Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dtd. 22nd Nov. 2021]

- SEBI issues Clarifications regarding amendment to SEBI (Alternative Investment Funds) Regulations, 2012 and it is specify that the requirement of appointment of custodian, as provided under Regulation 20(11) of AIF Regulations, shall be applicable if the sum of corpus of the AIF and the value of the Co-investment managed by the Manager of the AIF as Co-investment Portfolio Manager is more than five hundred crore rupees.

[Circular No SEBI/HO/IMD/IMD-I/DOF6/P/ CIR/2021/663 dtd. 22nd Nov 2021]

- SEBI notifies Norms for Silver Exchange Traded Funds (Silver ETFs) and Revised Norms for Gold Exchange Traded Funds (Gold ETFs) **[Circular No. SEBI/HO/IMD/DF2/CIR/P/2021/668 dtd 24th Nov 2021]**

Other

- The Promoters are now required to submit Report from CERSAI on security interests created in the Real Estate Project (Available on CERSAI website at cersai.org.in) along with the encumbrance's certificate. In case no security interest has been created then the Promoter shall provide an undertaking confirming the same and also inform the any changes time to time.

[MahaRERA Order No : 26/2021 dated 29th October 2021]

- RBI allows banks to open current accounts for borrowers availing credit from other banks subject to some conditions.
- Central Government has re-appointed Shri Shaktikanta Das as Governor, Reserve Bank of India for a further period of three years beyond the 10th day of December 2021, or until further orders, whichever is earlier.
- EPFO enhances ex-gratia Death Relief Fund to Rs. 8 Lakhs for Non-Covid death (Normal Death)
- Aadhar Authentication and Offline Verification) Regulations, 2021. **[Notification No K. 11020/240/2021/ Auth/UIDAI (No. 2 of 2021) dtd 8th Nov 2021]**
- MahaRERA streamlines process of hearing/disposal of complaints

[Circular No. 38/2021 dtd 8th Nov 2021]

- The Department of Consumer Affairs has issued the Legal Metrology (Packaged Commodities) Amendment Rules, 2021 which are as follows:
 1. When one or more packages intended for retail sale are grouped together for being sold as a retail package on promotional offer, every package of the group shall comply with the procedure prescribed in the amendment for declaring unit sale price in the package.
 2. The rule 5 pertaining to Specific commodities to be packed and sold in recommended standard packages is omitted.

3. The Government has now mandated that declaration of maximum retail price (MRP) in Indian currency inclusive of all taxes on pre-packed commodities and date of manufacture.
4. The provisions of declarations of MRP have been simplified by removing illustration and providing for making the mandatory declaration of MRP in Indian currency inclusive of all taxes.
5. A new provision has been introduced to indicate the unit sale price on pre packed commodities, which will allow easier comparison of the prices of the commodities at the time of purchase. This has allowed the manufacturer, packer and importer to declare the MRP on the pre packed commodities in a simplified manner.

The amendment shall come into force on the 1st day of April, 2022. **[Notification dtd 2nd Nov 2021 - G.S.R. 779(E).]**

- Conveyance allowance will not be a 'wage' under ESI Act. **[Notification No. T-11/13/56/02/2020 Rev. II dtd 8th Nov 2021]**
- Date of completing the seeding & verification of Aadhaar with UAN, is hereby extended till 30.11.2021
[Notification No. BKG-27/7/2020-BKG-Part(1)/E-40100/173 dtd 15th Nov 2021]
- As per new guidelines related to COVID 19 coming to Maharashtra state from any international destination shall be governed by directions of govt of India. Domestic travellers coming to Maharashtra shall either be fully vaccinated or carry RT-PCR test valid for 72 hrs.

Students Glossary

1. Cost reduction - Real and permanent reduction in the unit cost of goods manufactured services rendered without reducing their value (in terms of unity of satisfaction of customer) or impairing then quality.
2. Cost Center –A location, function or items of equipment in respect of which costs may be ascertained and related to cost unit for control purpose .
3. Cost Driver –A factor which influences the cost of a object .
4. Transfer price – The price at which goods or services are transferred from one process or department to another or from one member of a group to another.
5. Value chain –A collection of activities that are performed to design, produce, market, deliver and support products and services being manufactured and sold by a firm.
6. Zero based budgeting – A method of budgeting whereby all activities are re-evaluated each time a budget is formulated. Each functional budget starts with the assumption that the function does not exist and at zero cost. Increments of cost are compared with increments of benefits culminating in the planned maximum benefit given the budgeted cost .
7. Inter – locking accounting system – A system in which the cost accounts are distinct from the financial accounts, the two sets of accounts being kept continuously in agreements by the use of control accounts or made readilyreconcilable by other means.
8. Internal costing –A technique used in the preparation of ad-hoc information where consideration is given to a range of graduated or stepped changes in the level or nature of activity, and the additional costs and revenues likely to result from each degree of a change are presented.
9. Life – cycle costing – A product costing method which accumulates the actual cost from start to finish of the life cycle of the product.
10. Absorption costing system – A principle whereby fixed as well as variable costs are allotted to cost units and total overheads are absorbed according to activity level. The term may be applied where (a) production costs only, or (b) costs of all functions are so allotted
11. ABC analysis – An inventory control technique that divides items into subclassifications and uses different control systems for each group of material
12. Avoidable costs – Those costs which can be indentified with an activity or sector of a business and which would be avoided if that activity or sector did not exist.
13. Activity based costing – A product costing method which recognizes that the sizes of certain production overheads are influenced by the diversity and complexity of products manufactured rather than simply by the volume of output. It assigns costs to activities and determines cost of a cost object by tracing activities to the cost object.
14. By –product – A product which is recovered incidentally from the materials used in the manufacture of recognized main products, such by – products having either a net realizable value or a usable value which is relatively low in comparison with the saleable value of the main products. By –products may be further processed to increase their realizable value.
15. Opportunity cost –The value of a benefit sacrificed in favour of an alternative course of action
16. Perpetual inventory system –A technique controlling stock items by maintaining stores – record in a manner that stock balances at any point of time are readily available
17. Penetration pricing – A pricing policy which assumes that the market is price sensitive and sets the lowest price.

Report on CMA Conclave – Goa 2021

WIRC of ICAI has arranged a two days seminar “CMA Conclave - Goa 2021” at Goa on 27th & 28th November 2021 for the benefit of Members who had minimum interactions with their Professional peers, due to Pandemic induced lockdown. Theme of the Conclave was “Unconventional Opportunities under IBC, 2016”.

The above Conclave has organised jointly with Insolvency Professional Agency of The Institute of Cost Accountants of India.

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

Well-known experts throughout 4 Technical Sessions gave extensive & exhaustive presentation with their professional touch & input.

Shri Ritesh Kavdia, Executive Director, Insolvency and Bankruptcy Board of India were the speaker in the first technical session, on the topic on Quinquennial of Insolvency and Bankruptcy Code 2016. Sir elaborated the thoughts and perspectives of practitioners, policymakers, subject matter experts and academicians, that elucidate and stimulate thoughts around the journey of the Insolvency and bankruptcy Code, 2016 (Code) thus far and the road ahead. He also heighted the efforts made by IBBI and results achieved so far.

CMA Chitrilee Goswami, Chief General Manager & Head of Finance Onshore Engineering Services, ONGC and Advisor Finance to Director (Onshore) ONGC, presented views of stakeholders like homebuyers through the Case studies.

In 2nd Technical Session on Cross Border and Group Insolvency & Personal & Partner Insolvency Enhancing the territories Support services to IBC Ecosystem, CMA IP Dushyant Dave, Shri Anil Goel, Insolvency Professionals were the speakers. CMA Harshad Deshpande proposed vote of thanks.

In the 3rd Session on CMA Ashok Nawal offered his views on Opportunities for CMAs in providing support services to Ips and other stakeholders in IBC. He emphasized that for providing such services CMA need not be IP always.

4th Session on “Forensic Audit of “PUFE” transaction under IBC 2016” Shri Anil Goel, Insolvency Professional and CMA IP RV Harshad S Deshpande, were the speakers. Shri Anil Goel addressed the regulatory framework, key approach of Forensic audit with respect to PUFE transactions in IBC and discussed the red flags, internal controls review, use of IT tools, audit steps and checklists to assist Forensic Auditors and RPs. CMA Arindam Goswami, RCM-WIRC proposed vote of thanks.

In 5th technical session on Registered Valuers Ecosystem and Valuation Profession, CMA R.K. Patel and Vr. Kedar Chikodi were the speakers.

CMA RV R.K. Patel presented history of valuation profession, need of unified regulatory structure for valuation profession, benefits of present regulatory regime under the Rules, practical aspects pertaining to valuation such as duties of valuer, parameters to judge quality of valuation report, extent of limitations, caveats and disclaimers to be used in valuation report and beneficial purpose for which valuation report may be used. Vr Kedar Chikodi explained new regulatory framework under the Rules and stressed the need of recognizing context of valuation.

Valedictory session was chaired by CMA Sunil Bagi, GM-Finance, Goa Shipyard Ltd along with CMA Dinesh Birla, Chairman WIRC, CMA Mahendra Bhombe Secretary & Treasurer, WIRC, and CMA Praveen Singh, Hon. Secretary, Goa Chapter.

Good number of CMAs from throughout the region took benefit of the Conclave. Conclave Gala Dinner was on 27th evening and it was well enjoyed by the participants.

WIRC thanked the Goa Chapter for extending good support and CMA Shameem Memon for conducting the event in a professional way. WIRC also thanked the main sponsors like ONGC, AAA Insolvency LLP, Deccan Fine Chemicals, V. M. Salgaocar Institute of International Hospitality Education & Goa Shipyard for their support making the Conclave successful.

CHAPTER NEWS

AHMEDABAD

PPT Presentation competition

Chapter organized a PPT Presentation competition on 1st November 2021 at Chapter office. 10 students have participated in PPT Presentation Competition. CMA Malhar Dalwadi, Chairman welcomed office bearers and participants and gave brief about concept of PPT Presentation Competition. The prize distributions of 1st four winners of the competition were took place on 13th November 2021 in Diwali Get together program by the hands of office bearers.

Rangoli Competition and Dhanteras Pooja

Ladies wing of Chapter has organized Rangoli Competition on 2nd November 2021. 21 candidates including members and students had participated in Rangoli Competition. CMA Malhar Dalwadi, Chairman welcomed office bearers, members, family members, staff, participants and gave brief about concept of Rangoli Competition. Program concluded by distributing prizes to the 1st three winners of competition and issued certificate to all participants by dignitaries and judge of competition. Chapter has organized Dhanteras Pooja at chapter office on auspicious festival of Diwali on 2nd November 2021. Members & Staff members had participated in Pooja.

Diwali Get-together program for Members & Students

Chapter has organized Diwali Get-together program at Amphy Theatre, Vastrapur on 13th November 2021. CMA Malhar Dalwadi, Chairman of Chapter welcomed members, faculties, students and office staff on this occasion. Various games organized for members and students. Large number of members and students participated in program. Winner was felicitated by CMA Ashwin Dalwadi, CCM, CMA Ashish Bhavsar RCM, & office bearers by offering gift pack. The program was following by dinner.

Discussion Meeting with Vice President, CCM and Advisor ICAI MARF

Chapter organized Discussion meet of students and Members with Vice President CMA P Raju Iyer, CCM CMA Chittaranjan Chattopadhyay Dr. Giri Kethraj -Addl. Director of Institute and Advisor-ICAI-MARF CMA B. B. Goyal on 17th November 2021. CMA Vinod Savaliya-Past Chairman of Chapter welcomed and felicitates the Vice President CMA P Raju Iyer with bouquet. CMA Mitesh Prajapati, Secretary of Chapter welcomed and felicitates the CCM CMA Chittaranjan Chattopadhyay and CMA Aparna Bhonde-Treasurer welcomed Addl. Director of Institute Dr. Giri Kethraj. There were two sessions of discussion, 1st one with the students and 2nd with members. RCM CMA Ashish Bhavsar also joined the meeting alongwith dignitaries. CMA Mitesh Prajapati, Secretary welcomed and introduced the dignitaries on dias to students. During the session, Vice President of Institute CMA P Raju Iyer brief about the activities of Institute. CCM CMA Chittaranjan Chattopadhyay informed about the CMA course and the scope as well opportunities for CMAs in corporate world as well as in practice. CMA B B Goyal-Advisor-ICAI MARF delivered motivational speech to students.

2nd session starts with the felicitation of dignitaries. Vice President CMA P Raju Iyer felicitates by CMA P H Desai, past Chairman of Chapter, CCM-CMA Chittaranjan Chattopadhyay felicitates by CMA Vinod Salaviya, Past Chairman of Chapter and CMA B B Goyal-Advisor, ICAI MARF felicitates by CMA K M Mehta, Member. During the session Vice President CMA P Raju Iyer gave brief about activities of Institute. CCM CMA Chittaranjan Chattopadhyay gave details about the scope of services of CMAs in practice and service sectors. CMA B B Goyal-Advisor ICAI MARF also explained and expressed his view to members present in reference to CMA. The discussion was concluded by vote of thanks by CMA Mitesh Prajapati, Secretary of Chapter.

CEP on GST due Diligence and Litigation Handling

Chapter had organized webinar on GST due Diligence and Litigation Handling on 19th November 2021. CMA Ashish Bhavsar-RCM welcomed members and CMA Uttam Bhandari-Chairman PD committee welcomed & introduced speaker CMA Vikas Agrawal and participants. CMA Vikas Agrawal gave detailed presentation and explained on subject of webinar. There was detailed interaction between all the participants on the subjected topic. Large number of participants have attended the webinar. CMA Mitesh Prajapati, Secretary Ahmedabad Chapter proposed vote of thanks.

Career Counselling Activities

During the month of November 2021, Chapter has done promotional activities for CMA course. As part of Career counseling activity, CMA Mitesh Prajapati, Secretary and Oral Coaching Committee Chairman along with admin person met principals of different schools, Colleges, universities and owner of Private classes.

PIMPRI-CHINCHWAD-AKURDI

Webinar on “Data Analysis with Practical Approach”

Chapter conducted webinar on ‘Data Analysis with Practical Approach’ on 29th October 2021 through Google Digital platform. CMA Sagar Malpure, Chairman-PD Committee welcome the audience and introduced the speaker CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter.

CMA Dhananjay Kumar Vatsyayan briefed on understanding of Data Analysis. He further discussed on theory of Data Analysis. Then he highlighted on case study of Dairy Industry. He highlighted on Basic Principles on the topic and has given fruitful mythological examples related to the topics.

Webinar on “Business Intelligence and Power BI-Tool of Data Analysis & Visualization”

Chapter conducted webinar on ‘Business Intelligence and Power BI-Tool of Data Analysis & Visualization’ on 13th November 2021 through Google Digital platform.

CMA Dhananjay Kumar Vatsyayan, Chairman of PCA Chapter welcomed the audience and Sagar Malpure, Chairman-PD Committee introduced the speaker Shri. Suryakant More, Proprietor – SoftMore Enterprises, Kolhapur.

Shri. Suryakant More in his speech covered the topic such as Approach on Business Climate & Business Intelligent, Business Intelligent Technology Project, Business Intelligent Reporting, Business Intelligent Built in Processes, What is Power of BI?, Microsoft Power BI Blog etc.

CMA B N Mule, Secretary of the Kolhapur Chapter gave a vote of thanks.

Webinar on “Using the Power of Data Analytics and Dashboard for Improving Organisation Profitability”. Chapter conducted webinar jointly with WIRC on ‘Using the Power of Data Analytics and Dashboard for Improving Organisation Profitability’ on 20th November 2021 through Google Digital platform.

CMA Harshad Deshpande, P D Committee Chairman, WIRC of ICAI welcomed the audience and Sagar Malpure, Chairman-PD Committee introduced the speaker Dr. BAN Sharma, CEO, Clear Measurement Solutions Pvt. Limited, Hyderabad.

Dr. BAN Sharma discussed on the various points Data Challenges, Technical Specs, Development Approach, Data Integration, Information Cycle etc. CMA Mahendra Bhombe, Secretary & Treasurer, WIRC gave a vote of thanks.

SURAT - SOUTH GUJARAT

Webinar on the Topic S/4 HANA Finance New Era in SAP

Chapter jointly with Nashik- Ojhar Chapter organized a Webinar on the Topic “S/4 HANA Finance New Era in SAP” on 23rd October 2021. CMA Chaitanya Mohrir-Regional Council Member- ICAI, was the speaker. CMA Arif Khan, Treasurer-Nashik-Ojhar Chapter welcomed the members. CMA Nanty Shah, Chairman-Surat Chapter addressed the dignitaries and the members and CMA Bhushan U. Pagere, Managing Committee Member- Nashik Ojhar Chapter introduced the speaker to the audience. The Session started with a brief introduction on the topic and continued with the elaborated explanation on new Era of SAP software and how useful it could be for industries in future. Around 68 members joined the Webinar. CMA Keval Shah, Vice Chairman- Surat Chapter proposed Vote of Thanks.

Rangoli Competition- Diwali Celebration

Chapter organized Rangoli Competition at the Chapter premises on 28th October 2021. Dr. Abhilasha Agarwal (Principal – Vanita Vishram Women’s College of Commerce - Surat inaugurated the program Students from Foundation, Intermediate and Final participated in the competition. The Chapter office was aptly decorated for the festival with the lightings and traditional Rangoli and diyas. CMA Nanty Shah- Chairman and CMA Kishor Vaghela- Treasurer felicitated the participants and also appreciated for their work.

Glimpses of CMA Conclave - Goa 2021 – 27th & 28th November 2021



CMA Vaishali Dessai, Vice- Chairperson, Goa Chapter, CMA Mahendra Bhombe - Secretary and Treasurer, WIRC, Shri Ritesh Kavdia, Executive Director, Insolvency and Bankruptcy Board of India, CMA Dinesh Birla, Chairman WIRC and CMA Harshad Deshpande, Chairman P.D. Committee, WIRC



Felicitation of Shri Ritesh Kavdia, Executive Director, Insolvency and Bankruptcy Board of India and Chief Guest of the programme by CMA Harshad Deshpande, Chairman P.D. Committee



CMA Chitralee Goswami, Chief General Manager & Head of Finance Onshore Engineering Services, ONGC is being felicitated by CMA Vaishali Dessai, Vice-Chairperson, Goa Chapter



Felicitation of CMA IP Dushyant Dave by CMA Mahendra Bhombe - Secretary and Treasurer, WIRC



CMA Dinesh Birla, Chairman WIRC felicitating Shri Anil Goel, Insolvency Professional



CMA Arindam Goswami, Chairman, Students Members Co-ordination Committee felicitating CMA Ashok Nawal



CMA Harshad Deshpande, Chairman P.D. Committee, WIRC and speaker for webinar is being felicitated CMA Mahendra Bhombe - Secretary and Treasurer, WIRC



CMA Mahendra Bhombe - Secretary and Treasurer, WIRC felicitating CMA R.K. Patel



CMA Mahendra Bhombe - Secretary and Treasurer, WIRC felicitating Vr. Kedar Chikodi



CMA Mahendra Bhombe - Secretary and Treasurer, WIRC felicitating CMA Sunil Bagi, GM-Finance, Goa Shipyard Ltd.



View of Participants

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Theme for January 2022

Theme for January 2022 is **Data Analytics & Artificial Intelligence for Sustainability.**

Articles on the theme as well as other professional matters are invited along with scanned copies of their recent passport size photograph, e-mail id, mobile no. 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 wirc.admin@icmai.in before 25th December 2021.

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February 2022 - Impact of Union Budget 2022-23 on Trade & Industry on Stakeholders

March 2022 - International Trade-Need for Competitiveness & Expectation of Exporters

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